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(CBCS)

(1st Semester)

COMMERCE

(Fundamentals of Accounting)

Full Marks : 75

Time : 3 hours

Simple calculator can be used in this paper

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Choose the correct answer and place its code in the brackets provided : $1 \times 10 = 10$

1. Income is measured and financial position is assessed on the basis of

- (a) matching concept
- (b) consistency concept
- (c) time period concept
- (d) dual aspect concept

[]

2. Anticipate no profit and provide for all possible losses is the teaching of

- (a) consistency principle
- (b) conservatism concept
- (c) accounting concept
- (d) materiality concept

[]

3. Depreciation is the process of

- (a) allocation of cost of the assets to the period of its life
- (b) valuation of assets
- (c) maintenance of an asset in a state of efficiency
- (d) revaluation of assets

[]

4. According to diminishing balance method, depreciation is a charge on

- (a) original cost of assets
- (b) average cost
- (c) written-down value
- (d) market value

[]

5. Outstanding salaries are shown in the Balance Sheet as

- (a) an asset
- (b) a current liability
- (c) a long-term liability
- (d) accrued expenses

[]

6. Cost of sample goods distributed free of charge should be treated as

- (a) manufacturing expenses
- (b) trade expenses
- (c) office expenses
- (d) selling expenses

[]

7. Factor affecting the value of goodwill is

(a) special advantage

(b) nature of business

(c) Both (a) and (b)

(d) None of the above

[]

8. If new partner brings the amount of goodwill in cash, goodwill is transferred to Old Partners' Capital Accounts in

(a) sacrificing ratio

(b) gaining ratio

(c) new ratio

(d) old ratio

[]

9. On the retirement of a partner, the whole goodwill amount is credited to the account of

(a) all partners excluding retiring partner

(b) all partners including retiring partner

(c) only remaining partner

(d) only retiring partner

[]

10. On dissolution of a firm, Partners' Capital A/cs are closed through

(a) Realisation Account

(b) Revaluation Account

(c) Bank Account

(d) Current Account

[]

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

UNIT—I

1. Money measurement concept

OR

2. Accounting equation

UNIT—II

3. Factors to be considered for calculating depreciation

OR

4. Specific reserves

UNIT—III

5. Trading Account

OR

6. Errors which are not disclosed by the Trial Balance

UNIT—IV

7. Goodwill

OR

8. Fixed capital vs. Fluctuating capital

UNIT—V

9. Revaluation of assets and liabilities

OR

10. Dissolution of a firm

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

UNIT—I

1. Write a note on accounting conventions. 10

OR

2. What do you mean by 'double-entry system' of Book-keeping? Enumerate its advantages and disadvantages. 3+7=10

UNIT—II

3. The following balances appear in the books of a firm :

January 1, 2012—Machinery account ₹ 1,00,000

Provision for depreciation—₹ 45,000

The depreciation is charged @ 10% on straight-line method and in terms of firm's accounting policy, acquisitions during the year are depreciated for a full year irrespective of the date of purchase and no depreciation is charged on assets in the year of their disposal

On 30th June, 2012, the following transactions took place :

Sold machinery for ₹ 43,500 which was purchased for ₹ 80,000 on 1st January, 2008

On 1st September, 2013, new machinery costing ₹ 40,000 was purchased

- Prepare Machinery Account for 3 years assuming accounts are closed on 31st December each year. 10

OR

4. What are provisions? How are they created? Give accounting treatment in case of provision for doubtful debts. 3+3+4=10

UNIT—III

5. The following balances were extracted from the books of Mr. A on 30th June, 2003 :

	₹		₹
Capital	24,500	Bad Debts	550
Drawings	2,000	Loan	7,880
General Expenses	2,500	Sales	65,360
Buildings	11,000	Purchases	47,000
Machinery	9,340	Scooter	2,000
Stock	16,200	Provision for Bad Debts	900
Power	2,240	Commission (Cr.)	1,320
Taxes and Insurance	1,315	Scooter Expenses	1,800
Wages	7,200	Bills Payable	3,850
Debtors	6,280	Cash	80
Creditors	2,500	Bank Overdraft	3,300
Charity	105		

Prepare Final Accounts for the year ended 30th June, 2003 after giving effect to the following adjustments :

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- (i) Stock on 30th June, 2003 was valued at ₹ 23,500
- (ii) Write off a further of ₹ 160 as bad debts and maintain the provision for bad debts at 5% on debtors
- (iii) Depreciate machinery at 10% and scooter 12%
- (iv) Provide ₹ 750 for outstanding interest on overdraft
- (v) A commission of 1% on the gross profit is to be provided to Works Manager
- (vi) General Manager is to be allowed a commission @ 2% on net profit after charging Works Manager's and before charging General Manager's Commission

OR

6. The Trial Balance of Mr. X as on 31st December, 2004 was as follows :

<i>Name of accounts</i>	<i>Debit</i> (₹)	<i>Credit</i> (₹)
Purchases	1,62,505	
Sales		2,52,400
Reserve for doubtful debts		5,200
Sundry debtors	50,200	
Sundry creditors		30,526
Bills payable		3,950
Opening stock	26,725	
Wages	23,137	
Salaries	5,575	
Furniture	7,250	
Postage	4,226	
Power and fuel	1,350	
Trade expenses	5,831	
Bad debts	525	
Loan to Ram @ 10% (September 1, 2004)	3,000	
Cash in hand and at bank	10,000	
Trade expenses accrued, not paid		700
Drawings account	4,452	
Capital account		10,000
Outstanding wages		2,000
	<u>3,04,776</u>	<u>3,04,776</u>

Prepare Trading and Profit & Loss Account for the year ending 31st December, 2004 and the Balance Sheet as on that date taking into consideration the following information :

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- (i) Depreciation on furniture is to be charged @ 10%
- (ii) Sundry debtors include an item of ₹ 500 due from a customer who has become insolvent
- (iii) Reserve for bad debts is to be maintained @ 5% on sundry debtors
- (iv) Goods of the value ₹ 1,500 have been destroyed by fire and insurance company admitted a claim for ₹ 1,000
- (v) Stock on 31st December, 2004 was ₹ 12,550

UNIT—IV

7. What is partnership? Explain Partner's Capital Account. Differentiate between Fixed Capital and Fluctuating Capital. 2+4+4=10

OR

8. A and B are in partnership sharing profits and losses in the proportion of three-fourth and one-fourth respectively. Their Balance Sheet on 31st March, 2003 was as follows :

Cash—₹ 1,000; Sundry debtors—₹ 25,000; Stock—₹ 22,000; Plant and Machinery—₹ 4,000; Sundry creditors—₹ 12,000; Bank overdraft—₹ 15,000; A's capital—₹ 15,000; B's capital—₹ 10,000

On 1st April, 2003, they admitted C into partnership on the following terms :

C is to purchase one-third of the goodwill for ₹ 2,000 and provide ₹ 10,000 as capital. Goodwill not to appear in the books.

Future profits and losses are to be shared by A, B and C equally.

Plant and Machinery is to be reduced by 10% and ₹ 500 is to be provided for estimated bad debts. Stock is to be taken at a valuation of ₹ 24,940

By bringing in or withdrawing cash, the capitals of A and B are to be made proportionate to that of C on their profit sharing basis

Prepare Partners' Capital Accounts and opening Balance Sheet of the new firm. 10

UNIT—V

9. A, B and C share profits and losses in the ratio of 5 : 3 : 2. Partner A died on February 20, 2003. Balance Sheet as on that date was shown :

<i>Liabilities</i>	₹	<i>Assets</i>	₹
Capital Accounts :		Land	6,000
(A—12,000; B—16,000		Machinery	35,000
C—12,000)	40,000	Furniture	6,000
Loan from A	5,000	Stock	9,000
General Reserve	7,000	Debtors	15,000
Creditors	22,000	Bank	3,000
	74,000		74,000

In addition to the assets shown above, the firm had three life policies in the name of each partner, at an insured value of ₹ 20,000 each, the premiums of which were charged to the Profit and Loss Account.

According to the partnership deed, on the death of a partner, the assets and liabilities are to be valued by a valuer. The revalued figures were :

Land—₹ 21,000; Machinery—₹ 45,000; Debtors are subject to a provision for doubtful debts at 10%; Furniture—₹ 7,000

Provision for taxation to be created for ₹ 1,500

Death claim for policy in the name of A realized in full and the surrender value off the other two policies were ₹ 7,500 each

The business will be continued by B and C, henceforth sharing profits and losses equally. The net balance due to A is transferred to a loan account, which will be paid of later.

Show Capital Account, Revaluation Account and New Balance Sheet of the firm.

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OR

- 10.** Ajay, Vijay, Ram and Shyam are partners in a firm sharing profits and losses in the ratio of 4 : 1 : 2 : 3. The following is their Balance Sheet as at 31.3.1996 :

Liabilities	₹	Assets	₹
Creditors	3,00,000	Debtors	3,50,000
Capital Accounts :		Less : Provision	
Ajay	7,00,000	for Bad Debts	<u>50,000</u>
Shyam	<u>3,00,000</u>	Cash	1,40,000
	10,00,000	Stock	2,00,000
		Other Assets	3,10,000
		Capital Accounts :	
		Vijay	2,00,000
		Ram	<u>1,50,000</u>
	<u>13,00,000</u>		<u>3,50,000</u>
			<u>13,00,000</u>

On 31.3.1996, the firm is dissolved and the following points are agreed upon :

Ajay is to take over debtors at 80% of book value; Shyam is to take over the stock at 95% of the value; and Ram is to discharge creditors.

Other assets realized ₹ 3,00,000 and the expenses of realization come to ₹ 30,000. Vijay is found insolvent and ₹ 21,900 is realized from his estate.

Prepare Realization Account, Cash Account and Capital Accounts of the partners. The loss arising out of capital deficiency may be distributed following the decision in Garner vs. Murray.

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(CBCS)

(1st Semester)

COMMERCE

(Business Organization and Management)

Full Marks : 75

Time : 3 hours

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Choose the correct answer and place its code in the brackets provided : 1×10=10

1. Henry Fayol found that all activities of industrial undertakings could be divided into

(a) six groups

(b) five groups

(c) seven groups

(d) four groups

[]

2. Frederick Taylor and Henry Fayol were thinkers of

(a) classical management

(b) neo-classical approach

(c) scientific approach

(d) None of the above

[]

- 3.** Operational planning consists of strategies of
 (a) operating problems
 (b) present profits
 (c) present business
 (d) All of the above []
- 4.** Who said, “A decision is a course of action which is consciously chosen for achieving a desired result”?
 (a) Barnard
 (b) Haynes and Massie
 (c) F. W. Taylor
 (d) None of them []
- 5.** Departmentation is a means to divide
 (a) smaller units
 (b) flexible units
 (c) administrative units
 (d) All of the above []
- 6.** The usual sources of recruitment of workers are
 (a) employment exchange, schools and technical institutions
 (b) advertisements
 (c) labour unions, jobbers
 (d) All of the above []
- 7.** Ohio State Model leadership style and behaviour is based on
 (a) high consideration and low structure
 (b) high structure and high consideration
 (c) low structure and low consideration
 (d) All of the above []
- 8.** Physiological needs, safety needs, esteem needs and self-actualization needs are suggested by
 (a) Maslow
 (b) Herzberg
 (c) McGregor
 (d) None of them []

9. Who said, "Keeping top management informed is the most elusive administrative problem of the big organizations"?
- (a) Arthur Kunder
 (b) Louis Allen
 (c) F. W. Taylor
 (d) Peter F. Drucker []
10. Organizations have the following options(s) in exercising control.
- (a) Centralization or delegation
 (b) Formal or informal
 (c) Preferences of (a) or (b)
 (d) All of the above []

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

UNIT—I

1. Social responsibilities of management

OR

2. Systems and contingency approach

UNIT—II

3. Types of planning

OR

4. Decision making

UNIT—III

5. The line organization structure

OR

6. Staffing

UNIT—IV

7. Functions of a leadership

OR

8. Motivation

UNIT—V

9. Concept of communication

OR

10. Essentials of a sound control system

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

UNIT—I

1. (a) What is business? Explain the nature of business. 3+7=10

OR

- (b) Describe the different schools of management thought. 10

UNIT—II

2. (a) Explain the concept and process of planning. 4+6=10

OR

- (b) What is management by objectives? Explain the steps in setting up of management by objectives. 4+6=10

UNIT—III

3. (a) What are the needs and importances of departmentation? Explain the various kinds of departmentation. 5+5=10

OR

- (b) Discuss the process of recruitment and selection. 10

UNIT—IV

4. (a) Make a comparison between theories of Maslow and Herzberg. 10

OR

- (b) Describe the various styles of leadership. 10

UNIT—V

5. (a) What are the different barriers of communication? State the steps to be taken to overcome these barriers. 5+5=10

OR

- (b) Explain the importance of controlling in business organizations. Outline the various steps involved in the process of controlling. 5+5=10

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2 0 1 8

(CBCS)

(1st Semester)

COMMERCE

(Computer Application in Business)

Full Marks : 75

Time : 3 hours

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Choose the correct answer and place its code in the brackets provided : 1×10=10

1. The term 'gigabyte' refers to

- (a) 1024 bytes
- (b) 1024 kilobytes
- (c) 1024 megabytes
- (d) 1024 gigabytes

[]

2. _____ are also called personal computers.

- (a) Mainframe computers
- (b) Minicomputers
- (c) Supercomputers
- (d) Microcomputers

[]

3. From which menu you can apply header and footer?

- (a) Insert menu
- (b) View menu
- (c) Format menu
- (d) Layout menu

[]

4. Using the ribbon where should you go to activate the ruler on your Word document?
- (a) Page layout>>Ruler
 - (b) File>>Open>>Ruler
 - (c) View>>Ruler
 - (d) Insert>>Ruler []
5. In MS Excel, long texts can be broken down into many lines within a cell. You can do this through
- (a) Home>>Wrap Text
 - (b) Data>>Wrap Text
 - (c) Format>>Cells>>Wrap Text
 - (d) All of the above []
6. Which of the following is an absolute cell reference formula?
- (a) !A!1
 - (b) \$A\$1
 - (c) #a#1
 - (d) %A\$4 []
7. What are the columns in a Microsoft Access table called?
- (a) Rows
 - (b) Records
 - (c) Fields
 - (d) Columnars []
8. In the context of MS PowerPoint animations, a trigger is
- (a) an action button that advances to the next slide
 - (b) an item on the slide that performs an action when clicked
 - (c) the name of a motion path
 - (d) All of the above []
9. The shortcut used to activate calculator in Tally software is
- (a) Ctrl + N
 - (b) Ctrl + M
 - (c) Ctrl + A
 - (d) Ctrl + B []

10. In Tally software, pressing F12 shows

- (a) company features
- (b) company configuration
- (c) accounting features
- (d) None of the above

[]

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Arithmetic Logic Unit

OR

2. Random Access Memory

3. Uses of MS Word

OR

4. Dynamic sheet

5. Forms in MS Access

OR

6. Information

7. Transitions in MS PowerPoint

OR

8. Presentation views in MS PowerPoint

9. Gateway of Tally

OR

10. Displaying Daybook in Tally

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

UNIT—I

1. Explain the hardware system of a personal computer.

10

OR

2. What is an operating system? Describe the different functions of an operating system. 3+7=10

UNIT—II

3. What is a Microsoft Word software? Discuss the meaning and advantages of Mail Merge function. 4+6=10

OR

4. What is a cell reference? Describe the different cell references found in MS Excel. 10

UNIT—III

5. What are the features found in MS Access? Describe its advantages and limitations. 4+6=10

OR

6. What is a database? What are the different types of data relationships? 4+6=10

UNIT—IV

7. What do you mean by MS PowerPoint? Explain the benefits of using MS PowerPoint in business. 4+6=10

OR

8. Write short notes on the following : 5×2=10
(a) Different types of slide layouts found in MS PowerPoint
(b) Menus and toolbars in MS PowerPoint

UNIT—V

9. Elucidate the steps necessary for opening a new company and creating ledgers in Tally.ERP 9 software. 5+5=10

OR

10. Describe the features and uses of Tally ERP software. 10

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(Pre-CBCS)

(1st Semester)

COMMERCE

(Business Environment)

Full Marks : 75

Time : 3 hours

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark in the brackets provided : 1×10=10

1. Globalization makes business environment increasingly global even for domestic firms. (T / F)
2. A recession is characterized by high-level of output, employment and rising demand and price. (T / F)
3. Monetary and fiscal policies affect the financial sector and the economy in general. (T / F)
4. Savings is defined as personal disposable income minus personal consumption expenditure. (T / F)

5. The fiscal policy is that part of government policy which is concerned with raising revenue through taxation and other means and deciding on the level and pattern of expenditure. (T / F)
6. The economy of India had undergone significant policy shifts in the beginning of the 1990's. (T / F)
7. The Twelfth Plan Period is relating to 2012–17. (T / F)
8. Philippines is not a member of ASEAN. (T / F)
9. The Green Revolution involves development of technology transfer initiatives. (T / F)
10. The NITI Aayog is a policy think tank of the Government of India with all Chief Ministers as its members. (T / F)

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Elements of business environment
2. Agrarian economy
3. Parallel economy
4. Rural credit
5. World Bank

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

Answer **one** question from each Unit

UNIT—I

1. What is business environment? State the importance of its study. 3+7=10
2. What is Indian planning system? What are the main objectives of the Twelfth Plan? 4+6=10

UNIT—II

3. What is saving? Explain the relationship between saving and investment. 2+8=10
4. Write short notes on the following : 5+5=10
 - (a) Monetary policy
 - (b) Fiscal policy

UNIT—III

5. Discuss the various poverty alleviation programmes adopted by the Government of India from time to time. 10
6. How to overcome the regional imbalances in India? Give your opinion. 10

UNIT—IV

7. What are the factors responsible for low productivity in Indian agricultural sector? 10
8. Explain briefly the new agricultural policy in India. 10

UNIT—V

9. What do you mean by an international business environment? Explain the different factors that favour an international business environment. 4+6=10
10. Write short notes on the following : 5+5=10
- (a) ASEAN
- (b) UNCTAD

2 0 1 8

(Pre-CBCS)

(1st Semester)

COMMERCE

(Business Organization and Management)

Full Marks : 75

Time : 3 hours

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×5=5

1. In order to call an activity a business, which of the following conditions need not be satisfied?

- (a) There should be exchange or transfer of goods or services ()
- (b) There should be continuity of dealings ()
- (c) Dealings may be either in goods or services ()
- (d) There should be profit objective ()

2. Management is

- (a) arts ()
- (b) science ()
- (c) both arts and science ()
- (d) philosophy ()

3. The first step in the process of planning is
 - (a) formulation of derivative plans ()
 - (b) establishing planning premises ()
 - (c) setting objectives ()
 - (d) making choice from among alternatives ()
4. The process of bringing together financial, physical and human resources and establishing productive relations among them for the achievement of goals is known as
 - (a) planning ()
 - (b) organizing ()
 - (c) staffing ()
 - (d) directing ()
5. Facial expression is an example of
 - (a) upward communication ()
 - (b) downward communication ()
 - (c) lateral communication ()
 - (d) gestural communication ()

Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark in the brackets provided : 1×5=5

6. Activities which are undertaken by people with the object of earning money are known as economic activities. (T / F)
7. Management is the art of getting directions from immediate superiors by subordinates. (T / F)
8. Corporate planning denotes planning activities at top level. (T / F)
9. Converting of the subject-matter of communication into suitable symbolic form is known as encoding. (T / F)
10. The process of comparing actual performance with standards and taking necessary corrective action is directing. (T / F)

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Advantages of sole proprietorship business
2. Unity of command
3. Corporate planning
4. Departmentation
5. Autocratic leadership style

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

UNIT—I

1. (a) Describe the characteristics of business. Explain why business is regarded as an economic activity. 6+4=10

OR

- (b) What is partnership? Outline the major demerits of partnership form of business. 5+5=10

UNIT—II

2. (a) What is management? Explain the functions of management. 5+5=10

OR

- (b) Describe the managerial roles as propounded by Mintzberg. 10

UNIT—III

3. (a) What is meant by planning? Briefly explain the nature of planning. 3+7=10
- OR**
- (b) Explain the steps involved in the process of decision making. 10

UNIT—IV

4. (a) What is organizing? Distinguish between formal and informal organizations. 3+7=10
- OR**
- (b) Briefly explain the steps involved in the selection of personnel. 10

UNIT—V

5. (a) Describe Herzberg's theory of motivation. 10
- OR**
- (b) Explain the barriers to effective communication. 10

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(Pre-CBCS)

(1st Semester)

COMMERCE

(Financial Accounting—I)

Full Marks : 75

Time : 3 hours

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark in the brackets provided : 1×10=10

1. Bookkeeping is a part of the accounting. (T / F)
2. In case of making payment of wages for construction of building, wages will be debited. (T / F)
3. Under written down value method, depreciation is charged on the original cost of the asset. (T / F)
4. All reserves appear on the liabilities side of the Balance Sheet. (T / F)
5. Unearned income is the liability of the business. (T / F)

6. Liabilities side of the Balance Sheet represents credit balance. (T / F)
7. In a dispute between two partners, the mutually accepted partnership deed helps to solve the differences of opinion. (T / F)
8. When one of the partners does most of the work, he is entitled to a salary from the firm. (T / F)
9. In case of death of a partner, reserves and surplus should be distributed amongst continuing partners in the new ratio. (T / F)
10. Realization loss should be divided in the capital ratio. (T / F)

SECTION—B

(Marks : 15)

Write short notes on the following in not more than 5 sentences each : 3×5=15

1. Bookkeeping
2. Capital reserve
3. Closing stock
4. Different ways a partner can retire from the firm
5. Types of goodwill

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. What is accounting? Explain the meaning and process of accounting. 3+7=10
- OR**
2. Explain the following in brief : 2½×4=10
 - (a) Owner's equity
 - (b) Classification of accounts
 - (c) Principle of consistency
 - (d) Accounting period concept

3. The following balances appear in the book of X Ltd. as on 1st April, 2011 :

Machinery A/c—₹ 5,00,000

Provision for Depreciation—₹ 2,25,000

The machinery is depreciated @ 10% p.a. on fixed instalment method. The accounting year being April–March. On 1st October, 2011, a machinery which was purchased on 1st July, 2008 for ₹ 1,00,000 was sold for ₹ 42,000 and on the same date afresh machine was purchased for ₹ 2,00,000

Prepare Machinery A/c for 2 years.

10

OR

4. Explain the terms 'reserve' and 'provision'. What is meant by secret reserve and what are the purposes of creating secret reserve?

4+6=10

5. From the following Trial Balance of M/s Ram & Sons, prepare Trading and Profit & Loss A/c for the year ending 31st March, 2018 and a Balance Sheet on that date :

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<i>Debit Balances</i>	₹	<i>Credit Balances</i>	₹
Purchases	21,750	Sales	35,000
Discount Allowed	1,300	Capital	13,000
Wages	6,500	Creditors	2,100
Salaries	2,000		
Travelling Expenses	400		
Commission	425		
Carriage Inward	275		
Administrative Expenses	105		
Trade Expenses	600		
Interest	250		
Building	5,000		
Furniture	200		
Debtors	4,250		
Cash	7,045		
	<u>50,100</u>		<u>50,100</u>

Stock on 31st March, 2018 was ₹ 6,000. Depreciate building by 20%, create a provision for bad debts @ 10% on debtors and outstanding wages amount to ₹ 475.

OR

6. Why is it necessary to create provision for bad and doubtful debts? How is it treated in final accounts? 5+5=10
7. What is partnership? State the features of partnership and also mention the contents of partnership deed. 2+4+4=10

OR

8. A and B share profits and losses as 3 : 1. Their Balance Sheet as on 30th June, 2018 is as under :

<i>Liabilities</i>	<i>Amount</i>	<i>Assets</i>	<i>Amount</i>
	₹		₹
A's Capital	60,000	Land and Building	50,000
B's Capital	32,000	Furniture	2,000
Creditors	75,000	Debtors	33,000
General Reserve	8,000	Less : Provision for Doubtful Debts	<u>1,000</u>
		Bills Receivable	6,000
		Stock-in-Trade	40,000
		Cash at Bank	<u>45,000</u>
	<u>1,75,000</u>		<u>1,75,000</u>

C is admitted on 01.07.2018 on the following terms :

- (i) C to bring in ₹ 20,000 as his capital and to be entitled to a fifth share in the profits
- (ii) Goodwill valued at ₹ 50,000. C was to bring half of his share of goodwill in cash and other half to be purchased by him from the existing partners by book adjustment. The necessary amount was debited to C's current account. No goodwill account was to be raised in the books
- (iii) The value of Stock and Furniture was to be reduced by 10% and the Reserve for Doubtful Debts was to be brought to 10% of debtors
- (iv) Value of Land and Building was to be increased by 15%

The capital of partners in the new firm are to be in the profit sharing ratio. The capital of C being taken as the basic capital. The excess amount of capital, if any, to be paid off in cash.

You are required to prepare Capital A/cs of the partners and the new Balance Sheet.

10

9. A, B and C are partners sharing profits and losses in the proportion of 3 : 2 : 1 and their Balance Sheet on 31st December, 2017 stood as under :

<i>Liabilities</i>		₹	<i>Assets</i>		₹
Bills Payable		7,560	Cash in Hand		250
Creditors		12,300	Bank		960
Reserve		3,000	Debtors		7,450
Capitals :			Bills Receivable		3,300
A	10,000		Stock		12,470
B	6,000		Investment		10,430
C	<u>4,000</u>	20,000	Buildings		8,000
		<u>42,860</u>			<u>42,860</u>

B died on 28th February, 2018 and his executors are entitled to be paid as under :

- (i) The capital to his credit at the time of his death and interest upon the time of his death at 6% p.a.
- (ii) His proportionate share of reserve
- (iii) His share of profit for the period based on the figure of the previous year
- (iv) Goodwill according to his share of profits to be calculated by taking twice the amount of the average profits of the last three years. The profits of the previous years were 2015—₹ 7,800; 2016—₹ 9,000 and 2017—₹ 9,600

The investments were sold for ₹ 16,200 and his executors were paid out. Write the account of the executors of B and Balance Sheet.

10

OR

10. A, B and C are equal partners, whose Balance Sheet as on 31st December, 2017 is as follows :

<i>Liabilities</i>		₹	<i>Assets</i>		₹
Sundry Creditors		5,000	Cash in Hand		50
A's Loan		1,000	Stock		800
Capital A/cs :			Debtors		1,000
A	800		Plant and Machinery		2,000
B	500		Furniture and Fittings		800
			Land and Buildings		2,000
			B's Capital (overdrawn)		650
		<u>7,300</u>			<u>7,300</u>

Due to lack of liquidity and weak financial position of the partners, the firm is dissolved. *A* and *C* are not able to contribute anything and a sum of ₹ 200 received from *B*. All of them are declared insolvent. The assets are realized :

	₹
Stock	500
Plant and Machinery	1,000
Furniture and Fittings	200
Land and Buildings	800
Debtors	550
Realization Expenses	50

Prepare Realization A/c, Cash A/c and Partners' Capital A/cs.

10

★ ★ ★