

[Marks:75]

N.B:

1. All question are compulsory.
2. Figures to the right indicate full marks.
3. Working note should form part of main answer
4. Use of simple calculators is allowed

08

- 07

- Page 1 of 4

Q.P. Code: 00006411

- h. If any Interest is allowed on Retiring Partners Loan A/c such amount of Interest is to be debited it to P & L A/c in After Retirement column.
 i. Purchase consideration on conversion of a company is settled in shares and debentures only.
 j. Profit or loss on realization should be transferred equally to the partners.

Q. 2. A. From the following trial balance as on 31st December, 2024 of Sunita & Co**15**

Particulars	Rs. Dr.	Rs. Cr.
Gross Profit		3,00,000
Creditors		75,000
Bills Payable		35,000
Outstanding Expenses		12,000
Interest Received		12,000
Ajay's Capital		1,00,000
Vijay's Capital		2,00,000
Tijay's Capital (admitted 1 st May, 2013)		2,00,000
Salaries	24,000	
Advertisement	60,000	
Stock	1,25,000	
Debtors	1,75,000	
Rent	36,000	
Bad Debts	18,000	
Cash & Bank Bal.	96,000	
Fixed Assets	4,00,000	
	9,34,000	9,34,000

Ajay & Vijay sharing ratio of 2:1 Admitted Tijay on 1st May, 2024 and agreed to share P & L in a ratio of 2:1:1. Sales before Tijay's admission were Rs. 1,00,000 out of total for the year of Rs. 5,00,000. Depreciate Fixed Assets @ 10% p.a. Provide interest on capital 6% p.a. You are required to prepare Final A/c of the firm.

OR**Q. 2. B.** From the following trial balance as on 31st December, 2024 of Raj & Co**15**

Particulars	Dr. Rs.	Cr. Rs.
Gross Profit		3,60,000
Salaries	36,000	
Rent	12,000	
Printing and Stationery	9,000	
Bad Debts	18,000	
Discount		24,000
Sales Commission	30,000	
Sundry Debtors	2,10,000	
Sundry Creditors		40,000
Bills Receivable and Bills Payable	1,20,000	35,000
Land and Building	2,00,000	
Plant and Machinery	1,50,000	
A's Capital		1,00,000
B's Capital		1,50,000
C's Capital [1 st July, 2024]		2,00,000
Advertisement	24,000	
Bank Fixed Deposits	1,00,000	
	9,09,000	9,09,000

Q.P. Code: 00006411**Adjustments:-**

- A and B sharing profit & losses in the ratio of 2:1 admitted C on 1st July, 2024 and agreed to share in the ratio of 2:1:2.
 - As per partnership deed (old and New) partners were entitled to interest on capital @ 6% p.a. A's remuneration Rs. 12,000 p.a. and C Rs. 20,000 p.a. w.e.f. 1st July 2024
 - Depreciate land and bldg by 5%. Plant and machinery by 20% p.a.
 - Plant includes, plant worth Rs. 50,000 purchased on 1st July, 2024
 - Fixed Deposits carry interest at 12% p.a. from 1st Oct 2024
 - Sales up 30th June, 2024 amounted to Rs. 2,00,000 out of total sales for the year 5,00,000
- You are required to prepare P and L A/c, P and L Appropriation A/c for the year ended 31st December, 2024 and Balance Sheet as on 31st December, 2024.

- Q. 3. A.** X, Y, Z are partners sharing profits and losses in the ratio of 4:2:1. they decided to dissolve the partnership as on 31st March 2022 when their Balance Sheet was as follows: **15**

Liabilities	Rs.	Assets	Rs.
Creditors	23,200	Cash in hand	680
General Reserve	37,800	Investment	60,000
Bank Overdraft	65,000	Stock	2,56,600
Capital:		Debtors	90,800
X	1,60,000	Machinery	65,200
Y	3,20,000	Furniture	9,800
Z	2,60,000	Building	3,82,920
	8,66,000		8,66,000

All creditors have to be paid off Rs.4800/- have to be provided for realization expenses. Thereafter all cash received should be distributed among the partners. The amounts were realized in installments as 1st, 2nd, 3rd and 4th installment as 60,000, 32,320, 4,60,000 and 1,83,680. The actual realization expenses were Rs. 2400/-. Prepare a statement showing distribution of cash as per Excess Capital Method.

OR

- Q. 3. B.** BCD dissolved their firm on 31st Dec 2024 when their Balance Sheet as follows :- **15**

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital			Sundry Assets		2,64,000
B	60,000				
C	48,000				
D	40,000	1,48,000			
Partner's Loan:					
B	20,000				
C	16,000	36,000			
Sundry Creditors		80,000			
		2,64,000			2,64,000

Partners shared Profit and Loss in the ratio 2:1:1. Assets were realized as follows.

1st = 50,000, 2nd = 98,000, 3rd = 80,000. Show Piecemeal Distribution of Cash.

Q.P. Code: 00006411

- Q. 4. A.** The Sun Ltd and the Moon Ltd are in the business of similar nature decided to amalgamate and a new company is formed called Star Ltd. who took over the Assets and Liabilities of both the companies. The following are the Balance Sheets: **15**

Balance Sheet as on 31st March 2021

Liabilities	Sun Ltd. (Rs.)	Moon Ltd. (Rs.)	Assets	Sun Ltd. (Rs.)	Moon Ltd. (Rs.)
Share Capital: 7,500 Shares of Rs. 10 each	75,000	-	Goodwill	30,000	20,000
4,550 Shares of Rs. 10 each	-	45,500	Freehold Premises	10,000	-
Sundry Creditors	3,000	2,000	Plant & Machinery	18,300	13,450
General Reserve	4,200	-	Stock	16,000	11,550
Profit & Loss A/c	800	4,500	Sundry Debtors	7,500	6,000
			Cash at Bank	1,200	1,000
	83,000	52,000		83,000	52,000

Assuming that Assets realize at their book values, what amount each company will get? Prepare Balance Sheet after amalgamation and journal entries in the books of Star Ltd.

OR

- Q. 4. B.** On 31st March, 2021, B Ltd. was absorbed by A Ltd. The later took over all the Assets and Liabilities of the former at book values. The purchase consideration was fixed at Rs. 5, 00,000 to be paid in the form of its fully paid shares of Rs. 10 each, to be distributed among the shareholders of the Transferor Company, each shareholder getting two shares for every share held in the Transferor Company. The Balance Sheet of the two companies as on 31st March, 2021 is as follows: **15**

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share Capital			Goodwill	2,00,000	60,000
Shares of Rs. 10 each	9,00,000	3,00,000	Plant & Machinery	4,12,000	2,00,000
General Reserve	1,80,000	50,000	Furniture	80,000	30,000
P & Loss A/c	20,502	12,900	Stock	2,65,500	60,000
WC Fund	12,000	9,000	Debtors	2,21,200	46,000
S Creditors			Pre-Insurance	-	700
Provident Fund	58,567	30,456	I.T. Refund	-	6,000
Prov. for Tax	10,200	4,000	Cash in Hand	869	356
	12,300	5,000	Cash at Bank	14,000	8,300
	11,93,569	4,11,356		11,93,569	4,11,356

Amalgamation expenses amounted to Rs. 1,000 were paid by A Ltd. You are required to prepare the Balance Sheet after amalgamation and pass the necessary journal entries in the books of the Companies.

- Q. 5. A.** Explain how foreign exchange rate fluctuations affect the company's financial statements, particularly in terms of foreign currency gains or losses. **08**

- Q. 5. B.** Explain division of expenses based on Time Ratio. **07**

OR

- Q. 5. C** Short Notes: Attempt (Any 3 out of 5) **15**
- Partnership Deed
 - Profit and Loss Appropriation Account
 - Joint Life Policy
 - Goodwill
 - Revaluation Assets
