

SET VI
SYBCOM SEM III

ACCOUNTANCY & FINANCIAL MANAGEMENT III

DURATION : 3 HOURS**MARKS : 100**

NOTE : - ALL QUESTIONS ARE COMPULSORY CARRYING 20 MARKS EACH.
USE OF SIMPLE CALCULATOR IS ALLOWED.

Q.1 (a): Fill in the blanks with appropriate given options and rewrite complete sentences (any ten): (10 Marks)

1. Purchase consideration = Asset less liabilities both at market value. (Internal/External)
2. In the absence of information, purchase consideration received on conversion should be distributed in the ratio. (Equal / Capital)
3. On amalgamation of firm Account is opened. (Profit and Loss / Realisation)
4. On amalgamation of firm, fictitious assets of the old firm are to Capital A/c of the old partners. (Debited / Credited)
5. In excess Capital method the minimum capital is equal to unit capital. (Highest / Lowest)
6. Income Tax payable by the firm as on the date of dissolution is treated as Creditors. (Secured/Preferential)
7. Indian Partnership Act is in force since (1956/1932)
8. Excess of income over expenditure is (Net Profit / Net Loss)
9. There cannot be more than partners in partnership firm. (10/20)
10. The executor is entitled to all the rights of a (Retired Partner / Deceased Partner)
11. The balance in the capital A/c of a deceased partner is transfer to his..... account (Family/Executor's)
12. The credit balance of Revaluation Account shows (Loss / Profit)

Q.1 b) Match the following column: (Any Ten) (10 Marks)

Column A	Column B
1. Partners' Salaries	(a) Old firm
2. Purchase Consideration	(b) Debited to Profit and Loss A/c
3. Purchasing Firm	(c) Assets minus Liabilities
4. Creditors	(d) Debited to Trading Account
5. Carriage Outwards	(e) Contingent Liability
6. Bills Discounted	(f) Debited to Profit and Loss Appropriation A/c
7. Net Assets Method	(g) Old ratio minus New ratio
8. Vendor Firm	(h) Outgoing Partner
9. Admission of Partner	(i) Consideration Payable on Amalgamation
10. Carriage Inwards	(j) External Liabilities
11. Ratio of Sacrifice	(k) Incoming Partner
12. Retirement of Partner	(l) New Firm

Q.2: From the following Trial Balance of Surendra and Devendra, you are required to prepare Trading and Profit and Loss Account for the year ended 31st December 2022 and Balance Sheet as on that date after adjustment given below: (20 Marks)

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Trial Balance as on 31st December 2022

Debit Balance	Rs.	Credit Balance	Rs.
Stock on 1-1-2022	35,000	Capital Account:	
Salary and wages	9,200	- Surendra	60,000
Cash	10,000	- Devendra	40,000
Purchases	2,25,200	Sales	3,30,000
Sundry Expenses	8,600	Discount	4,800
Productive Wages	14,000	Creditors	20,000
Bills Receivable	8,000	Bank Overdraft	10,000
Law Charges	3,000	Interest on Investment	7,200
Bad Debts	1,000		
Work Expenses	6,000		
Commission	3,000		
Investment	20,000		
Debtors	40,000		
Trademark	8,000		
Tools and Equipments	6,000		
Furniture	12,000		
Goodwill	13,000		
Building	50,000		
	<u>4,72,000</u>		<u>4,72,000</u>

Adjustment:

- Partners share profit and losses in their capital ratio.
- The closing stock- cost price Rs.40,000 and Market price Rs.45,000.
- Surendra has withdrawn goods worth Rs.1,200 for his own use.
- Uninsured goods worth Rs.10,000 were destroyed by fire.
- Rs.450 to be written off as bad debts from debtors.
- Unpaid salary and wages Rs.800 and printing bill Rs.1,200.
- Depreciate Building at 7.5% p.a.

OR

Q.2: M/s Rekha Ltd. and M/s Surekha Ltd. decided to amalgamation and form a new firm called M/s Swastik Ltd. on the following terms and condition on 31st March, 2022. When their Balance Sheet were as follows:

(20 Marks)

Liabilities	M/s Rekha (Rs.)	M/s Surekha (Rs.)	Assets	M/s Rekha (Rs.)	M/s Surekha (Rs.)
Capital A/c:			Building	20,000	41,000
- Kiran	60,000	-----	Investment	30,000	12,000
- Smita	30,000	-----	Furniture	6,000	
- Prajakta	-----	40,000	Stocks	34,000	46,000
- Anvita	-----	65,000	Cash at Bank	10,000	10,400
Bank Loan	10,000	34,000	Debtors	20,000	75,000
Creditors	20,000	46,000			
	<u>1,20,000</u>	<u>1,85,000</u>		<u>1,20,000</u>	<u>1,85,000</u>

Terms of Amalgamation:

A) In case of M/s Rekha

- Building was taken to be worth Rs.60,000.

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- Goodwill is valued at Rs.20,000.
- Provision for doubtful debts to be created at 5% on Debtors.
- Stock to be valued at Rs.30,000
- All liabilities and remaining assets are taken over at book values.

B) In case of M/s Surekha

- Building was taken to be worth Rs.80,000.
- Goodwill is valued at Rs.10,000.
- Provision for doubtful debts to be created at 5% on Debtors.
- All liabilities and remaining assets are taken over at book values.

You are required to show necessary ledger accounts in the books of M/s Rekha Ltd. and M/s Surekha Ltd.

Q.3: Trupti, Rama and Usha were in partnership firm sharing profit and losses in the ratio of 3:2:1. They dissolve the firm on 31st December, 2022. (20 Marks)

Liabilities	Rs.	Assets	Rs.
Capital:		Cash	25,000
- Trupti	50,000	Fixed Assets	2,00,000
- Rama	62,500	Stocks	67,500
- Usha	25,000	Preliminary Expenses	-----
Reserves	30,000		
Creditors	1,00,000		
Loan from Trupti	25,000		
	2,92,500		2,92,500

The following are the realisation and expenses:

Months	Fixed Assets	Stocks	Expenses
January 2023	30,000	15,000	2,500
February 2023	55,000	2,500	3,750
March 2023	15,000	25,000	3,000
April 2023	83,750	20,000	6,000

Prepare a statement showing Piecemeal Distribution of Cash by Using Proportionate Capital Method.

OR

Q.3: Siddhi, Sampada and Sita are partners sharing profit and loss in the ratio of 5:3:2. The Balance Sheet of firm on 31-3-2022 is as follows: (20 Marks)

Liabilities	Rs.	Assets	Rs.
Capital:		Land and Building	1,28,000
- Siddhi	70,000	Machinery	60,000
- Sampada	50,000	Investments	12,000
- Sita	60,000	Bills Receivable	5,200
Creditors	45,000	Debtors	15,000
Bills Payable	7,000	Stock	9,000
Reserve Fund	10,000	Cash-Bank	12,800
	2,42,000		2,42,000

The business of the firm was taken over by a new company Rhyno Pvt. Ltd. on following conditions:

1. Revalued assets are: Machinery 80,000, Stock 12,000 and Land and Building 1,60,000.

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- Cash-bank and investment not to be taken over and other assets and liabilities to be considered at book value.
- The company agreed to pay 40,000 as goodwill.
- The company issued 20,000 Equity Shares of 10 to be distributed among the partners in their profit sharing ratio and remaining amount was paid in cash.
- Partners sold investment at 10,000.

Prepare in the books of the firm:

Realisation Account, Partners' Capital Account, Cash-Bank Account and New Company's Account.

Q.4: X, Y and Z are partners of M/s Rima Printers, sharing Profits and Losses in the ratio of 1:1:2. On 30th June, 2022, they decided to dissolve their firm when their balance sheet was as under: (20 Marks)

Liabilities	Rs.	Assets	Rs.
Capital:		Goodwill	1,20,000
- X	2,40,000	Building	2,40,000
- Y	1,60,000	Plant	2,68,000
- Z	3,00,000	Stock	1,23,000
General Reserve	80,000	Debtors	1,80,000
Loan from Y	40,000	Bills Receivable	37,000
Sundry Creditors	1,60,000	Bank	12,000
	9,80,000		9,80,000

The realisation and expenses of realisation were as stated below:

Date	Realisation (Rs.)	Expenses (Rs.)
31 st July	1,10,000	2,000
31 st August	3,40,000	10,000
30 th September	3,50,000	3,000
31 st October	1,62,000	3,000

You are required to prepare statement to show the piecemeal distribution of cash available under Excess Capital Method.

OR

Q.4: Ritika and Kritika were in partnership business sharing in the ratio of 3:2. As from 1-10-2021 they admitted Nisha into partnership giving 1/6th of the profits. Nisha brought in Rs.2,50,000 in cash of which Rs.50,000 were considered as being in payment of her share of Goodwill and reminder as her capital. The following trial balance was extracted from the books as on 31-03-2022. (20 Marks)

Trail Balance as on 31st March 2022

Particulars	Dr. (Rs.)	Cr. (Rs.)
Capital Accounts:		
Ritika	-----	3,15,600
Kritika	-----	2,42,400
Cash paid by Nisha on 1-10-2021	-----	2,50,000
Sales	-----	4,85,000
Creditors	-----	59,000
Plant and Machinery	1,60,000	-----
Computer	1,46,000	-----

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Office Premises	2,65,000	-----
Sales Return	5,260	-----
Purchases	3,45,120	-----
Stock (1-04-2021)	1,64,200	-----
Salaries	35,420	-----
Sundry Expenses	54,360	-----
Insurance	36,000	-----
Purchases Return	-----	5,120
Wages	12,000	-----
Cash on Hand	12,520	-----
Debtors	41,250	-----
R.D.D.	-----	2,130
Cash at Bank	42,160	-----
Drawings:		
Ritika	19,500	-----
Kritika	12,500	-----
Nisha	14,500	-----
Loan from Pappu at 10% p.a. (taken on 1-01-2022)	-----	55,000
Copyrights	36,000	-----
Travelling Expenses	12,460	-----
Total	14,14,250	14,14,250

Additional information:

- Stock on 31-03-2022 was valued at Rs.2,06,300.
- A debt of Rs. 1,250 is to be written off and provision against the remaining debtors should be made at 5%.
- Insurance prepaid as on 31-03-2022 Rs.2,500.
- Depreciation on plant and Machinery @ 20%, Computer @ 25% and Office Premises @ 5%.
- Interest on Capital is to be provided @ 8% p.a.

Prepare Final Accounts of the firm.

Q.5 a) Explain the benefits of Conversion of Partnership into Limited Co.

(10 Marks)

Q.5 b) Elucidate Admission, Retirement and Death of a partner.

(10 Marks)

OR

Q.5: Write a Short notes: (Any 4)

(20 Marks)

1. Proportionate Capital Method
2. Preferential Creditors
3. Admission of Partner
4. Dissolution of Partnership Firm
5. Methods of Purchase Consideration
6. Partnership Deed
