

HMD

HALF YEARLY EXAMINATION - 2023

12 - Std

Time : 3.00 Hrs

ACCOUNTANCY

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Marks : 90

Madurai Dist 21/12/23

I Choose the correct answer

(20 X 1 = 20)

- Opening statement of affairs is usually prepared to find out the
 - Capital in the beginning of the year
 - Capital at the end of the year
 - Profit made during the year
 - Loss occurred during the year
- Which of the following items relating to bills payable is transferred to total Creditors account?
 - Opening balance of bills payable
 - Closing balance of bills payable
 - Bills payable accepted during the year
 - Cash paid for bills payable
- Subscription due but not received for the current year is
 - An asset
 - A liability
 - An expense
 - An item to be ignored
- Receipts and payments account records receipts and payments of
 - Revenue nature only
 - Capital nature only
 - Both revenue and capital nature
 - None of the above
- The average rate of return of similar concerns is considered as
 - Average profit
 - Normal rate of return
 - Expected rate of return
 - None of these
- Book profit of 2017 is Rs. 35,000; non-recurring income included in the profit is Rs. 1,000 and abnormal loss charged in the year 2017 was Rs. 2,000, then the adjusted profit is
 - Rs. 36,000
 - Rs. 35,000
 - Rs. 38,000
 - Rs. 34,000
- On revaluation, the increase in the value of assets leads to
 - Gain
 - Loss
 - Expense
 - None of these
- Which of the following statements is not true in relation to admission of a partner
 - Generally mutual rights of the partners change
 - The profits and losses of the previous years are distributed to the old partners
 - The firm is reconstituted under a new agreement
 - The existing agreement does not come to an end
- A partner retires from the partnership firm on 30th June. He is liable for all the acts of the firm up to the
 - End of the current accounting period
 - End of the previous accounting period
 - Date of his retirement
 - Date of his final settlement
- 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
 - To adjust goodwill
 - None of these
- That part of share capital which can be called up only on the winding up of a company is called:
 - Authorised capital
 - Called up capital
 - Capital reserve
 - Reserve capital

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12. When shares are issued for purchase of assets, amount should be credited to
 (a) Vendor's A/c (b) Sundry assets A/c
 (c) Share capital A/c (d) Bank A/c
13. Which of the following statements is not true?
 a) All the limitations of financial statements are applicable to financial statement analysis also.
 b) Financial statement analysis is only the means and not an end.
 c) Expert knowledge is not required in analysing the financial statements.
 d) Interpretation of the analysed data involves personal judgement.
14. Expenses for a business for the first year were Rs.80,000. In the 2nd year, it was increased to Rs.88,000. What is the trend percentage in the 2nd year?
 a) 10 % b) 110 % c) 90 % d) 11%
15. The mathematical expression that provides a measure of the relationship between two figures is called
 (a) Conclusion (b) Ratio (c) Model (d) Decision
16. Proportion of share holders' funds to total assets is called
 (a) Proprietary ratio (b) Capital gearing ratio (c) Debt equity ratio (d) Current ratio
17. Which of the following is shown in Profit and loss appropriation account?
 (a) Office expenses (b) Salary of staff (c) Partners' salary (d) Interest on bank loan
18. In the absence of an agreement, partners are entitled to
 (a) Salary (b) Commission (c) Interest on loan (d) Interest on capital
19. Which of the following options is used to view Trial Balance from Gateway of Tally?
 (a) Gateway of Tally -> Reports -> Trial Balance
 (b) Gateway of Tally -> Trial Balance
 (c) Gateway of Tally -> Reports -> Display -> Trial Balance
 (d) None of these
20. Function key F11 is used for
 (a) Company Features (b) Accounting vouchers
 (c) Company Configuration (d) None of these

II ANSWER ANY 7 QUESTIONS (Q.NO.: 30 IS COMPULSORY)

(7 X 2 =14)

21. From the following details, calculate the missing figure.

Closing capital as on 31.3.2019	1,90,000
Additional capital introduced during the year	50,000
Drawings during the year	30,000
Opening capital on 1.4.2018	?
Loss for the year ending 31.3.2019	40,000

22. Ram and Shyam were partners. Ram withdrew Rs. 18,000 at the beginning of each half year. Interest on drawings is chargeable @ 10% p.a. Calculate interest on the drawings for the year ending 31st December 2018 using average period.

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23. The following are the profits of a firm in the last five years:
2014: Rs.4,000;2015: Rs.3,000;2016: Rs.5,000;2017: Rs.4,500 2018: Rs.3,500.
Calculate the value of goodwill at 3 years purchase of average profits of five years.
24. Rosi, Rathi and Rani are partners of a firm sharing profits and losses equally. Rathi retired from the partnership on 1.1.2018. On that date, their balance sheet showed accumulated loss of Rs. 45,000 on the asset side of the balance sheet. Give the journal entry to distribute the accumulated loss.
25. From the following information of Geetha Ltd., calculate fixed assets turnover Ratio.
(i) Revenue from operations during the year were Rs. 55,00,000.
(ii) Fixed assets at the end of the year Rs. 5,00,000.
26. What is meant by revaluation of assets and liabilities?
27. What is meant by calls in arrear?
28. List the tools of financial statement analysis.
29. Give four examples for capital receipts of not-for-profit organisation.
30. What is automated accounting system?

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

(7 X 3 =21)

31. 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

32. How will the following appear in the final accounts of Vedaranyam Sports club?

Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

33. From the following information, find out the value of goodwill by capitalization method:
(i) Average profit Rs. 20,000 (ii) Normal rate of return 10%
(iii) Capital employed Rs. 1,50,000
34. Aravind and Balaji are partners sharing profits and losses in 3:2 ratio. They admit Anirudh into partnership. The new profitsharing ratio is agreed at 1:1:1. Anirudh's share of goodwill is valued at Rs. 20,000 of which he pays Rs. 12,000 in cash. Pass necessary journal entries for goodwill on the assumption that the fluctuating capital method is followed.
35. Rani, Jaya and Rathi are partners sharing profits and losses in the ratio of 2:2:1. On 31.3.2018, Rathi retired from the partnership. Profit of the preceding years is as follows: 2014: 10,000; 2015: Rs. 20,000; 2016: Rs. 18,000 and 2017: Rs. 32,000. Find out the share of profit of Rathi for the year 2018 till the date of retirement if
(a) Profit is to be distributed on the basis of the previous year's profit
(b) Profit is to be distributed on the basis of the average profit of the past 4 years
Also pass necessary journal entries by assuming partners capitals are fluctuating.

36. Nivetha Ltd. forfeited 1,000 equity shares of Rs. 10 each for non payment of call of Rs. 4 per share. Of these 800 shares were reissued @ Rs. 7 per share. Pass journal entries for forfeiture and reissue.

37. From the following Balance Sheet of Arunan Ltd. as on 31.03.2019 calculate (i) Debt-equity ratio (ii) Proprietary ratio and (iii) Capital gearing ratio.

Balance Sheet of Arunan Ltd. as on 31.03.2019

Particulars	Rs.
I EQUITY AND LIABILITIES	
1. Shareholders' funds	
(a) Share capital	
Equity share capital	1,50,000
8% Preference share capital	2,00,000
(b) Reserves and surplus	1,50,000
2. Non current liabilities	
Long term borrowings (9% Debentures)	4,00,000
3. Current liabilities	
Short-term borrowings from banks	25,000
Trade payables	75,000
Total	10,00,000
II ASSETS	
1. Non-current assets	
Fixed assets	7,50,000
2. Current assets	
(a) Inventories	1,20,000
(b) Trade receivables	1,00,000
(c) Cash and cash equivalents	27,500
(d) Other current assets	
Expenses paid in advance	2,500
Total	10,00,000

38. State the differences between double entry system and incomplete records.

39. State the differences between fixed capital method and fluctuating capital method.
40. What are the pre-defined ledgers available in Tally.ERP 9?

IV. ANSWER ALL THE QUESTIONS.

(7 x 5 = 35)

41. A. On 1st April 2017, Ganesh started his business with a capital of Rs. 75,000. He did not maintain proper book of accounts. Following particulars are available from his books as on 31.03.2018.

Particulars	Rs.	Particulars	Rs.
Cash	5,000	Debtors	16,000
Stock of goods	18,000	Creditors	9,000
Bills receivable	7,000	Cash at bank	24,000
Furniture	3,000	Bills payable	6,000
Land and buildings	30,000		

During the year he withdrew Rs. 15,000 for his personal use. He introduced further capital of Rs. 20,000 during the year. Calculate his profit or loss.

(or)

- B. Veena and Pearl are partners in a firm sharing profits and losses in the ratio of 2:1. Their balance sheet as on 31st March, 2018 is as follows:

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts			Buildings	60,000
Veena	60,000		Machinery	30,000
Pearl	40,000	1,00,000	Debtors	20,000
General reserve		30,000	Stock	10,000
Workmen compensation fund		10,000	Cash at bank	30,000
Sundry creditors		10,000		
		1,50,000		1,50,000

Deri is admitted on 1.4.2018 subject to the following conditions:

- (a) The new profit sharing ratio among Veena, Pearl and Deri is 5:3:2.
(b) Deri has to bring a capital of Rs. 30,000
(c) Stock to be depreciated by 20%
(d) Anticipated claim on workmen compensation fund is Rs. 1,000
(e) Unrecorded investment of Rs. 11,000 has to be brought into books
(f) The goodwill of the firm is valued at Rs. 30,000 and Deri brought cash for his share of goodwill. The existing partners withdraw the entire amount brought by Deri towards goodwill. Prepare the necessary ledger accounts and balance sheet after admission.
42. A. 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.

Particulars	31.3.2018	31.3.2019
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:

Particulars	Rs.	Particulars	Rs.
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

(or)

B. From the following receipts and payments account of Tenkasi Thiruvalluvar Manram, prepare income and expenditure account for the year ended 31st

March, 2019.

Receipts	Rs.	Payments	Rs.
To Balance b/d		By Salaries	20,000
Cash in hand	14,000	By Rent	24,000
To Interest received	5,000	By Travelling expenses	2,000
To Subscription	55,000	By Printing and stationery	6,000
To Legacies	48,000	By Investments made	50,000
To Entrance fees	7,000	By Sports equipment purchased	33,000
To Sale of furniture (Book value: Rs. 17,000)	16,000	By Balance c/d	
		Cash in hand	10,000
	1,45,000		1,45,000

43. A. From the information given below, prepare Receipts and Payments account of Kurunji Sports Club for the year ended 31st December, 2018.

Particulars	Rs.	Particulars	Rs.
Cash in hand (1.1.2018)	4,000	Paid for printing charges	2,500
Salaries paid	3,000	Lockers rent received	1,000
Life membership fees received	10,000	Tournament receipts	14,000
Subscription received	15,000	Tournament expenses	10,500
Rent received	2,000	Investments purchased	25,000

(or)

B. Kanchana Ltd. issued 50,000 equity shares of Rs. 10 each payable as under. On application Rs. 1, On allotment Rs. 5, On first call Rs. 2, On second and final call Rs. 2 Applications were received for 70,000 shares. Applications for 8,000 shares were rejected and allotment was made proportionately towards remaining applications. The directors made both the calls and the all the amount were received except the final call on 1,500 shares which were subsequently forfeited. Later 1,200 forfeited shares were reissued by receiving Rs. 8 per share. Give journal entries.

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44. A. From the following information, prepare capital accounts of partners Mannan and Sevagan, when their capitals are fluctuating.

Particulars	Mannan	Sevagan
Capital on 1st January 2018 (Cr. balance)	2,00,000	1,75,000
Drawings during 2018	40,000	35,000
Interest on drawings	1,000	500
Share of profit for 2018	21,000	16,500
Interest on capital	12,000	10,500
Salary	18,000	Nil
Commission	Nil	2,500

(or)

- B. From the following trading activities of Rovina Ltd. Calculate

- (i) Gross profit ratio (ii) Net profit ratio
(iii) Operating cost ratio (iv) Operating profit ratio

Statement of Profit and loss

Particulars	Rs.
I. Revenue from operations	4,00,000
II. Other income:	
Income from investments	4,000
III. Total revenues (I+II)	4,04,000
IV Expenses:	
Purchases of stock-in-trade	2,10,000
Changes in inventories	30,000
Finance costs	24,000
Other expenses (Administration and selling)	60,000
Total expenses	3,24,000
V Profit before tax (III - IV)	80,000

45. A. For the purpose of admitting a new partner, a firm has decided to value its goodwill at 3 years purchase of the average profit of the last 4 years using weighted average method. Profits of the past 4 years and the respective weights are as follows:

Particulars	2015	2016	2017	2018
Profit (Rs.)	20,000	22,000	24,000	28,000
Weight	1	2	3	4

Compute the value of goodwill.

(OR)

- B. Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?

(i) Akash has contributed maximum capital. He demands interest on capital at 10% per annum.

(ii) Bala has withdrawn Rs. 3,000 per month. Other partners ask Bala to pay interest on drawings @ 8% per annum to the firm. But, Bala did not agree to it.

(iii) Akash demands the profit to be shared in the capital ratio. But, others do not agree.

(iv) Daniel demands salary at the rate of Rs. 10,000 per month as he spends full time for the business.

(v) Loan advanced by Chandru to the firm is Rs. 50,000. He demands interest on loan @ 12% per annum.

46. A. From the following particulars, prepare comparative income statement of Arul Ltd.

Particulars	2015-16Rs.	2016-17Rs.
Revenue from operations	50,000	60,000
Other income	10,000	30,000
Expenses	40,000	50,000

(or)

B. Distinguish between sacrificing ratio and gaining ratio.

47. A. Prepare common-size balance sheet of Sharmila Ltd. and Sangeetha Ltd. as on 31st March, 2019.

Particulars	Sharmila Ltd	Sangeetha Ltd
	Rs.	Rs.
I EQUITY AND LIABILITIES		
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
Total	10,00,000	20,00,000
II ASSETS		
Non-current assets	6,50,000	18,00,000
Current assets	3,50,000	2,00,000
Total	10,00,000	20,00,000

(or)

B. Explain any five applications of computerised accounting system.

+2 ACC HALF YEARLY EXAM – 2023Choose the best answer : **20 × 1 = 20**

1. **A** Capital in the beginning of the year
2. **C** BP accepted during the year
3. **A** an asset
4. **C** Both rev and cap items
5. **B** Normal Rate of Return
6. **A** Rs.36,000
7. **A** Gain
8. **D** The existing agreement does not come to an end
9. **C** Date of his retirement
10. **C** To adjust Goodwill
11. **D** Reserve Capital
12. **C** Share Capital
13. **C** Expert knowledge is not required in analysing the financial statements.
14. **B** 110 %
15. **B** Ratio
16. **A** Proprietary ratio
17. **C** Partners' salary
18. **C** Interest on loan
19. **C** Gateway of Tally -> Reports -> Display -> Trial Balance

20. A Company FeaturesSection B **WRITE ANY SEVEN : 7 × 2 = 14****21. statement of profit (or) loss**

Particulars	₹
Closing capital (31.3.19)	1,90,000
Add : Drawings	30,000
	<u>2,20,000</u>
Less : additional capital	50,000
Adjusted closing capital	1,70,000
Less : opening capital	<u>2,10,000</u>
Loss	(-) 40,000

22. Total amount of drawing: 18, 000 x 2 = 36000
 Interest on drawings = Amount x Rate of Interest x Av.Period/12
 = 36,000 x 10/100 x 9/12 = ₹ 2700

23. Goodwill

=Average profit x No of years of purchase

$$\text{Average profit} = \frac{\text{Total profit}}{\text{number of years}} = \frac{4000+3000+5000+4500+3500}{5} = \frac{20000}{5} = ₹ 4000$$

Good will =Average profit x No of years of purchase
 = 4000x3 = ₹ 12000

24. Particulars	Debit ₹	Credit ₹
Rosi's cap a/c	Dr 15000	
Rathi's cap a/c	Dr 15000	
Rani's cap a/c	Dr 15000	
To profit & loss a/c		45000
(being accumulated loss transferred)		

25. Fixed asset turnover ratio = $\frac{\text{Revenue from operation}}{\text{Average fixed assets}}$
 = $\frac{55,00,000}{5,00,000} = 11 \text{ times}$

26 . Revaluation of assets and liabilities :

When a partner is admitted into the partnership, the assets and liabilities are revealed as the current value may from the book value. Determination of current values of assets and liabilities is called revaluation of assets and liabilities.

27. calls in arrear :

When a shareholder fails to pay the amount due on the allotment or on calls, the amount remaining unpaid is known as calls in arrears. In other words, the amount called up but not paid is calls in arrear.

28. Tools of financial statement analysis.

Comparative Statement, Common Size Statement, Trend Analysis, Funds Flow Analysis, Cash Flow Analysis.

29. capital receipts Examples :

Life membership fees, Legacies, Sale of fixed assets, Prize fund, Tournament fund, Specific donations

30. Automated accounting system :

Automated accounting is an approach to maintain up-to-date accounting records with the aid of accounting software.

Under manual accounting system entries are made in different books of accounts while accounting software packages allow manual entry in one field or one place.

From that field or place, the software automatically relates the transaction to all other relevant records within the software package.

Section C **WRITE SEVEN: 7 × 3 = 21****31. Total/Bills Receivable Account**

Particulars	₹	Particulars	₹
To bal b/d	1,40,000	By cash	3,90,000
To B /R	4,80,000	By debtors	30,000
		By bal c/d	<u>2,00,000</u>
	6,20,000		<u>6,20,000</u>

32. Income & Expenditure Account for the year ended

Op St of Bat Balls	3000	Sale of Bat Balls	2,000
+Pur	<u>17000</u>		
	20000		
- Cl.St.	<u>4000</u>	16000	

Balance Sheet as on

Lia	Assets
	Closing Stock of Bat Balls 4,000

33 . Capitalised value of business

$$= \frac{\text{Average profit}}{\text{normal rate of return}} \times 100 = \frac{20,000}{10} \times 100 = ₹ 2,00,000$$

Goodwill = Total capitalised average profit - Capital employed
 = 2,00,000 - 1,50,000
 = ₹ 50,000

34. sacrificing ratio = old share – new share

$$\text{Aravind} = \frac{3}{5} - \frac{1}{3} = \frac{9-5}{15} = \frac{4}{15}$$

$$\text{Balaji} = \frac{2}{5} - \frac{1}{3} = \frac{6-5}{15} = \frac{1}{15}$$

Therefore, sacrificing ratio is **4 : 1**

$$\text{35. } ₹ 32,000 \times \frac{1}{5} \times \frac{3}{12} = ₹ 1600$$

P & L suspense a/c Dr 1,600
To Rathi Cap a/c 1,600

$$\text{Rathi's share} = 20,000 \times \frac{1}{5} \times \frac{3}{12} = 1,000$$

P & L suspense a/c Dr 1,000
To Rathi Cap a/c 1,000

36. Sh.Capital a/c Dr 10,000
To Share Call a/c 4,000
To Sh.Forfeiture a/c 6,000

Bank a/c Dr 5,600
Sh.Forfeiture Dr 2,400
To Sh.Capital a/c 8,000

Sh.Forfeiture Dr 2,400
To Cap.Res a/c 2,400

$$\text{37. i) Debt equity ratio} = \frac{\text{Long term debt}}{\text{shareholder's fund}} = \frac{4,00,000}{5,00,000} = \mathbf{0.8 : 1}$$

Share holder's fund = equity share capital + preference share capital + reserve and surplus
= 1,50,000 + 2,00,000 + 1,50,000
= 5,00,000

$$\text{ii) Proprietary ratio} = \frac{\text{Shareholder's fund}}{\text{total asstes}} = \frac{5,00,000}{10,00,000} = \mathbf{0.5 : 1}$$

$$\text{iii) Capital gearing ratio} = \frac{\text{funds bearing fixed interest \& dividend}}{\text{equity share holders fund}} = \frac{6,00,000}{3,00,000} = \mathbf{2 : 1}$$

38. Basis of distinction	Double entry system	Incomplete records
Recording of transactions	Both debit and credit aspects are recorded.	Debit and credit aspects are not completely recorded.
Type of accounts maintained	Personal, real & nominal accounts are maintained	Personal & cash accounts are maintained real and nominal accounts are not maintained
Preparation of trial balance	It is easy to prepare the trial balance.	It is difficult to ascertain the trial balance.

B. SHANMUGA SUNDARAM, MADURAI.

39. Basis of distinction	Fixed capital method	Fluctuating capital method
1. Number of accounts	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.
2. Change in capital	The amount of capital normally remains unchanged except when additional capital is introduced or capital is withdrawn permanently.	The amount of capital changes from period to period.
3. Closing balance	Capital account always shows a credit balance. But, current account may show either debit or credit balance.	Capital account generally shows credit balance. It may also show a debit balance.
4. Adjustments	All adjustments relating to interest on capital, interest on drawings, salary or commission, share of profit or loss are done in current account.	All adjustments relating to interest on capital, interest on drawings, salary or commission, share of profit or loss are done in the capital account.

40. In Tally, to record transactions, the transactions are to be identified with the related ledger accounts. Tally has two predefined ledgers, Cash and Profit & Loss A/c.

Section D Answer ALL**7x5=35****41. A) St. of Affairs of Ganesh 31st March, 2018**

Liabilities	Amount	Assets	Amount
Crs	9000	Cash	5000
BP	6000	Bank	24000
Cap (BF)	88000	Stock	18000
		Debtors	16000
		BR	7000
		Land	30000
		Furniture	<u>3000</u>
	103000		103000

St. of Profit or Loss

Closing Capital	88,000
+ Drawings	<u>15,000</u>
	1,03,000
- Add Cap	<u>20,000</u>
	83,000
- OP. Cap	<u>75,000</u>
Profit	8,000

41. B) Revaluation a/c

To Stock a/c	2000	By Invest	11000
To Profit on RV			
Veena Cap	6000		
Pearl Cap	3000	9000	
	11000		11000

Capital a/cs

Part s	Veena	Pearl s	Deri	Part s	Veena	Pearls	Deri
ToBk	5000	1000		b/d	60000	40000	
To	92000	56000	30000	bk			30000
C/d				GR	20000	10000	
				wcf	6000	3000	
				RV	6000	3000	
				BK	<u>5000</u>	<u>1000</u>	
	97000	57000	30000		97000	57000	30000

Cash at Bank a/c

Particulars	Amount	Particulars	Amount
To Bal b/d	30000	By Veena Cap	5000
To Deri Cap	30000	By Pearl Cap	1000
To Veena	5000		
Cap	1000	By Bal c/d	60000
To Pearl Cap	66000		66000

Balance Sheet

Liabilities	Amount	Assets	Amount
Cap a/c		Building	60000
Veena 92000		Machinery	30000
Pearl 56000		Investment	11000
Deri 30000	178000	Debtors	20000
		St 10000	
WMC		- De 2000	8000
(10000-9000)	1000	Cash at Bk	60000
Creditors	10000		
	189000		189000

.42. A)

Tot.Drs. a/c

To Bal b/d	530000	By Cash a/c	1250000
To Cr.Sales	1385000	By DC Allow	25000
		By Bal c/d	640000

Tot. Crs. a/c

To Cash a/c	1100000	By Bal b/d	370000
To DC Recd	35000	By Cr. Pur	1185000
To Bal c/d	420000		

Trading P & L a/c

To Op St	220000	By Sales – Cash	20000
		Credit	1385000
To Purchases	1185000	By Cl.St.	160000
To Gross Pr.	160000		
	1565000		1565000
To Rent	120000	By GP	160000
To DC Allow	25000	By DC Recd	35000
To NP	50000		
	1950000		1950000

Balance Sheet

Crs	420000	Clo St	160000
Capital	520000	Debtors	640000
+ NP	50000	Cash at Bank	10000
	570000	Machinery	80000
- Draw	100000		
	890000		890000

42.B Exp	Amount	Income	Amt
To Salary	20000	By Int Recd	5000
To Rent	24000	By Sub	55000
To Travel Exp	2000	By Ent fee	7000
To Print	6000		
To loss on fur sale	1000		
To Surplus	14000		
	67000		67000

43.A Receipts	Amount	Paymnts	Amt
Bal c/d	4000	Salaries	3000
Life Membership	10000	Printing Charge	2500
Subs	15000	Tournamentexp	10500
Lockers rent recd	1000	Invest purchase	25000
Tournament receipts	14000		
Rent Recd	<u>2000</u>	Bal B/d	5000
	46000		46000

43. B) Bank a/c Dr	70000		
To Sh.App a/c			70000
Sh.Appn a/c Dr	50000		
To Sh.Cap a/c			50000
Sh. Appn a/c Dr	8000		
To Bank a/c			8000
Sh. Appn a/c Dr	12000		
To Sh.Allot a/c			12000
Sh. Allot a/c Dr	250000		
To Sh.Cap a/c			250000
Bank a/c Dr	238000		
To Sh.Allot a/c			238000
Sh.Ist Call a/c Dr	100000		
To Sh.Cap a/c			100000
Bank a/c Dr	97000		
To Sh. Ist Call a/c			97000
Sh.IInd Call a/c Dr	100000		
To Sh.Cap a/c			100000
Bank a/c Dr	97000		
To Sh.IInd Call a/c			97000
Sh.Cap a/c Dr	15000		
To Sh.IInd Call a/c			3000
To Sh.Forfeiture a/c			12000
Bank a/c Dr	9600		
Sh.forfeiture a/cDr	2400		
To Sh.Cap a/c			12000
Sh.Forfeiture a/c Dr	7200		
To Cap.Res a/c			7200

44.A Part	Manna	Sevuga	Pats	Manna	Sevug
To Draw	40000	35000	By Bal	200000	175000
ToInt Dra	1000	500	By P&L	21000	16500
ToBalc/d	210000	169000	Int Cap	12000	10500
			By Sal	18000	---
			ByCom	---	2500
				251000	204500
			Bal b/d	210000	169000

$$44. B) \text{ GP ratio} = \frac{\text{GP}}{\text{Rev. from op}} \times 100 = \frac{1,60,000}{4,00,000} \times 100 = 40\%$$

$$\text{Cost of REV from OP} = \text{Pur} + \text{Ch.in inventories} = 2,40,000 = 2,10,000 + 30,000$$

$$\text{GP} = \text{Rev fm OP} - \text{Cost of Rev fm OP} = 1,60,000 = 4,00,000 - 2,40,000$$

$$\text{NP Ratio} = \frac{\text{NP}}{\text{Rev fm OP}} \times 100 = \frac{80,000}{4,00,000} \times 100 = \mathbf{20\%}$$

$$\text{Op Cost Ratio} = \frac{\text{Op Cost}}{\text{Rev from Op}} \times 100 = \frac{3,00,000}{4,00,000} \times 100 = \mathbf{75\%}$$

$$\text{Operating Cost} = \text{Cost of Rev from Op} + \text{Op Exp} \\ 2,40,000 + 60,000$$

$$\text{Operating Exp} = \text{Admn Exp} + \text{Selling Exp} \\ 60,000$$

$$\text{Op Profit Ratio} = \frac{\text{Op Profit}}{\text{rev from op}} \times 100 = \frac{1,00,000}{4,00,000} \times 100 = \mathbf{25\%}$$

$$\text{Op. profit} = \text{GP} - \text{Op expenses} \\ 1,60,000 - 60,000 = \mathbf{1,00,000}$$

45. A) Year	Profits	Weights	Weight Profit
2015	20,000	1	20,000
2016	22,000	2	44,000
2017	24,000	3	72,000
2018	28,000	4	1,12,000

$$\text{Weighted Av. Profit} = \frac{\text{Tot. Wght Profit}}{\text{Tot. Weights}}$$

$$\frac{2,48,000}{10} = \mathbf{24,800}$$

Goodwill

$$= \text{Wgt. Av. Pro} \times \text{No Yr Pur} = 24,800 \times 3 = \mathbf{74,400}$$

45. B) i) NO, Interest on Capital is payable to any partner.

ii) NO, Interest is chargeable on drawings made by the partners.

iii) Profits should be distributed equally.

iv) NO, remuneration is payable to any partner.

v) Interest on loan is payable at 6% p.a.

46. A) Particulars	2015-16	2016-17	+ or -	%
Rev from OP	50,000	60,000	+10,000	20%
+Other Income	<u>10,000</u>	<u>30,000</u>	+20,000	200%
Total Income	60,000	90,000	+30,000	50%
- Expenses	<u>40,000</u>	<u>50,000</u>	+10,000	25%
Profit Before Tax	20,000	40,000	+20,000	100%

46. B) Basis	Sacrificing ratio	Gaining ratio
1. Meaning	It is the proportion of the profit which is sacrificed by the old partners in favour of a new partner.	It is the proportion of the profit which is gained by the continuing partners from the retiring partner.
2. Purpose	It is calculated to determine the amount to be adjusted towards goodwill for the sacrificing partners.	It is calculated to determine the amount to be adjusted towards goodwill for the gaining partners.
3. Time of calculation	It is calculated at the time of admission of a new partner.	It is calculated at the time of retirement of a partner.
4. Method of calculation	It is the difference between the old ratio and the new ratio Sacrificing ratio = Old profit sharing ratio - New profit sharing ratio	It is the difference between the new ratio and the old ratio. Gaining ratio = New profit sharing ratio - Old profit sharing ratio

47. A)	Sharmila Ltd		Sangeetha Ltd	
Particulars	Abs amt	% of tot ast	Abs amt	% of tot aaset
I. EQTY & LIA				
SH Funds	5,00,000	50	11,00,000	55
Non-Current Lia	4,00,000	40	7,00,000	35
Current Lia	1,00,000	10	2,00,000	10
Total	10,00,000	100	20,00,000	100
II. Assets				
Non-Cur Assets	6,50,000	65	18,00,000	90
Current Assets	3,50,000	35	2,00,000	10
Total	10,00,000	100	20,00,000	100

47. B) Applications of Computerised Accounting System (CAS) The applications of CAS are as follows:

1. Maintaining accounting records:
2. Inventory management:
3. Pay roll preparation:
4. Report generation:
5. Data import/export:
6. Taxation: