

331151024

Marks: 75

(CO-1,2,3,4- U) (8M)

Duration: 2hrs and 30 minutes

Q.1. A. Select appropriate words: (Any Eight)

1. External liabilities are liabilities due to
a) Partners b) Creditors c) Capital d) Insiders
2. Shares and debentures received from the limited company are distributed among the partners in them
a) Profit sharing ratio b) Capital ratio c) Final claim ratio d) Gain ratio
3. Preferential liabilities are
a) Payable to creditors b) Payable to government c) Payable to partners d) Payable to none
4. Excess of credit over debit side of realization account is
a) Profit on realisation account b) Loss on realizations
c) Surplus d) Deficit
5. Under fluctuation method of capital, what is the treatment of interest on capital?
a) Credited to capital account b) Debited to capital account
c) No treatment or adjustment needed d) Credited to current account
6. In the absence of an agreement, interest on capital is.
a) Allowed b) Not allowed c) Allowed after one year d) Allowed after two years
7. Partners loan is
a) Internal liability b) External liability c) Secured liability d) Unsecured Liability
8. Return outward are deducted from .
a) Purchases b) Sales c) Capital d) Debtors
9. The accumulated profits and reserves are transferred to:
a) Realization Account b) Partners Capital Account c) Bank Account d) Cash Account
10. On amalgamation, goodwill of the firm is
a) Valued b) Ignored c) Considered by purchase consideration d) Multiplied

Q.1.B. State whether the following statements are True or False: (Any Seven)

1. Return inward is deducted from the sales.
2. Highest relative capital method is known as excess capital method.
3. Income received but not earned is an asset.
4. Expenses on dissolution are credited to realisation account.
5. In case of piecemeal distribution creditors is an external liability.
6. Balance sheet is an account.
7. Interest on drawing is a loss to the firm.
8. In case of amalgamation of firms, a realization account is prepared to close the books of the old firms.
9. Purchase consideration is the amount payable by the vendors firm to purchasing firm.
10. Profit or loss on realization is transferred to partners' capital account in capital ratio.

A-2

(CO-1,2,3,4- U) (7M)

Q.2A. Johan Ltd. of Nasik imported goods worth \$ 85,000 from Synergy Ltd. of USA on 1st Jan., 2024. Payment was made as under:

10-1-2024	\$16,000
15-2-2024	\$18,000
15-3-2024	\$29,000
15-4-2024	\$22,000

Accounts are closed on 31st March, every year
Exchange Rates: 1\$=

1-1-2024	₹ 60
10-1-2024	₹ 61
15-2-2024	₹ 62
15-3-2024	₹ 63
31-3-2024	₹ 63
15-4-2024	₹ 59

Pass Journal entries in the books of Johan Ltd.

(CO-4, AAE) (15M)

OR

Q.2B. Ram and Shyam were in partnership business sharing profit in the ratio of 3/5 and 2/5. On 1st April 2023 they admitted Bharat into partnership giving her 1/6 of the profits. Bharat brought 2,00,000 in cash of which 75,000 were considered as payment for goodwill and balance as her capital. The following Trial Balance was extracted from books as on 31st March 2024:

Debit Balances	Amount	Credit Balances	Amount
Purchases	3,14,325	Sales	5,35,800
Discount Allowed	4,300	Discount Received	5,375
Sundry Debtors	1,00,500	R.D.D.	3,000
Stock (01/04/2023)	1,07,050	Sundry Creditors	81,350
Carriage Inward	8,125	Capital A/c	1,62,500
Misc. Expenses	19,600	Ram	87,500
Motor Vehicle	1,25,000	Shyam	
Land & Building	2,00,000	Cash paid by Bharat on 1.4.2023	2,00,000
Cash at Bank	12,600	Bank overdraft	17,300
Telephone Expenses	8,100		
Printing & Stationery	6,725		
Rent & Insurance	8,000		
Bad Debts	1,000		
Investments	1,50,000		
<u>Drawings:</u>			
Ram	12,500		

Shyam	10,000		
Bharat	5,000		
	10,92,825		10,92,825

Additional Information:

1. Stock on 31 March 2024 was ₹ 1,05,625.
2. Bad Debts ₹ 3,000.
3. Depreciation to be charged on: Land & Building 5%, Motor Vehicle 20%.
4. R.D.D. to be maintained at 10% on Sundry Debtors.
5. Goods to the value of 2,500 have been lost by theft.

You are required to prepare:

1. Trading, Profit and Loss Account for the year ended 31st March, 2024.
2. Balance Sheet as on that date.

(CO-1, AAE) (15M)**OR**

Q.4B. From the following balance sheet of Famous store with A, B and C as partners sharing profit and losses in the ratio of 5:3:2. Their Balance sheet on the date of dissolution was as follows:

Liabilities	Amount	Assets	Amount
Capital Account:		Fixed Assets	80,000
A	38,800	Current Assets	60,000
B	20,400	Cash in Hand	9,600
C	26,000		
General Reserve	19,200		
A's Loan	21,200		
Sundry creditors	24,000		
	1,49,600		1,49,600

- a) Realisation expenses were estimated at Rs.4,000
- b) The Assets were realised as under:

First Installment	Rs.61,280
Second Installment	Rs.28,720
Third Installment	Rs.21,000
- c) Actual realisation expenses were Rs.3000 only.

Prepare a statement showing piecemeal distribution of cash by adopting excess capital method.

(CO-2, AAE) (15M)

Q.3B. Amar, Akbar and Anthony were in partnership sharing profits and losses in proportion to 5:4:3. They agreed to dissolve the firm on 1st January, 2024 on which date their assets and liabilities were as under:

Balance Sheet

Liabilities	₹	Assets	₹
Creditors	76,000	Debtors	1,45,000
Loan from Akbar	9,000	Stock	1,50,000
Capital Accounts:			
Amar	1,20,000	Plant	50,000
Akhbar	90,000		
Anthony	60,000		
		Furniture	10,000

The assets were realised in the following instalments and the proceeds were distributed as and when realised:

1st Installment	50,000
2nd Installment	30,000
3rd Installment	21,000
4th Installment	90,000
5th Installment	84,000

The cost of dissolution was estimated at ₹ 5,000 and the amount was kept as reserve before distribution of the proceeds until the 3rd instalment when the actual cost of ₹ 4,000 was met.

Prepare a statement showing the distribution cash of each instalment realised. (CO-2, AAE) (15M)

Q.4A. Deepali Unicorn and M/S Sarojni unicorn decided to amalgamate on the following terms and conditions on 31st March 2024. When their balance sheet was as follows:

Liabilities	Deepali Unicorn	Sarojni Unicorn	Liabilities	Deepali Unicorn	Sarojni Unicorn
Capital; Deepali	66,000	-	Land and Building	62,500	-
Kajal	84,000	-	Furniture	28,750	67,500
Sarojni	-	1,80,750	Investment	-	56,250
Kamni	-	1,05,500	Inventories	34,000	81,500
Creditors	53,750	1,28,750	Debtors	80,000	1,55,000
Bank loan	30,000	-	Cash at bank	28,500	54,750
	2,33,750	4,15,000		2,33,750	4,15,000

Terms of Amalgamation:

a) In case of Deepali Unicorn:

1. Provision for doubtful debts to be created at 10% on sundry debtors.
2. Inventories to be revalued at Rs.31500.
3. Building is to be taken over at Rs.1,50,000
4. Deepali took over Bank loan.
5. Goodwill was valued at Rs.50,000

b) In case of Sarojni unicorn:

1. Provision for doubtful debts to be created at 10% on debtors.
2. Inventories were valued at Rs.80,000
3. Investment was to be revalued at Rs.75,000
4. Goodwill was valued at Rs.75,000

You are required to show necessary ledger accounts in the books of Deepali Unicorn and Sarojni Unicorn.

(CO-3, AAE) (15M)

Q.4B. Following is the balance sheet of two firms as at 31st March, 2024.

Liabilities	Raj Mobile	Sachin Mobile	Assets	Raj Mobile	Sachin Mobile
Capital Account:			Premises	-	5,000
Raj	11,500	-	Computers	10,000	-
Rahul	11,500	-	Furniture	5,000	7,000
Sachin	-	18,000	Inventory	9,000	8,000
Sumit	-	12,000	Debtors	6,000	14,000
General Reserve	-	3,000	Bank Balance	2,000	4,000

A-5

Creditors	5,000	4,000	Cash Balance	1,000	2,000
Bills payable	5,000	3,000			
	33,000	40,000		33,000	40,000

It was mutually agreed to amalgamate their business from 1st April, 2024.

The terms of amalgamation were as follows:

1. Premises was valued at Rs.10,000 and computers at Rs.12,000.
2. Furniture was not taken over by new firm.
3. A reserve at 5% to be created against debtors.
4. Goodwill was valued as: Raj Mobile at Rs.10,000 and that Sachin Mobile at Rs.15000
5. The new firm also assumed other assets and liabilities of old firms at book value.

Show necessary ledger accounts in the books of old firm and prepare balance sheet of new firm.

(CO-3, AAE) (15M)

Q.5.A. What do you mean by amalgamation? Explain its objectives and needs. **(CO-3, U, A) (8M)**

Q.5.B. Explain in detail Types of purchase consideration. **(CO-3, U, A) (7M)**

OR

Q.5. Write Short note: **(Any Three)** **(CO-1,2,3,4- U, A) (15M)**

- a. Profit and loss appropriation account
- b. Statement of Excess capital
 - a. Conversion of Partnership Firm into Limited Company
 - c. Distinguish between Fixed Capital Method and Fluctuating capital method.
 - e. Types of Liabilities Under piecemeal Distribution