

Time : 2 hrs.

SY (HST) Fin. Acctg - III

CODE - DYSPROSIUM

Marks : 60

- N.B. : 1) Attempt all questions.
2) Figures to the right indicate marks.

- Q.1 Madhav, Anup and Parag are partners sharing profits and losses in the proportion 1/2, 1/3 and 1/6 respectively. Their partnership was dissolved on 30th June, 2008 on which date their Balance Sheet was as under : 15

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capitals:		Cash	8,000
Madhav 40,000		Debtors	84,000
Anup 20,000		Stock	32,000
Parag 4,000	64,000		
Loans :			
Madhav 12,000			
Anup 8,000	20,000		
Creditors	40,000		
	1,24,000		1,24,000

It was agreed that cash should be immediately utilised and thereafter the net realisation should be distributed in their due order at the end of each month by following Excess Capital Method :

The net realisations were as under :

	Rs.
15 th July, 2008	22,000
20 th August, 2008	21,000
6 th September, 2008	32,000
17 th October, 2008	21,200
30 th Nov., 2008	9,000

Prepare necessary statement of distribution of cash.

OR

- Q.1 X Co. Ltd. had an authorised capital of Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each, out of which 15,000 shares were issued to the public for subscription. The terms of issue were that Rs. 20 per share was payable on application, Rs. 20 per share on allotment, Rs. 30 per share on first call and the balance of Rs. 30 per share on second call. All the amounts were duly received except the following : 15
- From A- Holding 30 shares , on which allotment money, first and second call money were in arrears.
- From B - Holding 20 shares, on which first and second calls were in arrears.
- From C - Holding 10 shares, on which second call money was in arrears.
- The directors forfeited the shares and re-issued the same to D at Rs. 90 per share.
- Give journal entries necessary to record the above transactions, assuming

Q.2 On 1st April, 2005, Z purchased motor car from V. The cash price of the motor car was Rs. 2,50,000. Down payment of Rs. 1,00,000 was made on 1st April, 2005 and the balance cash price was paid by instalments of Rs. 50,000 per year (starting from 31st March, 2006) together with interest @ 18% p.a.

Z writes off depreciation on motor car at 20% p.a. under written down value method. He closes his books on 31st March, every year. Purchase is made on instalment method.

Prepare the necessary accounts in the books of Z for the years 2005-2006, 2006-2007 and 2007-2008.

OR

Q.2 Two independent firms carrying on similar business under the name & style T and B and Y& H decided to amalgamate on 1st July, 2008 when their respective balance sheets were as under :

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Liabilities	T&B Rs.	Y&H Rs.	Assets	T&B Rs.	Y&H Rs.
T's Capital	40,000	---	Buildings	3,9000	36,000
B's Capital	20,000	---	Furniture	8,000	20,000
Y's Capital		35,000	Stock	29,000	24,000
H's Capital		28,000	Debtors	7,000	22,000
Creditors	28,000	35,000	Investments	----	8,000
Mortgage loan	12,000	----	Cash	17,000	10,000
Bills payable	----	22,000			
	1,00,000	1,20,000		1,00,000	1,20,000

Terms of amalgamation were as under : for T & B.

- 1) Firm should pay its mortgage loan.
- 2) Building to be increased to Rs. 60,000.
- 3) Furniture recorded 20% below cost should be recorded at its cost price.
- 4) Stock to be reduced by Rs. 4,000.
- 5) Debtors should appear in the books at 95% of the book value.
- 6) Goodwill to be valued at Rs. 30,000.

B) For Y & H

- 1) Goodwill to be valued at Rs. 20,000
- 2) Investments not to be taken over by the new firm.
- 3) Stock was recorded 20% above the book value. It is to be recorded at its original cost.
- 4) Reduce debtors by 10%.

- C) It was further decided that :
Total capital of the new firm is to be fixed at Rs. 1,50,000 and the profit sharing ratio 3:2:3:2 is to be maintained for individual capital contribution of the partner. Adjustments in this respect is to be done through current accounts.
- D) Good will account in the new firm is to be written off.
Close the books of T&B and those of Y & H by realisation method. Prepare the opening balance sheet of the new firm.

- Q.3** Anna and Baba were partners sharing profits and losses in two third (Anna) and one third (Baba). Interest on fixed capital was credited at the rate of 5 percent per annum. No interest was charged on drawings.
On 1-1-2008 Chacha was admitted as a partner and the new profit sharing was Anna six-tenths, Baba three-tenths and Chacha one-tenths. Chacha was to be credited with a salary at the rate of Rs. 6,000 p.a.
It was agreed by Anna that Chacha's total share of profits including his salary and interest on capital should be guaranteed at a minimum of Rs. 18,600 Any apportionment should be made as to gross profit on the basis of sales and as to expenses, with the exception of general expenses, on the basis of time.
The Trial Balance on March 31st 2008 was as follows :

Particulars	Dr. Rs.	Cr. Rs.
Drawings and Capitals		
-Anna	30,000	48,000
-Baba	15,000	24,000
-Chacha (cash paid on 1-1-2008)	3,000	8,000
Delivery Van (Cost and provision for Depr)	10,000	4,000
Sales (Nine months to December 31st) 2007 Rs. 2,40,000)	-	3,69,000
Sales Returns	9,000	
Purchases	2,22,000	
Stock (March 31st, 2007)	48,000	
Furniture	15,000	
General Expenses (Nine months to December 31st 2007 Rs. 4,850)	10,400	
Salaries	24,000	
Heating and Lighting	2,200	
Rent and Rates	9,600	
Debtors and Creditors	53,000	18,000
Cash and Bank	19,800	
	4,71,000	4,71,000

Adjustments :

- 1) On March 31st 2008 the stock was valued at Rs. 47,000.
- 2) Rates paid in Advance Rs. 600.
- 3) Rs. 800 is to be provided for electricity consumed to that date.
- 4) Included in the sales and debtors was Rs, 6,000 for goods sent on sale or return on February 1st 2008 which were still unsold on March 31st 2008 (cost Rs. 3,000)
- 5) Depreciation is to be provided at 20% p.a. on the cost of delivery Van and at 2 1/2% p.a. on the furniture.

You are required to prepare :

Trading and Profit and Loss Account for the year to 31st March 2008 and Balance Sheet.

OR

- Q.3** Following is the Balance Sheet of Santosh and Rajesh who shared profits and losses in the ratio of 3:2.

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Balance Sheet
as at 31st December, 2007

Liabilities	Rs.	Assets	Rs.
Capital :		Cash & Bank balance	60,000
Santosh : 5,00,000		Furniture	3,00,000
Rajesh : <u>5,00,000</u>	10,00,000	Investments	1,00,000
Reserve Fund	1,00,000	Machinery	7,00,000
Santosh's Loan	10,000	Debtors	70,000
Bills payable	20,000		
Creditors	1,00,000		
	12,30,000		12,30,000

The firm was dissolved on 31st December 2007.

The following information is available.

- 1) Santosh took over the investments at Rs. 92,000.
- 2) Cash realised from debtors Rs, 65,000;
Machinery sold for Rs. 6,75,000.
- 3) Rajesh agreed to takeover furniture at Rs. 2,80,000 and agreed to meet the bills payable at Rs. 15,000.
- 4) Dissolution expenses amounted to Rs. 14,000.
- 5) Orders were paid Rs. 97,000 in full settlement.

Prepare necessary accounts to close the books of the firm.

The following particulars appear in the balance sheet of a limited company.

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Balance Sheet of -Limited as at -

Liabilities	Rs.	Assets	Rs.
SHARE CAPITAL			
Authorised :		Sundry Assets	1,26,000
20,000 shares of Rs. 10 each	2,00,000		
Issued & Paid-up :			
10,000 shares of Rs.10 each Rs. 8 paid up	80,000		
Reserves & Surplus :			
Securities Premium	2,000		
Capital Redemption Reserve	4,000		
General Reserve	40,000		
	1,26,000		1,26,000

The company declared bonus :

- a) For making the partly paid shares as fully paid up shares.
- b) For the issue of 1,000 fully paid up bonus shares of Rs. 10 each to the existing shareholders. For this purpose, general reserve should be utilised to the minimum extent.

Pass the journal entries to record the above.

- b) What journal entries would be made if 1,000 6% Debentures of Rs. 100/- each were : 7
 - a) Issued at par, repayable at Rs. 100/-.
 - b) Issued at a discount of Rs. 5/-, repayable at par.
 - c) Issued at premium of 5%, repayable at par.
 - d) Issued at par, repayable at premium of Rs. 5/-.
 - e) Issued at a discount of 5% repayable at a premium of Rs. 5/-.
 - 5) Issued at a discount of Rs.10/- repayable at a premium of 5% ?

OR

Q.4 Write short notes (any 3)

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- 1) Maximum Loss method
- 2) Lease accounting
- 3) Forfeiture of shares.
- 4) Hire purchase price.
