JKXADS

TIME : 2 hours **MARKS : 50**

Notes :
1. Question No. 1 carries 14 marks, while the remaining Questions carry 12 marks each.
2. Question No. 1 and Question No. 2 are compulsory.
3. Question No. 3 carries internal option. i. e. Question No. 3 OR Question No. 3 out of which any one is to be attempted.
4. Question No. 4 carries internal option, i. e. Question No. 4 OR Question No. 4 out of which any one is to be attempted
5. In all, Four Questions are to be attempted.
6. Use of simple 12-digit non-programmable calculator is allowed.

Q. 1 Sunday and Monday were partners sharing profits and losses in the ratio of 3:2. With effect from 1-10-2009, Tuesday joins as a third partner. The new profit shoring ratio was 2:2:1

The following is their trial balance as an 31-3-2010.

Heading of Account	Debit (Rs.)	Credit (Rs.)
Sunday's Drawings and Capital	15,000	3,00,000
Monday's Drawings and Capital	10,000	2,00,000
Tuesday's Drawings and Capital	5,000	1,50,000
Opening stock (1-4-2009)	30,000	---
Purchases and sales	9,00,000	14,00,000
Wages	1,40,000	
Furniture	2,00,000	
General Expenses	60,000	
Selling Expenses	14,000	
Debtors and Creditors	6,26,000	2,50,000
Cash and Bank Balance	3,50,000	
Amount brought by (for his share		
Tuesday of Goodwill)	----	50,000
	23,50,000	**23,50,000**

Other Information :

1. Stock on 31-3-2010 was Rs. 1,80,000.
2. Purchase from 1-4-2009 to 30-9-2009 was Rs. 4,00,000.
3. Sales from 1-4-2009 to 30-9-2009 was Rs. 6,00,000.
4. Wages from 1-4-2009 to 30-9-2009 was Rs. 60,000.
5. Stock on 30-9-2009 was Rs. 80,000

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6. Furniture worth Rs. 1,00,000 was purchased on 1-1-2010. Write off depreciation on furniture at 20% p.a.
7. Interest an partner's capital is to be provided at 12% p. a.
8. No interest is to be charged on partner's drawings.

You are required to prepare Trading and profit and loss Account and Balance sheet as on 31-3-2010.

Q. 2 (Objective)

State whether the following statements are True or false Do not give any reason.

1. Income received in advance is shown on Asset side of Balance sheet.
2. When a partner takes over a liability, his capital account is debited
3. Partners loan under Piecemeal distribution system is a preferential creditor
4. The debit balance on Realisation account indicates profit on Realisation.
5. If a partnership firm makes a loss is one year it has to be dissolved.
6. The realisation profit or loss is to be shared by the partners in their capital Ratio.
7. General Reserve should be transferred to old partners Capital accounts in their old profit sharing ratio during admission of partner.
8. If goodwill is raised, Goodwill account is debited, and partner's capital accounts are credited.
9. A retiring partner is entitled to his share of goodwill as on the date of retirement.
10. Value of goodwill will be always Nil when there is a dissolution of the firm for any reason.
11. Raja and Rani are partners sharing profits and losses in the ratio of 3:2 They admitted Prince for 1/6 th share in partnership the new profit sharing ratio will be 3:2:1.
12. The interest on drawings of a partner is credited to profit and Loss appropriation account.

Q. 3 Rohan & Mohan were partners sharing profits & losses equally. Their balance sheet as on 31st March, 2010 was as follows.

Liabilities		**Rs.**	**Assets**		**Rs.**
Capital			Land and Building		73,500
Rohan	60,000		Machinery		18,000
Mohan	40,000	1,00,000	Furniture		10,000
Expenses payable		3,000	Stock		20,000
Bills payable		15,000	Debtors	20,000	
Creditors		50,000	(-) RDD	500	19,500
			Cash		27,000
		1,68,000			**1,68,000**

Additional Information :

1. Sohan was admitted to the partnership with 1/5 th share in future profits and will bring in cash Rs. 20,000 as capital and Rs. 5,000 as his share of goodwill.
2. Investment of Rs. 2000 not appearing in the balance sheet should be recorded.
3. Land and building be appreciated by 20%
4. Stock was found undervalued by Rs. 3000
5. Machinery Should be depreciated by Rs. 2000 and furniture by 12.5%
6. The old partners shall withdraw in cash the amount of their respective shares of goodwill brought by sohan. prepare necessary ledger Accounts and draw the balance sheet of the new firm after admission.

OR

Q. 3 Amar Akbar and Anthony were Partners sharing profits in the ratio of 3:1:1 They agreed upon dissolution. They each decided to take over certain assets and liabilities and Continue business separately.

Balance sheet as on date of dissolution.

Liabilities	**Rs.**	**Rs.**	**Assets**	**Rs.**	**Rs.**
Capitals			Cash		3,200
Amar	27,500		Sundry Assets		17,000
Akbar	10,000		Debtors	24,200	
Anthony	7,000	44,500	Less Bad debts Provision	1,200	23,000
Creditors		6,000	Stock		7,800
Loan		1,500	Fixtures		1,000
		52,000			**52,000**

It is agreed as follows.

1. Goodwill is to be ignored.
2. Amar is to take over all the Fixtures at Rs. 800, Debtors amounting to Rs. 20,000 at Rs. 17,200. The Creditors of Rs. 6,000 to be assumed by Amar at that figure.
3. Akbar is to take over all the stock at Rs. 7,000 and a part of the sundry Assets at Rs. 7,200 (being book values less 10%)
4. Anthony is to take over the remaining sundry Assets at 90% of book value and assume responsibility for the discharge of the loan.

P.T.O.

5. The expenses of dissolution were Rs. 400. The remaining debtors were sold to a debt collecting agency for 50% of book values.

Prepare Realisation Account, Partner's capital Accounts and cash Accounts.

Q. 4 Faber, Castell and steadtler were partners sharing profits and losses in the ratio of 2:2:1 Their balance sheet as on 31st March, 2010 was as follows.

Balance sheet as in 31/3/2010.

Liabilities		**Rs.**	**Assets**		**Rs.**
Capital A/c			Cash at Bank		28,000
Faber	35,000		Freehold premises		40,000
Castell	25,000		Stock		10,000
Steadtler	16,000	76,000	Investments		3,800
			Debtors	10,000	
General Reserve		3,000	(-) R. D. D.	800	9,200
Sundry creditors		12,000			
		91,000			**91,000**

Additional Informations

1. Steadtler retired on 1st April 2010. For the purpose of his retirement following things were agreed upon.
   a) Freehold property is to be valued at Rs. 58,000
   b) Investment to be appreciated by Rs. 1200.
   c) Sundry debtors were considered to be good and
   b) Stock was to be valued at Rs. 9,500.
2. Goodwill is to be valued at two years purchase of the average profits of last 5 years and is to be raised & written of.
3. The profits for last 5 years are as follows.

   2010 : Rs. 18,000 Profit

   2009 : Rs. 14,000 Profit

   2008 : Rs. 1,000 Loss

   2007 : Rs. 9,000 Profit

   2006 : Rs. 10,000 Profit
4. Balance of the retiring partner is to be transferred to his loan account.

   Bupare necessary ledger accounts and Balance sheet of M/s faber castell as on 1st April, 2010 after. retirement of steadtler.

P.T.O.

OR

Q. 4 Mr. Rerynolds, Mr. Cross and Mr. cello were carrying on business sharing profits and losses in the ratio of 4:3:3.

Balance sheet as on 31st March, 2010

Liabilities	Rs.	Assets	Rs.
Capital		Machinery	1,02,000
Reynolds 80,000		Stock in trade	78,000
Cross 52,000		Debtors	68,000
Cello 48,000	1,80,000	Cash	6,000
Sundry creditors	74,000		
	2,54,000		**2,54,000**

Additonal Information.

Due to differences among the partners, it was decided to wind up the firm, realise the assets and distribute the cash among the partners at the end of each month, beginning from 30th April 2010.

1. Partners decided to set aside cash Rs. 4,000 to meet expenses of realisation .
2. 1st Realisation : April, 2010 Rs. 30,000 from debtors, Rs. 40,000 from sale of stock and expenses on realisation Rs. 1,000.
3. 2nd Realisation : May, 2010 Balance of debtors realised Rs. 20,000, Balance of Stock realised Rs. 48,000.
4. 3rd Realisation : June, 2010 part of Machinery was sold for Rs. 36,000 and expenses incidental to sale is Rs. 1200.
5. Final Realisation : Part of Machinery valued at Rs. 10,000 in books was taken by Reynolds, is part discharge at an agreed value of Rs. 20,000 Balance of Machinery was sold for Rs. 60,000 expenses of realisation Rs. 1800 prepare.

1. Statement of Excess Capital.
2. Statement of distribution of cash.

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