

Duration: 2: 30 Hours

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Marks:- 75

Note:- 1) All questions are compulsory.

2) Figures to the right indicate maximum marks.

- Q1A) State whether True or False (Co1, Co2, Co3, Co4 Co5, R&U) (Any 8) (8M)
- 1) Interest on drawing is on income to the partnership firm.
 - 2) Indian partnership Act is in force since 1932.
 - 3) In Excess capital method the minimum capital is equal to the lowest unit capital
 - 4) In a piecemeal distribution the amount realised from assets are used to pay first the outside loans and then the realisation expenses
 - 5) On amalgamation of firm all assets and liabilities transferred to realisation account.
 - 6) On amalgamation firm, profit and loss adjustment account is opened
 - 7) Conversation of firm into company does not involve dissolution of firm
 - 8) Purchase Consideration = Taken over assets less taken over external liabilities both at market value.
 - 9) Inventories is non-monetary item
 - 10) As-11 is applicable for transaction of foreign currency.

Q1B) Match the column (Any 7) (Co1, Co2, Co3, Co4, Co5 – R &U) (7 M)

Column 'A'

Column 'B'

- | | |
|--|---|
| 1) Exchange rate | a) Goodwill |
| 2) Intangible assets | b) lowest unit capital |
| 3) Prepaid expenses | c) profit sharing ration |
| 4) Base Capital | d) Non-monetary item |
| 5) Profit on realisation on amalgamation | e) asset side of balance sheet |
| 6) PSR | f) Accounting for transaction in foreign |
| 7) Inventory | g) Credit all partners capital A/c |
| 8) AS-11 | h) ration for exchange of two currency |
| 9) Foreign Currency | i) A partner who is below 18 years |
| 10) Minor Partner | j) Currency other than the reporting currency
Of an enterprise |
| | k) Land and Building |

Q2A) Anjali , Pooja and Sheetal are carrying on business in partnership has decided to dissolve it on and from 31st Dec 2022. The following was trail balance as on that date (Co2, AP) (15M)

Liability	Amt ₹	Assets	Amt ₹
Capital Account		Fixed asset	80,000
Anjali 30,000		Current Asset	44,000
Pooja 15,000			
Sheetal 25,000	70,000		
General Reserve	30,000	Bank	26000
Ms. Anjali Loan	10,000		
Ms. Pooja Loan	20,000		
Creditors	20,000		
	1,50,000		1,50,000

Additional information

It was decided that after keeping aside an amount of 4000 for estimated realisation expense. The available funds should be distributed amongst the partners as and when realised

The following are the realisation

January 2022 (first) ₹ 30,000

February 2022 (second) ₹ 76,000

March 2022 (third) ₹ 44,000

Actual realisation expenses amounted to ₹ 4400. You are required to submit a statement showing distribution of cash among the partner under excess capital method.

Q2B) A,B are partner,their trial balance as on 31-12-2022 was as under (Co1- AP)

Debit	₹	Credit	₹
Building	74,000	A's Capital	90,000
Machinery	40,000	B's Capital	90,000
Furniture	20,000	Sales	6,80,000
Purchase	2,98,000	Creditors	52,000
Stock	60,000	R.D.D.	3,000
Wages	65,000	Discount	10,000
Carriage inward	25,000		
Salaries	40,000		
Repair	18,000		
Commission	5,700		
General Expense	30,000		
Rent and Taxes	21,000		
Bank balance	95,000		
Cash balance	49,300		
Debtors	81,000		
	9,25,000		9,25,000

Additional information

- 1) Closing stock, was ₹ 50,000
- 2) 'B' has taken good's worth ₹5000 for his personal use for which no entry was made in the book
- 3) Wages outstanding were ₹6,000 and taxes paid in advance ₹2000
- 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 ₹ 2000 as bad debts and provision for doubtful debts is to be increased to ₹5000
- 6) Goods costing ₹2500 have been stolen but no entry was passed in the books for the same.

Prepare a trading and profit and loss account for the year ended on 31st December 2022 and balance sheet as on that date.

Q3A) on 1st January 2012 John Ltd. Imported goods worth ₹ 85,000 from synergy ltd USA . The payment were made as under (Co5-AP) (15M)

Date	Amount (₹)	Exchange rate / dollar
10/01/2012	16,000	Rs.61
15/02/2012	18,000	Rs 62
15/03/2012	29,000	Rs 63
15/04/2012	22,000	Rs 69

Exchange rate on 1/1/2012 was 1 \$ = Rs 60. Book are closed on 31st March every year. The exchange rate on 31/03/2012 was \$1 = Rs 63. Pass necessary journal entries in the books of John Ltd to record transition and also prepare foreign exchange function account

OR

Q3B) PQR Co.Ltd was formed with an authorized capital of ₹ 75,000 consisting of 5000 equity share @ ₹ 10 each and 2500. 7.5% preference shares of ₹ 10 each to acquire on 1-7-14 the business of M/s 'Cad and Wad who were sharing profit in the ration 3:2. Their balance sheet as on 30-6-14 was as follows (Co4-AP)

Balance Sheet

Liabilities	₹	Assets	₹
Trade Creditors	8290	Land & Building	20,000
Overdraft	4475	Plant and Machinery	12,000
Capital		Stock	7980
Cod	20487	Debtor	11,930
Wod	18658		
	51910		51,910

The company took over all the assets and assumed all the liabilities and the consideration was fixed at ₹ 55,000.

The purchase price was settled by the issue of 1650 equity shares at ₹ 10 each to the firm, 1250 Preference shares of ₹ 10 each and the balance in cash

Prepare :- Realisation Account, Partner Capital Account, PQR Co Ltd Account and cash Account

Q4A) The balance sheet of two firm M/s Good and Better and M/s Slow and fast on the date of amalgamation (Co3-AP) (15M)

Liabilities	Good & Better	Slow & Fast	Asset	Good & Better	Slow & Fast
Creditors	20,000	10,000	Cash	15,000	12,000
Bill payable	5000	---	Investment	1,000	8,000
Loan Good	8000	---	Debtor	9,000	4,000
Slow		10,000	Furniture	12,000	6,000
Reserve	10,000	4000	Premises	30,000	---
Capital Account			Land	-----	50,000
Good	35000				
Better	22,000		Machinery	15000	
Slow		36000	Goodwill	9000	
Fast		20,000			
	1,00,000	80,000		1,00,000	80,000

- 1) The new firm considered goodwill of both the firm at ₹ 12,000 each
 - 2) The new firm take over investment at 10% depreciation. Debtors and furniture at book value, Land at ₹66,800 Machinery at ₹ 9000 Premises at ₹ 53,000.
 - 3) Cash which remained after discharge of parents loan by the respective old firm before amalgamation
 - 4) The new firm also assumed other liabilities of old firm at book value.
- Show necessary accounts in the books of old firm and the balance sheet of new firm.

OR

Q4B) Pass Journal entries for the following transaction in foreign currency and also prepare foreign exchange fluctuation account in the books of NSD Ltd. (Co5- AP)

NSD ltd imported raw material worth US \$ 40,000 ON 12th Dec 2004. The exchange rate for US \$1 as on 12-12-2004 was Rs 46.50.

The payment for the above transaction was made as under

Date of payment	Payment	Exchange rate
23-02-2005	US \$ 18,000	Rs 47.75
21-03-2005	US \$ 12,000	Rs 48.25
10-04-2005	US \$ 10,000	Rs 48.50

The accounting year of the company ended on 31st March , 2005 for Us \$1 was Rs 45.00

Q5A) a) Define piecemeal distribution and Different types of liability. (Co2-R&U) (8)

b) Define amalgamation of firm and any five adjustment used in amalgamation of firm. (Co3-R&U)(7)

OR

Q5B) Write short note (any 3)

(15)

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|--|-----------------------------------|
| 1) Purchase Consideration (Co3-R&U) | 2) Types of Creditor (Co2-R&U) |
| 3) Method of purchase consideration (Co4- R& U) | 4) Realisation Account (Co3-R&U) |
| 5) Foreign Currency (Co5-R&U) | |

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