

Time : 2.30 Hrs

Marks : 75

- N.B:** 1) Solve all questions after exercising internal option.
 2) Working notes are allocated separate marks.
 3) Figures to the right indicate full marks.
 4) Use of simple calculator is allowed.

Q1. A) Match the Following and rewrite: (Any 8)

(08)

COLUMN A	COLUMN B
1) Bad debts in Branch Account	A. No. of points in each department.
2) Opening stock	B. Units sold by each department.
3) Lighting	C. No entry
4) Rent, taxes and repairs of building	D. Debit side of Branch Account.
5) Staff salaries.	E. Floor area of each department.
6) selling expense	F. No. of workers in each department.
7) Cash price of the article and the interest	G. Credit purchase method
8) Full cash price method	H. Unsecured creditor
9) Income tax payable by a firm as on the date of dissolution	I. Hire purchase price
10) Balance of partly secured creditors not met out of the secured assets.	J. Preferential creditors

Q1. B) State whether statements are True or False and rewrite the sentence. (Any 7):

(07)

- 1) Piecemeal distribution means division of physical assets in pieces among the partners.
- 2) In excess capital method, the minimum capital is equal to the lowest unit capital.
- 3) Down payment means the total amount payable by the hirer.
- 4) Hire purchase agreements normally lasts more than one year.
- 5) Branch account under debtors system is a real account.
- 6) Cash remittance from branch includes cash sales and collection from debtors.
- 7) Depreciation on branch fixed assets is debited to branch account under debtors system.
- 8) Management expenses are taken to the general profit and loss account.
- 9) Sales salaries is an example of indirect expense.
- 10) Depreciation is apportioned equally in all the departments.

Q. 2 A,B,C are partners sharing profits and losses in the ratio of 4:2:1. They decided to dissolve the partnership as on March 31 2018 when their Balance sheet was as follows: (15)

Liabilities	Rs	Assets	Rs
Creditors	11,400	Cash In Hand	140
General Reserve	18,900	Investment	30,000
Bank Overdraft	32,500	Stock	1,28,300
Capital: A	80,000	Debtors	45,400
B	1,60,000	Machiner	32,600
C	1,30,000	Furniture	4,900
		Building	1,91,460
	4,32,800		4,32,800

All creditors have to be paid off. Rs 2,400 have to be provided for realisation expenses. Thereafter all cash Received should be distributed among the partners.

The amounts were realised as follows:

- 1st instalment: Rs 30,720
 2nd instalment: Rs 36,800
 3rd instalment: Rs 2,12,840
 4th instalment: Rs 92,600

The actual realisation expenses were Rs 1,200. Prepare a statement showing distribution of cash as per Excess Capital Method.

OR

Q. 2 Prepare Departmental Trading and Profit and Loss Account and General Profit and Loss Account from the following particulars: (15)

Particulars	Dept. A Rs	Dept. B Rs	Dept. C Rs	Total Rs
Purchases	90,000	60,000	30,000	
Sales	1,60,000	1,28,000	64,000	
Wages	30,000	24,000	20,000	
Closing stock	44,000	32,000	28,000	
Salaries	13,000	7,000	9,000	
Rent				7,000
Insurance				4,700
Motor van Expenses				4,400
Advertising				6,600
Travelling Expenses				3,300
Carriage Inwards				12,000
Discount Received				3,600
Bad Debts				1,100
Audit fees				1,800
Discount Allowed				2,200

Additional Information:

- 1) There was no Opening Stock
- 2) The floor space occupied by the three departments A,B and C is the ratio of 3:2:2
- 3) The Motor Van Expenses are to be divided equally between Departments B and C
- 4) The Insurance premium is on a comprehensive policy and cannot be allocated.

Q. 3 Mandar Chemicals (P) Ltd. Has a branch in Patna. Goods are invoices to the Branch at cost plus 30%. From the following details. Prepare Branch Account. (15)

Particulars	Rs	Particulars	Rs
Stock on 1-1-2018	26,000	Goods returned to H.O	6,500
Debtors on 1-1-2018	50,000	Goods returned by branch	
Cash in hand on 1-1-2018	250	Debtors to branch	3,000
Goods sent to Patna branch	1,30,000	Total sales of the branch	2,23,000
Cheque's sent to Patna branch		Cash sales	1,70,000
a) Salary	3,000	Expenses paid by branch	23,000
b) Rent	2,000	Collection from Debtors	64,000
Furniture purchased by H.O for the Branch	10,000	Closing stock on 31-12-2018	1,04,000
		Cash balance on 31-12-2018	130

Depreciation on Furniture at 10%.

OR

Q. 3 Amit and Sumit were partners sharing profits and losses in the proportion $\frac{2}{3}$ rd and $\frac{1}{3}$ rd. their balance sheet is as follows: (15)

LIABILITIES	Rs	Rs	ASSETS	Rs	Rs
CAPITAL A/C			BUILDING		1,00,000
AMIT	96000		FURNITURE		20,000
SUMIT	64000	1,60,000	OFFICE EQUIPMENT		10,000
GENERAL RESERVE		18,000	SUNDRY DEBTORS	63,000	
PROFIT AND LOSS A/C		6,000	LESS: RDD	3000	60,000
SUNDRY CREDITORS		80,000	STOCK		84,000
AMIT'S LOAN A/C		26,000	CASH		16,000
		2,90,000			2,90,000

On 1st April, 2017 Rohit is admitted in the partnership on the following terms:

- 1) Rohit should bring in cash Rs.48,000 as capital for $\frac{1}{5}$ th share in total profits.
- 2) Goodwill was raised in the books of the firm for Rs.18000
- 3) Building is revalued at Rs.1,12,000 and the value of stock to be reduced by Rs.6,000.
- 4) Reserve for doubtful debts to be maintained at Rs.1800
- 5) Amit's loan is to be repaid

Prepare Revaluation A/C, Capital A/C's of partners and balance sheet of the new firm.

Q. 4 Mr. Tata purchased a car on hire purchase basis from Sandro Ltd. On 1-1-2017 for Rs2,60,000. He paid Rs20,000 on signing the contract and four half-yearly instalments of Rs60,000 each on 30th June and 31st December every year thereafter. The cash value of the car was Rs2,10,000 Santorum Ltd. Charged interest at 20% p.a. with half yearly charge. Depreciation @ 20% p.a on W.D.W is charged on Car. (15)

Prepare Ledger Accounts for Mr. Tata and Interest in the books of Sandro Ltd. For the years 2017 and 2018

OR

Q. 4 The Loksewa Transport Ltd. purchased trucks from the Hindustan Motors Ltd on Hire Purchase Basis. The cash price of the trucks was Rs 3,20,000. The amounts were payable as under:

Rs 1,00,000 on the date of purchase i.e 1st January 2016
Rs 80,000 on 31st December 2016
Rs 80,000 on 31st December 2017
Rs 82,478 on 31st December 2018

The Hindustan Motors Ltd charged interest at 5% p.a on the unpaid amount. The purchasing decided to write off as depreciation 20% on the diminishing balance each year. You are required to give Trucks Account, the Hindustan Motors Ltd. account and Interest account in books of the Loksewa Transport Ltd. according to Credit Purchase Method.

Q. 5 A) Distinguish between Department and Branch. (08)
B) Explain in brief – Hire Purchase Method. (07)

OR

Q5. WRITE SHORT NOTES ON (ANY 3) (15)

- 1) Piecemeal distribution of cash.
- 2) Stock Reserve.
- 3) Stock and debtors method under branch account.
- 4) Full cash price method.
- 5) Different methods of allocating expenses amongst the department
