

	A Type	B Type
1.C	Company Features	B.Securities Premium Account
2.B	Securities Premium Account	D.Real A/c
3.A	Small Sized Sole Trader Business	C.Rs.64,000
4.C	Gain	D.Working Capital
5.D	Working Capital	A.Rs.10,000
6.A	Partner's Salary	D.Long Term Solvency
7.C	Capital Receipt	B.+ 25 %
8.B	Capital Account of all the Partners	C.Rs.2 per share
9.D	Direct Expenses	A.Date of his Retirement
10.A	Interest on Loan	C.Company Features
11.D	Ratio	A.Interest on Loan
12.A	Sacrificing Ratio	D.Ratio
13.D	Long Term Solvency	D.Direct Expenses
14.B	+ 25 %	C.Gain
15.C	Rs.2 per share	A.Small Sized Sole Trader Business
16.C	Rs.30,000	A.Partner's Salary
17.D	Real A/c	B.Capital Account of all the Partners
18.A	Rs.10,000	A.Sacrificing Ratio
19.A	Date of his Retirement	C.Capital Receipt
20.C	Rs.64,000	C.Rs.30,000

Answer any seven questions 7X2=14

21. statement of affairs: A statement of affairs is a statement showing the balances of assets and liabilities on a particular date

22. Examples for revenue receipts:

Particulars	Rs.	Rs.
Subscription received during the year 2018		45,000
Add: Subscription received for 2018 in 2017	4,000	
Subscription outstanding for 2018	<u>5,000</u>	<u>9,000</u>
		54,000
Less: Subscription outstanding in 2017	3,000	
Subscription received in advance in 2018	<u>7,000</u>	<u>10,000</u>
Income from subscription for the year 2018		44,000

23. Fixed Capital Method – Meaning:

Under the fixed capital method, the capital of the partners is not altered and it remains generally fixed. Two accounts are maintained for each partner namely 1.Capital account,2.Current account.The transactions relating to initial capital introduced, additional capital introduced, and capital permanently withdrawn are entered in the capital account and all other transactions are recorded in the current account.

24. What is super profit: Super profit is the excess of average profit over the normal profit of a business. Super profit = Average profit – Normal profit.

25. Revaluation of Assets and Liabilities: When a partner is admitted into the partnership the assets and liabilities are revealed as the current value may differ from the book value.Determination of current values of assets and liabilities is called revaluation of assets and liabilities.

26. Date	Particulars	Debit	Credit
	Reserve fund	100000	
	A's capital		50000
	B's capital		30000
	C's capital		20000

27. Shares Forfeited – Meaning: When a shareholder defaults in making payment of allotment and/or call money, the shares may be forfeited.

28. Comparative income statement of Arul Ltd

Particulars	2015-16	2016-17	Absol	Per
Revenue from operations	50000	60000	+10000	+20
Add: Other income	10000	30000	-20000	+200
Total revenue	60000	90000	+30000	+50
Less: Expenses	40000	50000	+10000	+25
Profit before tax	20000	40000	+20000	+100

29. Quick Ratio – Meaning: Quick ratio gives the proportion of quick assets to current liabilities.It indicates whether the business concern is in a position to pay its current liabilities as and when they become due, out of its quick assets. It is otherwise called “liquid ratio” or “acid test ratio”.
Quick ratio = Quick assets / Current liabilities

30. To view Trial Balance :Gateway of Tally > Reports > Display > Trial Balance > AltF1 (detailed)

Answer any seven questions 7x3=21

Liabilities	₹	Assets	₹
Sundry creditors	6,00,000	Cash in hand	20000
Bills payable	120000	Furniture	80000
Capital	280000	Land and Building	300000
		Sundry Debtors	320000
		Bills receivable	60000
		Stock	220000
	1000000		1000000

32. Income and Expenditure Account

Expen	₹	Income	₹	₹
		By Subscription	50000	
		Add: Outstanding	30000	80000

Balance sheet

Liabilities	₹	Assets	₹	₹
Subscription received in advance for the year 2018-19	5000	Outstanding subscription 2016 – 2017	2000	
		2017 – 2018	30000	32000

33. Calculation of Interest on Drawings:

Total amount withdrawn = 5,000 × 12 = Rs. 60,000

(i) If drawings are made at the beginning of every month:

Average period = 6.5

Interest on drawings = Total amount of drawings × Rate of interest × Average Profit / 12 = 60,000 × 4/100 × 6.5/12 = **Rs.1,300**

(ii) If drawings are made in the middle of every month:

Average period = 6

Interest on drawings = Total amount of drawings × Rate of interest × Average Profit / 12 = 60,000 × 4/100 × 6/12 = **Rs.1,200**

34. Calculation of Goodwill:

Average profit = Rs.24,000

Normal profit = Rs. 14,000

Super profit = Average profit – Normal profit = 24,000 – 14,000 = **Rs. 10,000**

Goodwill = Super profit × Number of years of purchase = 10,000 × 3.352 = **Rs. 33,520**

35) The following adjustment is necessary at the time of admission of a partner:

1. Distribution of accumulated profits, reserves, and losses
2. Revaluation of assets and liabilities
3. Determination of new profit-sharing ration and sacrificing ratio
4. Adjustment for goodwill
5. Adjustment of capital on the basis of new profit sharing ratio (if so agreed)

6. Degree of competition: In the case of business enterprises having no competition or negligible competition, the value of goodwill will be high.

7. Other factors: There are other factors which add to the value of goodwill of a business such as popularity of the proprietor, impressive advertisements and publicity, good relations with customers, etc.

36. Journal Entry:

Particulars	Debit	Credit
Kavin's Capital Dr.	150000	
Bank		150000
Kavin's Capital Dr.	150000	
Kavin's Loan		150000
Kavin's Capital Dr.	150000	
Bank		100000
Kavin's Loan		50000

37. Brief note on calls – in – advance: (Any 3)

1. The excess amount paid over the called up value of a share is known as calls in advance.
2. It is the excess money paid on application or allotment or calls.
3. Such excess amounts can be returned or adjusted towards future payments.
4. If the company decides to adjust such amount towards future payment, the excess amount is transferred to a separate account called calls in the advance account.
5. Calls in advance do not form part of the company's share capital and no dividend is payable on such amount.
6. As per Table F of the Indian Companies Act, 2013, interest may be paid on calls in advance if Articles of Association so provide not exceeding 12% per annum.

38. Following are the steps to be followed in preparation of comparative statement.

1. **Column 1** : In this column, particulars of items of income statements or balance sheet are written.
2. **Column 2** : Enter absolute amount of year 1.
3. **Column 3** : Enter absolute amount of year 2.
4. **Column 4** : Show the difference in amounts between year 1 and year 2. If there is an increase in year 2, put plus sign and there is a decrease put minus sign.
5. **Column 5** : Show percentage increase or decrease of the difference amount shown in column 4 by dividing the amount shown in column 4 (absolute amount of increase or decrease) by column 2 (year 1 amount)

Percentage increase (or) decrease = Absolute amount of Increase / Decrease × 100 / Year 1 Amount.

39. Capital Gearing Ratio = Funds bearing fixed interest and fixed dividend / Equity Shareholders' Fund

$$\frac{4,00,000}{8,00,000} = 0.5 : 1$$

Funds bearing fixed interest and dividend = 5% Preference share capital + 6% Debentures

= 1,00,000 + 3,00,000 = **Rs. 4,00,000**

Equity shareholder's funds = Equity share capital + General reserve + Surplus

= 4,00,000 + 2,50,000 + 1,50,000 = **Rs. 8,00,000**

40. Contra Voucher: A transaction involving both cash account and bank account is recorded using contra voucher. The transaction may be for deposit of cash into bank account or withdrawal of cash from bank account. Procedure to record Contra Vouchers: Gateway of Tally > Transactions > Accounting Vouchers > F4:Contra

Answer All Questions

7X5=35

41. Statement of Affairs 31 March 2018

Liabilities	₹	Assets	₹
Creditors	170000	Debtors	100000
		Stock	35000
		Land and Buil	140000
Capital	193000	Machinery	80000
		Cash in hand	3000
		Cash at bank	5000
	363000		363000

Statement of affairs as on 31st March, 2019

Liabilities	₹	Assets	₹	₹
Bank over	130000	Cash hand		4500
Creditors	60000	Stock		45000
Capital	157000	Sundry Debtors	90000	
		Less: debts@ 5%	4500	85500
		Machinery	80000	
		-Dipre	8000	72000
	347000			347000

Statement of profit or loss

Closing capital	157000
Add: Drawing	60000
	217000
Less: Additional Capital;	17000
Adjusted Closing capital	200000
Lesss: Opening Capital	193000
Profit	7000

41.(OR). Accounting Reports – Meaning: Accounting report is a compilation of accounting information that are derived from the accounting records of a business concern. Accounting reports may be classified as routine reports and special purpose reports.

Steps involved in designing accounting reports:

- 1) Define the objective of generating report
- 2) Specify the structure of the report
- 3) Creating database queries to interact with the database to retrieve, modify, add or delete data from the records.

42.A. Chennai Mahalakshmi Mahalir Mandram

Dr.	₹	Cr	₹
Receipts		Payments	
To Balance b/d		Stationery	6000
Cash hand 2000		Audit fees	2000
Cash Bank 3000	5000		
Old Newspapers	500	Sundry charges	6000
Entrance fees	3000	Scholarship	2000
Interest investm	2000	Fire insurance	1500
Subscriptions	8500	Furniture Purch	6000
Sale Furniture	4000	News papers	700
		Conveyance	1000
Bank Overdraft	4700	Balance c/d	2500
	27700		27700

42.OR. Journal entry

Particulars	Debit	Credit
Interest on capital Dr	3000	
Velu's capital		2000
Seenu's capital		1000
Profit and loss Dr	150000	
Interest on capital		150000
Velu's capital Dr	400	
Seenu's capital Dr	600	
Interest on drawings		1000
Interest on drawings Dr	1000	
Profit and loss		1000
Profit and loss Dr	34000	
Velu's capital A/c		27200
Seenu's capital A/c		6800

Dr. Profit and loss appropriation account Cr

Particul	₹	₹	Particul	₹	₹
Interest on capital:			Profit & loss		36000
Velu	1000		Interest on Drawings:		
Seenu	<u>2000</u>	3000	Velu		
Velu Capital	27200		Seenu	400	
Seenu Capital	<u>6800</u>	34000		<u>600</u>	1000
		37000			37000

43.A. Capital Account (Fluctuating)

Particulars	Amutha	Amuthini	Particulars	Amutha	Amuthini
Drawings	70,000	40,000	Bal b/d P & L	5,00,000	4,00,000
Interest drawi	2,000	1,000	Appropri	52,000	40,000
Balance C/d	5,55,000	4,44,000	Intere Capital	30,000	24,000
			Salary	45,000	
			Commission	---	21,000
	6,27,000	4,85,000		6,27,000	4,85,000
			Balance b/d	5,55,000	4,44,000

43.B. Revaluation Account

Particulars	₹	Particulars	₹
Machinery	6000	Trade receivable	10000
Furniture	3000	Revaluation	
		Mani's capital	6000
		Madesh's capital	4000
Provisi for bad debts	2000		
	11000		11000

Capital A/C

Part	Mani	Madesh	Madhu	Part	Mani	Madesh	Madhu
Reval	6000	4000		Bal b/d	40000	30000	-
Bal c/d	34000	26000	10000	Bank	-	-	10000
	40000	30000	10000		74500	40500	20000
				Bal b/d	34000	26000	10000

44. A. Calculation of adjusted profit

Particulars	2016	2017	2018
Profit	1,75,000	1,50,000	2,00,000
Less: Non income	45,000	-	-
	1,30,000	1,50,000	2,00,000
Less: closing stock	-	30,000	-
	1,30,000	1,20,000	2,00,000
Add: opening stock	-	-	30,000
Profit	1,30,000	1,20,000	2,30,000

Average profit = $\frac{\text{Total profit}}{\text{Number of years purchase}}$
 $= \frac{1,30,000 + 1,20,000 + 2,30,000}{3}$
 $= 480000 / 3 = 160000$

Goodwill = Average profit × Number of years of purchase
 $= 160000 \times 4000 = 640000$

44.B. Revaluation

Particulars	₹	Particulars	₹	₹
Building	5,000	Revaluation		
Stock	2,000	Roja's capital	7,500	
Bad debts	3,000	Raja's capital	2,500	10,000
	10,000			10,000

Capital

Particu	Roja	Raja	Kalpa	Particu	Roja	Raja	Kalpan
Revalu	7,500	2,500	.....	Bal B/d	50,000	30,000	.....
Roja's	.....	.....	4,000	Bank	.....	.....	20,000
				Reser	30,000	10,000	.....
				WFund	7,500	2,500	.....
Bal C/d	84,000	40,000	16,000	Kalpan	4,000	.....	.....
	91,500	42,500	20,000		91,500	42,500	20,000
				Bal B/d	84,000	40,000	16,000

45.A. Date	Particulars	Debit	Credit
31 March 2018	Revaluation Furniture Doubtful debts	Dr. 12,000	10,000 2,000
	Machinery Investments Revaluation	Dr. 30,000 Dr. 30,000	60,000
	Revaluation Vivek's capital Vishal's capital Vimal's capital	Dr 48,000	16,000 16,000 16,000

Dr Revaluation Account Cr

Particulars	₹	₹	Particul	
Furniture		10,000	Machine	30,000
doubtful debts		2,000	Invest	30,000
Revaluation				
Vivek	16,000			
Vishal	16,000			
Vimal	16,000	48,000		
		60,000		60,000

45.(OR)Poornima Ltd. Journal Entries

Date	Particulars	L.F	Debit	Credit
	Bank A/c		2,00,000	
	Equity Share application A/c			2,00,000
	Equity share application A/c		2,00,000	
	Equity share capital A/c			2,00,000
	Equity share allotment A/c		4,00,000	
	Equity share capital A/c			4,00,000
	Bank A/c		4,00,000	
	Equity share allotment A/c			4,00,000
	Equity share first call A/c		2,00,000	
	Equity share capital A/c			2,00,000
	Bank A/c		2,00,000	
	Equity share first call A/c			2,00,000

Equity share final call A/c		2,00,000	
Equity share capital A/c			2,00,000
Bank A/c		2,00,000	
Equity share final call A/c			2,00,000

46. Trend analysis for Palai Ltd

Particulars	in lakhs			Trend percent		
	Yr 1	Yr 2	Yr 3	Yr 1	Yr 2	Yr 3
I EQUITY AND LIABILITIES						
Shareholders' fund	250	275	300	100	110	120
Non-current liability	100	125	100	100	125	100
Current liabilities;	50	40	80	100	80	160
Total	400	440	480	100	110	120
Assets						
Non-current asset	300	360	390	100	120	130
Current assets	100	80	90	100	80	90
Total	400	440	480	100	110	120

46(OR)

(i) Gross Profit Ratio = $\frac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100$
 $= \frac{300000}{500000} \times 100 = 60\%$

Gross profit = Revenue from operations – Cost of revenue from operations
 $= 500000 - 200000 = ₹ 300000$

Cost of revenue from operations = Purchase of stock in trade + Changes in inventories
 $= 180000 + 20000 = 200000$

(ii) Net Profit Ratio = $\frac{\text{Net Profit after Tax}}{\text{Revenue from Operations}} \times 100$
 $= \frac{150000}{500000} \times 100 = 30\%$

*(Note: Faculty members are requested to compare the answer key provided by the Govt and start the Central evaluation process)

47. Bills receivable account

Particulars	₹	Particulars	₹
Balance b/d	60,000	Cash	1,60,000
Debtors	2,05,000	Debtors	15,000
		Balance c/d	90,000
	2,65,000		2,65,000

Total debtors account

Particulars	Rs.	Particulars	Rs.
Balance b/d	2,50,000	Cash	7,25,000
Bills receivable	15,000	Bad debts	30,000
Sales	9,85,000	Returns inward	50,000
		Bills receivable	2,05,000
		Balance c/d	2,40,000
	12,50,000		12,50,000

Total Sales = Cash Sales + Credit Sales = Rs. 3,15,000
+ Rs. 9,85,000 = **Rs. 13,00,000**

47.(OR) Anbu Ltd., Journal Entries

Particulars	Debit	Credit
Bank A/c	30,000	
Equity Share application A/c		30,000
Equity share application A/c	30,000	
Equity share capital A/c		30,000
Equity share allotment A/c	30,000	
Equity share capital A/c		30,000
Bank A/c	30,000	
Equity share allotment A/c		30,000
Equity share first call A/c	20,000	
Equity share capital A/c		20,000
Bank A/c	20,000	
Equity share first call A/c		20,000
Equity share second call A/c	20,000	
Equity share capital A/c		20,000
Bank A/c	19,800	
second and final call A/c		19,800
Equity share capital A/c	10 00	
second and final call		200
Forfeited shares A/c		800
Bank A/c	700	
Forfeited	300	
Equity share capital A/c		1000
Forfeited A/c	500	
Reserve A/c		500