



- Notes : 1. Attempt **any five** questions.  
2. All questions carry equal marks.

1. a) Journalize the following transactions in the books of Mr. Sharma. 7  
2014 Jan (₹ 000)
- 1 Sharma started business by investing cash of Rs. 40000. He bought goods of Rs. 10000, furniture ₹5000 and machinery ₹10000.
  - 2 Purchase building ₹5000.
  - 3 Sale of goods worth ₹7000 less 10% trade discount.
  - 9 Purchase of goods worth ₹6000 less 5% cash discount
  - 12 Amount withdrawn from bank ₹800 for office use.
  - 15 Sold 50 shares in national Ltd @ ₹20 per Share and commission paid ₹30
  - 18 Amount withdrawn from bank for personal use ₹500.
  - 20 Dividend Received ₹300.
  - 22 Bank collected interest on our investments ₹1500.
  - 25 Charge of depreciation on Machinery @ 10% for six months (Machinery ₹20000).
- b) Enter the following transitions in the appropriate type of cash book. 7  
2015 (₹000)
- Mar 1 Opening balance : Cash in hand ₹15000, cash at bank ₹20000.
- 3 Rent paid by Cheque ₹10000.
  - 5 Cash received on account of sale of machinery ₹15000.
  - 10 Paid to Mahesh & co. by Cheque ₹10000 and earned ₹1000 as cash discount.
  - 14 Received from Gupta & Co. by Cheque ₹10000 and allowed him discount ₹500.
  - 17 Cash sales ₹100000.
  - 25 Goods purchased for cash ₹75000.
  - 31 Salaries paid ₹25000.
2. Prepare a Bank Reconciliation statement as on 30 June, 2011 for M/s. Joshi sales Private 14  
ltd from the information given below.
1. Bank overdraft as per cash book ₹1,10,450.
  2. Cheques issued on June 20,2003 but not yet presented for payment ₹15000.
  3. Chaques deposited but not yet credited by bank ₹22750.
  4. Bills Receivable directly collected by bank ₹47200.
  5. Interest on overdraft debited by bank ₹12115.
  6. Amount wrong & debited by bank ₹2400.
  7. Amount wrongly credited by bank ₹ Rs. 5000.
3. Mahakavi Kalidas library, Kalyan showed the following position of their accounting 14  
consider the adjustment given and prepare income & expenditure A/c for the year ending  
31/3/13 & Balance sheet as on date for the library :-

Balance sheet as on 01/04/2012.

Liabilities	Amount	Assets	Amount
Capital fund	690000	Furniture	72500
Expenses due	7000	Books	551000
		Investments	50000
		Cash in hand	8500
		Cash at Bank	15000
	697000		697000

Receipts & payment A/c  
for the year ended 31/3/13.

Dr		Cr	
Receipts	Amount	Payments	Amount
To bal b/d		By electricity	6980
Cash in hand	8500	By postage	6100
Cash at bank	15000	By Books purchased	80000
To subscriptions	180000	By payment, of	
To entrance fees	25000	Exps. due.	7000
To sale of scrap	1500	By sundry Exps.	10500
To hire of lecture hall	18000	By Investment in securities	100000
To Interest on securities	4000	By furniture	28000
		By bal c/d	
		Cash in hand	6420
		Cash at Bank	7000
	252000		252000

Adjustments:

- 1) During the current year, furniture was purchased on 1/10/12. Depreciate furniture @ 10% p.a.
- 2) Depreciate Books by ₹100000.
- 3) Membership subscription received during the year includes ₹15000 for the year 2013-14 and ₹7500 are outstanding for current year.
- 4) Capitalize ½ of the entrance fees.

4. The following are the particulars of Mr. P.C. Chandra for the year ended. 31<sup>st</sup> Dec 2013.

14

Particulars	Amount	Particulars	Amount
Capital	100000	Purchase Return	5000
Land & building	100000	Direct wages	80000
Goodwill	30000	Power	30000
Furniture & fixtures	15000	S. Creditors	50000
Bills Receivable	15000	Plant & machinery	30000
Bills Payable	24000	Investments	25000
Sundry Debtors	40000	Cash in hand	25000
Commission paid	5000	Drawings	20000
Dividend paid	4000	Long term loan	200000
Bank overdraft	23000	Salaries	20000
Discount allowed	3000	Coal & fuel	15000
Carriage inward	15000	factory Rent	20000
Carriage outward	7000	G. Exps.	4000
Opening stock :-		Advertisement	5000
Raw Materials	150000		
Finished goods	75000	Bad debts	4000
Purchase of R.M.	500000	Provision for Bad debts	2000
		Sales	850000
		Sales Return	10000

Additional information :-

1. Stock at the end of the year ₹100000.
2. A provision for doubtful debts @5% on sundry debtors.
3. Interest on capital @5% p.a.
4. Depreciation on building ₹1000 and ₹3000 on Machinery to be provided.
5. Accrued commission ₹12500.
6. Interest on Investment has accrued ₹15000.
7. Salary outstanding ₹2000.
8. Prepaid interest ₹1500.

You are Required to prepare manufacturing, Trading & profit & loss A/c for the year ended 31/12/13 and balance sheet as on date.

5. a) A firm earns a profit of ₹26000 and has invested capital amounting to ₹220000 In the same business normal rate of earning profit is 10% calculate the value of Goodwill with the help of capitalization of super profit method. 7
- b) The following information is available from Tina Ltd. as on 31/03/2009. 7  
 Capital : 1000, 5% preference shares of ₹100 each fully paid up ₹100000  
 2000 equity shares of ₹100 each fully paid up ₹200000.  
 Reserves & surplus ₹200000  
 6% debentures ₹100000.  
 current liabilities ₹100000.  
 Assets:- Fixed assets ₹400000  
 Current Assets ₹300000  
 For the purpose of valuation of shares fixed assets and current assets are to be depreciated by 10% ; Interest on debenture is due for six Months ;  
 Preference dividend is also due for the year. Neither of these has been provided for in the balance sheet.  
 Calculate value of each equity share under Net asset method.
6. Nande & Co. Ltd issued 25000 equity shares of Rs. 100 each, payable as follows. 14  
 On application ₹25  
 On Allotment ₹30  
 On first call ₹25  
 On second call ₹20  
 The company received application for 20000 shares. All the applications were accepted and shares were allotted the directors made both the calls.  
 One Shareholder Mr. Dalal holding 200 shares failed to pay the final call. His shares were forfeited and reissued as fully paid up shares @ ₹80 per. Share pass journal entries and show balance sheet.
7. Bharat Ltd went into Voluntary liquidation on 1<sup>st</sup> July 2013 on that date the balance sheet read as follows : 14

	₹
Plant	200000
Stock	100000
Debtors	150000
Cash at bank	<u>3000</u>
	453000
Less : - 5 % Debentures	60000
Creditors	<u>103000</u>
	<u>163000</u>
	290000

Represented by :-

12000, 10% Preference Share of ₹10 each	120000
20000 equity shares of ₹10 each	<u>200000</u>
	320000
Less : - Deficiency in P & L A/c	30000
	<u>290000</u>

The dividends on the preference shares has been paid up to 30<sup>th</sup> June 2012. The liquidator sold the plant and stock for ₹275000 and realized all the debts except one of ₹25000 which proved to be irrecoverable. He admitted the claims of all creditors, Rs. 5000 of which were preferential.

Expenses of liquidation amounted to ₹1600 and the debentures were repaid on 31<sup>st</sup> Dec 2013. The liquidators remuneration was at @ 2% on the amount realized (Except cash) and 2% on the amounts distributed to the ordinary shareholders.

Prepare liquidator's final statement of Account.

8. What is liquidation? Explain the types and objectives of liquidation. **14**
9. Explain the procedure and basic accounting entries for issue of shares. **14**
10. Write short notes on **any two**. **14**
- a) Entity concept of accountancy.
  - b) Differentiate between shares and Debentures.
  - c) Forfeiture of shares.
  - d) Intrinsic value method.

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