प्र. क्र. Q. No. 4

Note : This is a compulsory practical problem. This question can be related to either renewal of Bills of Exchange or Transaction related to 1 drawer and multiple drawees. You are expected to prepare Journal entries and sometimes Ledger Accounts either in the books of drawer or in the books of drawee. Working notes are required to support your answer. In journal entries narration is required to be given. 1/2 mark is allotted for each narration.

Journal of RAJA

Date	Particulars		L.F. No.	Debit ₹	Credit ₹
1	Cash/Bank A/c	Dr.		10,000	
	Pradhan's A/c	Dr.		30,000	
	To Sales A/c				40,000
	(Being the goods sold and part payment received)				
2	Bills Receivable A/c	Dr.		30,000	
	To Pradhan's A/c				30,000
	(Being the acceptance received from Pradhan)				
3	Bills sent for Collection A/c	Dr.		30,000	
	To Bills Receivable A/c				30,000
	(Being the bill sent to the bank for collection)				
4	Pradhan's A/c	Dr.		30,000	
	To Bills sent for Collection A/c				30,000
	(Being the bill dishonour for non payment)				
5	Cash/Bank A/c	Dr.		15,000	
	Bad debts A/c	Dr.		15,000	
	To Pradhan's A/c				30,000
	(Being 50% of the amount due recovered from Pradhan)				
		Total :		1,60,000	1,60,000

प्र. क्र.
Q. No. 4

In the Ledger of RAJA

Dr. Pradhan's Account Cr.

Date	Particulars ₹	Amount	Date ₹	Particulars	Amount
1.	To Sales A/c (Credit Sale)	30,000	2.	By Bills Receivable A/c (Acceptance received)	30,000
4.	To Bills Sent for Collection A/c (Bill sent to the bank)	30,000	5.	By Cash/Bank A/c (Amount recovered)	15,000
				By Bad Debts A/c (Bad debts incurred)	15,000
		60,000			60,000

Working Notes :

(1) Amount recovered by Raja from Pradhan = 50% of (Amount of bill dishonoured) $= \frac{50}{100} \times 30,000 =$ ₹ 15,000.

(2) Bad debts incurred by Raja = Amount due − Amount recovered $= 30,000 - 15,000 =$ ₹ 15,000.

प्र. क्र.
Q. No. 5

Note : In this question there will be 2 problems carrying 10 marks each, out of which students are expected to attempt any one. The first problem will be on Dissolution of Partnership Firm and the Second problem will be on Accounting of shares or debentures.

Note : This question is on Dissolution of Partnership Firm where, students are expected to prepare Journal entries or Ledger Accounts such as Realisation Account, Partners' Capital Accounts and Cash Account or Bank Account. In case of insolvency of all partners, additional Accounts called Deficiency Account is also required to be prepared. In such case external liabilities such as Sundry Creditors, Bank Loan, Bills Payable, etc. are not transferred to Realisation Account. They are dealt with separately.

In the books of PARTNERSHIP FIRM

Dr. Realisation Account Cr.

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Sundry Assets :			By Sundry Liabilities		39,700
Plant and Machinery A/c	40,000		(Sundry Creditors)		
Furniture A/c	12,000		By R. D. D. A/c		1,000
Sundry Debtors A/c	61,000		By Bank A/c :		
Stock A/c	28,300	1,41,300	Plant and Machinery	30,000	
To Bank A/c		38,000	Sundry Debtors	58,000	88,000
(Sundry creditors)			By Akbar's capital A/c		10,000
To Bank A/c		2,000	(Furniture)		
(Realisation expenses)			By Birbal's capital A/c		27,000
			(Stock)		
			By Partners' Capital A/cs :		
			Akbar	9,360	
			Birbal	6,240	15,600
		1,81,300			1,81,300

प्र. क्र.
Q. No. 5

Dr. Partners' Capital Accounts Cr.

Particulars	Akbar ₹	Birbal ₹	Particulars	Akbar ₹	Birbal ₹
To Realisation A/c (Assets taken over)	10,000	27,000	By Balance b/d	60,000	40,000
To Realisation A/c (Loss)	9,360	6,240	By General Reserve A/c (Transfer)	12,000	8,000
To Bank A/c (Final settlement)	52,640	14,760			
	72,000	48,000		72,000	48,000

Dr. Bank Account Cr.

Particulars	Amount ₹	Particulars	Amount ₹
To Balance b/d	19,400	By Realisation A/c (Sundry Creditors)	38,000
To Realisation A/c (Assets sold)	88,000	By Realisation A/c (Expenses paid)	2,000
		By Akbar's Capital A/c (Final settlement)	52,640
		By Birbal's Capital A/c (Final Settlement)	14,760
	1,07,400		1,07,400

Working Notes :

(1) Debit balance of Realisation A/c

= Debit side total − Credit side total

= 1,81,300 − 1,65,700 = ₹15,600

Debit balance of Realisation A/c shows loss incurred on realisation of assets and liabilities.

प्र. क्र.
Q. No. 5

Division of Loss :

Akbar's share in Loss $= \frac{3}{5} \times 15,600 = ₹\ 9,360$

Birbal's share in Loss $= \frac{2}{5} \times 15,600 = ₹\ 6,240.$

(2) Division and trasfer of General Reserve to credit side of Partners'.
Capital A/cs :

Akbar's share in General Reserve $= \frac{3}{5} \times 20,000 = ₹\ 12,000.$

Birbal's share in General Reserve $= \frac{2}{5} \times 20,000 = ₹\ 8,000.$

[Marking Scheme : Marks

(1) Realisatoin A/c : 9 Accounting entries carry $\frac{1}{2}$ mark each $(9 \times \frac{1}{2})$ $4\frac{1}{2}$

(2) Partners' Capital Accounts :

10 accounting entries carry $\frac{1}{4}$ mark each. $(10 \times \frac{1}{4})$ $2\frac{1}{2}$

(3) Bank A/c : 6 Accounting entries carry $\frac{1}{2}$ mark each 3

Total marks : 10]

OR

Note : This question is related to issue of shares or debentures by a Joint Stock Company. In the answer to this question, you are expected to prepare Journal Entries in the books of Joint Stock Company. In some cases you may be asked to show relevant extracts in Balance Sheet. In journal entries, narration is required to be written. 1/2 mark is allotted for each narration.

Journal of MODERN CHEMICALS CO. LTD

Date	Particulars	L.F. No.	Debit ₹	Credit ₹
1	Bank A/c Dr.		3,25, 000	
	To Equity Share Application A/c			3,25,000
	(Being share application money ₹ 5 per share received on 65,000 shares)			
2	Equity Share Application A/c Dr.		3,25,000	
	To Equity Share Capital A/c			3,00,000
	To Bank A/c			25,000
	(Being application money transferred to share capital and excess application money refunded)			

प्र. क्र. Q. No. 5

3	Equity Share Allotment A/c ... Dr. To Equity Share Capital A/c (Being allotment money ₹ 5 per share due on 60,000 shares)		3,00,000	3,00,000
4	Bank A/c ... Dr. To Equity Share Allotment A/c (Being allotment money received)		3,00,000	3,00,000
5	Equity Share First call A/c ... Dr. To Equity Share Capital A/c (Being first call money ₹ 4 per share due on 60,000 shares)		2,40,000	2,40,000
6	Bank A/c ... Dr. To Equity Share First Call A/c (Being first call money received)		2,40,000	2,40,000
7	Equity Share Second Call A/c ... Dr. To Equity Share Capital A/c (Being second call money ₹ 3 per share due on 60,000 shares)		1,80,000	1,80,000
8	Bank A/c ... Dr. Equity Share Second Calls in Arrears A/c ... Dr. To Equity Share Second Call A/c (Being second call money received on all shares except 100 shares)		1,79,700 300	1,80,000
	Total :		20,90,000	20,90,000

प्र. क्र.
Q. No. 5

Working Notes :

(1) Money refunded on excess appllications received

= Money received on application – Money transferred to share capital.

$= 65,000 \times 5 - 60,000 \times 5 = 3,25,000 - 3,00,000 =$ ₹ 25,000.

(2) Money received on second call $= 59,900 \times 3 =$ ₹ 1,79,700.

(3) Equity share second calls in arrears $= 100 \times 3 =$ ₹ 300.

[Marking Scheme :

	Marks
(1) Journal entries No. 2 and 8 carry 2 marks each (2×2)	4
(2) Remaining 6 journal entries carry 1 mark each (6×1)	6
Total marks :	10]

प्र. क्र.
Q. No. 6

Note : This is a compulsory practical problem set on Accounts for 'Not for Profit Concern.' In the answer, Income and Expenditure Account and Balance Sheet of Not for Profit Concern are required to be prepared on the basis of Receipt and Payment Account and some adjustments. On the debit side of Income and Expenditure A/c, only revenue expenditures and on the credit side only revenue incomes are to be shown. Give proper accounting treatment for outstanding and pre-received subscriptions, outstanding expenses, capitalisation of incomes, depreciation on fixed assets, etc. Balance Sheet is to be prepared on the same line as we prepare in partnership final accounts.

In the books of ADARSH CULTURAL CLUB, MUMBAI.

Income and Expenditure Account

Dr. for the year ended on 31st March, 2013 Cr.

Expenditure	Amount ₹	Amount ₹	Income	Amount ₹	Amount ₹
To Salaries	35,300		By Subscriptions	48,000	
Less : Previous year's			Add : Outstanding for		
outstanding salaries paid	1,300		current year	2,000	50,000
	34,000		By Drama Receipts	28,000	
Add : Salaries outstanding			Less : Drama Expenses	16,000	12,000
for current year	700	34,700			
To General Expenses		8,400			
To Printing & Stationery		4,200			
To Depreciation on					
Furniture		5,000			
To Excess of Income over					
Expenditure (Surplus)		9,700			
		62,000			62,000

प्र. क्र.
Q. No. 6

Balance Sheet as on 31st March, 2013

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
Capital Fund	2,57,000		Buildings		2,50,000
Add : Surplus	9,700	2,66,700	Furniture	20,000	
Building Fund	50,000		Add : New furniture		
Add : Donation for			purchased	10,000	
Building fund	20,000	70,000		30,000	
Subscriptions received			Less : Depreciation	5,000	25,000
in advance		2,000	Outstanding subscription		
Outstanding Salaries			for 2012-13		2,000
for 2012-13		700	Cash at Bank		57,800
			Cash in Hand		4,600
		3,39,400			3,39,400

Working Notes :

(1) Outstanding subscriptions for the current year : 2012-13 are calculated as follows :

Outstanding subscriptions

= Subscriptions due or receivable – Subscriptions received

= 500 × 100 – 48,000 = 50,000 – 48,000 = ₹ 2,000.

Outstanding subscriptions for 2012-13 ₹ 2,000 first added to Subscriptions received on the credit side of Income and Expenditure A/c and then it is shown on the Assets side of Balance sheet.

(2) Depreciation calculated on furniture :

		₹
On the opening balance of ₹ 20,000 @ 20% for 1 year =		4,000
On New Furniture of ₹ 10,000 purchased on 1/10/12 i.e. for 6 months @ 20%	=	1,000
	Total :	5,000

(3) Subscriptions of ₹ 2,000 received for 2013-14 is shown on the Liabilities side of Balance Sheet.

Q. No. 6

(4) Donations of ₹ 20,000 received for Building fund is added to building fund on the liabilities side of Balance Sheet.

(5) Drama Receipts of ₹ 28,000 is greater than Drama expenses ₹ 16,000. Hence Drama Receipts are shown on the credit side of Income and Expenditure A/c and then Drama expenses of ₹ 16,000 are deducted from Drama Receipts.

(6) Outstanding Salary of ₹ 1,300 for 2011-12 is deducted from salaries paid on the debit side of Income and Expenditure A/c and outstanding salaries of ₹ 700 for 2012-13 is added to salaries paid and then same outstanding salaries is shown on the Liabilities side of Balance Sheet.

[Marking Scheme :	Marks
(1) Income and Expenditure A/c :	
(i) Entries for subscriptions and entry for drama receipts carry 1 mark each (2 × 1)	2
(ii) Entry for Salaries carries $1\frac{1}{2}$ marks	$1\frac{1}{2}$
(iii) Remaining 4 entries carry $\frac{1}{2}$ mark each ($4 \times \frac{1}{2}$)	2
(2) Balance Sheet :	
(i) Entry for capital fund and entry for Building fund carry 1 mark each (2 × 1)	2
(ii) Entry for Furniture carries $1\frac{1}{2}$ marks	$1\frac{1}{2}$
(iii) Remaining 6 entries carry $\frac{1}{2}$ mark each ($6 \times \frac{1}{2}$)	3
Total marks :	12]

प्र. क्र.
Q. No. 7

Note : This is a compulsory question (problem) on Partnership final accounts. In this problem, tallied trial balance with 5 to 6 adjustments are given. Considering both, students are expected to prepare Trading A/c, Profit and Loss A/c and Balance Sheet. Partners' Capital Accounts or Current Accounts may be prepared separately or they may be incorporated on the Liabilities side of Balance Sheet. Note that Profit and Loss Appropriation Account is not expected. Give single effect (i.e. make entry at one place only) for each item provided inside the trial balance and give two effects for each item given in the adjustments. Marks for correct postings are allotted. First get completed posting of accounting items and adjustments. At the end do the totalling and balancing. The following adjustments are frequently asked :

1. Closing stock. 2. Outstanding and prepaid expenses. 3. Bad debts and R.D.D. 4. Depreciation on fixed assets. 5. Unrecorded sales or purchases. 6. Loss of insured or uninsured goods by fire or theft. 7. Interest on capital and interest drawings. 8. Goods withdrawn by the partner for self use.

Interest on drawings is to be calculated for average period of 6 months if actual dates of drawings are not given.

In the books of Partnership Firm of JAYA and MAYA

Trading A/c & Profit and Loss A/c

Dr. for the year ended on 31st March, 2011 Cr.

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Opening Stock		32,800	By Sales		1,94,000
To Purchases	1,09,000		By Closing Stock		22,600
Less : Purchase of furniture wrongly included	10,000	99,000			
To Carriage Inwards		3,700			
To Wages and Salaries		28,600			
To Gross Profit c/d		52,500			
		2,16,600			2,16,600

प्र. क्र. Q. No. 7

To Insurance		3,700	By Gross Profit b/d		52,500
To Rent, Rates			By Commission		5,500
& Taxes		14,600	By Partners'		
To Office Expenses		7,300	Current A/cs :		
To R.B.D.D. A/c			(Net Loss)		
New Reserve	4,400		Jaya	4,000	
Less : Old Reserve	2,000	2,400	Maya	6,000	10,000
To Depreciation on					
Land and Building	30,000				
Plant and Machinery	6,000				
Furniture	4,000	40,000			
		68,000			68,000

Dr. Partners' Current Accounts Cr.

Particulars	Jaya ₹	Maya ₹	Particulars	Jaya ₹	Maya ₹
To Drawings A/c	500	1,500	By Balance b/d	3,400	9,100
To Profit and loss A/c	4,000	6,000	By Balance b/d	1,100	-
To Balance c/d	-	1,600			
	4,500	9,100		4,500	9,100
By Balance b/d	1,100	—	By Balance b/d	—	1,600

प्र. क्र.
Q. No. 7

Dr. Balance Sheet as on 31st March, 2013 Cr.

Liabilities	Amount ₹	Amount ₹	Assets	Amount ₹	Amount ₹
Partners'			Land and Building	3,00,000	
Capital A/cs :			Less : Depreciation	30,000	2,70,000
Jaya	2,00,000		Plant and Machinery	60,000	
Maya	2,50,000	4,50,000	Less : Depreciation	6,000	54,000
Sundry Creditors		45,600	Furniture	15,000	
Maya's Current A/c		1,600	Add : New furniture		
			Purchased	10,000	
				25,000	
			Less : Depreciation	4,000	21,000
			Sundry Debtors	88,000	
			Less : R.D.D. @ 5%	4,400	83,600
			Closing Stock		22,600
			Cash in Hand		4,700
			Cash at Bank		40,200
			Jaya's Current A/c		1,100
		4,97,200			4,97,200

Working Notes :

(1) Furniture of ₹ 10,000 purchased on 1/10/2012, wrongly included in purchases is first deducted from purchases on the debit side of Trading A/c and then it is added to Furniture on the assets side of Balance Sheet.

(2) Depreciation charged on furniture is calculated as follows :

	₹
Depreciation on opening balance of furniture of ₹ 15,000 @ 20% p.a. for 1 year.	3,000
Depreciation on New furniture of ₹ 10,000 @ 20% p.a. for 6 months (i.e. from 1/10/2012 to 31/03/2013)	1,000
Total :	4,000

प्र. क्र.
Q. No. 7

(3) Depreciation on Land and Building of ₹ 3,00,000 @ 10% for 1 year
= ₹ 30,000.

(4) Depreciation on plant and Machinery of ₹ 60,000 @ 10%
for 1 year = ₹ 6,000.

(5) R.D.D. = 5% on the value of debtors = $\frac{5}{100} \times 88,000$ = ₹ 4,400.

(6) Wages and Salaries ₹ 28,600 is debited to Trading A/c.

[Marking Scheme :	Marks
(1) Trading A/c :	
(i) Entry for purchases carries 1 mark	1
(ii) Remaining 6 entries carry $\frac{1}{2}$ mark each $(6 \times \frac{1}{2})$	3
(2) Profit & Loss A/c :	
(i) Entry for Depreciation and entry for R.B.D.D. A/c carry 1 mark each (2×1)	2
(ii) Remaining 5 entries (excluding entry for Gross profit b/d) carry $\frac{1}{2}$ mark each $(5 \times \frac{1}{2})$	$2\frac{1}{2}$
(3) Partners' Current A/cs :	
8 entries carry $\frac{1}{4}$ mark each $(8 \times \frac{1}{4})$	2
(4) Balance Sheet :	
9 accounting entries carry $\frac{1}{2}$ mark each $(9 \times \frac{1}{2})$	$4\frac{1}{2}$
Total Marks :	15]

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