

'B'

Note : i) All questions are compulsory.
Solve Part (A) or Part (B) from each of the questions.

Q.1 A) A, B & C partners sharing profits in ratio 5:3:2.

The trial balance as at 31st March, 2005 is as follows.

		Debit	Credit			Debit	Credit
Capitals	A	-	80,000	Purchases		2,80,000	-
	B	-	50,000	Opening stock		42,000	-
	C	-	30,000	Salaries		64,000	-
Current a/cs				Office expenses		45,200	-
	A	-	16,000	Rent Rates		10,500	-
	B	-	12,000	Professional exp.		3500	-
	C	-	8,000	Debtors		20,600	-
Sales less returns			4,65,000	R.D.D.		-	500
Creditors		-	37,000	Bank		53,700	
Furniture		22,000	-	Drawings			
Premises (Freehold)		50,000	-	A		17,000	
Leasehold Premises		45,000	-	B		11,000	
Additions to Leasehold Premises		25,000	-	C		9,000	
				Total		6,98,500	6,98,500

Additional information :

- i) Salary to partners A - Rs. 10,000 B - Rs. 5000 and C - Rs. 5000
- ii) Interest on capital a/cs 9% (Not on current a/cs)
- iii) C Should be granted minimum share of Rs. 3000/- any deficiency in C's share should be borne by A & B in their profit sharing ratio.
- iv) Outstanding expense : Office Rs. 2400 salaries Rs. 3000.
- v) Life of lease agreement is 25 years.

Prepare final a/cs.

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OR

Q.I(A) PQ & Co. and RS. & Co. decided to amalgamate and form new Co. called PQ RS. & Co. Capital of new firm should be Rs. 150,000 to be divided among partners in ratio 6 : 4 : 3 : 2

old ratios are PQ & Co. equal and for RS. & Co. 3:2 Prepare Balance Sheet of PQ & RS & Co. and give journal entries in the book of PQ & Co. and PQ RS. Co.

Balance sheets on date of Amalgamation are :-

Liabilities	PQ & Co.	RS. & Co.	Asset's	PQ & Co.	RS. & Co.
Creditors	20,000	16,000	Bank	12,500	6,500
Outstanding wages	3,000	1,000	Debtors	37,500	24,500
Bank Loan	50,000	20,000	Stock	55,000	36,000
Capitals			Plant	15,000	10,000
P	50,000		Vehicles	4,5000	---
Q	40,000				
R		25,000			
S		15,000			
	1,65,000	77,000		1,65,000	77,000

1) assets are to be revalued as under :

	PQ & Co.	RS. & Co.
Plant	12,500	6,500
Stock	50,000	33,500
Vehicles	30,000	---

2) R.D.D. is to be provided at 5% on Debtors.

3) Goodwill of PQ & Co. is to be taken at Rs. 45000 and
RS. & Co. is to be taken at Rs. 20,000.

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Q.2 A) Following is the balance sheet of Anil, Babu and Chota sharing Profits
& Losses in ratio 1:2:2

Balance Sheet as on 31/12/2005

Liabilities	Amount	Assets	Amount
Capitals		Goodwill	6,000
Anil	42,000	Furniture	6,000
Babu	39,000	Stock	57,000
Chota	6,000	Debtors	54,000
Reserve	15,000	Bank	9,000
Creditors	30,000		
	1,32,000		1,32,000

Further information

- Customers paid Rs. 50,000 stock realised 60,000 furniture was taken over by Anil at Rs. 5,000 and creditors were paid off.
- Dissolution expenses are Rs. 2,000.
- Any deficiency in partners capital a/c should be borne by other partners in their

- Q.2 B)** Given below is the Balance sheet of XYZ as on 31/3/2005 they shared profit & losses in the ratio 4:3:3.
 The assets realised as follows :
 First - Rs. 32,500, Second - Rs. 25,000, Third - Rs. 20,000 and Last - Rs. 15,000
 X will get remuneration of 1% of assets realised.
 Prepare a statement showing cash distribution using maximum loss method.

Balance sheet as on 31/3/2005

Liabilities	Amount	Assets	Amount
Capital		Bank	550
X	30,000	Other Assets	1,02,450
Y	10,000		
Z	30,000		
Creditors	33,000		
	1,03,000		1,03,000

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- Q.3 A)** On 1/1/2004 Mr. C. purchased a car on hire purchase system from Bajaj Auto for Rs. 1,00,000. Down payment is Rs. 20,000. Balance in 4 equal installments with interest of 5 % p.a. Depreciation is 10%. Pass entries in books of C and Bajaj auto. (asset accrual method.)

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OR

- Q.3 B)** i) A Ltd. issued 2,000 debentures of 10 each at a discount of 10% and redeemable at a premium of 20%. Pass entry. 5
- ii) A Company issued 10,000 shares of 10 each out of which call of Rs. 2 per share is unpaid on 200 shares. Co. forfeited these shares and out of these 100 shares were reissued at Rs. 6 per share. Pass journal entries. 10

- Q.4 A)** Write short notes on : 15
- i) Goodwill 2) Hire purchase & 3) Leases.

OR

- Q.4 B)** i) Conditions of issue of Bonus shares. 5
- ii) Methods of Piecemeal Distributions. 10
