Q.P. Code: 22176

Max.Hrs:2.30 hrs **Total Marks: 75 marks**

1. All Questions carry fifteen marks
2. Use of simple calculator is allowed
3. Working Note if necessary should form part of the answer

Q1.A) FILL IN THE BLANKS (Any 8) **8marks**

1.) At the time of amalgamation any profit or loss on realization is transferred to_________accounts.

2.) If the business of M/S ABC & co is takenover by an existing firm M/S PQR & co,M/S_______ & co is known as the purchasing firm.

3.) ________is the amount payable by the purchasing firm to the old firm for taking over its business.

4.) Assets & Liabilites are transferred to realisation account at_________value.

5.) On amalgamation assets and liabilities of vendor firm are transferred to ___________ Account.

6.) The balance of Capital Account remains constant under ___________capital method.

7.) Gross profit is transferred to____________account.

8.) Payment made in advance is shown on the_____________side of balance sheet.

9.) The Indian Partnership Act is in force since ________.

10.) If fixed capital account method is adopted,net profit is transferred to _______account.

Q1.B) TRUE OR FALSE(Any 7) **7 marks**

1.) Prepaid Expense is a liability

2.) Excess of Income over over expenditure is Net Profit

3.) Balance Sheet is an account

4.) Assets and liabilities are transferred to realisation account at market values

5.) Gross Profit is transferred to Balance Sheet

6.) Purchase Consideration=Taken over assets less takenover liabilities both at market value

7.) Income received in advance is gain for a firm

Q.P. Code: 22176

8.) Partners current account must always show a credit balance

9.) Indian partnership Act is in force since 1956

10.) Current Assets are kept in business for a long time

Q2 A) Ram and Shyam are partners.Their Trial Balance as on 31-012-2014 was as under: **15 M**

Debit	Rs.	Credit	Rs.
Building	74,000	Ram' Capital	90,000
Machinery	40,000	Shyam's Capital	90,000
Furniture	20,000	Sales	6,80,000
Purchases	2,98,000	Creditors	52,000
Stock	60,000	RDD	3,000
Wages	65,000	Discount	10,000
Carriage Inward	25,000		
Salaries	40,000		
Repairs	18,000		
Commission	5,700		
General Expenses	30,000		
Rent and Taxes	21,000		
Bank Balance	95,000		
Cash Balance	49,300		
Debtors	84,000		
	9,25,000		9,25,000

Additional information:

1. Closing stock was Rs.50,000

2. Shyam has taken goods worth Rs.5,000 for his personal use for which no entry was made in the books of account

3. Wages outstanding were Rs.6,000 and taxes paid in advance Rs.2,000

4. Depreciation was to be provided at 10% p.a on machinery and 5% p.a on Building and 15% p.a on furniture

5. Write of Rs.2,000 as bad debts and provision for doubtful debts is to be increased to Rs.5,000

6. Goods costing Rs.2,500 have been stolen no entry passed for the same in the books

Prepare a Trading and Profit & Loss account for the year ended 31St December,2014 and Balance Sheet as on that date

OR

Q.P. Code: 22176

Q2.P) From the following Balance Sheet of M/s Ideal Store with Sunil, Anil and Neel as partners sharing profits and losses in ratio 5:3:2.Their Balance Sheet on the date of dissolution was as follows:

15 M

Liabilites	Rs.	Assets	Rs.
Partners' Capital: -Sunil 38,800 -Anil 20,400 -Neel 26,000	85,200	Fixed Assets	80,000
General Reserve	19,200	Current Assets	60,0000
Sunil's Loan	21,200	Cash in hand	9,600
Sundry Creditors	24,000		

1. The realisation expenses were estimated at Rs.4, 000

2. The assets were realised as under:
   First Instalment Rs.61,280
   Second Instalment Rs.28,720
   Third Instalment Rs.20,000
3. Actual Realisation expenses were Rs.3, 000 only

Prepare a statement showing piecemeal distribution of cash by adopting Excess Capital Method.

Q3.A) A,B and C are partners sharing profits and losses in 4:2:1.Their Balance Sheet on the date of dissolution was as follows: **15M**

Liabilites	Rs.	Assets	Rs.
Partners' Capital: -A 80,000 - B 1,60,000 - C 1,30,000	3,70,000	Fixed Assets	2,28,960
General Reserve	18,900	Current Assets	1,73,700
Creditors	11,400	Cash in hand	140
Bank Overdraft	32,500	Investments	30,000
	4,32,800		4,32,800

1. The realisation expenses were estimated at Rs.2,400
2. The assets were realised as under:
   First Instalment Rs.30,720
   Second Instalment Rs.36,800
   Third Instalment Rs.2,12,840
   Fourth Instalment Rs.92,600
3. Actual Realisation expenses were Rs.1,200 only
4. All creditors to be paid off

Q.P. Code: 22176

Prepare a statement showing piecemeal distribution of cash by adopting Excess Capital Method

OR

Q3.P)A,B and C carry on partnership sharing ptofits and losses in the proportions 1/2, 3/8 and 1/8 respectively

On 31St March,2012,they agreed to sell their business to a limited company. Their position on that date was as follows: **15 M**

Liabilites	Rs.	Assets	Rs.
Partners' Capital: -A 40,000 - B 30,000 - C 26,000	96,000	Fixed Assets: -Machinery 48,000 -Furniture 42,000	90,000
Loan on Mortgage	16,000	Stock	23,000
Creditors	18,000	Cash in hand	2,000
		Book debts	15,000
	1,30,000		1,30,000

The company took over the following assets at the valuation shown below:

Machinery Rs.61,000
Furniture Rs.31,800
Stock Rs.22,000
Book Debts Rs.14,000
Goodwill Rs.10,000

The Company also agreed to pay the creditors which was agreed at Rs.17,700.The Company paid Rs.67,000 in fully paid shares of Rs.10 each and balance in cash. The expenses amounted to Rs.1,500

Prepare ledger accounts in the books of the firm.

Q4.A)Set out below is the Balance Sheet of X and Y as on March 31,2012.They share profits and losses equally: **15 M**

Liabilites	Rs.(in' 000)	Assets	Rs.(in'000)
Partners' Capital: -X 600 - C 400	1,000	Fixed Assets: -Machinery 256 -Land and Building 400 -Furniture 41	697
Creditors	74	Stock	215
		Bank	55
		Debtors	85
		Investments(considered worthless)	22

	1,074		1,074

A Limited company with nominal Capital of Rs.2 Lakh in Equity Shares of Rs 10 Each was formed to acquire the business of the partnership.

The vendors agreed to pay the creditors.The company took over the whole concern with exception of the bank and investments,for Rs.12 Lakh payable in 1 lakh fully paid Equity Shares of Rs.10 each and the balance in cash.The expenses of Realisation amounted to Rs.1 thousand
Show the Journal entries to close the books of the partnership firm

OR

Q4 P) From the Following Information Calculate The Amount Of Goodwill Based On 4 Years Purchase Of 5 Years Average Profits: **7 M**

YEAR	PROFITS
2010	2,50,000
2011	2,10,000
2012	3,50,000
2013	4,50,000
2014	1,50,000

Q4.Q) A And B Decided To Amalgamate Their Business Into AB & Co. The Assets And Liabilities Were Taken Over At Following Values.Calculate the Purchase Consideration **8M**

Assets and Liabilities Of A:
Stock: 2,00,000
Cash: 1,50,000
Machinery: 5,00,000
Debtors: 2,50,000
Creditors: 1,00,000
Bank Overdraft: 1,25,000

Assets And Liablites Of B:
Stock: 3,50,000
Cash: 1,50,000
Debtors: 2,20,000
Creditors: 95,000

Q5.)Short Notes **(Any 3 Out of 5)** **15 M**
1. Purchase Consideration
2. Amalgamtion of firms
3. Distingush between Fixed capital and Fluctuating Capital
4. Partnership and essential elements of partnership
5. Partnership deed

****