



BOARD QUESTION PAPER : MARCH 2018

Time: 3 Hours

Max. Marks: 80

- Q.1. Attempt any THREE of the following sub-questions:** **[15]**
- (A) Answer the following questions in only 'one' sentence each:** **(5)**
- (1) What is 'trial balance'?
 - (2) What is 'entrance fees'?
 - (3) What is 'qualified acceptance'?
 - (4) When is gain ratio required to be calculated?
 - (5) What is the formula for calculating gross profit ratio?
- (B) Write a word/term/phrase as a substitute for each of the following statements:** **(5)**
- (1) The assets which are not recorded in the books of accounts.
 - (2) The excess of total assets over total liabilities.
 - (3) The person in whose favour the bill is transferred.
 - (4) The proportion in which the continuing partners are benefitted due to retirement of a partner.
 - (5) The system of accounting normally suitable for a small business organization.
- (C) Select the most appropriate alternative from those given below and rewrite the statements:** **(5)**
- (1) When shares are forfeited, share capital account is _____.
 (A) debited (B) credited
 (C) adjusted (D) none of these
 - (2) A bill is drawn on 23rd October, 2016 payable after 3 months, the due date of the bill will be _____.
 (A) 25th January, 2017 (B) 26th January, 2017
 (C) 24th January, 2017 (D) 25th January, 2016
 - (3) The capital balances are ascertained by preparing _____.
 (A) Statement of Affairs (B) Cash Account
 (C) Drawings Account (D) Debtor's Account
 - (4) If any unrecorded liability is paid on dissolution of the firm, _____ is debited.
 (A) Cash/Bank Account (B) Realization Account
 (C) Partners' Capital Account (D) Partners' Loan Account
 - (5) Return outwards are deducted from _____.
 (A) purchases (B) sales
 (C) capital (D) debtors
- (D) State whether the following statements are True or False:** **(5)**
- (1) Closing stock is always valued at market price.
 - (2) Retirement of bill means payment of the bill before due date.
 - (3) Share forfeited balance is transferred to Capital Reserve Account.
 - (4) Gross profit depends upon net sales.
 - (5) The inland bill which is drawn and payable in the same country.
- (E) Prepare a format of a Bill of Exchange from the following information:** **(5)**
- Mr. Akash Sane, 42, 'Sagar', Bandar Road, Ratnagiri, draws a three months bill on Mrs. Megha Kale, Vishram Baag, Sangli, for ₹ 16,500 on 1st December 2016, which was accepted on 4th December 2016, for ₹ 15,000 only by Mrs. Megha Kale.



- Q.2. Miss Kalpana started her business with a capital of ₹ 1,30,000 on 1st April, 2015. Her financial position on 31st March 2016 was as follows:

[8]

	Amount (₹)
Cash	9,120
Stock	10,250
Bills payable	12,880
Creditors	17,180
Debtors	31,000
Prepaid insurance	550
Bills receivable	29,120
Premises	85,800
Vehicles	40,200

Additional information:

- (1) Miss Kalpana brought additional capital of ₹ 20,000 on 30th September, 2015.
- (2) Interest on capital is to be allowed at 5% p.a.
- (3) She withdrew ₹ 10,000 for personal use.
- (4) Reserve for doubtful debts is to be provided at 2½ % after writing off bad debts of ₹ 1,000.
- (5) Depreciate vehicles at 10% p.a. and premises at 5% p.a.
- (6) Creditors were overvalued by ₹ 2,180.

Prepare:

- (1) Closing Statement of Affairs as on 31.03.2016.
- (2) Statement of Profit or Loss for the year ended 31.03.2016.

OR

- (A) State and explain any 'four objectives' of analysis of financial statement from a business concern's point of view. (4)
- (B) What are the different cash inflows and cash outflows of investing activities? (4)

- Q.3. The Balance Sheet of Meena and Heena who shared the profits and losses in the ratio of 2 : 1 is as under:

[10]

Balance Sheet as on 31st March 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital:		Leasehold property	20,000
Meena	1,34,000	Livestock	6,600
Heena	1,20,000	Loose tools	90,200
Creditors	53,800	Stock	86,800
Rent outstanding	10,000	Debtors	48,000
Reserve fund	7,200	Less: R.D.D.	2,000
		Bank	75,400
	3,25,000		3,25,000

On 1st April, 2016, Seema was admitted as ¼ th partner on the following terms:

- (1) Seema should bring in ₹ 1,20,000 towards her capital.
- (2) Firm's goodwill is valued at ₹ 1,44,000 and Seema agreed to bring her share in the firm's goodwill by a cheque.
- (3) Reserve for doubtful debts should be maintained at 7.5% on debtors.
- (4) Increase live stock by ₹ 4,400 and write off loose tools by 20%.
- (5) Outstanding rent ₹ 9,040 is paid in full settlement.



Prepare:

- (1) Profit and Loss Adjustment Account.
- (2) Partners' Capital Account.
- (3) Balance Sheet of the new firm.

OR

Ashish, Satish and Manish were partners in a business sharing profits and losses in the ratio of 3 : 1 : 1 respectively.

Their Balance Sheet as on 31st March, 2016 was as follows:

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital accounts:		Plant and machinery	70,000
<i>Ashish</i>	80,000	Stock	50,000
<i>Satish</i>	60,000	Debtors	40,000
<i>Manish</i>	50,000	Cash	60,000
Creditors	10,000		
Reserve fund	20,000		
	2,20,000		2,20,000

Manish died on 1st October, 2016 and the partnership deed provided that:

- (1) The deceased partner to be given his share of profit upto the date of death on the basis of the profit of the previous year.
- (2) His share of goodwill will be calculated on the basis of two years' purchase of average profit of the last four years.

The net profits for the last four years were:

First year: ₹ 1,40,000,

Second year: ₹ 1,10,000.

Third year: ₹ 90,000,

Fourth year: ₹ 60,000.

- (3) Plant and machinery to be valued at ₹ 80,000. Reserve for doubtful debts of ₹ 4,000 to be created.
- (4) The drawings of Manish upto the date of death amounted to ₹ 40,000.
- (5) Interest on capital is to be allowed at 10% p.a. and interest on drawings is charged at 6% p.a.

Prepare:

- (1) Profit and Loss Adjustment Account
- (2) Manish's Capital Account
- (3) Working of Manish's share in profit and goodwill

Q.4. Sayali sold goods on credit to Manali for ₹ 40,000. Sayali draws a bill on Manali for 4 months for the amount due. Manali accepted the bill and returned it to Sayali. After a month, Sayali discounted the bill with her bank at 12% p.a.

On the due date, bank informed that the bill is dishonoured and bank paid the noting charges ₹ 300. Manali requested Sayali to renew the bill. Sayali agreed on conditions that Manali should pay ₹ 20,000 in cash along with noting charges and accept a new bill for the balance amount with interest at 15% p.a. for 3 months.

These arrangements were carried through. Before the due date, Manali was declared insolvent and only 40% of the amount due could be recovered from her private estate as final dividend.

Give Journal Entries in the books of Sayali.

[10]



- Q.5. Ashwin, Bhavin and Pravin carried on business. They share profits and losses in the ratio of 5 : 3 : 2 respectively. Their Balance Sheet as on 31st March, 2016 was as under:

[10]

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry creditors	42,000	Plant and machinery	40,000
Bhavin's loan	10,000	Investment	16,000
Reserve fund	40,000	Stock	60,000
Capital accounts:		Debtors	36,000
<i>Ashwin</i>	40,000	<i>Less: R. D. D.</i>	2,000
<i>Bhavin</i>	20,000	Bank	10,000
<i>Pravin</i>	8,000		
	1,60,000		1,60,000

On the above date, the firm was dissolved and the assets realised were as under:

- (1) Investment ₹ 10,000, Stock ₹ 48,000 and Debtors ₹ 30,000.
- (2) Plant and machinery were taken over by Ashwin at book value.
- (3) Sundry creditors and Bhavin's loan were paid in full.
- (4) Realisation expenses incurred ₹ 2,000.

Prepare : (1) Realisation Account (2) Partners' Capital Account (3) Bank Account

OR

Aniket Ltd. issued 40,000 equity shares of ₹ 100 each payable as follows :

On application	₹ 20
On allotment	₹ 30
On first call	₹ 30
On second call	₹ 20

The company received applications for 50,000 equity shares.

Allotment of shares was made on pro-rata basis. Excess application money were adjusted to allotment. Share allotment and calls were made and also received, except Mr. Sanish who was holding 1000 shares failed to pay both the calls. His shares were forfeited after the second call.

Record the above transactions in the books of Aniket Ltd.

- Q. 6. From the following Receipts and Payments Account of A. S. C. College of Commerce, Ramanand Nagar, for the year ending 31st March, 2016 and additional information, prepare Income and Expenditure Account for the year ending 31st March, 2016 and Balance Sheet as on that date.

[12]

Receipts and Payments Account for the year ended on 31 March, 2016

Dr.		Cr.	
Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Salaries	67,000
<i>Cash in hand</i>	7,950	By Electricity	26,200
<i>Cash at bank</i>	50,800	By Books	41,300
To Life membership fees	20,500	By Furniture	45,000
To Donations	1,00,000	By Stationery	18,300
To Tuition fees	1,30,000	By Fixed deposits	2,00,000
To Term fees	1,00,000	By Balance c/d	
To Admission fees	40,000	<i>Cash</i>	1,450
		<i>Bank</i>	50,000
	4,49,250		4,49,250



Additional information:

(1)

Particulars	01.04.2015 Amount (₹)	31.03.2016 Amount (₹)
Furniture	40,000	75,000
Building fund	1,50,000	—
Fixed deposits	1,60,000	—
Capital fund	1,20,750	—

(2) 50% of donations are received for building fund.

(3) Life membership fees are to be capitalised.

(4) Tuition fees includes ₹ 12,000 received for the last year.

(5) Outstanding tuition fees for the current year amounted to ₹ 4,200.

Q.7. Given below is the Trial Balance of M/s. Shailesh and Nilesh as on 31st March, 2016. You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date:

[15]

Trial Balance as on 31.03.2016

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Opening stock	88,000	Capital accounts	
Purchases	1,76,000	<i>Shailesh</i>	1,20,000
Wages	23,500	<i>Nilesh</i>	1,20,000
Salaries (10 months)	18,000	Sundry creditors	1,03,000
Office expenses	8,000	Bank overdraft	60,000
Bank charges	2,600	Sales	3,08,000
Machinery	90,000	Current accounts:	
Land and building	1,30,000	<i>Shailesh</i>	5,000
Bad debts	4,000	<i>Nilesh</i>	4,000
Sundry debtors	82,000		
Electricity charges	9,900		
Furniture	43,000		
8% Debentures (1.10.2015)	40,000		
Drawings:			
<i>Shailesh</i>	3,000		
<i>Nilesh</i>	2,000		
	7,20,000		7,20,000

Adjustments :

- (1) Stock on 31st March, 2016 was valued at market price of ₹ 84,000, which was 20% above its cost price.
- (2) Depreciate machinery at 10% p.a.
- (3) Create reserve for bad and doubtful debts at 5% on sundry debtors.
- (4) Provide interest on capital at 8% p.a.
- (5) Machinery includes purchase of machinery for ₹ 40,000 on 1st January, 2016.



BOARD QUESTION PAPER : July 2018

Time: 3 Hours

Max. Marks: 80

- Q.1. Attempt any THREE of the following sub-questions:** [15]
- (A) Answer the following questions in only 'one' sentence each:** (5)
- (1) To which account is gross profit transferred?
 - (2) What is Revaluation Account?
 - (3) What is meant by Share Premium?
 - (4) What is Due Date of a Bill?
 - (5) Which type of accounts are maintained under Single Entry System?
- (B) Write a word / term / phrase as a substitute for each of the following statements:** (5)
- (1) An amount contributed by the partners into the business.
 - (2) A person who draws a Bill of Exchange.
 - (3) The debentures which are converted into shares.
 - (4) Those three extra days which are allowed over and above the period of bill.
 - (5) An asset which can be converted into cash immediately.
- (C) Select the most appropriate alternative from those given below and rewrite the statements:** (5)
- (1) Wages paid for installation of machinery should be debited to _____ Account.
(A) Machinery (B) Wages
(C) Trading (D) Profit and Loss
 - (2) The profit or loss from revaluation of assets and liabilities on Retirement of a partner is shared by _____.
(A) all partners (B) the remaining partners
(C) only the retiring partner (D) none of these
 - (3) In case of admission of a partner, the profit or loss on revaluation of assets and liabilities is shared by _____ partners.
(A) all (B) old
(C) new (D) none of these
 - (4) There are _____ parties to the Bill of Exchange.
(A) two (B) three
(C) four (D) five
 - (5) The capital balances are ascertained by preparing _____.
(A) Statement of Affairs (B) Cash Account
(C) Drawings Account (D) Debtors' Account
- (D) State whether the following statements are True or False:** (5)
- (1) The final balancing amount of income and expenditure account represents either surplus or deficit.
 - (2) At the time of dissolution of a partnership firm all assets should be transferred to realisation account.
 - (3) Bill of exchange is an instrument in writing, which contains unconditional order.
 - (4) Noting charges are payable to the notary public on honour of a bill.
 - (5) Ratio analysis is useful for inter-firm comparison.
- (E) Prepare a format of a Bill of Exchange from the following information:** (5)
- (1) Drawer – Ramesh Patil,
Shivaji Peth,
Kolhapur.
 - (2) Drawee – Ranjit Kale,
Laxmi Road,
Pune.



- (3) Payee – Suresh More,
Ram Nagar,
Sangli
- (4) Amount of bill – ₹ 12,500
- (5) Period of bill – 90 days
- (6) Date of bill – 5th March, 2015
- (7) Date of acceptance – 8th March, 2015

Q.2. Mrs. Sunita keeps her books on Single Entry System and gives the following information :

[8]

Particulars	01.04.2015 Amount (₹)	31.03.2016 Amount (₹)
Cash at Bank	10,000	64,000
Debtors	50,000	80,000
Stock	60,000	1,00,000
Plant	40,000	40,000
Building	1,00,000	1,00,000
Bills payable	10,000	10,000
Creditors	30,000	40,000

Additional information:

Mrs. Sunita withdrew from business ₹ 30,000 for personal use and further introduced fresh capital of ₹ 50,000. Depreciation is to be charged @ 10% p.a. on Plant and Building.

Prepare:

- (1) Statement of Affairs as on 01.04.2015.
- (2) Statement of Affairs as on 31.03.2016.
- (3) Statement of Profit or Loss for the year ending 31.03.2016.

OR

- (A) State any four limitations of analysis of financial statements.
- (B) Explain return on investment (ROI).

(4)

(4)

Q.3. Darshan and Amar were partners sharing profit and losses in the proportion of 2:1. Their Balance Sheet is as follows :

[10]

Balance Sheet as on 31st March 2016

Liabilities	Amount (₹)	Amount (₹)	Assets	Amount (₹)	Amount (₹)
Capital:			Building		1,00,000
Darshan	96,000		Furniture		20,000
Amar	64,000	1,60,000	Equipments		10,000
General Reserve		18,000	Debtors	63,000	
Profit and Loss A/c		6,000	Less: R.D.D.	3,000	60,000
Creditors		80,000	Stock		84,000
Pawan's Loan A/c		26,000	Cash		16,000
		2,90,000			2,90,000

On 1st April, 2016, Ranjit is admitted in the partnership on the following terms:

- (1) Ranjit should bring in cash ₹ 48,000 as capital for 1/5th share in future profits.
- (2) Goodwill was raised in the books of the firm for ₹ 18,000.
- (3) Building is revalued at ₹ 1,12,000 and the value of stock to be reduced by ₹ 6,000.
- (4) Reserve for doubtful debts be maintained at ₹ 1,800.
- (5) Pawan's loan is to be repaid.

Prepare:

- (1) Revaluation A/c
- (2) Capital A/c's of partners and
- (3) Balance Sheet of the new firm



OR

The Balance Sheet of Samarth Traders is as follows. The partners share profits and losses as 5: 2: 3.

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)	Amount (₹)
Capital Accounts:		Plant and Machinery		16,000
Prakash	18,000	Building		20,000
Dinakar	16,000	Stock		10,200
Rajan	8,800	Debtors	8,400	
Creditors	10,600	Less : R.D.D.	400	8,000
General reserve	7,000	Cash in hand		6,200
	60,400			60,400

Dinakar retired from the business on 1st April, 2016 on the following terms :

- The assets are revalued as under :
 - Stock at ₹ 14,000.
 - Building is appreciated by 10%.
 - Reserve for doubtful debts is to be increased upto ₹ 500.
 - Plant and machinery is to be depreciated by 10%.
- The goodwill of the retiring partner is valued at ₹ 4,000 and the remaining partners decided that goodwill be written back in their new profit sharing ratio which will be 5: 3.
- Dinakar is to be paid ₹ 2,220 in cash on his retirement and the balance is to be transferred to his loan account.

Prepare:

- Profit and Loss Adjustment Account
- Capital Account of partners.
- Balance Sheet of new firm

Q.4. On 7th March, 2016, Ram draws a bill on Rohit for ₹ 8,000 at 3 months. Rohit accepts it and returns it to Ram. Ram then sends the bill to his bank for collection. [10]

On due date, Rohit finds himself unable to make the payment of the bill and requests Ram to renew it. Ram agreed on the condition that Rohit should pay ₹ 5,000 in cash and should accept a new bill for the balance at 2 months with interest ₹ 200. These arrangements were carried through. Before due date, Rohit was declared as insolvent and ₹ 1,500 could be recovered from his private estate as first and final dividend. Give Journal Entries in the books of Ram.

Q.5. Following is the balance sheet as on 31st March 2016 of M/s Jay and Ajay : [10]

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital accounts:		Cash at bank	18,000
Jay	1,50,000	Stock	75,000
Ajay	1,50,000	Furniture	90,000
Reserve fund	30,000	Investments	30,000
Loan from Jay	3,000	Machinery	90,000
Bills payable	6,000	Buildings	45,000
Creditors	30,000	Debtors	24,000
		Less : R.D.D.	3,000
	3,69,000		3,69,000



The firm was dissolved on 31st March, 2016 and the assets realised were as under:

- (1) Jay took over the investment at ₹ 27,600 and Ajay took over the furniture at ₹ 84,000.
- (2) The assets were realised as follows :

Stock ₹ 73,500;	Debtors ₹ 22,500;
Machinery ₹ 84,000;	Building ₹ 42,000
- (3) The creditors were paid off at a discount of ₹ 900 and other liabilities were paid in full.
- (4) Dissolution expenses were ₹ 4,200.
- (5) Jay and Ajay were sharing profits and losses in the ratio of 3 : 2.

- Prepare :**
- (1) Realisation Account
 - (2) Capital Account of all partners
 - (3) Bank Account

OR

Manish and Co. Ltd. made an issue of 40,000 equity shares of ₹ 20 each payable as follows:

Application	₹ 5 per share
Allotment	₹ 10 per share
First call	₹ 3 per share
Second call and Final call	₹ 2 per share

The company received applications for 50,000 shares of which application for 10,000 shares were rejected and money refunded. All the shareholders paid upto second call except Sunita, the allottee of 400 shares, failed to pay the final call. The expenses of issuing amounted to ₹ 6,000.

Pass Journal entries in the books of Manish and Co. Ltd.

Q. 6. Following is the Receipts and Payments Account and additional information of Jeevan Hospital, Kolhapur. Prepare Income and Expenditure Account for the year ending 31st March, 2016 and the Balance Sheet as on that date.

[12]

Receipts and Payments Account for the year ended on 31st March, 2016

Dr.		Cr.	
Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d	12,000	By Medicines	20,000
To Subscription		By Honorarium to doctors	1,50,000
2014-2015	15,000	By Ambulance Maintenance	88,000
2015-2016	1,90,000	By Hospital equipment	
2016-2017	30,000	purchased	60,000
To Donation for building fund	1,10,000	By Furniture Purchased	50,000
To Life Membership Fees	50,000	By Fixed deposit	2,00,000
To Hospital receipts (Revenue)	3,00,000	By Balance c/d	1,39,000
	7,07,000		7,07,000

Additional information:

- (1) Outstanding subscription for 2015 – 2016 is ₹ 10,000.
- (2) Hospital equipment and furniture were purchased on 01.10.2015 and both the assets were to be depreciated @ 20% p.a.
- (3) Life membership fees are to be capitalized.
- (4) Staff salary for current year is outstanding ₹ 15,000.
- (5) On 01.04.2015, the hospital had the following assets and liabilities :

Land	₹ 5,00,000
Investment	₹ 1,00,000
Bank loan	₹ 4,00,000
Ambulance	₹ 2,05,000
- (6) Capital Fund as on 01.04.2015 was ₹ 4,32,000.



- Q.7. From the following Trial Balance of M/s Patil and Desai, you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date :

[15]

Trial Balance as on 31.03.2016

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Machinery	1,40,000	Capital accounts :	
Furniture	80,000	<i>Patil</i>	2,00,000
Coal, gas and water	4,300	<i>Desai</i>	1,50,000
Land and building	1,20,000	Sales	3,30,000
Purchases	2,32,000	Sundry creditors	1,05,000
Postage and telegrams	2,200	Bank loan	40,000
Export duty	15,500		
Wages and salaries	31,000		
Rent and taxes	7,200		
Cash in hand	58,000		
Freight	6,200		
Prepaid rent	3,600		
Sundry debtors	76,000		
Salaries	4,200		
Opening stock	39,000		
Discount	5,800		
	8,25,000		8,25,000

Adjustments :

- (1) Closing stock in hand was valued at ₹ 61,000.
- (2) Goods distributed as free samples were ₹ 3,000.
- (3) Outstanding salaries ₹ 900.
- (4) Provide reserve for doubtful debts at 5% on sundry debtors.
- (5) Depreciate machinery at 5% p.a.