

Q.1 (a): Fill in the blanks with appropriate option (any 8) (CO1,CO2,CO3,CO4,CO5-R&U) (8)

1. In the absence of provision in partnership deed, interest at \_\_\_\_\_ partner's loan. per annum is allowed on

- (a) 5%
- (b) 6%
- (c) 7%
- (d) 8%

2. Profit and loss appropriation account is prepared to ascertain \_\_\_\_\_ profit.

- (a) Gross
- (b) Net
- (c) Divisible
- (d) Adjusted

3. Practically in case of actual dissolution the assets are realised on \_\_\_\_\_ basis.

- (a) Immediate
- (b) Gradual
- (c) Hasty
- (d) Prompt

4. M, N and Q were partners sharing profits and losses in the ratio of 5: 6: 4 M expired, the new profit sharing ratio after M's death would be \_\_\_\_\_

- (a) 3:1
- (b) 3:2
- (c) 1:1
- (d) None of these

5. When closing the books of the old partnership firm, all the assets and liabilities are transferred to realisation account at \_\_\_\_\_ value.

- (a) Market
- (b) Book
- (c) Barter
- (d) Agreed

6. On amalgamation partner's loan taken over by new firm is transferred to \_\_\_\_\_ account.

- (a) Partner's capital
- (b) Partner's loan
- (c) New firm
- (d) Realisation

7. Conversion of partnership into a limited company is referred to as \_\_\_\_\_ to a joint stock company. of partnership business

- (a) Exchange
- (b) Sale
- (c) Transfer
- (d) Acquisition

8. Purchase consideration of vendor partnership firm can be discharged in form of \_\_\_\_\_

- (a) Cash only
- (b) Shares only
- (c) Shares, debentures and cash
- (d) Debentures only

9. Foreign exchange fluctuation account is a \_\_\_\_\_ account.

- (a) Real
- (b) Personal
- (c) Fictitious
- (d) Nominal

10. At the end of the accounting period any difference in foreign exchange fluctuation is transferred to \_\_\_\_\_ account.

- (a) Realisation
- (b) Revaluation
- (c) Profit and loss
- (d) Profit and loss appropriation

Q.1 (b): State whether the following statements are True or False (any 7)(CO1,CO2,CO3,CO4,CO5-R&U) (7)

1. Purchase of office equipment is shown in Profit and Loss A/c on debit side.
2. Adjustment to partner's capital are passed through current accounts when the capitals are fluctuating.
3. Surplus capital method is also known as highest relative capital method.
4. Government dues are paid on preference basis.
5. AS 13 deals with amalgamation.
6. Purchase consideration is amount payable by new firm to vendor firms.
7. On conversion or sale of firm, in equitable approach, equity shares are divided in fixed capital ratio.
8. On conversion or sale of firm, realisation expenses paid by limited company is debited to Realisation account.
9. Reporting currency is the currency used in presenting financial statements of an enterprise.
10. Accounts receivable is a non-monetary items.

Q.2) The following is the Trial Balance of firm as on 31st December, 2013: (CO1-AP) (15)

Debit	Rs.	Credit	Rs.
Drawing A	15000	Capital A	24000
B	7500	B	12000
C	1500	C (including goodwill)	5000
Furniture	10500	sales	180000
Purchase	110000	Creditor	13500
Stock	25000		
General Expenses	5200		
Salary	12000		
Rent & Taxes	5900		
Debtor	31000		
Bank	10900		
	2,34,500		2,34,500

Adjustments:

- (1) A and B were partners sharing profits and losses equally.
  - (2) Mr. C was admitted to partnership on 1st July, 2013.
  - (3) On 31st December, 2013 stock was valued at 23,500.
  - (4) Rent and Taxes paid in advance 900.
  - (5) General Expenses were outstanding 800.
  - (6) Charge depreciation on Furniture @ 10% p.a.
  - (7) Share of Goodwill of new partner was valued at 1,000 on 1st July, 2013 and yet to be adjusted.
- You are required to prepare Trading, Profit and Loss Account for the year ended on 31st December 2013 and Balance Sheet as on that date.

OR

Q.2) Ram and Shyam are Partners. Their Trial Balance as on 31-12-2014 was as under(CO1-AP) (15)

Debit	₹	Credit	₹
Building	74000	Ram's capital	90000
Machinery	40000	shyam 's capital	90000
Furniture	20000	sales	680000
Purchase	298000	Creditor	52000
Stock	60000	R.D.D	3000
Wages	65000	discount	10000
Carriage inward	25000		
Salaries	40000		
Repairs	18000		
Commission	57000		
General expenses	30000		
Rent and taxes	21000		
Bank balance	95000		
Cash balance	49300		
Debtor	84000		
	<b>9,25,000</b>		<b>9,25,000</b>

**Additional Information:**

- (1) Closing Stock was ₹ 50,000
  - (2) Shyam has taken goods worth ₹ 5,000 for his personal use for which no entry was made in the books.
  - (3) Wages outstanding were 6,000 and taxes paid in advance 2,000.
  - (4) Depreciation was to be provided at 10% p.a. on machinery and 5% p.a. on Building and 15% p.a. on furniture.
  - (5) Write off 2,000 as Bad Debts and provision for doubtful debts is to be increased to ₹ 5,000.
  - (6) Goods costing 2,500 have been stolen but no entry was passed in the books for the same.
- Prepare a Trading and Profit & Loss Account for the year ended 31st December, 2014 and Balance as on date.

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Q.3) A, B, C are partners sharing profits and losses in the ratio of 4: 2: 1. They decided to dissolve the partnership as on March 31, 2014 when their Balance sheet was as follows:

Balance Sheet (CO2-AP) (15)

Liabilities	₹	Assets	₹
Creditors	11400	Cash in hand	140
General reserve	18900	Investment	30000
Bank overdraft	32500	stock	128300
Capital: A	80000	debtors	45400
B	160000	Machinery	32600
C	130000	Furniture	4900
		Building	191460
	<b>432800</b>		<b>432800</b>

All creditors have to be paid off. 2,400 have to be provided for realisation expenses. Thereafter all cash received should be distributed among the partners.

The amounts were realised as follows:

1st Installment :	30720
2nd Installment	36800
3rd Installment	212840
4th Installment	92600

The actual realisation expenses were 1200 . prepare a statement showing distribution of cash as per excess capital method

OR

Q.3) Following is the Balance Sheet of two firms as at 31st March, 2014: (CO3-AP) (15)

Liabilities	Prem & co.	Raj & co.	Assets	Prem & co.	Raj & co.
Capital			Premises	-	5000
Prem	11500	-	Computer	10000	-
anil	11500	-	Furniture	5000	7000
raj	-	18000	Inventory	9000	8000
shyam	-	12000	Debtor	6000	14000
General reserve	-	3000	bank	2000	4000
Creditor	5000	4000	Cash	1000	2000
Bill payable	5000	3000			
	<b>33000</b>	<b>40000</b>		<b>33000</b>	<b>40000</b>



as mutually agreed to amalgamate the business from 1st April, 2014.

Terms of amalgamation were as follows:

- Premises was valued at ₹10,000 and computers at 12,000.
- Furniture was not taken over by new firm.
- A reserve of 5% is to be created on debtors.
- Goodwill was valued as: M/s. Prem & Co. at ₹10,000 and that of M/s. Raj & Co. at 15,000.
- The new firm also assumed other Assets and Liabilities of old firm at book value. Show necessary accounts in the books of old firms and the Balance Sheet of new firm M/s. Prem Raj & Co. after amalgamation.

Q.4) ABC Co. Ltd. was formed with an authorised capital of 1,50,000 consisting of 10,000 Equity shares @ 10 each and 5,000, 8% Preference Shares of 10 each to acquire on 1-7-14 the business of M/s 'Lad and Wad', who were sharing profits in the ratio of 3: 2. Their Balance Sheet as on 30-6-14 was as follows:

Balance Sheet

(CO4-AP) (15)

Liabilities	₹	Assets	₹
Trade creditor	16580	Land and building	40000
Overdraft	8950	Machinery	24000
Capital : lad	40974	Inventory	15960
Wad	37316	Debtors	23860
	103820		103820

The company took over all the assets and assumed all the liabilities and the consideration was fixed at 1,10,000.

In computing this figure, Land and Building were valued at 60,000, Machinery at 20,000; inventory at ₹ 15,000 and

Debtors at book value are subject to an allowance of 5% to cover the doubtful debts.

The purchase price was settled by the issue of 3,300 Equity shares at 10 each, to the firm, 2,500 Preference shares of ₹ 10 each, and the balance paid in cash.

Prepare:

- Realisation A/c
- Partners' Capital A/c
- ABC Co. Ltd. A/c and
- Cash A/c

OR

Q.4) Pass Journal entries for the following transactions in foreign currency and also prepare Foreign Exchange Fluctuation Account in the books of DBK Industries Ltd. (CO4-AP) (15)

DBK Industries Ltd. invoiced goods to West Germany worth US \$ 1,00,000 on 10th March, 2013 on which date exchange rate of US \$ 1 was ₹ 41.00.  
The payment for the same was received as under:

Date of Payment	Received	Exchange rate for 1 US \$
20-03-2013	US \$ 40,000	42.00
39-03-2013	US \$ 35,000	41.00
15-04-2013	US \$ 25,000	44.00

The company closes its accounting year on 31st March. The exchange rate on 31-03-2013 was 1US \$=Rs. 45.00

Q.5) 1. explain any eight adjustment used in final account (CO1-U) (8)  
2. Define piecemeal distribution and different type of liability (CO2-U) (7)

OR

Q.5) Write a short note.(Any3) (CO1,CO2,CO3,CO4,CO5-R&U) (15)

1. Foreign Currency
2. Purchase consideration
3. Realisation account
4. Amalgamation of firm
5. Types of creditor

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