

- (c) Income and Expenditure Account (d) Bank Account
- k) Big amount spent on advertisement campaign is 1
 (a) Revenue Expenditure (b) Capital Expenditure
 (c) Establishment Expenditure (d) Deferred Revenue Expenditure
- l) The credit balance of income and expenditure account mean- 1
 (a) Excess of Expenditure over income
 (b) Increase in cash balance
 (c) Excess of income over expenditure
 (d) Decrease in capital fund
- m) Accounting Standard No- 6 1
 (a) Contract acc. (b) Cash flow (c) Depreciation (d) Lees acc.
- n) Accounting Standard for Fixed Assets... 1
 (a) 8 (b) 9 (c) 10 (d) 7

Attempt any four questions from Q-2 to Q-8

Q-2 Attempt all questions (14)

- (a) A and B are partners in firm sharing profit and losses in the ratio of 3:2. Their Balance sheet was as follows: 7

Liabilities	Rs	Assets	Rs
Capital :		Land-Building	76,800
A : 72000		Machinery 60,000	
B : <u>48,000</u>	1,20,000	Less:Dep.Fund 12,000	48,000
Creditors	33,600	Investment	21,600
Bank Loan	50,400	Stock	40,800
General Reserve	24,000	Debtors	36,000
		Cash	4,800

On 31-03-2016 they decide to sell their business to petlad Co.Ltd, at the following prices, Goodwill:24,000, Debtors:31,200,L&B: 1,03,200,Stock:45,600

The remaining assets (except cash and Investment) and liabilities at their Book Values. petlad Co.Ltd issue 1,200 Shares of Rs. 100 each as fully paid at a premium of 20% toward purchase price and the balance in cash. Investment were sold for Rs. 16,800 Dissolution expenses amounted to Rs.2,400.

Prepare : 1 Realization Account 2 Capital Account 3 Cash Account.

- (b) Write the journal entries in the "Book of Vender." 7

Q-3 Attempt all questions (14)

The balance sheet of X and Y on 31-03-2016 is as follows:

Liabilities	Rs.	Assets	Rs.
Capital Accounts:		Goodwill	8,000
X 60,000		Building	90,000
Y <u>40,000</u>	1,00,000	Machinery	25,000
General Reserve	22,000	Stock	35,000
X's loan	12,000	Debtors 35,000	
Bank loan	50,000	Less: Bad Debt	
Creditors	35,000	Reserve <u>3,000</u>	32,000



Workmen Saving Bank A/c	6,000	Bills Receivable	17,000
Provident Fund	14,000	Investment	14,000
Workmen's Compensation Fund	6,000	Cash & Bank	24,000
	2,45,000		2,45,000

Z Ltd. was incorporated to take over the above business with an authorized capital of 30,000 Equity Shares of Rs.10 each. The terms of purchase of business are as follows:

- 1) goodwill of the firms to be valued at Rs.10,500.
- 2) all the liabilities except X's loan are to be accepted by the company
- 3) The company took over all the assets except cash balance Rs.8,000.
- 4) The assets were valued as follows:
 - (ii) Fixed assets were to be purchased at 20% more than the book value.
 - (iii) Stock to be purchased at 20% less than the book value.
 - (iii) Debtors to be taken over with a provision of Bad-debts Reserve 10%
- 5) firm's dissolution expenses Rs.1000 which was borne by the company.
- 6) purchase consideration is to be paid in 10,000 fully paid up Equity shares at 10% premium, 12% 400 Debentures each of Rs.100 at 10% discount and the rest of the amount in cash.
- 7) the remaining shares are issued to the public at a premium of 10% which were all taken up and paid for.
- 8) preliminary expenses of the company amounted to Rs.1,200

Draft journal entries in the books of Z Ltd. and prepare opening Balance sheet of the new company.

Q-4 Attempt all questions (14)

- (a) Explain Accounting Standard -6 (Depreciation Accounting)
- (b) Explain Accounting Standard "FIXED ASSETS"

Q-5 Attempt all questions (14)

- (a) How can find "GOODWILL" and "CAPITAL RESERVE" for Purchasing Company?
- (b) Explain the "SURPLUS CAPITAL" method of piecemeal distribution of cash.

Q-6 Attempt all questions (14)

- (a) Om jai jagdesh were the partners sharing result of the business in the ratio of 5:4:1. They decide to dissolve the firm on 31st march,2010:

Balance sheet as at 31-3-2010

Liabilities	Rs	assets	Rs
Capital :		Sundry Assets	1,86,000
Om 40,000		Cash	20,000
jai 36,000			
Jagdesh 10,000	86,000		
General Reserve	20,000		
Loan			
Om 20,000			
Jagdesh 30,000	50,000		
Creditors	30,000		
Bank overdraft	20,000		



	2,06,000		2,06,000
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The assets realized as under Date

First instalment 30,000 (Dis. Exp. Rs 2,000) 31-4-2010

Second instalment 53,000 (Dis. Exp. Rs. 3,000) 31-5-2010

Third instalment 10,000 (Dis Exp. Nill) 30-6-2010

A bill receivable of Rs 3,000 maturing on 15th june,2010 was established with the bank.

Prepare a statement showing piecemeal distribution of cash according to surplus capital method.

- (b) Using above information Prepare a statement showing piecemeal distribution of Cash according to Maximum loss method.

Q-7 Attempt all questions (14)

- (a) Give the difference between Capital Income and Revenue Income.

- (b) Explain Capital Expenses and Revenue Expenses with example.

Q-8 Attempt all questions (14)

The Royal Club presents the following Trial Balance on 31-3-2010 prepare and Income and Expenditure Account and Balance sheet as on the same date: **14**

Debit balance	Rs.	Credit balance	Rs.
Office Staff salary	10,000	Income for Entertainment Programme	15,000
Postage Telegram expense	1,200	Interest on investment	2,240
Honorarium to Secretary	12,000	Subscription	80,000
Sundry expense	3,200	Sale of old news paper	400
Repairs	800	Entrance fee	3,600
Subscription for newspaper	2,700	Donation	15,600
Free ship given from education fund	4,000	Education fund	30,000
Education fund Investment	30,000	Income from education fund investment	2,800
Canteen's expense	18,500	Canteen's income	1,860
Expense for entertainment Programme	9,100	Sundry receipts	1,35,000
Purchase of sport equipments(1-1-'10)	11,600	Capital Fund	
Purchase of furniture (1-10-09)	5,000		
Sport equipments	55,000		
Investments	22,400		
Fixed deposit in bank	20,000		
Building	90,000		
Furniture	12,000		
Cash balance	5,000		

- Additional Information: 1. Honorarium to secretary outstanding Rs. 3,000
2. Subscription due Rs. 5,000 and Subscription received in advance Rs. 6,000.
3. Half of the entrance fees is capitalized.
4. Interest due on education fund investments is Rs.200.
5. Provide depreciation at 10% on Sport Equipments and 6% on furniture per annum.

