



SRI BHAGAWAN MAHAVEER JAIN COLLEGE

Vishweshwarapuram, Bangalore.

Mock Question Paper 2 – January 2020

Course: II year PUC

Subject: Accountancy

Max. Marks: 100

Duration: 3.15hrs.

Instruction: 1. All the sub questions of SECTION –A should be answered continuously at one place.

2. Provide working notes wherever necessary
3. 15 minutes extra has been allotted for candidates to read the questions.
4. Figures in the right hand margin indicate full marks.

SECTION A

I. Answer any **eight** questions. Each question carries **one** mark **(08x01=08)**

1. Where do you show opening Bank overdraft in Receipt and Payment Account?
2. Under fixed capital method, the amount of capital remains
3. Assets and Liabilities are recorded in Balance Sheet after the admission of a partner at:
 - a. Original Value
 - b. Revalued value
 - c. Realisable value
 - d. None of the above
4. New Share = Old Share + Share Sacrificed [True/False]
5. months must elapse between two calls.
6. Debentures cannot be redeemed out of:
 - a. Profits
 - b. Provisions
 - c. Capital
 - d. All the above
7. Where do you record the money received against share warrants?
8. What is Vertical Analysis?
9. Expand EPS.
10. Give an example of Financing Activities.

SECTION-B

II. Answer any **five** questions. Each question carries **two** marks **(05x02=10)**

11. What is Honorarium?
12. What is guarantee of profits to a partner?
13. Goodwill of the firm valued at two years purchase of the average profits of last four years. The total profit for last four years is ₹ 40,000. Calculate the goodwill of the firm.
14. Give the journal entry for sale of an asset on Dissolution of a firm.
15. What is forfeiture of shares?
16. State any two benefits of financial statements.
17. What are comparative financial statements?
18. What is Cash Flow Statement?

SECTION-C

III. Answer any **four** questions. Each question carries **six** marks. **(4x6=24)**

19. Calculate interest on drawings of Mr. Abhishek @ 10% p.a. if he withdrew ₹ 4,000 per Quarter under product method:

i) At the beginning of each quarter

20. A and B are partners in a firm sharing profits and losses in the ratio of 3:2. They admit C into the partnership for $\frac{1}{6}^{\text{th}}$ share in the profits. Calculate the new profit sharing ratio of all partners.

21. X, Y, and Z were partners in a firm sharing profit and losses in the ratio of 2:1:2. Their balance sheet as on 31.3.2019 is given below: Balance sheet as on 31.03.2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditor	10,000	Cash at Bank	24,000
Capital:		Debtor	48,000
X-	60,000	Stock	32,000
Y-	40,000	Plant and machinery	57,000
Z-	50,000	Current account of Y's	14,000
Current account:			
X-	9,000		
Z-	6,000		
	1,75,000		1,75,000

Y died on 1.7.2019. According to partnership deed, the executor of the deceased partner is entitled to claim:

- His capital and current account balance
- Interest on capital at 6% p.a.
- Chandra had to receive a salary of ₹ 600 per month.
- Share of profit based on average profit of two preceding years.
- Share of goodwill calculated on the basis of 2 years purchase of the average profit of three preceding years

The profit were for 2010-11 ₹ 60,000, 2011-12 ₹ 50,000, 2012-13 ₹ 40,000

You are required to ascertain the amount payable to the executor of the deceased partner by preparing his executor account

22. N Company Limited invited applications for ₹1, 00,000 Debentures of ₹ 10 each at a discount of 10%. The amount was payable as ₹ 2 on application, ₹ 3 on allotment, and ₹ 4 on first and final call. All the shares were subscribed and money duly received. Pass the Journal Entries up to the stage of first and final call money received.

23. From the following information, prepare Balance Sheet as on 31st March 2019 as per Schedule III of Companies Act, 2013.

Particulars	Amount ₹
Inventories	7,00,000
Equity share capital	16,00,000
Plant and Machinery	8,00,000
Preference share capital	6,00,000
Reserves and Surplus	6,00,000
Trade payables	3,50,000
Short term provision	2,50,000
Land and Buildings	26,00,000
Cash and Cash Equivalent	5,00,000
Long term borrowings	12,00,000

24. Calculate Current Ratio and Quick Ratio from the following information.

Stock	₹ 50,000
Debtors	₹ 40,000
Bills Receivable	₹10,000
Advance Tax	₹ 4,000
Cash	₹ 40,000
Creditors	₹ 60,000
Bills Payable	₹ 40,000
BOD	₹ 4,000

25. The following is the Statement of Profit and Loss of Y Co. Ltd.

Statement of profit or loss for the year ended March 31, 2019

Particulars	Note No.	Amount
Revenue from operations		10,00,000
Expenses		50,000
Cost of materials consumed		5,00,000
Purchases of stock-in-trade		3,00,000
Other expenses		-
Total expenses		8,50,000
Profit Before Tax		1,50,000

Additional information:

- a. Trade Receivables decreased by ₹ 30,000 during the year.
- b. Prepaid expenses increased by ₹ 5,000 during the year.
- c. Trade payables increased by ₹ 15,000 during the year.
- d. O/s expenses increased by ₹ 3,000 during the year.
- e. Other expenses included depreciation of ₹ 25,000.

Compute net cash from operations for the year ended March 31, 2019 by the indirect method.

SECTION – D

IV. Answer any **four** questions. Each question carries **twelve** marks

(4x12=48)

8. **Following are the Balance Sheet and Receipts and Payments Account of Buddivardaka Library, Shirasi.**

Balance Sheet as on 01.04.2018

Liabilities	Amount(₹)	Assets	Amount(₹)
Outstanding Rent	200	Cash in Hand	1,400
Capital Fund	23,800	Books	14,000
		Furniture	8,000
		Outstanding Subscription	600
	24,000		24,000

Dr. Receipts and Payments Account for the year ending 31.03.2019		Cr.	
Receipts	Amount(₹)	Payments	Amount(₹)
To Balance b/d	1,400	By Rent	2,400
To Subscription	12,000	By Printing	1,200
To Entrance Fees	2,000	By Office Expenses	2,800
To Sale of Old newspapers	1,000	By Books Bought(30-09-2018)	10,000
To Sundry Receipts	600	By Investments	2,000
To Donations	4,000	By Balance c/d	2,600
	21,000		21,000

Adjustments:

- O/s Rent 31.03.2019 was ₹ 300
 - Subscription receivable for the year 2018-19 amounted to ₹ 400
 - Subscriptions received in advance for the year 2019-2020 was ₹ 800
 - Half of the Entrance fees and half of the Donations are to be capitalised.
 - Depreciate Books at 10% p.a. and Furniture at 5% p.a.
- Prepare: 1. Income and Expenditure Account 2. Balance Sheet as on 31.03.2019

27. Udaya, Suvarna and Kasturi were partners sharing profit and losses in proportion of their capitals. Their Balance sheet as on 31.03.2019 stood as follows:

Balance sheet as on 31.03.2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals:		Bank	5,000
Udaya-	60,000	Investments	12,000
Suvarna-	40,000	Furniture	15,000
Kasturi-	20,000	Stock in trade	8,000
Bills Payable	18,000	Debtors	26,000
Creditors	30,000	Buildings	50,000
		Machinery	40,000
		Profit and Loss A/c	12,000
	1,68,000		1,68,000

On 01-04-2014 Kasturi retired from the business, and the following adjustment are required:

- Kasturi share of goodwill is ₹ 5,000 to be created and written off immediately.
- Building and stocks valued at 10% more than the book value and machinery and furniture valued at 5% less than the book value.
- Investment valued at ₹ 15,700.
- Bad debts ₹ 1,000 and PBD at 5% on debtors.
- Settlement of retiring partner's claim through bank overdraft.

Prepare: Revaluation account, Capital Account of partners and Balance sheet of the firm

28. Raju and Ravi are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31.03.2019 was as follows:

Balance Sheet as on 31.03.2019

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	20,000	Cash at Bank	5,000
Bills Payable	10,000	Bills Receivable	15,000
Bank Loan A/c	15,000	Debtors	20,000
Raju's Loan A/c	5,000	Motor Car	10,000
General Reserves	10,000	Machinery	30,000
Capitals:		Furniture	15,000
Raju	50,000	Buildings	50,000
Ravi	40,000	Profit and Loss A/c	5,000
	1,50,000		1,50,000

On the above date the firm was dissolved. The assets realised as follows:

- a. Buildings ₹ 60,000, Machinery ₹ 28,000, Bills Receivable ₹ 14,000.
Debtors ₹ 19,000 and unrecorded assets realised ₹ 20,000.
- b. Motor car is taken over by Raju at book value.
- c. Bills Payable were paid off at a discount of 5% and Bank loan paid in full.
- d. Creditors is taken over by Ravi for ₹ 13,000.
- e. Dissolution expenses ₹ 2,000

Prepare: Realisation A/c, Partners Capital A/c and Cash A/c.

29. 'Y' Company Limited issued 10,000 Equity Shares of ₹ 100 each at a premium ₹ 10% each. The amount was payable as follows:

- ₹ 20 on application
- ₹ 50 on allotment (including premium)
- ₹ 40 on first and final call

All the money was duly received except the first call and final call on 2,000 shares. The directors forfeited these shares and then re-issued the same as fully paid at ₹ 80 per share. Pass the necessary Journal entries.

30. Give journal entries for the following:

- a. 100, 8 % debentures of ₹ 1,000 each are issued at par and repayable at par.
- b. Issue of ₹ 1,00,000, 10% debentures of ₹ 100 each at a discount of 10% and redeemable at par.
- c. Issue of 1,000, 12 % debentures of ₹ 100 each at a discount of 5 % but redeemable at a premium of 5 %.
- d. issue of ₹ 2,00,000, 10% debentures of ₹ 100 each at a premium of 10% and red

31. From the following information prepare Common Size Income Statement.

Particulars	31.03.2018 (₹)	31.03.2019 (₹)
Net Revenue from operations	60,000	86,000
Other Revenue	300	400
Cost of materials consumes	18,000	20,000
Employees benefit expenses	9,000	10,000
Financial Expenses	3,000	3,400
Other Expenses	6,000	6,600
Total Expenses	36,000	40,000
Income Tax	400	600
Net Profit	23,900	45,800

32. From the given information, you are required to calculate the following ratios.

- a. Inventory turnover ratio
- b. Trade receivable turnover ratio
- c. Trade payables turnover ratio
- d. Earnings per share
- e. Price earnings ratio
- f. Book value per share

Dr. Trading and Profit & Loss Account for the year ended 31.03.2019**Cr.**

Particulars	Amount ₹	Particulars	Amount ₹
To Opening Stock	3,000	By Sales	40,000
To Purchases	30,000	By Closing Stock	5,000
To Gross Profit	12,000		
	45,000		45,000
To Sundry Expenses	2,000	By Gross Profit	12,000
To Net Profit	10,000		
	12,000		12,000

Balance Sheet as on 31.03.2017

Liabilities	Amount ₹	Assets	Amount ₹
Equity Share Capital	20,000	Land and Buildings	5,000
Reserves and Surplus	3,000	Plant and Machinery	5,000
Debentures	1,000	Stock	5,000
Creditors	5,000	Sundry Debtors	8,000
		Cash in Hand	6,000
	29,000		29,000

Provision for tax ₹ 5,000, Equity Share 2,000, Market price of share ₹ 30

SECTION – E**(Practical Oriented Questions)**Answer any **two** questions. Each question carries **five** marks

33. Write two partners' capital accounts under fluctuating capital system with 5 imaginary figures.
34. Give the disclosure requirements pertaining to share capital in Notes to Accounts of Balance Sheet of a company with imaginary figures.
35. Classify the following activities into operating, investing and financing activities as per AS-3.
- Issue of Equity Shares
 - Repayment of Loan
 - Purchased machinery
 - Interest Received
 - cash payment to suppliers
