

Padasalai's 12th Accountancy – 5 Mark Sums

PART – 01

01. From the following details of Abdul who maintains incomplete records, prepare Trading and Profit and Loss account for the year ended 31st March, 2018 and a Balance Sheet as on the date.

Particulars	1.4.2017	31.3.2018
Stock	1,00,000	50,000
Sundry debtors	2,50,000	3,50,000
Cash	25,000	40,000
Furniture	10,000	10,000
Sundry creditors	1,50,000	1,75,000

Other details:

Drawings	40,000	Cash received from debtors	5,35,000
Discount received	20,000	Sundry expenses	30,000
Discount allowed	25,000	Capital as on 1.4.2017	2,35,000
Cash paid to creditors	4,50,000		

02. A, B, C and D are partners in a firm. **There is no partnership deed.** How will you deal with the following?

- (i) A has contributed maximum capital. He demands interest on capital at 12% per annum.
- (ii) B has withdrawn Rs 1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.
- (iii) Loan advanced by C to the firm is Rs 10,000. He demands interest on loan @ 9% per annum. A and B do not agree with this.
- (iv) D demands salary at the rate of Rs 5,000 per month as he spends full time for the business. B and C do not agree with this.
- (v) A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

03. Durai and Velan entered into a partnership agreement on 1st April 2018, Durai contributing Rs 25,000 and Velan Rs 30,000 as capital. The agreement provided that:

- (a) Profits and losses to be shared in the ratio 2:3 as between Durai and Velan.
- (b) Partners to be entitled to interest on capital @ 5% p.a.
- (c) Interest on drawings to be charged Durai: Rs 300 Velan: Rs 450
- (d) Durai to receive a salary of Rs 5,000 for the year, and
- (e) Velan to receive a commission of Rs 2,000

During the year, the firm made a profit of Rs 20,000 before adjustment of interest, salary and commission. Prepare the Profit and loss appropriation account.

04. Calculate the value of goodwill at 5 years purchase of super profit from the following information:

- (a) Capital employed: Rs 1,20,000
- (b) Normal rate of profit: 20%
- (c) Net profit for 5 years: 2014: Rs 30,000; 2015: Rs 32,000; 2016: Rs 35,000; 2017: Rs 37,000 and 2018: Rs 40,000
- (d) Fair remuneration to the partners Rs 2,800 per annum.

05. Chandru is admitted as a new partner on 1.4.2018 by introducing a capital of Rs 20,000 for 1/4 share in the future profit subject to the following adjustments:

- (a) Stock to be depreciated by Rs 3,000
- (b) Provision for doubtful debts to be created for Rs 2,000.
- (c) Land was to be appreciated by Rs 10,000

Prepare revaluation account and capital account of partners after admission.

06. Kavitha, Kumudha and Lalitha are partners sharing profits and losses in the ratio of 5:3:3 respectively. Kumudha retires from the firm on 31st December, 2018. On the date of retirement, her capital account shows a credit balance of Rs 2,00,000. Pass journal entries if:

- (i) The amount due is paid off immediately by cheque.

- (ii) The amount due is not paid immediately.
 (iii) Rs 70,000 is paid immediately by cheque.

07. 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.

08. Rajan Ltd. purchased machinery of Rs 6,00,000 from Jagan Traders. It issued equity shares of Rs 10 each fully paid in satisfaction of their claim. What entries will be made if such issue is made:

(a) at par and

(b) at a premium of 50%.

09. Compute trend percentages for the following particulars of Boomi Ltd.

I EQUITY AND LIABILITIES	Year 1	Year 2	Year 3
1. Shareholders' fund			
a) Share capital	200	254	212
b) Reserves and surplus	60	60	90
2. Non-current liabilities			
Long-term borrowings	140	154	168
3. Current liabilities			
Trade payables	40	60	80
Total	440	528	550

II ASSETS	Year 1	Year 2	Year 3
1. Non-current assets			
a) Fixed assets	200	236	206
b) Non-current investment.	80	100	120
2. Current assets			
Inventories	120	132	144
Cash and cash equivalents	40	60	80
Total	440	528	550

10. Calculate (i) Inventory turnover ratio (ii) Trade receivable turnover ratio (iii) Trade payable turnover ratio and (iv) Fixed assets turnover ratio from the following information obtained from Delphi Ltd.

Particulars	As on 31st Mar 2018	As on 31st Mar 2019
Inventory	1,40,000	1,00,000
Trade receivables	80,000	60,000
Trade payables	40,000	50,000
Fixed assets	5,50,000	5,00,000

Additional information:

(i) Revenue from operations for the year Rs 10,50,000

(ii) Purchases for the year Rs 4,50,000

(iii) Cost of revenue from operations Rs 6,00,000.

Assume that sales and purchases are for credit.

11. Write short note on

A. Explain how to view profit and loss statement in Tally.ERP 9.

B. Explain any five applications of computerised accounting system.

PART – 02

01. David does not keep proper books of accounts. Following details are given from his records.

Particulars	1.4.2018	31.3.2019
Cash	43,000	29,000
Stock of goods	1,20,000	1,30,000
Sundry debtors	84,000	1,10,000
Sundry creditors	1,05,000	1,02,000
Loan	25,000	20,000
Business premises	2,50,000	2,50,000
Furniture	33,000	45,000

During the year he introduced further capital of Rs 45,000 and withdrew Rs 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information.

02. From the following particulars of Poompuhar Literary Association, prepare Receipts and Payments account for the year ended 31st March, 2019.

Particulars	Amount	Particulars	Amount
Opening cash in hand as on 1.4.2018	5,000	Subscriptions received	20,000
Bank overdraft as on 1.4.2018	4,000	Repairs and renewals	2,500
Printing and stationery	1,500	Conveyance paid	2,750
Interest paid	3,250	Books purchased	10,000
Sale of investments	1,000	Insurance premium paid	4,000
Purchase of refreshments	1,500	Sundry receipts	750
Outstanding salary	2,000	Government grants received	6,000
Endowment fund receipts	2,000	Sale of refreshments	1,500
Lighting charges	1,300	Depreciation on buildings	2,000
Cash at bank on 31.03.2019	2,000		

03. 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 ye	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

04. 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.

05. Anand and Balu are partners in a firm sharing profits and losses in the ratio of 7:3. Their balance sheet as on 31st March, 2018 is as follows:

Liabilities	Amount	Assets	Amount
Capital accounts:		Land	60,000
Anand	50,000	Stock	40,000
Balu	30,000	Debtors	20,000
Sundry creditors	80,000	Cash in hand	10,000
	20,000		

Profit and loss A/c 30,000

06. Prabu, Ragu and Siva are partners sharing profits and losses in the ratio of 3:2:1. Prabu retires from partnership on 1st April 2017. The following adjustments are to be made:

- (i) Increase the value of building by Rs 12,000
- (ii) Reduce the value of furniture by Rs 8,500
- (iii) A provision would also be made for outstanding salary for Rs 6,500.

Give journal entries and prepare revaluation account.

07. Aruna Mills Ltd. with a registered capital of Rs 5,00,000 in equity shares of Rs 10 each, issued 20,000 of such shares payable as follows; Rs 4 per share on application, Rs 4 per share on Allotment and Rs 2 per share on first and final call. The issue was duly subscribed. All the money payable was duly received. But on allotment, one shareholder paid the entire balance on his holding of 300 shares. Give journal entries to record the above.

08. From the following particulars, prepare comparative balance sheet of Malar Ltd as on 31st March 2016 & 31st March 2017.

I EQUITY AND LIABILITIES			II ASSETS		
	31/03/2016	31/03/2017		31/03/2016	31/03/2017
1. Shareholders' fund			1. Non-current assets		
a) Share capital	2,00,000	2,50,000	a) Fixed assets	1,00,000	1,50,000
b) Reserves and surplus	50,000	50,000	b) Non-current investments.	50,000	75,000
2. Non-current liabilities			2. Current assets		
Long-term borrowings	30,000	60,000	Inventories	75,000	1,50,000
3. Current liabilities			Cash and cash equivalents.	75,000	45,000
Trade payables	20,000	60,000	Total	3,00,000	4,20,000
Total	3,00,000	4,20,000			

09. Following is the balance sheet of Magesh Ltd. as on 31st March, 2019:

I EQUITY AND LIABILITIES		II ASSETS	
1. Shareholders' funds		1. Non-current assets	
Equity share capital	2,00,000	Fixed assets	
2. Non-current liabilities		(a) Tangible assets	1,50,000
Long term borrowings	50,000	2. Current assets	
3. Current liabilities		(a) Inventories	45,000
(a) Short-term borrowings	17,000	(b) Trade receivables	70,000
(b) Trade payables	25,000	(c) Cash and cash equivalents	30,000
(c) Other current liabilities		(d) Other current assets	
Expenses payable	3,000	Prepaid expenses	5,000
(d) Short-term provisions.	5,000	Total	3,00,000
Total	3,00,000		

Calculate: (i) Current ratio (ii) Quick ratio

10. 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

Particulars	Rs
I. Revenue from operations	20,000
II. Other income:	
Income from investments	200
Total revenues (I+II)	20,200
III. Expenses:	
Purchases of stock-in-trade	17,000
Changes in inventories	--1,000
Finance costs 300	
Other expenses (administration and sellin2,	400
Total expenses	18,700
IV. Profit before tax (III - IV)	1,500

PART -03

01. 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.

Particulars	Opening	Closing
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 dishonored	1,200
Bad debts	3,500

02. From the following Receipts and Payments Account of Friends Football club, for the year ending 31st March, 2017, prepare Income and Expenditure Account for the year ending 31st March, 2017 and the Balance sheet as on that date.

In the books of Friends Football Club

Dr. Receipts and Payments Account for the year ended 31st March, 2017 Cr.

Receipts	Amount	Payments	Amount
To Balance b/d		By Furniture	7,000
Cash 1,000		By Sports materials purchased	800
Bank <u>10,000</u>	11,000	By Special dinner expenses	1,500
To Subscriptions	5,000	By Electricity charges	900
To Legacies	6,000	By Balance c/d	
To Collection for special dinner	2,000	Cash in hand 1,800	
		Cash at bank <u>12,000</u>	13,800

Additional information:

- (i) The club had furniture of Rs 12,000 on 1st April 2016. Ignore depreciation on furniture.
- (ii) Subscription outstanding for 2016-2017 Rs 600.
- (iii) Stock of sports materials on 31.03.2017 Rs 100.
- (iv) Capital fund as on 1st April 2016 was Rs 23,000.

03. 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. bala)	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

04. 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. Compute the value of goodwill.

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

05. 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.

06. Rathna, Baskar and Ibrahim are partners sharing profits and losses in the ratio of 2:3:4 respectively. Rathna died on 31st December, 2018. Final amount due to her showed a credit balance of Rs 1,00,000. Pass journal entries if,

- (a) The amount due is paid off immediately by cheque.
- (b) The amount due is not paid immediately.
- (c) Rs 60,000 is paid immediately by cheque.

07. Gemini Ltd. forfeited 20 equity shares of Rs 10 each, Rs 7 called up, on which Mahesh had paid application and allotment money of Rs 5 per share. Of these 15 shares were reissued to Naresh by receiving Rs 6 per share paid up as Rs 7 per share. Pass journal entries for forfeiture and reissue.

08. Prepare common-size statement of financial position of Ram Ltd as on 31st Mar 2017 and 31st Mar 2018.

I EQUITY AND LIABILITIES		31/03/2017	31/03/2018	II ASSETS		31/03/2017	31/03/2018
1. Shareholders' fund				1. Non-current assets			
a) Share capital		5,00,000	6,00,000	a) Fixed assets		10,00,000	6,00,000
b) Reserves and surplus		4,00,000	3,60,000	b) Non – current investments		5,00,000	2,40,000
2. Non-current liabilities				2. Current assets			
Long-term borrowings		8,00,000	2,40,000	Inventories		3,00,000	1,20,000
3. Current liabilities				Cash and cash equivalents		2,00,000	2,40,000
Trade payables		3,00,000	-	Total		20,00,000	12,00,000
Total		20,00,000	12,00,000				

09. From the following Balance Sheet of Arunan Ltd. as on 31.03.2019 calculate

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

Balance Sheet of Arunan Ltd. as on 31.03.2019

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
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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
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2. Current assets

(a) Inventories	1,20,000
(b) Trade receivables	1,00,000
(c) Cash and cash equivalents	27,500

03. Other current assets

Expenses paid in advance	2,500
Total	10,00,000

10. Write short note on

- A. Write a brief note on accounting vouchers.
- B. What are the pre-defined ledgers available in Tally.ERP 9?
- C. Mention the commonly used voucher types in Tally.ERP 9.