KLXABN

TIME : 2 Hrs. Marks : 50

Instructions :

1. Q.1 carries 14 marks while the remaining questions carry 12 marks each.
2. Q.1 and Q.2 are compulsory.
3. Q.3 has internal option, i.e. Question No. 3 or No. 3 attempt any one of them
4. Similarly question No. 4 has internal option. i.e. question No. 4 or Q.4. Attempt any one out of them.
5. In all, four questions are to be attempted as indicated above.

Q.1 "A", "T" and "M" were partners Profit and Loss sharing in the ratio 2:2:1 respectively.

Trial Balance as on 31st March 2011.

Particulars	Dr. ₹	Cr. ₹
Capital Accounts		
A		40000
T		40000
M		20000
Drawings		
A	4000	
T	4000	
M	2000	
Current liabilities		60000
Closing stock	70000	
Other Current Assets	100000	
Fixed Assets	60000	
Reserve fund		30000
Gross Profit		80000
Administrative Expenses	20000	
Selling Expenses	10000	
	270000	270000

Additional Information

1. 'T' retired on 1st Oct. 2010. His share of goodwill was decided at ₹20,000/-. Goodwill Amount to be written off by remaining partners.
2. New Profit Sharing Ratio between "A" and "M" was decided as 3:1
3. 'A' is entitlied to a salary of ₹6000 p.a.
4. Interest on capital is to be provided @ 10% p.a.
5. Balance payable to "T" on his retirement was to be Transferred to his loan account.

Prepare final Accounts of partnership firm.

Q.2 State whether following statements are TRUE or FALSE.

(Reason not required)

1. Expenses paid in Advance is an Assets.
2. Retirement results into gain of continuing partners.
3. Each partner has a right to take part in the conduct of the business of firm.
4. Sacrifice Ratio = New Ratio - Old Ratio
5. Goodwill is a Tangible Assets
6. General Reserve is to be Transferred to Realisation Account.
7. Balancesheet is an Account.
8. Closing stock is valued at cost or market price which ever is less.
9. Balance sheet does not show the financial position of the business.
10. In absence of information in partnership Deed profit & Loss Sharing of partners is Assumed to be equal.
11. Gain Ratio is the proportion in which old partners make a sacrifice.
12. Net profit is Added to Capital of partners.

Q.3 "CD" and "VCD" were partners sharing profit equally. Their Balancesheet as on 31st March 2011 was as follows.

Balancesheet As on 31st March 2011.

Liabilities	₹	**Assets**		₹
Creditors	50000	Cash & Bank		27000
Bills Payable	15000	Debtors	20000	
Outstanding Expenses	3000	Less : RDD	500	19500
Capital A/c.		Stock		20000
"CD"	60000	Furniture		10000
"VCD"	40000	Machinery		18000
		Premises		73500
	168000			168000

On that date they agreed to admit "DVD" as a partner on the following terms.

1) He shall get 1/5 share in future profit and he will bring ₹ 20000 as capital and ₹ 5000/- as his share of goodwill.
2) The old partners shall withdraw the goodwill.
3) RDD is no longer necessary.
4) Machinery should be depriciated by ₹ 2000/- and furniture by 12.5%
5) Stock to be appreciated by ₹ 3000/-
6) Premises to be appreciated by 20%

Prepare a) Revaluation Account

b) Partners Capital Account

c) Balancesheet of New firm

OR

Q.3 Lali, Bali and Kali were partners sharing profit and losses in ratio 3:2:1 respectively. Balance sheet of their firm on 31st March 2011 was as follows.

Balancesheet As on 31st March 2011

Liabilities	₹	Assets	₹
Capitals			
Lali	30000	Cash and Bank	6500
Bali	20000	Bills Receivable	7500
Kali	10000	Stock	11000
General Reserve	9000	Debtors	10000
Creditors	15000	Investments	17000
Bills payable	6000	Land & Building	38000
	90000		90000

Kali died on 1st July 2011 and following adjustments were made in the Books

1) The Stock is valued at ₹ 10000/-
2) Land & Building were valued at Rs. 42000
3) RDD to be provided at ₹ 2000/-
4) Investment were valued at ₹ 15000/-
5) Goodwill was valued at Two years purchases of Average of the profit for the last 4 years but no Goodwill Account was to be shown in the books.
6) The profit were

   2008 - ₹ 9000/-   2009 - ₹ 9000/-

   2010 - ₹ 8000/- 2011 - ₹ 10000/-

Prepare Revaluation A/c., Partners Capital A/cs and the Balance sheet of firm after death of Kali.

Q.4 Sun, Moon and Star are partners in a firm sharing profit & loss in the ratio of 5:3:2 respectively. The Balance sheet of their firm as on 31st March 2011 was as under.

Balancesheet as on 31st March 2011

Liabilities	₹	Assets	₹
Creditors	200000	Building	400000
Bills Payable	50000	Furniture	50000
Bank Loan	100000	Investments	150000
Capital A/cs		Debtors	150000
Sun	250000	Bill Receivable	75000
Moon	150000	Cash	10000
Star	100000	Bank	15000
	850000		850000

The Bank Loan was secured by charges on the buildings. The firm was dissolved on above date. and assets realised as under

Building	₹ 200000/-
Furniture	₹ 20000/-
Investments	₹ 125000/-
Debtors	₹ 120000/-
Bills Receivable	₹ 70000/-

Creditors, Bills payable and Bank loan paid off

Prepare a) Realisation Account

b) Partners Capital Account

c) Cash & Bank Account

OR

Q.4 Suresh, Ramesh and Mahesh were in partnership sharing profit & loss in ratio of 3:2:1. They dissolved the firm on 31st March 2011 on which date the Balance sheet was as follows.

Balance sheet as on 31st March 2011

Liabilities	₹	**Assets**	₹
Creditors	40000	Cash	10000
Loan from Suresh	10000	Debtors	80000
General Reserve	12000	Stock	20000
<u>Capital Accounts</u>		Furniture	7000
Suresh	20000		
Ramesh	25000		
Mahesh	10000		
	117000		117000

The Realisations and Expenses were as under

Month	**Assets realised ₹**	**Expenses ₹**
April 11	18000/-	1000/-
May 11	23000/-	1500/-
June 11	16000/-	1200/-
July 11	23000/-	1500/-
Aug. 11	18000/-	1000/-

Prepare 1) Statement of Excess Capital

2) Statement of Distribution of Cash

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