Instructions to Candidates :

1. All Questions are compulsory carrying 15 marks each.
2. Question No. 1 carries internal option, i.e. Question No. 1 of 15 marks OR Sub-question No. 1 (a) of 8 marks plus Sub-question No. 1 (b) of 7 marks, out of which Any One Question totalling 15 marks is to be attempted.
3. Question No. 2 carries internal option, i.e. Question No. 2 of 15 marks. OR Question No. 2 of 15 marks, out of which Any One Question totalling 15 marks is to be attempted.
4. Question No. 3 carries internal option, i.e. Question No. 3 of 15 marks OR Question No. 3 of 15 marks, out of which Any One Question totalling 15 marks is to be attempted.
5. Question No. 4 carries internal option, i.e. Question No. 4 of 15 marks OR Question No. 4 of 15 marks, out of which Any One is to be attempted.
6. In all Four Questions are to be attempted.
7. Use of simple 12-digit non-programmable calculator is allowed.
8. Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.

Q.1 Roy and Sen were partners in a firm sharing profits and losses in the ratio of 3:1 respectively. They admitted Tom as a partner from 1st August 2012 for 20% share in future profits and losses. Tom broguht in Rs. 1,44,000 in cash consisting of Rs. 108,000 towards his capital contribution and Rs. 36000 towards his share in the total goodwill of the firm which was valued at Rs. 180,000 on the date of admission. The entire amount of Rs. 1,44,000 received was credited to Tom's Suspense Account on 1.8.2012.

The Trial Balance of the firm as on 31.3.2013 was as follows :-

Debit Balances	Rs.	Credit Balance	Rs.
Opening Stock	1,44,000	Capital Accounts :	
Machinery	2,16,000	Roy	2,16,000
Furniture	54,000	Sen	1,80,000
SundryDebtors	2,16,000	Sales	7,92,000
Purchases	3,45,600	Bills Payable	54,000
Discount allowed	9,000	Sundry Creditors	1,08,000
Carriage Inward	21,600	Tom's Suspense A/c	1,44,000
Carriage Outwards	5,400	Revaluation A/c	12,000
Rent	28,800		
Salaries	1,23,600		
Bills Receivable	72,000		
Cash at Bank	1,80,000		
Drawings : Roy	36,000		
Sen	36,000		
Tom	18,000		

Additional information :-

a) Closing stock on 31/3/2013 was Rs. 216.000

b) Depreciate Machinery @ 15% p.a. and Furniture @ 10%p.a.

c) Provide for salaries Outstanding Rs. 18,000

d) Sales for the period from 1/4/2012 to 31/7/2012 were Rs. 316,800

e) Assets and liabilities except Goodwill were revalued through the Revaluation A/c, which is to be closed suitably.

f) Adjustment for goodwill is to be done without opening Goodwill A/c

Prepare Trading and columnar Profit and Less Account of the firm for year ended 31/3/2013 and also the Balance sheet as on that date.

OR

Q.1 a) M and N were partners in a business sharing profit and losses equally. New partner P was admitted into the partnership on 31st August 2012 for 20% share in future profits and losses.

The following information is available for the year ended 31st March 2013.-

	Rs.
Gross Profit	450,000
Sales for the year	24,00,000
Rent	60,000
Depreciation	30,000
Advertising	72,000
Carriage Outward	12,000
Interest paid	2,400
Discount allowed	9,600
Sales for post admission period	14,40,000

a) Calculate Time Ratio and Sales Ratio of pre-admission to post-admission period.

b) Prepare columnar Profit and Loss Account showing division of expenses and profits between the two periods. [8]

b) P, Q, and R were partners in a business sharing profits and losses in the ratio of 3:2:1 respectively.

The following information is available for the year ended 31/3/2013.

a) The net profit for the year was Rs. 105,000 before appropriations.

b) As per the partnership Deed, Salary to partners is to be allowed as follows : -

A : Rs. 500 per month

B : Rs. 750 per month

C : Nil

c) Allow interest on partner's capitals as follows :

A : Rs. 4000 for the year

B : Rs. 3000 for the year

C : Rs. 2000 for the year

P.T.O.

d) Charge interest on drawings as follows :

A	:	Rs. 1500 for the year
B	:	Rs 1000 for the year
C	:	Rs. 500 for the year

You are required to prepare the Profit and Loss Appropriation Account of M/s PQR & Co. for the year ended 31/3/2013. [7]

Q.2 A, B, and C were partners sharing profits and losses in the ratio of 2:2:1 respectively. The decided to dissolve their partnership on 31/3/2013. The Balance sheet of the firm on the date of dissolution was as follows :- [15]

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	15,400	Investments	42,000
Bills Payable	46,200	Stock	1,80,600
General Reserve	25,200	Sundry Debtors	64,400
Capital Accounts		Machinery	44,800
A	1,80,000	Furniture	5,600
B	1,90,000	Land and Building	2,67,400
C	1,48,000		
Total	**6,04,800**	Total	**6,04,800**

A sum of Rs. 4,000 has to be provided for estimated realisation expenses. Subject to this, it was decided that all cash received should be immediately distributed among the parties according to their legal rights and claims.

The amounts realised from the assets were as follows :-

Particulars	**Rs.**
First Realisation	46,200
Second Realisation	50,400
Third Realisation	2,96,800
Fourth (Last) Realisation	1,28,800

Actual expenses of realisation amounted to Rs. 6000

Using Excess Capital Method, prepare the following :

a) Statement of Excess Capital of partners

b) Statement of Piecemeal distribution of Cash

c) Statement showing Total Realisation Profit or Loss and how it is shared by A, B, and C.

OR

Q.2 P, Q and R were in partnership sharing profits and losses in the ratio of 2:2:1 respectively. They decided to dissolve their partnership with effect

Balance sheet as on 31st March, 2013.

Liabilities	Rs.	Assets	Rs.
Capital Accounts		Cash in hand	10,000
P	40,000	Other sundry Assets	3,40,000
Q	60,000		
R	50,000		
General Reserve	50,000		
Mrs. P's Loan	75,000		
Sundry Creditors	45,000		
Bills Payable	30,000		
Total	**3,50,000**	Total	**3,50,000**

It was agreed that the amounts realised and the cash in hand should be distributed at the end of each month starting from 30/4/2013, as per Excess Capital Method.

The other Sundry Assets were realised as follows.

Month	Gross Amount Rs.	Realisation Expenses Rs.
April 2013	140,000	1400
May 2013	55,750	600
June 2013 (final)	99,250	1000

Using Excess Capital Method, you are required to prepare the following :-

a) **Statement of Excess Capital of partners.**

b) **Statement of Piecemeal Distribution of Cash**

c) **Statement showing Total Realisation Profit or Loss and how it is shred by P, Q, and R.**

Q.3 AB & Co having A and B as equal partners decided to amalgamate with CD & Co having C and D as equal partners to form a new firm ABCD & Co. with effect from 1/4/2013, on which date the Balance sheet of AB & Co and CD & Co. were as follows :-

Balance sheet as on 1/4/2013

Liabilities	AB & Co.	CD & Co.	Assets	AB & Co.	CD & Co.
Capital Accounts			Land and Building	1,60,000	2,00,000
A	3,00,000		Furniture	62,000	70,000
B	1,80,000		Vehicles	1,00,000	60,000
C		2,60,000	Investments	32,000	1,20,000
D		2,20,000	Stock	1,40,000	1,80,000
Sundry Creidtors	1,60,000	2,00,000	Debtors	1,18,000	1,10,000
Bills payable	--	1,20,000	Bank	28,000	60,000
Total	**6,40,000**	**8,00,000**	Total	**6,40,000**	**8,00,000**

The new firm ABCD & Co took over all the assets and liabilities (including bank balances) of the old firms at the following agreed values :-

a) Land and Building at 20% above the book value

b) Furniture Vehicles and stock at book value

c) Investments at 10% below book value

d) Sundry Debtors after making a provision for doubtful debts @ 5% of the book value.

e) The new firm took over all the liabilities of the old firms at book values.

You are required to prepare the following :-

a) Statement of Purchase Consideration of the two old firms.

b) Realisation A/c, Partner's Capital A/cs in the books of AB & Co.

c) Realisation A/c, Partner's Capital A/cs in the books of CD & Co.

d) Opening Balance sheet of ABCD & Co. after amalgamation .

Q.3 M and N were in partnership as Mon & Co. In a similar type of business, D and Y were in partnership as Day & Co. It was agreed that on 1st April, 2013, the two partnerships be amalgamated into one firm Monday & Co. The profit sharing ratios of the different firms were agreed as follows :- [15]

	M	N	D	Y
Old Firms	2	3	4	5
New Firms	2	3	4	5

The balance sheets of the two firms as on 31/3/2013 were as follows :

Liabilities	Mon & Co. Rs.	Day & Co. Rs.	Assets	Mon & Co. Rs.	Day & Co. Rs.
Capital A/c			Land	1,63,200	2,68,800
M	10,08,000		Building	6,00,000	8,64,000
N	16,32,000		Machinery	11,52,000	23,52,000
D		20,16,000	Furniture	2,01,600	2,73,600
Y		25,92,000	Stock	4,08,000	5,85,600
Creditors	5,52,000	7,68,000	Debtors	5,28,000	7,34,400
Outstanding Rent	1,44,000	2,64,000	Bank	2,83,200	5,61,600
Total	**33,36,000**	**56,40,000**	Total	**33,36,000**	**56,40,000**

on the following terms :-

a) Furniture was not taken over by the new firm but were sold by the two old firms for cash Rs. 148,800 and Rs. 2,20,800 respectively.

... Rent was paid in full by cheque by the old firms prior to amalgamation .

c) The other assets of the old firms including the revised cash balances and bank balances, and the creditors were taken over by Monday & Co. at the following agreed values :-

Particulars	Mon & Co.	Day & Co.
Land	6,72,000	12,48,000
Building	5,76,000	7,92,000
Machinery	10,56,000	21,60,000
Stock	3,84,000	5,76,000
Debtors	5,04,000	7,05,600
Creditors	Book value	Book value

d) Goodwill was to be ignored

You are required to prepare the following :

a) Statement of Purchase Consideration of the two firms.

b) Realisation A/c, Partner's Capital A/cs in the books of Mon & Co.

c) Realisation A/c , Partner's Capital A/cs in the books of Day and Co.

d) Opening Balance sheet of Monday & Co. after the amalgamation.

Q.4 In each of the following statements, state whether the given statement is TRUE or FALSE. Reasons need not be given. Write your answers in the same order . [15]

1. On amalgamation of firms, the books of the new firm are closed by opening realisation account.
2. Old profit-sharing ratio minus new profit sharing ratio is called sacrifice ratio
3. Goodwill is an intangible asset.
4. Piecemeal distribution means one single distribution of cash after the last instalment is received.
5. In piecemeal distribution, partner's loans must be repaid first before repaying partner's capitals.
6. Income-tax payable to Government is a preferential creditor.
7. On retirement of a partner, the number of partners in the firm increases.
8. A working partner has the right to get salary even if the Partnership Deed does not provide for such salary.
9. On retirement of a partner, the amount due to him is transferred to his

Loan Account on the same day if the amount is unpaid.

10. On death of a partner, amount due to the deceased or dead partner is paid to the Legal Representative or Executor of such partner.

11. Purchase consideration is the price payable by the new firm for assets and liabilities taken over from the old firm on amalgamation.

12. Revaluation profit must be shared is old profit-sharing ratio.

13. A credit in Revaluation account means Revalution Loss.

14. Post-admission profit must be shared in old profit sharing ratio.

15. Rent must be dividend in Time Ratio.

Q.4 A) K, L. and M were partners in a business sharing profits and losses in the ratio of 40%, 30% and 30% respectively. K retired from the business on 1st October 2012. On the date of retirement, the total value of the goodwill of the firm was agreed at Rs. 40,000. No goodwill was appearing in the books of the firm.

Partners L and M continued the business after retirement of K, with their new profit-sharing ratio as L = 60%, and M = 40%.

You are required to

i) Calculate the Gain Ratio.

ii) Pass suitable journal entry between the partner's capital accounts to adjust for goodwill on retirement of K without opening goodwill account [6].

B) Write short notes on : (Any Three) [9]

1. Cost Centres
2. Cost Categories
3. Inventory Vouchers
4. Godown Management.

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