

SYJC – MARCH 2016

SOLUTION OF PRELIMINARY PAPER BOOK KEEPING

(3 hrs)
(80 Marks)
Date: 24.12. 2015

- Ans.1.(A)**
1. Debenture is an written acknowledgement of debt under the common seal of a company.
 2. Cash flow statement refers to the statement showing changes in cash during a particular period.
 3. Gain Ratio is an excess of new ratio over old ratio of a concerned partner.
 4. Insolvent partner is one whose capital account show debit balance.
 5. Bills of exchange is a written acknowledgement of debts accepted by the buyer for the sellers.
- (B)**
1. Endorser.
 2. Profit on Revaluation.
 3. Not for profit Concern.
 4. Commutative Preference shares.
 5. Partnership Deed.
- (C)**
1. Debited to P & L suspense A/C
 2. 14/08/07
 3. Owner
 4. Equal
 5. Statement of Affairs
- (D)**
1. True
 2. False. The Balance sheet is just a statement.
 3. False. Receipts can be in nature of revenue as well as capital.
 4. True.
 5. True.

Ans. 2. Step 1

Statement of Affairs as on 1st April, 2014.

Liabilities	₹	Assets	₹
Capital (Bal fig)	1,32,000	Investment	2,000
		Bills Receivable	5,000
		Furniture	50,000
Creditors	10,000	Debtors	30,000
		Stock	25,000
		Cash at Bank	12,000
		Land & Building	18,000
	1,42,000		1,42,000

Step 2Statement of Affairs as on 31st March, 2015

Liabilities	₹	Assets	₹
Capital (Bal fig)	2,15,000	Investment	25,000
		Bills Receivable	9,000
		Furniture	80,000
Bills Payable	5,000	Debtors	35,000
Creditors	12,000	Stock	40,000
		Cash at Bank	18,000
		Land & Building	25,000
	<u>2,32,000</u>		<u>2,32,000</u>

Step 3**Statement of Profit & Loss for the year ended 31st March, 2015.**

Particulars	₹	₹
Closing Capital		2,15,000
Add :- Drawings		<u>15,000</u>
		2,30,000
Less :- Additional Capital Introduced		<u>(10,000)</u>
		2,20,000
Less :- Opening Capital		<u>1,32,000</u>
Net profit before adjustment		88,000
Less :- Depreciation on Furniture	3,250	
Depreciation on Land & Building	2,500	
Reserve for Doubtful Debts	<u>1,750</u>	<u>(7,500)</u>
Net Profit For The Year		80,500

Ans.3. Dr.

Profit & Loss Adjust A/C

Cr.

Particulars	₹	Particulars	₹
To Furniture	600	By Building	5,000
To R.D.D	1,500		
To Partner's Capital A/C (Profit on Revaluation)			
-X 1450	2,900		
-Y 1450	<u>5,000</u>		<u>5,000</u>

Dr

Partner's Capital A/C

Cr.

Particulars	X	Y	Z	Particulars	X	Y	Z
To Profit & Loss A/C	2,500	2,500	—	By Balance old	20,000	25,000	—
To Cash	625	625	—	By Reserve Fund	3,000	3,000	—
				By Cash			10,000
				By Goodwill	2,500	2,500	—
				By Profit & loss Adjustment	1,450	1,450	—
To Balance old	23,825	28,825	10,000				
	<u>26,950</u>	<u>31,950</u>	<u>10,000</u>		<u>26,950</u>	<u>31,950</u>	<u>10,000</u>

Cash A/c

Particulars	₹	Particulars	₹
To Balance b/d	15,000	By X's Capital A/C	625
To Z's Capital A/C	10,000	By Y's Capital A/C	625
To Goodwill A/C	5,000		
		By Balance c/d	28,750
	30,000		30,000

Balance Sheet (after admission) as on 31st March ,2012.

Liabilities	₹	₹	Assets	₹	₹
Partner's Capital A/C			Building	10,000	
X	23,825		Add:- Appreciation	<u>5,000</u>	15,000
Y	28,825		Furniture	6,000	
Z	<u>10,000</u>	62,650	Less:- Depreciation	<u>600</u>	5,400
			Debtors	30,000	
Creditors		35,000	Less:- R.D.D	<u>1,500</u>	28,500
			Stock		20,000
			Cash		28,750
		97,650			97,650

Ans.3. Dr.

Profit & Loss Adjustment A/c

Cr.

Particulars	₹	Particulars	₹
To Computer	250	By Creditors	250
To R.D.D	1,000	By Land & Building	2,000
		By Stock	2,000
To Partner's Capital A/C (Profit on Revaluation)			
- A 1,500			
- B 1,000			
- C 500	3,000		
	<u>4,250</u>		<u>4,250</u>

Dr.

Particular Capital A/c

Cr.

Particulars	A	B	C	Particulars	A	B	C
Goodwill	7,500	—	2,500	By Balance b/d	30,000	20,000	10,000
				By General Res.	9,000	6,000	3,000
Executor's	—	36,083	—	By Goodwill	—	10,000	—
Loans A/C				By Profit & Loss			
Balance c/d	31,625	—	10,542	Adjustment A/C	125	82	43
	39,125	36,082	13,043		39,125	36,082	13,043

Liabilities	₹	₹	Assets	₹	₹
Capitals Accounts			Land & building	20,000	
A	31,625		Add:- Appreciation	<u>1,000</u>	19,000
C	<u>10,543</u>	42,168	Computer		5,000
Executor's Loan		36,082	Stock	15,000	
Creditors	12,000		Add:- Appreciation	<u>2,000</u>	17,000
Less:- written-off	<u>250</u>	11,750	Debtors	40,000	
Bills payable		5,000	Less :- R.D.D	<u>1,000</u>	39,000
			Bank		10,000
			Bills Receivable		5,000
		95,000			95,000

Ans. 4.

In The Books of M/S AMAR.

Date	Particulars	LF	Debit (₹)	Credit (₹)
(A)	Raveena's A/C Dr		15,300	
	To Prem's A/C			15,300
	(Being Raveena's acceptance endorsed to prem dishonoured)			
(B) (1)	Sheela's A/C Dr		18,000	
	To bills Receivable A/C (being bill cancelled for renewal)			18,000
(2)	Sheela A/C Dr		300	
	To Interest A/C (Being Interest charged for ₹ 12,000 @ 10% p.a. for 3 months)			300
(3)	Cash A/C Dr		6,000	
	Bills Receivable A/C Dr		12,300	
	To Seela A/C			18,300
	(Being cash received and new bill drawn and accepted for balance amount plus interest)			
(C)	Cash/Bank A/C Dr		7933	
	Rebate A/C Dr		67	
	To Bills Receivable A/C			8,000
	(Being Bill retired one month before the due date)			
(D)	Ekant A/C Dr		3,050	
	To Bank A/C			3,050
	(Being bill discounted with bank dishonoured and noting charges paid by bank ` 50)			
	Total		62,950	62,950

Ans.5.

In the Books of M/S Kunal and Tejas.

Date	Particulars	LF	Debit (₹)	Credit (₹)
2013				
March 31	Realisation A/C Dr		60,000	
	To Building A/C			20,000
	To Stock A/C			15,000
	To Debtors A/C			17,000
	To Bills Receivable A/C (Being Assets transferred to Realisation A/C)			8,000
March 31	Creditors A/C Dr		12,000	
	Bills Payable A/C Dr		15,000	
	To Realisation A/C (Being Liabilities transferred to realisation A/C)			27,000
March 31	Bank A/C Dr		70,000	
	To Realisation A/C (Being Assets Sold)			70,000
March 31	Realisation A/C Dr		2,000	
	To Bank A/C (Being Dissolution expenses paid)			2,000
March 31	Realisation A/C Dr		14,000	
	To Kunal's Capital A/C (Being bills payable agreed to be paid)			14,000

March 31	Tejas Loan A/C	Dr	11,000	
	To Bank A/C			11,000
	(Being Tejas Loan repaid along with interest)			
March 31	Realisation A/C	Dr	1,000	
	To Tejas Loan A/C			1,000
	(Being Interest on loan transferred to realisation A/C)			
March 31	Realisation A/C	Dr	8,000	
	To Tejas Capital A/C			4,000
	To Kunal Capital A/C			4,000
	(Being profit on realisation transferred to partner's capital A/C)			
March 31	Tejas Captial A/C	Dr	19,000	
	Kunal Captial A/C	Dr	36,000	
	To Bank A/C			55,000
	(Being amount paid to partner's for final settlement of accounts)			
March 31	Realisation A/c	Dr	12,000	
	To Bank A/c			12,000
	(Being creditors paid)			
	Total		2,60,000	2,60,000

Working Note:-

Realisation A/C

	60,000	27,000
	2000	70,000
	12,000	
	1,000	
Kunal 4000		
Tejas 4000	8,000	
	<u>97,000</u>	<u>97,000</u>

Partner's Capital A/C

	T	K		T	K
				15,000	18,000
Bank	19,000	36,000			14,000
				4,000	4,000
	<u>19,000</u>	<u>36,000</u>		<u>19,000</u>	<u>36,000</u>

OR

Ans. 5.

In the books of M/S Global Iron Ltd.

Date	Particulars	LF	Debit	Credit
(1)	Bank A/C	Dr	2,20,000	
	To Equity share application A/C			2,20,000
	(Being Application money Receives)			
(2)	Equity Share Application A/C	Dr	2,20,000	
	To Equity share capital A/C			2,00,000
	To Equity share allotment A/C			20,000
	(Being application money transferred to capital and excess money to be adjusted against allotment)			
(3)	Equity share allotment A/C	Dr	1,50,000	
	To Equity share capital A/C			1,00,000

	To Securities Premium A/C (Being allotment money due and securities premium credited)			50,000
(4)	Bank A/C Dr		1,30,000	
	To Equity share allotment A/C (Being equity share allotment money received)			1,30,000
(5)	Equity share first call A/C Dr		1,50,000	
	To equity share capital A/C (Being first call money due)			1,50,000
(6)	Bank A/C Dr		1,49,100	
	Calls in arrears A/C Dr		900	
	To equity share call A/C (Being first call money received accept on 300 shares)			1,50,000
(7)	Equity share final call A/C Dr		50,000	
	To equity share capital A/C (Being final call money due)			50,000
(8)	Bank A/C Dr		49,700	
	Calls in arrears A/C Dr		300	
	To equity share final call A/C (Being final call money received accept on 300 shares)			50,000
(9)	Equity Share Capital A/C Dr		3,000	
	To calls in arrears A/C			1,200
	To share forfeiture A/C (Being 300 shares forfeited on non payment of call money)			1,800
(10)	Bank A/C Dr		2,700	
	Share forfeiture A/C Dr		300	
	To equity share capital A/C (Being shares received @ ` a)			3,000
(11)	Share forfeiture A/C Dr		1,500	
	To capital reserve A/C (Being profit on reissue transferred to capital reserve A/C)			1,500
	Total		<u>11,27,500</u>	<u>11,27,500</u>

Ans.6.

In the books of M/S Chamber of Commerce.

Income & expenditure Account for the year ended 31/03/2013.

Expenditure	₹	₹	Income	₹	₹
To Depreciation			By Subscription	47,000	
On furniture		8,100	(-) o/s of 11-12	<u>2,000</u>	
To salaries		8,500		45,000	
To Rent		7,000	(+) o/s of 12-13	<u>4,000</u>	49,000
To printing & stationery		180	By Sale of old newspaper		2,000
To postage & telegram		250	By Entrance Fees		500
To general Expense		390			
To excess of income over expenditure (surplus)		<u>27,080</u>			
		<u>51,500</u>			<u>51,500</u>

Balance sheet as on 31st March, 2013.

Liabilities	₹	₹	Assets	₹	₹
Capital Fund	1,8,5000		Furniture	37,000	
Add:- Excess of income			(+) Purchase	<u>15,800</u>	
Over expenditure	<u>27,080</u>	2,12,080		52,800	
			(-) Depreciation	<u>8,100</u>	44,700
			Building		2,80,000
Building Fund	1,50,000		Fixed Deposit in Bank of Baroda		10,000
Add:- Donation Received	<u>14,000</u>	1,64,000			
			<u>o/s subscription</u>		
			11-12	1,000	
			12-13	<u>4,000</u>	5,000
			Cash at bank		36,380
		<u>376080</u>			<u>376080</u>

Ans. 7.

In the books of M/S Seeta & Geeta.

Trading and Profit and loss A/C for the Year ended 31st March, 2015.

Liabilities	₹	₹	Assets	₹	₹
To opening stock		20,000	By Sales	1,25,000	
To purchase	46,700		Less:- Returns	<u>1,500</u>	1,23,500
Less:- Returns	<u>2,800</u>	43,900			
To Carriage		8,000			
To wages & salaries		7,500	By closing stock		1,05,000
To gross Profit c/d		<u>1,49,100</u>			
		<u>2,28,500</u>			<u>2,28,500</u>
To <u>Depreciation on</u>					
Land & Building	3,600				
Furniture	4,125		By Gross Profit b/d		1,49,100
Plant & Machinery	<u>6,000</u>	13,725			
To <u>Interest on</u>					
<u>Capital</u>					
Seeta	5,800				
Geeta	<u>5,880</u>	11,760			
To Bad Debts	3,000				
Add:- R.D.D	<u>4,100</u>	7,100			
To Rent, rates & taxes	2,500				
Less:- Advance Rent	<u>1,000</u>	1,500			
To Conveyance		7,500			
To net Profit transferred to partner's Capital					
Seeta	53,757				
Geeta	<u>53,758</u>	<u>1,07,515</u>			
		1,49,100			1,49,100

Balance Sheet as on 31st March, 2015.

Liabilities	₹	₹	Assets	₹	₹
Partners Capital A/C			Land & Building	36,000	
Seeta	1,57,637		Less:- Depreciation	<u>3,600</u>	32,400
Geeta	<u>1,57,638</u>	3,15,275	Furniture	55,000	
			Less:- Depreciation	<u>4,125</u>	50,875
			Plant & machinery	40,000	
			Less:- Depreciation	<u>6,000</u>	34,000
			Patents		15,000
			Bills Receivable		69,000
Sundry Creditors		87,450			
Unpaid Wages		1,200	Closing Stock		1,05,000
			Sundry Debtors	82,000	
			Less:- R.D.D	<u>4,100</u>	77,900
			Advance Rent		1,000
			Cash in Hand		18,750
		4,03,925			4,03,925

Dr

Partner's Capital A/C

Cr

Particulars	Seeta	Geeta	Particulars	Seeta	Geeta
			By Balance b/d	98,000	98,000
			By Interest on Capital	5,880	5,880
			By Profit & Loss A/C	53,757	53,758
To Balance c/d	1,57,637	1,57,637			
	1,57,637	1,57,637		1,57,637	1,27,638