

- Q.1. A**
1. Transport expenses incurred to carry the goods purchased by the firm are called as carriage inward
 2. A new partner may be admitted in to an existing firm for securing additional capital, managerial skill for developing and expanding the business.
 3. A summarized statement of financial position showing various assets and liabilities of a business on a particular date is known as statement of affairs
 4. The person on whom the bill is drawn and thereby directed to pay is called the drawee.
 5. Cash equivalent are short term highly liquid investments which can be readily converted in cash with least risk of change in values.
- Q.1. B**
1. Fluctuating capital Method
 2. Realisation Expenses / Dissolution Expenses
 3. Income and Expenditure Account
 4. Single Entry system.
 5. Days of Grace
- Q.1. C**
1. Cash / Bank
 2. Draft
 3. Prospectus
 4. At par
 5. Qualified
- Q.1. D**
1. False
 2. False
 3. True
 4. True
 5. False

Q.1. E

Format of Bills of Exchange

Bill of exchange

STAMP
Rs 40,000

Mr. Sameer M.
Tendulkar
604, Sarovar,
Shakti Mills, Lane,
Mahalaxmi,
Mumbai- 400 011.
Date: 7th October 2015.

Ninety days after date pay to Mr. Chandrakant J. Margaj, 114,
Chandra Mahal, OveriPada, Dahisar, Mumbai- 400 068. Or his
order the sum of Rs. 40,000 (Rupees Fourty Thousand only) for
value received.

Sd/-
Sameer M. Tendulkar

ACCEPTED
Sd/-
Dr. Ashok m. Narkar
Date: 11th October,2015

To,
Dr. Ashok m. Narkar
504, Siddhivinayak Annex,
S.J. Road.

Q.3. (a)

Books of M/S Rajesh & Manoj

Dr. Profit & Loss Adjustment A/c Cr.

Particulars	Amount ₹	Particulars	Amount ₹
To R.D.D	1,450	By Stock	2,500
To Plant	1,500	By hand & Building	2,500
To Furniture	100		
To Partners capital A/c			
Rajesh 780			
Manoj <u>1,170</u>	1,950		
[2: 3]			
(Revaluation profit)			
	5,000		5,000

Dr. Partner's

Particulars	Rajesh ₹	Manoj ₹	Anita ₹
To partner's Loan A/c	14,780	9,670	
To Balance c/d	15,000	22,500	12,500
	29,780	32,170	12,500

Books of M/S Rajesh, Manoj & Anita

New Balance Sheet as on 1st April 2011

Liabilities	Amount ₹	Assets	Amount ₹
Partners' Capital A/c		Hand & Building	12,500
Rajesh (6) 15,000		Add: Increase	<u>2,500</u>
Manoj (9) 22,500		Plant	15,000
Anita (5) <u>12,500</u>	50,000	Less: Decrease 10%	<u>1,500</u>
		Furniture	1,000
		Less: Decrease 10%	<u>100</u>
		Stock	25,000
Creditors	35,000	Add: Increase	<u>2,500</u>
Partners Loan A/c		Debtors	29,000
Rajesh 14,780		Less: Decrease	<u>1,450</u>
Manoj 9,670	24,450	Cash Balance	25,000
	1,09,450		1,09,450

Capital A/c

Dr.

Particulars	Rajesh	Manoj	Anita
	₹	₹	₹
By Balance b/d	25,000	25,000	-
By profit Loss adjustment A/c	780	1,170	-
By Cash A/c	-	-	12,500
By Goodwill A/c	4,000	6,000	-
	29,780	32,170	12,500

Cash A/c

To Balance b/d	2,500	By Balance c/d	
To Anita A/c	12,500		25,000
To Goodwill A/c	10,000		
	25,000		25,000

Goodwill A/c

To Rajesh	4,000	By Cash A/c	10,000
To Manoj	6,000		
	10,000		10,000

Total Profit = 1	Cash	10,000	-
Balance = $1 - \frac{1}{4} = \frac{3}{4}$	To Goodwill	-	10,000
Rajesh = $\frac{3}{4} \times \frac{2}{5} = \frac{6}{20}$	Goodwill	10,000	-
Manoj = $\frac{3}{4} \times \frac{3}{5} = \frac{9}{20}$	To Rajesh	-	4,000
Anita = $\frac{5}{20}$	To Manoj	-	6,000
NR = 6:9:5	[SR = 2:3]		
SR = 2:3			

Q.4.

Books of Sunit [Drawer]

Date	Particulars	L/F	Debit ₹	Credit ₹
1.	Bills Receivable A/c Dr. To Amit A/c [Being bill drawn for 4 months]		40,000 -	- 40,000
2.	Cash/Bank A/c Dr. Discount A/c Dr. Bills Receivable A/c [Being bill discounted] $40,000 \times \frac{10}{100} \times \frac{3}{12} = 1000$		39,000 1,000 -	- - 40,000
3.	Amit A/c Dr. To Bank A/c [Being bill dishonoured]		40,000 -	- 40,000
4.	Amit A/c Dr. To Bank A/c [Being noting charges paid]		250 -	- 250
5.	Amit A/c Dr. To interest receivable A/c [Being Interest receivable] [$24,000 \times \frac{12}{100} \times \frac{3}{12} = 720$]		720 -	- 720
6.	Bank A/c Dr. To Amit A/c [Being amount Received]		16,250 -	- 16,250
7.	Bills receivable A/c Dr. To Amit A/c [Being new bill drawn for 3 monts]		24,720 -	- 24,720
8.	Bill sent to bank for collection A/c Dr. To Bills Receivable A/c [Being new bill sent to bank for collection]		24,720 -	- 24,720
9.	Cash/ Bank A/c Dr. Bank charges A/c Dr. To Bill sent to bank for collection A/c [Being new bill honoured		24,670 50 -	- - 24,720

**Books of Amit [Drawee]
Sumit's A/C**

Date	Particulars	J/F	Amt ₹	Date	Particulars	J/F	Amt ₹
	To Bills Payable A/c		40,000		By Balance b/d		40,000
	To Bank A/c		16,250		By Bills payable A/c		40,000
	To Bills Payable A/c		24,720		By Noting charges A/c		250
					By Interest A/c		720
			80,970				80,970

1.	Sumit A/c To Bills Payable A/c	Dr.	40,000	-	40,000
2.	Bills Payable A/c To Sumit A/c	Dr.	40,000	-	40,000
3.	Noting charges A/c To Sunit A/c	Dr.	250	-	250
4.	Interest A/c To sunit A/c	Dr.	720	-	720
5.	sumit A/c To Bank A/c	Dr.	16,250	-	16,250
6.	Sunit A/c To Bills Payable A/c	Dr.	24,720	-	24,720
7.	Bills Payable A/c To Cash/ Bank A/c	Dr.	24,720	-	24,720

Q.5.

Books of M/S Mahesh, Rajesh & Jayesh

Dr. Realisation A/c Cr.

Particulars	Amount ₹	Particulars	Amount ₹
To Plant and Machinery	2,60,000	By R.D.D.	2,000
To Furniture	42,000	By Creditors	35,000
To Debtors	42,000	By Bills Payable	40,000
To Stock	36,000	By Bank A/c	
To Bank A/c		Debtors	38,000
Creditors	34,000	Plant and Machinery	2,30,000
Bills Payable	<u>40,000</u>	Stock	<u>32,000</u>
To Bank A/c	3,200	By Mahesh's capital A/c	
[Realisation Expenses]		[Furniture]	35,000
		By Rajesh's loan A/c	5,000
		By Partners' capital A/c	
		Mahesh	20,100
		Jayesh	10,050
		Rajesh	<u>10,050</u>
		[2 : 1 : 1]	40,200
	4,57,200		4,57,200

Dr. Partner's

Particulars	Mahesh ₹	Jayesh ₹	Rajesh ₹
To Balance b/d	-	26,000	-
To Realisation A/c	35,000	-	-
To Realisation A/c	20,100	10,050	10,050
To Jayesh's Capital A/c	13,500	-	6,750
To Bank A/c	1,02,400		1,13,700
	1,71,000	36,050	1,30,500

Bank A/c

Particulars	Amount ₹	Particulars	Amount ₹
To Balance b/d	28,000	By Realisation A/c	74,000
To Realisation A/c	3,00,000	By Realisation A/c	3,200
To Jayesh's Capital A/c	5,300	By Rajesh's Loan A/c	40,000
		By Mahesh's Capital A/c	1,02,400
		By Rajesh's capital A/c	1,13,700
	3,33,300		3,33,300

Rajesh's Loan A/c

Particulars	Amount ₹	Particulars	Amount ₹
To Bank A/c	40,000	By Balance b/d	45,000
To Realisation A/c	5,000		
	45,000		45,000

Capital A/c

Cr.

Particulars	Mahesh ₹	Jayesh ₹	Rajesh ₹
To Balance b/d	1,50,000	-	1,20,000
To General Reserve [2 : 1 : 1]	21,000	10,500	10,500
To Bank A/c	-	5,300	-
By Mahesh's capital A/c	-	13,500	-
By Rajesh's Capital A/c	-	6,750	-
	1,71,000	36,050	1,30,500

Q.6.

Income & Expenditure A/c

For the year ended 31st March 2016

Dr.

Cr.

Particulars	Amount ₹	Particulars	Amount ₹
To sports Material Consumed		By Sundry receipts	2,700
Opening 44,000		By Subscription	1,95,800
Add: Purchase <u>52,000</u>			
96,000			
Less: Closing <u>48,000</u>	48,000		
To Salaries and wages	87,000		
To Office Expenses	1,26,000		
To Telephone charges	12,400		
		By excess of expenditure over income i.e. Deficit	74,900
	2,73,400		2,73,400

Balance sheet as on 31st March 2016

Liabilities		Amount ₹	Assets		Amount ₹
Capital Fund			Playground		8,00,000
Opening Balance	9,25,000		Furniture		36,000
Add: Admission	<u>13,000</u>		Building fund		
Fees			Investment		5,00,000
	9,38,000		Cash at bank		34,100
Add: Donations	<u>56,000</u>		Closing Stock of		
	9,94,000		Sport material		48,000
Less: Deficit	74,900	9,19,100	Outstanding		
			subscription		29,000
Building fund	5,00,000				
Add: Interest					
On Building Fund	18,000	5,18,000			
Pre-Received subscription		10,000			
		1,4,47,100			1,4,47,100

Income Schedule			
Particulars		Subscription	
Receipt		2,01,800	
+ o/s	cy	29,000	A
+ PR	Ly	<u>9,000</u>	L
		2,39,800	
- PR	cy	10,000	L
- O/S	Ly	34,000	A
Income		1,95,800	

Q.7.

Trading & Profit & Loss A/c
For the year ended 31st March 2015

Dr.

Cr.

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Opening Stock		44,000	By Sales		2,50,000
To Purchases	1,30,600		By Goods taken by Umesh		6,000
Add: unrecorded	+ 7500				
To wages and salaries	24,000	1,38,100	By Closing Stock		80,000
Add: Outstanding Exp.	<u>6,200</u>	30,200			
To Manufacturing		12,000			
To Factory insurance		6,400			
To Import duty		3,600			
To Gross profit		101700			
		3,36,000			3,36,000
To Discount		2,600	By Gross profit		10,1700
To Advertisement	8,000		government bond		
Less: Prepaid	<u>7,000</u>	1,000			
To Salaries and wages		36,000	By discount		3,200
To warehouse rent		7,800	By Interest on Government bond		1,000
To Depreciation					
Machinery	18,000				
Factory					
Building	13920	31,920			
To Bad debts(O)	-				
Add: Bad debts (N)	800				
Add: R.D.D. (N)	1,460				
	2,260				
Less: R.D.D. (O)	-	2,260			
To profit trfd.					
To capital A/c					
Umesh	12160				
Uma	12160	24320			
		105900			105900

Partner's Capital

Dr.			Cr.		
Particulars	Umesh ₹	Uma ₹	Particulars	Umesh ₹	Uma ₹
To Drawings A/c	6,000	-	By Balance b/d	2,65,100	2,65,100
To Bal c/d	2,71,260	277,260	By Profit from P/L A/c	12,160	12,160
	277,260	277,260		277,260	277,260

Balance sheet as on 31st March 2015

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
Partners cap. Umesh Uma	2,71,260 2,77,260	548,520	Bills Receivable		22,000
			Factory Building	2,78,400	
			Less: Depreciation 5%	13,920	2,64,480
			Plant & Machinery	1,80,000	
Bills Payable Sundry creditors Add: unrecorded purchases Outstanding wages	40,000 7,500	28,000 47,500 6,200	Less: Depreciation 10%	18,000	1,62,000
			Prepaid advertisement		7,000
			Cash in hand		26,000
			10% Government bond		40,000
			Interest on Government bond		1,000
			Closing Stock		80,000
			Sundry Debtors	30,000	
			Less: Bad debts	<u>800</u>	
				29,200	
			Less: R.D.D. 5%	1,460	27,740
		6,30,220		6,30,220	

Q.2.

Opening Statement of affairs as on 31st April 2011

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	60,000	Debtors	45,000
Bank overdraft	80,000	Computers	60,000
		Motor van	80,000
		Furniture	10,000
Opening Capital	1,82,000	Stock	65,000
		Cash in hand	2,000
		Bills Receivable	60,000
	3,22,000		3,22,000

Closing Statement of affairs as on 31st March 2012

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	70,000	Debtors	50,000
Bank overdraft	40,000	Computers	1,20,000
		10% Govt. Bonds	10,000
		Motor van	80,000
		Furniture	10,000
		Stock	80,000
Closing Capital	3,28,000	Cash in hand	8,000
		Bills Receivable	80,000
	4,38,000		4,38,000

Statement of Profit & Loss for the year ended 31st March 2012.

Particulars	Amount ₹	Amount ₹
Closing Capital as on 31 st March 2012		3,28,000
Add: Drawings	40,000	
Rent for Residential flat	30,000	70,000
Adjusted closing capital		3,98,000
Less: Opening capital as on 1 st April 2011		1,82,000
Profit before adjustment		2,16,000
Add: Income and Gains		
i) Interest on Drawings	2,000	
ii) Interest on Govt. Bonds		
$\left[10,000 \times \frac{10}{100} \times \frac{6}{12} = 500\right]$	500	
		2,500
		2,18,500
Less: Expenses and Losses		
i) Depreciation on furniture		
$\left[10,000 \times \frac{10}{100} = 1000\right]$	1,000	
ii) Depreciation on Motor van	2,000	
iii) Interest on Capital		
$\left[1,82,000 \times \frac{10}{100}\right]$	18,200	
iv) Bad debts	2,000	
v) R.D.D.		
$\left[48000 \times \frac{5}{100} = 2400\right]$	2,400	25,600
Net Profit during the year		1,92,900

Q.3 (B)

Vinod Capital A/c

To Drawing	3000	By Balance b/d	15000
To Profit & Loss susp [$3000 \times \frac{6}{100} \times \frac{4}{12}$]	60	By reserve fund ($6000 \times \frac{3}{10}$)	1800
To vinod legal Heirs loan A/c	1,93,40	By revaluation cr P/L Adj. A/c ($2000 \times \frac{3}{10}$)	600
		By goodwill	3,600
		By P&L susp. A/c	900
		By P&L susp. A/c ($15000 \times 10\% \times \frac{4}{12}$)	500
	22,400		22,400

1)

Revalⁿ A/c

2600	2,000
2500	5500
1000	600
2000	
8100	8100

2) **Share of profit**

$$9000 \times \frac{3}{10} \times \frac{4}{12} = 900$$

3) **Goodwill**

$$\text{Avg. profit} = \frac{30,000}{5} = 6000$$

$$\text{G/W} = 6000 \times 2 = 12,000$$

$$\begin{aligned} \text{Vinod share} &= 12,000 \times \frac{3}{10} \\ &= 3600 \end{aligned}$$

Q.5.

Journal of Vijay Ltd.

1.	Bank A/c To Eq sh Appl ⁿ A/c	Dr.	1,00,000	1,00,000
2.	Eq sh Appl ⁿ A/c To Eq sh Cap. A/c To Eq sh Allot A/c	Dr.	1,00,000	80,000 20,000
3.	Eq sh Allot A/c To Eq sh Cap. A/c	Dr.	1,20,000	1,20,000
4.	Bank A/c To Eq sh Allot A/c	Dr.	1,00,000	1,00,000
5.	Eq sh 1 st call To Eq sh Cap. A/c	Dr.	1,20,000	1,20,000
6.	Bank To Eq sh 1 st call	Dr.	1,17,000	1,17,000
7.	Calls in arrears To Eq sh 1 st call	Dr.	3000	3000
8.	Eq sh 2 nd call To Eq sh Cap.	Dr.	80,000	80,000
9.	Bank To Eq sh 2 nd call	Dr.	78,000	78,000
10.	Calls in arrears To Eq sh 2 nd call	Dr.	2,000	2,000
11.	Eq sh Cap To calls in arrears To share forfeiture	Dr.	10,000	5000 5000