

Time : 2 & 1/2 hrs.

Marks : 75

Instructions to Candidates:

- 1) All Questions are Compulsory carrying 15 marks each.
- 2) In all FIVE Questions i.e. Q. No. 1, 2, 3, 4 and 5 are to be attempted, USING INTERNAL OPTIONS as indicated
- 3) Use of simple 12-digit non-programmable calculator is allowed.
- 4) Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.

Q1 (15 marks) Objective: (1A= 8 marks plus 1B= 7 marks):

Q1 (A) (8 MARKS) State whether the following statements are True or False (Reasons are not required) :- *Write all 10 sub-question nos. in same order, but Answer any 8 out of the following 10 sub-questions):-*

1. Interest on partners loan need not be paid if the partnership deed does not provide for such interest
2. AS 14 deals with amalgamation of partnership firms.
3. Loans taken from partners is a preferential creditor on dissolution.
4. Gain ratio is calculated on admission of a partner.
5. Excess Capital Statement helps us to decide payments to Outside Liabilities.
6. Computer Software is a tangible asset.
7. In excess capital method the excess capital is repaid last.
8. In Tally, Alt + F4 is the key for Purchase Order.
9. In Tally, Alt + F5 is the key for SalesOrder.
10. On amalgamation of firm, purchase consideration is calculated at agreed values.

Q1 (B) (7 MARKS) Fill in the blanks , *Write all 10 sub-question nos in same order 12345678910, but Answer any 7 out of the following 10 sub-questions):-*

1. If the partnership deed does not specify the profit-sharing ratio, partners will share profits and losses in _____ ratio .
2. Partner's Capital is _____ of partnership firm.
3. Realisation A/c is prepared by the _____ firm on amalgamation of partnership firms.
4. Goodwill is _____ asset
5. Outstanding salary is a _____ account
6. Sacrifice ratio is used for adjusting goodwill share on _____ of a partner.
7. Tax payable is a _____ creditor in piecemeal distribution
8. In fluctuating capital method, drawings is debited to _____ account
9. Prepaid Expense is _____ of a firm
10. On dissolution , assets are transferred to Realisation Account at _____ values

Balance Sheet as at 31st March, 2016

Liabilities	Amt	Assets	Amt
Capital Accounts:-		Fixed Assets	1,80,000
S	1,60,000	Stock	96,000
P	60,000	Debtors	1,60,000
T	20,000	Cash	4,000
General Reserve	1,20,000		
Tax Payable	10,000		
Creditors	40,000		
Outstanding Rent	30,000		
Total	4,40,000	Total	4,40,000

The firm was dissolved on the above date, 31/3/2016. It was decided to distribute the cash as & when the assets were realised. The assets were realised in cash in instalments as follows:

Month	Net Amount realised Rs.
April, 2016	20,000
May, 2016	1,12,000
June, 2016	88,000
July, 2016 - Last	2,40,000

- Prepare: -
1. Statement showing excess capital.
 2. Statement showing piecemeal distribution of cash.

OR Q2 (15 marks) A, B & C were partners sharing profits & losses in the proportion of 3:2:1. They decided to dissolve the partnership firm on 31st March, 2016..

Balance Sheet as at 31st March, 2016

Liabilities	Amt	Assets	Amt
CapitalAccounts:- A	1,80,000	Sundry Assets(excluding cash)	5,04,000
B	1,08,000		
C	36,000		
Loan Accounts:- A	54,000		
C	36,000		
Sundry Creditors	60,000		
Bills Payable	30,000		
Total	5,04,000	Total	5,04,000

They further agreed to distribute the money as & when received using Excess Capital Method, starting from April 2016 , without waiting for final realisation of all assets. The following amounts were gradually realised from the assets.

1. 1st instalment April 2016 Rs.45,000.
2. 2ndInstalment May 2016 Rs.81,000.
3. 3rd Instalment June 2016 Rs.90,000.
4. 4th & final instalment July 2016 Rs.1,14,000.

- Prepare:-
- 1 .Statement showing excess capital.
 2. Statement showing piecemeal distribution of cash.

Q2 (15 marks) Following is the balance sheet of M/s PQ & M/s RS as at 31st March, 2016.

Liabilities	M/s PQ	M/s RS	Assets	M/s PQ	M/s RS
Partner's Capital A/c:-			Building	1,80,000	----
P	2,00,000	----	Furniture	36,000	18,000
Q	1,00,000	----	Stock	1,20,000	90,000
R	----	1,20,000	Debtors	72,000	1,21,000
S	----	90,000	Cash	22,000	11,000
Creditors	1,00,000	1,20,000	Investments	----	90,000
Bank Loan	30,000	----			
Total	4,30,000	3,30,000	Total	4,30,000	3,30,000

The two firms decided to amalgamate their businesses with effect from 1st April, 2016 on the following terms & conditions.

1. Ignore Goodwill.
2. All assets and liabilities of the two firms were taken over at book values except for the following:- .
3. Building is taken over at Rs.2,00,000.
4. Investments are taken over at Rs 80,000
5. Stock of both the firms to be taken over at 10% below book value.
6. Profit-sharing ratio of P and Q in old firm was 3 : 2
7. Profit-sharing ratio of R and S in old firm was 2 : 1
8. Profit-sharing ratio of P , Q , R and S in new firm was agreed as 3 : 2 : 2 : 1 respectively

Prepare:- 1. Statement of Purchase consideration 2. Realisation A/c, Partners Capital A/cs in the books of old firms. 3. Opening Balance Sheet of New firm after all the above adjustments.

OR

Q3 (15 marks) Following is the balance sheet of M/s AP & M/s MC as at 31st March, 2015.

Liabilities	M/s AP	M/s MC	Assets	M/s AP	M/s MC
Partner's Capital A/c:-			Building	2,00,000	----
A	1,80,000	----	Furniture	56,000	28,000
P	2,40,000	----	Stock	1,80,000	1,00,000
M	----	1,60,000	Debtors	2,80,000	1,49,000
C	----	1,00,000	Cash	44,000	33,000
Creditors	1,20,000	1,20,000	Investments	----	70,000
Bank Loan	2,20,000	----			
Total	7,60,000	3,80,000		7,60,000	3,80,000

The two firms decided to amalgamate their businesses with effect from 1st April, 2016 on the following terms & conditions.

1. Building is taken over at Rs.2,20,000, and Investments are taken over at Rs 70,000
2. Stock of both the firms to be taken over at 10% below book value, and ignore Goodwill.
3. All remaining assets and liabilities of the two firms were taken over at book values
4. Profit-sharing ratio of A and P in old firm was 1 : 2 and Profit-sharing ratio of M and C in old firm was 2 : 1
5. Profit-sharing ratio of A , P , M and C in new firm was agreed as 1 : 2 : 2 : 1 respectively

Prepare:- 1. Statement of Purchase consideration 2. Realisation A/c, Partners Capital A/cs in the books of old firms. 3. Opening Balance Sheet of New firm after all the above adjustments.

Particulars	Amount Rs.	Particulars	Amount Rs.
<u>Drawing Account:-</u>		<u>Capital Accounts:-</u>	
D	50,000	D	4,00,000
E	40,000	E	3,00,000
F	20,000	F's Suspense A/c	1,40,000
Machinery	6,80,000	Creditors	2,20,000
Furniture	48,000	Sales	28,00,000
Debtors	2,55,000		
Cash	27,000		
Opening Stock	90,000		
Purchases	20,40,000		
Wages	66,000		
Carriage outward	70,000		
Rent	1,44,000		
Administrative Expenses	1,20,000		
Selling expenses	2,10,000		
Total	38,60,000		38,60,000

Additional Information:-

1. On 1st October 2015, F was admitted as a partner who has brought in cash Rs.1,00,000 for capital and Rs.40,000 for his share of goodwill.
2. Partners share profit & losses equally, before and after admission of F.
3. The sales ratio for pre-admission period and post-admission period was 3:4
4. Provide 10% p.a depreciation on machinery & furniture.
5. Stock on 31st Mar, 2016 was valued at Rs.1,31,000.

Prepare:- 1. Trading and **Columnar** Profit & loss A/c for the year ended 31st Mar, 2016 and
2. Partners Capital A/cs. 3. Balance sheet as at 31st Mar, 2016.

OR

Q 4 (15 marks) M/s. ABC & Co. is a partnership business having partners A B & C sharing profits and losses in the ratio of 2:1:2 respectively . Following is the trial balance of the firm as on 31st March, 2016. Trial balance of the firm as on 31st March, 2016.

Particulars	Amt	Particulars	Amt
<u>Drawings:-</u>		<u>Capital:-</u>	
A	18,000	A	1,35,000
B	36,000	B	90,000
C	45,000	C	1,62,000
Plant & Machinery	3,60,000	Creditors	1,71,000
Stock (31/3/16)	63,000	Gross Profit	5,67,000
Bill Receivable	1,02,000	Outstanding expenses	45,000
Cash	69,000		
Sundry Debtors	1,89,000		
Advertisement	27,000		
Salaries	72,000		
Carriage Outward	63,000		
Prepaid expenses	18,000		
Rent	1,08,000		
Total	11,70,000	Total	11,70,000

PTO

Adjustments:

1. Partner C retired on 30th Sep, 2015. A and B continued the business sharing profits and losses in the ratio of 2:1.
2. Goodwill of the firm on the date of retirement was valued at Rs.18,000 & it was agreed by the partners that it should not appear in the books of accounts, but adjustment for the same should be done through Capital accounts
3. Provide depreciation on plant & machinery for the year Rs. 36,000.
4. The sales ratio for pre-retirement period and post-retirement period was 4:3
5. The amount due to retiring partner C was agreed to be treated as an interest-free loan from C to the firm.

Prepare: - a) Columnar Profit & Loss A/c for the year ended 31st March, 2016

b) Partners Capital A/c.

c) Balance Sheet as at 31/3/2016

Q 5A (8 marks) What is Sales ratio? Explain with suitable examples how it is used.

Q 5B (7 marks) What is Time ratio? Explain with suitable examples how it is used.

OR

Q 5 (15 marks) Write short notes on any three. (5 mark each):-

1. Sacrifice ratio.
 2. Excess Capital statement.
 3. Purchase consideration.
 4. Stock groups and Stock items .
 5. Cost Centres and Cost Categories.
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