Serial SSR/1

Code No. **56/1/1**

Roll No. | | | | | | | | |

Candidates must write the Code on the title page of the answer- book.

- Please check that this question paper contains **24** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains **29** questions.
- **Please write down the Serial Number of the questions before attempting it.**

ACCOUNTANCY

Time allowed: 3 hours] [Maximum marks: 80

General Instructions:

(i) This question paper contains three parts A, B and C.
(ii) Part A is **compulsory** for all candidates.
(iii) Candidates can attempt only **one** part of the remaining parts B and C.
(iv) All parts of the questions should be attempted at one place.

Part A

(Not for Profit Organisations, Partnership Firms and Company Accounts)

1. State two characteristics of a 'Not for Profit Organisation'.
2. Suresh and Ramesh are partners in a firm with capitals of Rs.3, 00,000 and 4, 00,000 respectively. They do not have a partnership deed. Ramesh wants to share the profits in the ratio of Capitals. State with reasons whether the claim is valid?
3. What is 'sacrificing ratio'?
4. State any one of the rights that a newly admitted partner acquires in the firm.

5. Give the meaning of 'Calls in Advance'.
6. On the basis of information given below calculate the amount of medicines to be debited in the 'Income and Expenditure Account' of Good Health Hospital for the year ended 31.3.2007:

	1.4.2006	31.3.2007
	Rs.	Rs.
Stock of Medicines	1, 75, 750	1, 44, 650
Creditors for Medicines	15, 06, 900	18, 20, 700

Medicine purchased during the year ended 31.3.2007 were Rs.60, 80, 700.

7. Poonam Ltd forfeited 400, 80% preference shares of Rs. 100 each issued at a discount of 10%, for the non-payment of first call of Rs.20 each. The second and final call of Rs.20 per share has nor yet been made. The forfeited shares were re-issued at Rs.44, 000 fully paid up. Pass necessary journal entries for the forfeiture and re-issue of shares.
8. Y Ltd. Purchased machinery Rs. 55, 000 from Z Ltd. 10% was paid by Y Ltd. By accepting a bill of exchange in favour of Z Ltd. and the balance was paid by issue of 9% debentures of Rs. 100 each at par, redeemable after five years.
   Pass necessary journal entries in the books of Y Ltd.
9. R and S were partners in a firm sharing profits in 3:2 ratio. Their respective fixed capitals were Rs. 10, 00, 000 and Rs. 15, 00, 000. The partnership deep provided the following:
   (i) Interest on capital @ 10% p.a.
   (ii) Interest on drawings @ 12% p.a.

   During the year ended 31.3.2007, R's drawing were Rs. 1, 000 per month drawn at the end of every month and S's drawings were Rs. 2,000 per month drawn in the beginning of the every month. After the preparation of final accounts for the year ended 31.3.2007 it was discovered that interest on R's drawings was not taken into consideration.
   Calculate interest on R's drawings and give necessary adjusting entry for the same.
10. S Ltd. was registered with an authorized capital of Rs. 4, 00, 000 divided into 40, 000 equity shares of Rs.10 each. The company offered to the public for subscription 30, 000 equity shares. Applications for 28, 000 equity hares were received and allotment was made to all the applicants. All calls were made and were duly received except the final call of Rs. 2 per share on 200 shares. Prepare the Balance Sheet of the company sowing the different categories of Share Capital.
11. A, B and C were partners in a firm sharing profits in 3:2:1 ratio. The firm closes its books on 31st March every year. B died on 12.6.2007. On B's death the goodwill of the firm was valued at Rs. 60, 000. On B's death his share in the profits of the firm till the time of his death was to be calculated on the basis of previous year's profit which was Rs.1, 50, 000. Calculate B's share in the profit of the firm. Pass necessary journal entries for the treatment of goodwill and B's share of profit at the time of his death.

12. Pass necessary journal entries for the following transactions:

(i) Issued 60, 000, 9% debentures of Rs. 75 each at a premium of Rs.25 per debenture.
(ii) Purchased 3, 000, 9% own debentures of Rs. 100 each at Rs. 97 each for immediate cancellation.
(iii) Converted 1,800, 9% debenture of RS. 100 each into 12% debenture of Rs. 100 each issued at a premium of 25%.

13. Following is the Receipt and Payment Ac count of Literacy Club for the year 31.3.2006:

Receipts		Amount Rs.	Payment	Amount Rs.
Balance b/d		19, 550	Salary	3, 000
Subscriptions:			Newspaper	2, 050
2004 – 2005	1,200		Electricity bill	1, 000
2005 – 2006	26, 500		Fixed deposit	20, 000
2006 – 2007	500	28,200	(On 1.7.2005@ 9% p.a.)	
Sale of old newspapers		1,250	Books	10, 600
Government Grants		10, 000	Rent	6, 800
Sale of old furniture			Furniture	10, 500
		5,700	Balance c/d	11, 200
(Book value Rs. 7, 000)		450		
Interest on fixed deposits		65, 150		65, 150

Additional Information:

(i) Subscriptions outstanding as on 31.3.2005 were Rs. 2, 000 and on 31.3.2006 Rs.2, 500.
(ii) On 31.3.2006 salary outstanding was Rs. 600 and rent outstanding was Rs. 1, 200.
(iii) The Club owned furniture Rs. 15, 000 and books Rs. 7, 000 on 1.4.2005.

Prepare Income and Expenditure Account of the Club for the year ended 31.3.2006 and ascertain 'Capital Fund' on 31.3.2005.

14. A and B were partners in a firm sharing profits and losses in the ratio of 5:3. They admitted C as a new partner. A surrendered 1/3rd of his share in favour of C and B surrendered 1/4th of his share in favour of C. C brought Rs. 1, 50, 000 for his capital and Rs. 58, 000 for his share of

goodwill. Calculate new profit sharing ratio of A, B and C, sacrificing ratio of A and B and pass necessary journal entries for the above transactions on C's admission.

15. X Ltd. invited application for issuing 80, 000 equity shares of Rs. 10 each at a premium of Rs. 2 per share. The amount was payable as follows:

    On application Rs. 6 (including premium) per share.

    On allotment Rs. 3 per share and the balance on first and final call. Applications for 90, 000 shares were received. Applications for 5, 000 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments received on applications was adjusted towards sums the allotment. All calls were made and were duly received except the allotment and final call on. 1,600 shares allotted to Vijay. These shares were forfeited and the forfeited shares were re-issued for Rs. 18, 400 fully paid up.

    Pass necessary journal entries in the books of the company.

OR

Y Ltd. invited applications for issuing 10, 000 equity shares of Rs.100 each at a discount of 6%. The amount was payable as follows:

On application Rs.20 per shares.

On allotment Rs.44 per share and the balance on first and final call. Application for 13, 000 shares were received. Application for 500 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments received with applications were adjusted towards sums due on allotment. All calls were made and were duly received except Kanwar who had applied for 250 shares failed to pay allotment and call money. His shares were forfeited shares were re-issued at Rs.22, 000 fully paid up.

Pass necessary journal entries in the books of the company.

16. X and Y were partners in a firm sharing profits in 5:3 ratio. They admitted Z as a new partner for 1/3rd share in the profit. Z was to contribute Rs. 20, 000 as his capital. The Balance Sheet of X and Y on 1.4.2007 the date of Z's admission was as follows:

Liabilities		Amount Rs.	Assets	Amount Rs.
Creditors		27, 000	Land and Building	25, 000
			Plant and Machinery	30, 000
Capital:			Stock	15, 000
			Debtors 20, 000	
X	50, 000	85, 000	Less Provision	
Y	35, 000	16, 000	for doubtful debts 1, 500	18, 500
			Investments	20, 000
General Reserve			Cash	19, 500
		1, 28, 000		1, 28, 000

Other terms agreed upon were:

(i) Goodwill of the firm was valued at Rs.12, 000.
(ii) Land and Building were to be valued at Rs. 35, 000 and Plant and Machinery at Rs. 25, 000.
(iii) The provision for doubtful debts was found to be in excess by Rs.400.
(iv) A liability for Rs.1, 000 included in sundry creditors was not likely to arise.
(v) The capitals of the partners be adjusted on the basis of Z's contributions of capital in the firm.
(vi) Excess or shortfall if any to be transferred to current accounts.

Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the new firm.

OR

The Balance Sheet of A, B and C who were sharing profits and losses in the ratio of 1/2, 1/3 and 1/6 respectively, was as follows on 1.4.2004:

Liabilities	Amount Rs.	Assets	Amount Rs.
Bills payable	6, 400	Cash	25, 650
Sundry Creditors	12, 500	Bills Receivables	5, 400
Capitals:		Debtors	17, 800
A 40, 000		Stock	22, 300
B 25, 000		Furniture	3, 500
C 20, 000	85, 000	Plant and Machinery	9, 750
Profit and Loss A/c	4,500	Building	24, 000
	1, 08, 400		1, 08, 400

A retired from the business on 1.4.2004 and his share in the firm was to be ascertained on the revolution of the assets as follows:

Stock Rs.20, 000, Furniture Rs.3, 000; Plant and Machinery Rs.9, 000; Building Rs.20, 000 Rs.850 was to be provided for doubtful debts. The goodwill of the firm was valued at Rs.6, 000.

A was to be paid Rs.11, 500 in cash on retirement and the balance in three equal yearly installments with interest at 9% per annum.

Prepare Revaluation Account, Partner's Capital Accounts and A's Loan Account on the date of his retirement.

Part B
(Analysis of Financial Statements)

17. Dividend paid by a finance company is classified under which kind of activity while preparing cash flow statement.
18. Quick ratio of a company is 1.5:1. State giving reason whether the ratio will improve, decline or nor change on payment of dividend by the company
19. State whether conversion of debentures into equity sharers by a financing company will result in inflow, outflow or no flow of cash.

20. List the major headings on the asset side of the Balance Sheet of a company as per schedule VI Part I of the Companies Act 1956.
21. From the following information calculate any two of the following ratio:
(i) Gross Profit Ratio;
(ii) Working Capital turnover Ratio and
(iii)Proprietary Ratio.

Information:

Paid up capital	Rs.8, 00, 000
Current assets	Rs.5, 00, 000
Credit sales	Rs. 3, 00,000
Cash sales	75% of Credit sales
9% Debentures	Rs. 3, 40, 000
Current liabilities	Rs. 2, 90, 000 and
Cost of good sold	Rs, 6, 80, 000

22. From the following information prepare a comparative Income Statement.

	2006 Rs.	2007 Rs.
Sales	6, 00, 000	8, 00, 000
Cost of Goods Sold	4, 50, 000	4, 80, 000
Indirect Expenses	10% of Gross Profit	20% of Gross Profit
Income Tax	40%	40%

23. From the following Balance Sheets of EF Ltd. as on 31.3.2006 and 31.3.2007 prepare a Cash Flow Statement:

Liabilities	2006 Rs.	2007 Rs.	Assets	2006 Rs.	2007 Rs.
Equity Share Capital	2, 00, 000	2, 75, 000	Fixed Assets	2, 50, 000	3, 50, 000
Profit and Loss	85, 000	1, 60, 000	Stock	1, 05, 000	1, 25, 000
10% Debentures	1, 00, 000	90, 000	Debtors	70, 000	95, 000
8% Pref. Shares	30, 000	50, 000	Bank	25, 00	30, 000
Gen. Reserve	35, 000	25, 000			
	4, 50, 000	6, 00, 000		4, 50, 000	6, 00, 000

Additional Information: During the year machine costing Rs.50, 000 was sold for Rs. 15, 000 and dividend paid Rs. 20, 000.

Part C
(Comuterised Accounting)

24. List any four basic requirements of a Comuterised Accounting System.
25. Explain the concept of DCL (Data Control Language)
26. Differentiate between Database and File.
27. Compare the features of Comuterised Accounting System with a Manual Accounting System.
28. Differentiate between Physical and Logical Data Independence?
29. Write the formulae for a spread sheet to compute the depreciation and written down value of assets. The following are the rates of depreciation:
    Plant and Machinery: 10% Computers: 30%, Furniture: 15%, Motor vehicles: 25%. Round off calculations to the nearest Rupee.

Asset	Opening values	Depreciation	Written down value
Plant & machinery	4, 12, 000		
Commuters	6, 15, 000		
Furniture and fittings	81, 000		
Motor vehicles	3, 08, 000		