

MERIT TUITION CENTRE(MTC),Thirumayam(BO),Pudukkottai(HO)**ACCOUNTANCY-XII****Unit-1 to 5****TOTAL MARK:030****I.5Mark (6X5=30)**

1. From the following details you are required to calculate credit sales and credit purchases by preparing total debtors account, total creditors account, bills receivable account and bills payable account.

Opening		Closing	
Particulars			
Debtors	60,000		55,000
Bills receivable	5,000		1,000
Creditors	25,000		28,000
Bills payable	2,000		3,000
Other information:			
Cash received from debtors			1,30,000
Discount allowed to customers			5,500
Cash paid to creditors			70,000
Discount allowed by suppliers			3,500
Payments against bill payable			7,000
Cash received for bills receivable			14,000
Bills receivable dishonoured			1,200
Bad debts			3,500

2. Pandian does not keep his books under double entry system. From the following information prepare trading and profit and loss account and balance sheet as on 31-12-2018.

1-1-2018`		31-12-2018`	
Furniture	30,000		30,000
Cash in hand	10,000		17,000
Debtors	40,000		60,000
Stock	28,000		11,000
Bills receivable	12,000		35,100
Bank loan	25,000		25,000
Creditors	15,000		16,000

Cash sales 11,200 Credit sales 88,800,Cash purchases 4,250 Credit purchases 35,750,Carriage on purchases 3,000 Carriage on sales 700,Commission received 600 Interest on bank loan 2,500,Drawings 8,000 Additional capital 14,000,Salaries 8,900 Office rent 2,400.

Adjustments:Write off depreciation of 5% on furniture. Create a provision of 1% on debtors for doubtful debts.

3. The following is the summary of cash transactions of Delhi Literary Club for the year ending 31st March, 2019.

Delhi Literary Club

Receipts and Payments Account for the year ending 31st March, 2019

Receipts		Payments	
To Balance b/d		By Rents and Rates	21,000
Cash in hand	3,200	By Lecture fees	4,500
To Entrance fees	2,300	By Sundry expenses	7,200
To Subscriptions	46,000	By Fixed deposit	40,000
To Life membership fees		2,500	By Balance c/d
To Interest received on fixed deposit	500	Cash in hand	4,300
To Sale of furniture (on 1.4.2018)			22,500
(Book value ` 25,000)			
	77,000		77,000

Additional information(a) At the beginning of the year the club possessed books worth ` 20,000 and furniture worth ` 40,000.

(b) Subscription received in advance during the current year amounted to ` 1,000.

Prepare Income and Expenditure account of the club for the year ending 31st March, 2019 and the Balance sheet as on that date.

4. Mayiladuthurai Recreation Club gives you the following details. Prepare Receipts and Payments account for the year ended 31st March, 2019.

Particulars		Particulars	
Opening cash balance	15,000	Salary of watchman	12,000
Opening bank balance	25,000	Club annual day expenses	15,000
Donations received	48,000	Lighting charges	16,500
Sale of old equipment	26,000	Entertainment expenses	13,500
Refreshment charges	13,000	Billiards table purchased	5,000
Club annual day collections	18,000	Expenses of charity show	3,000
Construction of tennis court	7,000	Sale of investments	12,000
Receipts from charity show	4,000	Closing cash balance	12,000
Rent paid			1,000

5. Bragathish and Naresh are partners who maintain their capital accounts under fixed capital method. From the following particulars, prepare capital accounts of partners.

Particulars	Bragathish	Naresh

Capital on 1st April 2018	4,00,000	6,00,000
Current account on 1st April 2018	20,000(Cr.)	15,000(Dr.)
Additional capital introduced during the year	50,000	Nil
Drawings made during the year	45,000	60,000
Interest on drawings	2,000	3,000
Share of profit for the year	80,000	1,20,000
Interest on capital	20,000	30,000
Commission	17,000	Nil
Salary	Nil	38,000

6. Richard and Rizwan started a business on 1st January 2018 with capitals of ` 3,00,000 and ` 2,00,000 respectively.

According to the Partnership Deed

- (a) Interest on capital is to be provided @ 6% p.a.
 - (b) Rizwan is to get salary of ` 50,000 per annum.
 - (c) Richard is to get 10% commission on profit (after interest on capital and salary to Rizwan) after charging such commission.
 - (d) Profit-sharing ratio between the two partners is 3:2.
- During the year, the firm earned a profit of ` 3,00,000.

Prepare profit and loss appropriation account. The firm closes its accounts on 31st December every year.

7. The following particulars are available in respect of a business carried on by a partnership firm: (a) Profits earned: 2016: ` 30,000; 2017: ` 29,000 and 2018: ` 32,000.

- (b) Profit of 2016 includes a non-recurring income of ` 3,000.
- (c) Profit of 2017 is reduced by ` 2,000 due to stock destroyed by fire.
- (d) The stock is not insured. But, it is decided to insure the stock in future. The insurance premium is estimated at ` 5,600 per annum.

You are required to calculate the value of goodwill on the basis of 2 years purchase of average profits of the last three years.

8. Calculate the value of goodwill at 5 years purchase of super profit from the following information: (a) Capital employed: ` 1,20,000, (b) Normal rate of profit: 20%

(c) Net profit for 5 years:

2014: ` 30,000; 2015: ` 32,000; 2016: ` 35,000; 2017: ` 37,000 and 2018: ` 40,000

(d) Fair remuneration to the partners ` 2,800 per annum.

9. Vetri and Ranjit are partners, sharing profits in the ratio of 3:2. Their balance sheet as on 31st December 2017 is as under:

Liabilities	Assets
Capital accounts:	Furniture 25,000

Vetri	30,000	Stock	20,000
Ranjit	20,000	50,000 Debtors	10,000
Reserve fund	5,000	Cash in hand	35,000
Sundry creditors	45,000	Profit and loss A/c (loss)	10,000
	1,00,000		1,00,000

On 1.1.2018, they admit Suriya into their firm as a partner on the following arrangements.

(i) Suriya brings ` 10,000 as capital for 1/4 share of profit.

(ii) Stock to be depreciated by 10%

(iii) Debtors to be revalued at ` 7,500.

(iv) Furniture to be revalued at ` 40,000.

(v) There is an outstanding wages of ` 4,500 not yet recorded.

Prepare revaluation account, partners' capital account and the balance sheet of the firm after admission.

10. 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		Assets	
Capital accounts:	Machinery		60,000
Ameer	80,000	Furniture	40,000
Raja	70,000	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
	2,00,000		2,00,000

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

Following revaluations are made:

(i) Stock is to be appreciated to ` 14,000

(ii) Furniture is to be depreciated by 5%

(iii) Machinery is to be revalued at ` 80,000

Prepare the necessary ledger accounts and the balance sheet after the admission.

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