

## Madurai Dist

2RM

12 - Std

SECOND REVISION TEST - 2023  
ACCOUNTANCY

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Marks : 90

Time : 3.00 Hrs

(20 X 1 = 20)

## I Choose the correct answer.

- The amount of credit sales can be computed from
  - Total debtors account
  - Total creditors account
  - Bills receivable account
  - Bills payable account
- Statement of affairs is a
  - Statement of income and expenditure
  - Statement of assets and liabilities
  - Summary of cash transactions
  - Summary of credit transactions
- Which of the following should not be recorded in the income and expenditure account?
  - Sale of old news papers
  - Loss on sale of asset
  - Honorarium paid to the secretary
  - Sale proceeds of furniture
- Purchase of sports materials
  - revenue expenditure
  - capital expenditure
  - revenue receipt
  - capital receipt
- Which of the following is shown in Profit and loss appropriation account?
  - Office expenses
  - Salary of staff
  - Partners' salary
  - Interest on bank loan
- Which of the following is the incorrect pair?
  - Interest on drawings - Debited to capital account
  - Interest on capital - Credited to capital account
  - Interest on loan - Debited to loan account
  - Interest on loan - Credited to loan account
- The total capitalised value of a business is Rs.2,00,000; assets are Rs.3,00,000 and liabilities are Rs.1,60,000. The value of goodwill as per the capitalisation method will be
  - Rs.2,60,000
  - Rs.3,40,000
  - Rs.6,60,000
  - Rs.60,000
- \_\_\_\_\_ Methods are there to value Goodwill.
  - 2
  - 3
  - 4
  - 5
- If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called
  - Capital ratio
  - Sacrificing ratio
  - Gaining ratio
  - None of these
- On revaluation, the increase in the value of assets leads to
  - Gain
  - Loss
  - Expense
  - None of these
- At the time of retirement of a partner, determination of gaining ratio is required
  - To transfer revaluation profit or loss
  - To distribute accumulated profits and losses

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- (c) To adjust goodwill (d) None of these
12. A, B and C are partners sharing profits in the ratio of 3:2:6. B retires. The new profit sharing ratio between A and C will be  
 (a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
13. After the forfeited shares are reissued, the balance in the forfeited shares account should be transferred to  
 (a) General reserve account  
 (b) Capital reserve account  
 (c) Securities premium account (d) Surplus account
14. If a share of Rs. 10 on which Rs. 7 has been paid up is forfeited. Minimum reissue price is  
 (a) Rs. 3 per share (b) Rs. 7 per share (c) Rs. 10 per share (d) Rs. 2 per share
15. The term 'fund' refers to  
 (a) Current liabilities (b) Working capital  
 (c) Fixed assets (d) Non-current assets
16. Which of the following tools of financial statement analysis is suitable when data relating to several years are to be analysed?  
 (a) Cash flow statement (b) Common size statement  
 (c) Comparative statement (d) Trend analysis
17. To test the liquidity of a concern, which of the following ratios are useful?  
 (i) Quick ratio (ii) Net profit ratio  
 (iii) Debt-equity ratio (iv) Current ratio
- Select the correct answer using the codes given below:
18. Current ratio indicates  
 (a) Ability to meet short term obligations (b) Efficiency of management  
 (c) Profitability (d) Long term solvency
19. What are the predefined Ledger(s) in Tally?  
 (i) Cash (ii) Profit & Loss A/c (iii) Capital A/c  
 (a) Only (i) (b) Only (ii) (c) Both (i) and (ii) (d) Both (ii) and (iii)
20. Which is not the default group in Tally?  
 (a) Suspense account (b) Outstanding expense  
 (c) Sales account (d) Investments

**II ANSWER ANY 7 QUESTIONS (Q.NO.: 30 IS COMPULSORY). (7 X 2 = 14)**

21. State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.
22. What is working capital?
23. Give four examples for revenue receipts of, not-for-profit organisation.
24. Why are the shares forfeited?
25. Kiran, Vinoth and Vimal are partners sharing profits in the ratio of 5:3:2. Kiran retires and the new profit sharing ratio between Vinoth and Vimal is 2:1. Calculate the gaining ratio.

26. From the following particulars, prepare bills receivable amount and compute the bills received from the debtors.

PARTICULARS	Rs.
Bills receivable at the beginning of the year	1,40,000
Bills receivable at the end of the year	2,00,000
Cash received for bills receivable	3,90,000
Bills receivable dishonoured	30,000

27. Show how the following items appear in the income and expenditure account of Sirkazhi Singers Association?

PARTICULARS	Rs.
Stock of stationery on 1.4.2018	2,600
Purchase of stationery during the year	6,500
Stock of stationery on 31.3.2019	2,200

28. The profits and losses of a firm for the last four years were as follows:  
2015: Rs. 15,000; 2016: Rs. 17,000; 2017: Rs. 6,000 (Loss); 2018: Rs. 14,000  
You are required to calculate the amount of goodwill on the basis of 5 years purchase of average profits of the last 4 years.
29. Mala and Vimala were partners sharing profits and losses in the ratio of 3:2. On 31.3.2017, Varshini was admitted as a partner. On the date of admission, the book of the firm showed a reserve fund of Rs. 50,000. Pass the journal entry to distribute the reserve fund.
30. What is Accounting Information System (AIS)?

**III. ANSWER ANY 7 QUESTIONS (Q.NO.: 40 IS COMPULSORY).**

31. State the differences between fixed capital method and fluctuating capital method.
32. Explain the objectives of ratio analysis.
33. A partnership firm earned net profits during the last three years as follows:  
2016 : Rs. 20,000; 2017 : Rs. 17,000 and 2018 : Rs. 23,000  
The capital investment of the firm throughout the above mentioned period has been Rs. 80,000. Having regard to the risk involved, 15% is considered to be a fair return on capital employed in the business. Calculate the value of goodwill on the basis of 2 years purchase of super profit.
34. How will the following appear in the final accounts of Karaikudi sports club for the year ending 31<sup>st</sup> March, 2019?

PARTICULARS	Rs.
Tournament fund on 1 <sup>st</sup> April 2018	90,000
Tournament fund investment on 1st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

35. John is a partner in a firm. He withdraws Rs. 1,000 p.m. regularly. Interest on drawings is charged @ 5% p.a. Calculate the interest on drawings using average period, if he draws.

- (i) at the beginning of every month  
 (ii) in the middle of every month  
 (iii) at the end of every month
36. Sriram and Raj are partners sharing profits and losses in the ratio of 2:1. Nelson joins as a partner on 1st April 2017. The following adjustments are to be made:  
 (i) Increase the value of stock by Rs. 5,000  
 (ii) Bring into record investment of Rs. 7,000 which had not been recorded in the books of the firm.  
 (iii) Reduce the value of office equipment by Rs. 10,000  
 (iv) A provision would also be made for outstanding wages for Rs. 9,500.  
 Give journal entries and prepare revaluation account
37. Naresh, Mani and Muthu are partners in a firm sharing profits and losses in the ratio of 2:2:1. On 31st March 2019, Muthu retires from the firm. On the date of Muthu's retirement, goodwill appeared in the books of the firm at Rs. 40,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to  
 (a) write off the entire amount of existing goodwill  
 (b) write off half of the amount of existing goodwill.
38. Muthu was holding 20 equity shares of Rs. 10 each on which he paid Rs. 2 on application but could not pay Rs. 3 on allotment and Rs. 1 on first call. Directors forfeited the shares after the first call. Give journal entry for recording the forfeiture of shares.
39. From the following figures obtained from Kalpana Ltd, calculate the trade payables turnover ratio and credit payment period (in days).

PARTICULARS	Rs.
Credit purchases during 2018 - 2019	1,00,000
Trade creditors as on 1.4.2018	20,000
Trade creditors as on 31.3.2019	10,000
Bills payable as on 1.4.2018	4,000
Bills payable as on 31.3.2019	6,000

40. On 1st April 2018, Ganesh started his business with a capital of Rs. 1,90,000. He did not maintain proper book of accounts. Following particulars are available from his books as on 31.03.2019.

PARTICULARS	Rs.	PARTICULARS	Rs.
Bank overdraft	90,000	Stock	1,00,000
Debtors	2,80,000	Creditors	90,000
Bills receivable	80,000	Bills payable	2,00,000
Furniture	3,000	Cash in hand	90,000
Machinery	2,50,000		

During the year he withdrew Rs. 50,000 for his personal use. He introduced further capital of Rs. 80,000 during the year. Calculate his profit or loss.

(7 x 5 = 35)

**IV ANSWER ALL THE QUESTIONS.**

41. (A) Prepare common-size balance sheet of Sharmila Ltd. and Sangeetha Ltd. as on 31<sup>st</sup> March, 2019.

<b>PARTICULARS Sharmila Ltd Rs.</b>		<b>Sangeetha Ltd Rs.</b>
<b>I EQUITY AND LIABILITIES</b>		
Shareholders' funds	5,00,000	11,00,000
Non-current liabilities	4,00,000	7,00,000
Current liabilities	1,00,000	2,00,000
<b>Total</b>	<b>10,00,000</b>	<b>20,00,000</b>
<b>II ASSETS</b>		
Non-current assets	6,50,000	18,00,000
Current assets	3,50,000	2,00,000
<b>Total</b>	<b>10,00,000</b>	<b>20,00,000</b>

(OR)

(B) From the following details of Rakesh, prepare Trading and Profit and Loss account for the year ended 31st March, 2019 and a Balance Sheet as on that date.

<b>PARTICULARS</b>	<b>31.3.2018Rs.</b>	<b>31.3.2019Rs.</b>
Stock of goods	2,20,000	1,60,000
Debtors	5,30,000	6,40,000
Cash at bank	60,000	10,000
Machinery	80,000	80,000
Sundry creditors	3,70,000	4,20,000

Other details:

<b>PARTICULARS</b>	<b>Rs.</b>	<b>PARTICULARS</b>	<b>Rs.</b>
Rent paid	1,20,000	Cash received from debtors	12,50,000
Discount received	35,000	Drawings	1,00,000
Discount allowed	25,000	Cash sales	20,000
Cash paid to creditors	11,00,000	Capital as on 1.4.2018	5,20,000

42. (A) From the following information, prepare Receipts and Payments account of Cuddalore Kabaddi Association for the year ended 31st March, 2019.

<b>PARTICULARS</b>	<b>Rs.</b>	<b>PARTICULARS</b>	<b>Rs.</b>
Opening cash balance (1.4.2018)	11,000	Interest and bank charges	250
Bank overdraft balance (1.4.2018)	20,000	Miscellaneous income	350
Stationery purchased	5,200	Upkeep of ground	550
Travelling expenses	1,800	Grant from Government	12,000
Dividend received	3,000	Telephone charges paid	2,800
General expenses	500	Endowment fund receipts	10,000
Admission fees	4,000	Insurance premium paid	2,000
Courier charges	2,000	Electricity charges paid	5,000
Municipal taxes paid	3,000	Closing cash balance (31.03.2019)	1,750

(OR)

(B) From the following Balance Sheet of James Ltd. as on 31.03.2019 calculate

(i) Debt-equity ratio (ii) Proprietary ratio (iii) Capital gearing ratio



**Balance Sheet of James Ltd. as on 31.03.2019**  
AmountRs.

<b>I</b>		<b>PARTICULARS</b>	
		<b>EQUITY AND LIABILITIES</b>	
1.	Shareholders' funds		
	(a) Share capital		
	Equity share capital	2,50,000	
	6% Preference share capital	2,00,000	
	(b) Reserves and surplus	1,50,000	
2.	Non-current liabilities		
	Long-term borrowings (8% Debentures)	3,00,000	
3.	Current liabilities		
	Short-term borrowings from banks	2,00,000	
	Trade payables	1,00,000	
	<b>Total</b>	<b>12,00,000</b>	
<b>II</b>		<b>ASSETS</b>	
1.	Non-current assets		
	Fixed assets	8,00,000	
2.	Current assets		
	(a) Inventories	1,20,000	
	(b) Trade receivables	2,65,000	
	(c) Cash and cash equivalents	10,000	
	(d) Other current assets		
	Expenses paid in advance	5,000	
	<b>Total</b>	<b>12,00,000</b>	

43. (A) Arun and Selvam are partners who maintain their capital accounts under fixed capital method. From the following particulars, prepare capital accounts of partners.

<b>PARTICULARS</b>	<b>Arun Rs.</b>	<b>Selvam Rs.</b>
Capital on 1st January, 2018	2,20,000	1,50,000
Current account on 1st January, 2018	4,250(Dr.)	10,000(Cr.)
Additional capital introduced during the year	Nil	70,000
Withdrew for personal use	10,000	20,000
Interest on drawings	750	600
Share of profit for 2018	22,000	15,000
Interest on capital	1,100	750
Commission	6,900	Nil
Salary	Nil	6,850

(OR) (B) From the following trading activities of Naveen Ltd. calculate (i) Gross profit ratio (ii) Net profit ratio (iii) Operating cost ratio (iv) Operating profit ratio

**STATEMENT OF PROFIT AND LOSS**

<b>PARTICULARS</b>	<b>Rs.</b>
I. Revenue from operations	20,000
II. Other Income:	
Income from investments	200
III. Total revenues (I+II)	20,200



IV. Expenses:

Purchases of stock-in-trade	17,000
Changes in inventories	-1,000
Finance costs	300
Other expenses (administration and selling)	2,400
Total expenses	18,700
V. Profit before tax (III - IV)	1,500

44. (A) From the following information relating to Arul enterprises, calculate the value of goodwill on the basis of 2 years purchase of the average profits of 3 years.

(a) Profits for the years ending 31st December 2016, 2017 and 2018 were Rs. 46,000, Rs. 44,000 and Rs. 50,000 respectively.

(b) A non-recurring income of Rs. 5,000 is included in the profits of the year 2016.

(c) The closing stock of the year 2017 was overvalued by Rs. 10,000. (OR)

(B) From the following particulars calculate total purchases.

PARTICULARS	Rs.	PARTICULARS	Rs.
Sundry creditors on 1.1.2018	30,000	Purchases returns	15,000
Bills payable on 1.1.2018	25,000	Cash purchases	2,25,000
Paid cash to creditors	1,20,000	Creditors on 31.12.2018	25,000
Paid for bills payable	30,000	Bills payable on 31.12.2018	20,000

45. (A) Ameer and Raja are partners sharing profits in the ratio of 3:2. Their balance sheet is shown as under on 31.12.2018:

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts:			Machinery	60,000
Ameer	80,000		Furniture	40,000
Raja	<u>70,000</u>	1,50,000	Debtors	30,000
Reserve fund		15,000	Stock	10,000
Creditors		35,000	Prepaid insurance	40,000
			Cash at bank	20,000
		<b>2,00,000</b>		<b>2,00,000</b>

Rohit is admitted as a new partner who introduces a capital of Rs. 30,000 for his 1/5 share in future profits. He brings Rs. 10,000 for his share of goodwill.

Following revaluations are made:

- (i) Stock is to be appreciated to Rs. 14,000
- (ii) Furniture is to be depreciated by 5%
- (iii) Machinery is to be revalued at Rs. 80,000
- (iv) Revaluation Profit Rs. 22,000

Prepare Capital accounts and the balance sheet after the admission. (OR)

(B) From the following balance sheet of Chandra Ltd, prepare comparative balance sheet as on 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017.

PARTICULARS 31st March 2016Rs.		31st March 2017Rs.	
<b>I EQUITY AND LIABILITIES</b>			
Shareholders' fund	1,00,000	2,60,000	
Non-current liabilities	50,000	60,000	
Current liabilities	25,000	30,000	
Total	1,75,000	3,50,000	
<b>II ASSETS</b>			
Non-current assets	1,00,000	2,00,000	
Current assets	75,000	1,50,000	
Total	1,75,000	3,50,000	

46. (A) Mani, Rama and Devan are partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. Their balance sheet as on 31st March, 2019 is as follows:

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts:			Buildings	80,000
Mani	50,000		Stock	20,000
Rama	50,000		Furniture	70,000
Devan	<u>50,000</u>	1,50,000	Debtors	20,000
Sundry creditors			Cash in hand	
10,000				
Profit and loss A/c		30,000		
		<b>2,00,000</b>		<b>2,00,000</b>

Mani retired from the partnership firm on 31.03.2019 subject to the following adjustments:

- Stock to be depreciated by Rs. 5,000
- Provision for doubtful debts to be created for Rs. 1,000.
- Buildings to be appreciated by Rs. 16,000
- The final amount due to Mani is not paid immediately

Prepare revaluation account and capital account of partners after retirement.

(OR) (B) Explain any five applications of computerised accounting system.

47. (A) Sudha Ltd. offered 1,00,000 shares of Rs. 10 each to the public payable Rs. 3 on application, Rs. 4 on share allotment and the balance when required. Applications for 1,40,000 shares were received on which the directors allotted as:

Applicants for 60,000 shares - Full

Applicants for 75,000 shares - 40,000 shares (excess money will be utilised for allotment)

Applicants for 5,000 shares - Nil

All the money due was received. Pass journal entries upto the receipt of allotment.

(OR)

(B) From the following information, calculate trend percentages for Mullai Ltd.

PARTICULARS	Rs. in lakhs		
	2015-16	2016-17	2017-18
Revenue from operations	100	120	160
Other income	20	24	20
Expenses	20	14	40
Income tax	30%	30%	30%



**+2 Accountancy II Rev Mdu Dist. Feb -23**

**Coreect Answer. 20X1=20**

1. (a) Total debtors account
2. (b) Statement of assets and liabilities
3. (d) Sale proceeds of furniture
4. (a) Revenue expnditure
5. (c) Partners 'salary;
6. (d) Debited to capital account
7. (d) Rs. 60000
8. (b) 3
9. (b) Sacrificing ratio
10. (a) Gain
11. (c) To adjust goodwill
12. (d) 1:2
13. (b) Capital reserve account
14. (a) Rs.3 per share
15. (b) working capital
16. (d) Trend analysis
17. (b) i and iv
18. (a) Ability to meet short term obligations
19. (c) Both( i)and( ii )
20. (b) Outstanding expense

**Answer any 7 questions 7X2=14**

**21.** Generally cash and personal accounts of customers and creditors are maintained by small sized sole trader,when double entry accounting system is not followed.

**22.** The term 'fund' refers to working capital. Working capital refers to the excess of current assets over liabilities. Working capital =Current assets-Current liabilities.

**23.,Four examples of revenue receipts of not - forprofit organisations.**

Interest on investments,Interest on fixed deposits,Sale of old sports materials, Sale of old news papers.

**24.** When a shareholder defaults in making paymen of allotment and/ or call mony the shares may be forfeited.

**25. Gaining Ratio = New ratio – Old ratio**

$$\begin{array}{l} \text{New ratio} \quad \quad \quad \frac{2}{3} \quad \frac{1}{3} \\ \text{Old ratio} \quad \quad \quad \frac{3}{10} \quad \quad \quad \frac{2}{10} \\ \text{Gaining share} \quad = \frac{20-9}{30} = \frac{11}{30} \quad \quad \quad \frac{10-6}{30} = \frac{4}{30} \\ \text{Gaining Ratio} \quad = 11:4 \end{array}$$

**26. Bills receivables Account**

Particulars	Amt	Particulars	Amt
To Bal b/d	140000	By.Cash account	390000
<b>To Debtors act</b>	<b>480000</b>	By.Debtors acct	30000
		By.Balance c/d	200000
	620000		620000

**27.Income and Expenditure account of Seerkazhi Singers Assn**

Expenses	Amt	Amt	In	Amt	A
Stationery – Opening Bal	2600				
Add: Purchases during the yr.	6500				
	9100				
Less: Closing stock	2200				
		<b>6900</b>			

**28. Average profit = Total Profits / Number of years**  
 $= \frac{(15000+17000-6000+14000)}{4} = \frac{40000}{4} = 10000$

**Goodwill = -Average profit X Number of years purchase=**  
 $=10000 \times 5 = 50000$

**29. Journal Entries**

Date	Particulars	Debit	Credit
	Reserve Fund a/c Dr	50000	
	Mala's Cap.Acct		30000
	Vimala's Cap. Acct.		20000

**30. Accounting Information system 9AIS)**

Accounting Information System (AIS) collects financial data,processes them and provides information to the various users.To provide information AIS requires data from other information system that is manufacturing,marketing and human resources.

**Answer any Questions 7X3=21**

31. Fixed capital	Fluctuating capital
Two accounts are maintained for each partner,that is capital account and current account.	Only one account,that is,capital account is maintained for each partner.
The amount of capital remains unchanged except when additional capital is introduced or capital is withdrawn.	The amount of capital changes from period to period.
Capital account always shows credit balance.Current account may show either debit or credit balance.	Capital account generally credit balance.
All adjustments are done in current account.	All adjustments are done in capital acct.

**32. Objectives of Ratio analysis.**

- 1.To simplify accounting figures.
- 2.To facilitate analysis of financial statements.
- 3.To analyse the operational efficiency of a business.
- 4.To help in budgeting and forecasting.
- 5.To facilitate intra firm and inter firm comparison of performance.

**33. Average profit ; = Total Profit:**

$$= \frac{20000+17000+2+3000}{3} = \frac{60000}{3} = \text{Rs. } 20000$$

Normal Profit = Capital employed X Normal rate of return.;

$$= 80000 \times \frac{15}{100} = \text{Rs. } 12000$$

Super profit = Average profit – Normal Profit

$$= 20000 - 12000 = \text{Rs. } 8000$$

Goodwil = Super profit X No. Years purchase. =

$$8000 \times 2 = \text{Rs. } 16000$$

**34. Karaikudi Sports Club. Balance Sheet**

Liabilities	Amt	Amt	Assets	Amt.
Op. Tournament Fund	90000		Tourname nt Fund Invest.	90000
Add: Interest on Fund	9000			
	99000			
Add: Donations	10000			
	109000			
Less: Tournament Exp.	60000			
		<b>49000</b>		

35. 1) At the beginning of every month

$$1000 \times 12 = 12000 \times \frac{5}{100} \times \frac{6.5}{12} = \text{Rs. } 325$$

2) At the middle of every month

$$1000 \times 12 = 12000 \times \frac{5}{100} \times \frac{6}{12} = \text{Rs. } 300$$

3) At the end of every month

$$1000 \times 12 = 12000 \times \frac{5}{100} \times \frac{5.5}{12} = \text{Rs. } 275$$

**36. Journal Entries**

Date	Particulars	Debit	Credit
	Stock A/c Dr	5000	
	Investment A/c Dr	7000	
	Revaluation A/c		12000
	Revaluation A/c Dr	19500	
	Office equipments A/c		10000
	Outstanding wages A/c		9500
	Sriram capital A/c Dr	5000	
	Raj Capital A/c Dr	2500	
	Revaluation A/c		7500

**Revaluation Account**

Particulars	Amt	Particulars	Amt
Office equipments	10000	Stock	5000
Outstanding wages	9500	Investments	7000
		<b>Revaluation Loss</b>	<b>7500</b>
	<b>19500</b>		<b>19500</b>

**37.A JOURNAL ENTRIES**

Date	Particulars	Debit	Credit
	Naresh Capital A/c Dr	16000	
	Mani Capital A/c Dr	16000	
	Muthu Capital A/c Dr	8000	
	Goodwill A/c		40000

**B)**

Date	Particulars	Debit	Credit
	Naresh Capital A/c Dr	8000	
	Mani Capital A/c Dr	8000	
	Muthu Capital A/c Dr	4000	
	Goodwill A/c		20000

**38. Journal Entries**

Particulars	Debit	Credit
Equity Share Capital A/c Dr	120	
Equity Share Allotment A/c		60
Equity Share First Call A/c		20
Share Forfeiture A/c		40

**39. Trade payable turnover ratio = Net credit Purchases = 100000 = 5 Times Average Trade Payables 20000**

Average trade payables =  $\frac{\text{Opening Tr. Pay.} + \text{Closing Trade payables}}{2}$

$$= \frac{(40000+20000) + (10000+6000)}{2} = \frac{40000}{2} = 20000$$

Average payment period = Number of days in a year =  $\frac{365}{5}$

$$= 73 \text{ days Trade payable ratio } 5$$

**40. Statement of Affairs as on 31.03.2019 of Ganeshan**

Liabilities	Amount	Assets	Amount
Bank O/d	90000	Debtors	280000
Creditors	90000	Bills Rece	80000
B/P	200000	Machinery	250000
<b>Capital</b>	<b>420000</b>	Stock	100000
		Cash in hand	90000
	800000		800000

**Statement of Profit and Loss**

Capital at the end	420000
Add: Drawings	50000
	470000
Less: Additional Capital	80000
Adjusted closing capital	390000
Less: Opening capital	190000
<b>Profit</b>	<b>200000</b>

Answer all questions

7X5=35

**41A. Common size -Balance sheet**

Particulars	Sharmila ltd;		Sangeetha Ltd	
	Amount	% of Assets	Amountf	% of Assets
<b>Equity &amp; Liability</b>				
Shareholder's funds	500000	50	110000	55
			0	
Non-current Liabilities	400000	40	700000	35
Current liabilities	100000	10	200000	10
<b>Total</b>	<b>1000000</b>	<b>100</b>	<b>2000000</b>	<b>100</b>
	0			
<b>Assets</b>				
Non -Current assets	650000	65	1800000	90
	0			
Current assets	350000	35	200000	10
	0			
<b>Total</b>	<b>1000000</b>	<b>100</b>	<b>2000000</b>	<b>100</b>
	0			

41.B . Total debtors Account

Particulars	Amount	Particulars	Amount
Balance b/d	530000	Cash	1250000
		Discount allowed	25000
<b>Credit sales</b>	<b>1385000</b>	Balance c/d	640000
	1915000		1915000

Total creditors Account

Particulars	Amount	Particulars	Amount
Cash a/c	1100000	Balance b/d	370000
Discount Recd.	35000	<b>Credit Purchases</b>	<b>1185000</b>
Balance c/d	420000		
	1555000		1555000

Trading & P& L Account

Particulars	Amount	Particulars	Amount
To. Op. Stock	220000	Sales	1405000
Purchases	1185000	Closing Stock	160000
<b>Gross Profit</b>	<b>160000</b>		
	1565000		1565000
Dis.Allowed	25000	G/P	160000
Rent	120000		
<b>Net Profit</b>	<b>50000</b>	Dis.Recd.	35000
	1950000		1950000

Balance Sheet as on 31.03.2019

Liabilities	Amt	Assets	Amt
Creditors	420000	Cl.Stock	160000
Capital	520000	Debtors	640000
(+) Net Prof	50000	Bank	10000
	570000	Machinery	80000
-Drawings	100000		
	890000		890000

42.A Receipts & Payments A/c Cudalore kabadi club

Receipts	Amount	payments	Amount
Balance b/d		Balance b/d	
cash	11000	Bank o /d	20000
Dividend	3000	stationery	5200
,Other income	350	Travelling Exp	1800
Govt.Grant	12000	General Ex	500
Donation	10000	Postage	2000
Admission fee	4000	Municipal tax	3000
		Interest	250
		Upkeep of ground	550
		Telephone exp	2800
		Insurance	2000
		Electricity	5000
Bal c/d		<b>Balance c/d</b>	
<b>Bank O/d</b>	<b>4500</b>	<b>Cash</b>	<b>1750</b>
	<b>44850</b>		<b>44850</b>

42. B

- i) Debt equity ratio =  $\frac{\text{Long term debt}}{\text{Share holders funds}}$   
 .Long term debts=Debentures =300000  
 Shareholders funds =Eq.Sh.Cap+Res.Surp.Pre.Share.Cap  
 =250000+150000+200000=600000  
 =  $\frac{300000}{600000}$ =0.5:1
- ii)Proprietary ratio =  $\frac{\text{Shareholders funds}}{\text{Total Assets}}$  =  $\frac{600000}{1200000}$  = 0.5:1

iii)Capital gearing ratio =  $\frac{\text{Funds bearing fixed interest and fixed dividend}}{\text{Equity shareholders'funds}}$

Funds bearing fixed interest and fixed dividend= 6% Preference capital +8% Debentures= 2,00,000+3,00,000 =5,00,000  
 Equity shareholders funds =Equity share capital + General reserve and surplus = 2,50,000+1,50,000=4,00,000  
 Capital gearing ratio =  $\frac{5,00,000}{4,00,000}$  = 1.25:1

43A.Capital account of Arun and Selvam

Date;	Part;	Arun	Selv	Date	Part	Arun	Sel
De31	Bal	220000	220000	1.1.18	Bal	220000	150000
					Bank		70000
		220000	220000			220000	220000
				1.1.19	Bal b/d	220000	220000

Date	Part	Arun	Sel	Date	Parti	Arun	Sel
	Bal bd	4250		1.4.18	Bal b/d		10000
	Draw	10000	20000		Profit	22000	15000
	Int dr	750	600		Int.on cap	1100	750
	Bal cd	15000	12000		Comm	6900	
					Salary		6850
		30000	32600			30000	32600
				1.4.19	Bal b/d	15000	12000

43.B G.P Ratio; =  $\frac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100$

=  $\frac{4000}{20000} \times 100 = 20\%$

Gross Profit =Reve.from Operation – cost of Rev.from Operation  
 = 20000-16000 = **4000**

Cost of Rev.Operation = Purchase of stock + Ch.in Invents. +D.Exp  
 = 17000-1000+0 = **16000**

N.P.Ratio; =  $\frac{\text{N.P after tax}}{\text{Revenue from operations}} \times 100$

=  $\frac{1500}{200000} \times 100 = 7.5\%$

Operating cost ratio =  $\frac{\text{operating cost}}{\text{Revenue from Operations}} \times 100$

=  $\frac{18400}{20000} \times 100 = 92\%$

Operating cost = cost of revenue from operation;+operat.exp  
 = 16000+2400 = **18400**

Operating profit ratio; =  $\frac{\text{operrrrrating profit}}{\text{Revenue from operations}} \times 100$

=  $\frac{1600}{20000} \times 100 = 8\%$

Operating profit = revenue from operation – operating cost  
 = 20000 – 18400 = **1600**

44.A. Statement of adjusted profit

Particulars	2016	2017	2018
Profit	46000	44000	50000
Less:Non -recurring income	5000	---	---
	41000	44000	50000
Less:Over valuation of Cl. stock	---	10000	---
	41000	34000	50000
Add:Overvaluation op. stock	---	---	10000
<b>Adjusted profit</b>	<b>41000</b>	<b>34000</b>	<b>60000</b>

Average profit =  $\frac{\text{Total Profit}}{\text{Number of years}}$   
 =  $\frac{41000+34000+60000}{3}$  = **45000**

Goodwil =Average profit X No.of.Years Purchase = 45000 X 2= **90000**

**44.B. Bills Payable Account**

Particulars	Amount	Particulars	Amount
Cash	30000	Balance b/d	25000
Balance c/d	20000	<b>creditors</b>	<b>25000</b>
	50000		50000

**Sundry creditors account**

Particulars	Amt.	Particulars	Amt.
cash	120000	Bal b/d	30000
Pur.Retn.	15000	<b>Credit</b>	<b>155000</b>
B.P (Accepted)	25000	<b>purchases</b>	
Bal c/d	25000		
	185000		185000

Total Purchase = cash purchase+ credit purchases  
225000 +155000 = **380000**

**45A. capital account**

Parti	Ameer	Raja	Rohit	Parti	Ameer;	Raja	Rohit
				Bal b/d	80000	70000	
				Re.Fund	9000	6000	
				Bank(Good)	6000	4000	
				Revaluation	13200	8800	
				bank			30000
Bal c/d	108200	88800	30000				
	108200	88800	30000		108200	88800	30000
				Bal b/d	108200	88800	30000

**Balance sheet**

Lia	Amt	Amt	Asset	Amt	amt
Cap			Machinery;	60000	
Ammer	108200		+ Reval	20000	80000
Raja	88800		Furniture	40000	
Rohit	30000	227000	-Dep	2000	38000
Creditor		35000	S.Debt		30000
			Stock	10000	
			+ Revalu	4000	14000
			Pre.Paid Ins		40000
			Bank		60000
		<b>262000</b>			<b>262000</b>

**45.B.Chandra Ltd.Comparative Balance sheet**

Parti	15- 16	16 - 17	\$(+)F(-)	rj(+)-
<b>Equity &amp; Liabi</b>				
Share holders fund	100000	260000	+160000	+160
Non-curr.Liabi	50000	60000	+10000	+20
Current Liabi	25000	30000	+5000	+20
<b>total</b>	<b>175000</b>	<b>350000</b>	<b>+175000</b>	<b>+100</b>
<b>II. assets</b>				
Non Current Assets	100000	200000	+100000	+100
Current assets.	75000	150000	+75000	+100
<b>Total</b>	<b>175000</b>	<b>350000</b>	<b>+175000</b>	<b>+100</b>

**46.A Revaluation Acct.**

Particulars	Amt	Particulars	Amt
Stock	5000	Building	16000
Bad& Doubt.debts	1000		
<b>Revaluation profit</b>	<b>10000</b>		
	<b>16000</b>		<b>16000</b>

Parti	Mani	Rama	Devan	Parti;	Mani	Rama	Devan
Manikandan	66000			B. b/d	50000	50000	50000
B.c/d		62000	62000	Rev	4000	3000	3000
				P&IAc	12000	9000	9000
	66000	62000	62000		66000	62000	62000
				,nfh	---	62000	62000

**46.B Five applications of Computerised accounting system.**

**Maintaining of accounting records.** In CAS records can be maintained easily and efficiently for a long time.It facilitates fast retrieval of data.

**Inventory management.CAS facilitates efficient management of inventory.**

**Report generation.CAS helps to generate various routine and special purpose reports.** CAS helps to import & export accounting data.It helps to compute various taxes and deposit the same to to Govt.account.

**47.A. Journal entries of Sudha Ltd.**

	tptuk;	gw;W	tuT
Bank A/c	Dr	420000	
Equity share application A/c			420000
Equity share application A/c	Dr	300000	
Equity share capital			300000
Equity share application A/c	Dr	15000	
Bank A/c			15000
Equity share application A/c	Dr	105000	
Equity share allotment a/c			105000
Equity share allotment a/c		400000	
Equity share capital			400000
Bank A/c	Dr	295000	
Equity share allotment a/c			295000

**47.B.Trend Analysis of Mullai Ltd.**

Particulars	In Lakhs			Trend Percentage		
	15-16	16-17	17-18	15-16	16-17	17-18
Revenue from operations	100	120	160	100	120	160
Add: Other Income	20	24	20	100	120	100
<b>Total Revenue</b>	<b>120</b>	<b>144</b>	<b>180</b>	<b>100</b>	<b>120</b>	<b>150</b>
Less:Expenses	20	14	40	100	70	200
<b>Profit before tax</b>	<b>100</b>	<b>130</b>	<b>140</b>	<b>100</b>	<b>130</b>	<b>140</b>
Less:Income tax 30%	30	39	42	100	130	140
<b>Profit after tax</b>	<b>70</b>	<b>91</b>	<b>98</b>	<b>100</b>	<b>130</b>	<b>140</b>