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II PUC MID-TERM EXAMINATION, OCT./NOV. - 2024

SUBJECT : ACCOUNTANCY (30)

Time : 3 Hrs. **Max Marks : 80**

Instructions:

1. **The question paper contains five parts A, B, C, D and E. Part A consists four sections I, II, III and IV.**
2. **Provide working notes wherever necessary,**
3. **15 minutes extra has been allotted for candidates to read the question paper.**
4. **Figures in the right hand margin indicate full marks.**
5. **For Part-A questions, only the first written answers will be considered for evaluation.**

PART-A

I Choose the correct answer from the choices given: 5x1=5

1. When the varying amounts are withdrawn at different intervals, the interest is Calculated using :
 a) Simple interest method b) Average method c) Product method d) Guaranted Method
2. At the time of admission of a partner General Reserve appearing in the old balance sheet is transferred to :
 a) All partners capital A/c b) New partners capital A/c
 c) Old partners capital A/c d) Partner capital A/c
3. Good will of the firm is valued at 2 years purchase of average profit of last 4 years. The total profit for last 4 years is ₹ 40,000. The Goodwill of the firm is
 a) 20,000 b) 10,000 c) 40,000 d) 50,000
4. Equity shareholders are :
 a) Creditors b) Owners c) Customers of company d) Directors
5. Issued capital is part of :
 a) Reserve capital b) Unissued capital c) Authorized capital d) Subscribed capital

II Fill in the blank by choosing the appropriate answer from those given in the brackets. 5x1=5
(Sacrifice Ratio, Capital reserve, Death, Fixed, Realisation a/c, Admission)

6. Under fixed capital method, the amount of capital remains ______.
7. Old ratio – New ratio = ______.
8. Executor A/c is generally prepared at the time of ______ of a partner.
9. When realisation expenses are paid by the firm on dissolution of a firm, ______ account is debited.
10. Profit on forfeiture of shares is transferred to ______.

III Match the following : 5x1=5

11.

A	B
a) Partnership deed	1) Closing down of the business
b) Retirement of partner	2) Return on shares
c) Dissolution of partnership business	3) 2013
d) Companies Act	4) Gain Ratio
e) Dividend	5) Credit side of Revaluation A/c
	6) Written Agreement

IV Answer the following question in ONE word or ONE sentence each: 5x1=5

12. State any one method of valuation of goodwill.
13. Profit on revaluation A/c is transferred to all partners capital A/c in case of Retirement (True/False)
14. Who is an Executor ?
15. State any one circumstance under which partnership firm is dissolved.
16. What is under subscription of Shares ?

PART-B

V Answer any THREE questions, each question caries TWO marks: 3x2=6

17. Define Partnership.
18. What is Revaluation A/c ?
19. Give the Journal Entry for Asset taken over by the partner on Dissolution of the firm.
20. What is forfeiture of shares ?
21. State methods of issue of shares.

(P.T.O.)

PART-C

VI Answer any THREE questions. Each question carries SIX marks. 3x6=18

22. Rashmi and Reshma are partners sharing profits and losses in the ratio of 2 : 1. Their capitals on 1-4-2023 were ₹ 80,000 and ₹ 50,000 respectively. They earned a profit of ₹ 20,000 before allowing the following as on 31-3-2024.
    a. Interest on capital @ 8% p.a.
    b. Interest on drawing : Rashmi ₹ 4,000, Reshma ₹ 2,500
    c. Salary to Rashmi ₹ 3,000 p.a.
    d. Commission to Reshma ₹ 2,000 p.a.
    Prepare Profit and Loss appropriation A/c for the year ending 31-3-2024.
23. Anil and Sunil are equal partners in the firm. Anil withdrew ₹ 5,000 quarterly at the beginning of each quarter. Calculate Interest on drawing at 10% p.a for the year ending 31-3-2024 under product method.
24. A and B are partners in a firm sharing profit and losses in the ratio of 3 : 2. C joins the firm for 1/5 share in future profit, which he acquires equally from A & B. Calculate the new profit sharing ratio of A, B & C.
25. P, Q & R are partners sharing profits in the ratio 5 : 3 : 2, P retires, Q and R decided to share the profits in future in the ratio of 2 : 1. Calculate gain ratio of P & Q
26. Arun, Vijoy and Chandan are partners in a firm sharing Profit and Loss in the ratio of 5 : 3 : 2 respectively. Their Balance sheet as on 31-3-2024 stood as follows :

Liabilities	Amount	Assets	Amount
Creditors	30,000	Cash in hand	10,000
Bills payable	10,000	Cash at bank	30,000
Reserve fund	40,000	Debtors	40,000
Capitals		Machinery	50,000
Arun	50,000	Buildings	80,000
Bijoy	60,000	Stock	10,000
Chandan	70,000	Motor car	40,000
	2,60,000		**2,60,000**

Arun died on 1-7-2024. The partnership deed states the following to be provided to the Executors,
a) His share of capital and reserve.
b) His share of goodwill. The firm goodwill was valued at ₹ 50,000 (AS26)
c) Interest on capital at 5% p.a.
d) His share of profit on the basis of previous year of profit of ₹ 60,000
Prepare : Arun's Capital Account.

PART-D

VII Answer any THREE questions. Each question carries TWELVE marks. 3x12=36

27. Sachin and Priya are partners sharing profits and losses in the ratio of 2 : 1. Their Balance Sheet as on 31-03-2024 was as follows:

Balance Sheet as on 31-03-2023

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash in hand	5,000
Bills payable	10,000	Stock	15,000
Reserve Fund	12,000	Debtors	20,000
Capitals:		Machinery	30,000
Sachin	60,000	Buildings	60,000
Priya	40,000	Investment	12,000
	1,42,000		**1,42,000**

On 1-4-2024 Yogi is admitted in partnership on the following terms :
a) Yogi should bring in cash ₹ 25,000 as his capital and ₹ 15,000 as goodwill for his 1/5 the share in the future profits.
b) Half of the goodwill is to be withdrawn by the old partners (AS26).
c) Appreciate buildings at 20% and Stock is revalued at ₹ 12,000.
d) Provision for doubtful debts is maintained at 5% on debtors.
e) Outstanding salary ₹ 2000.

Prepare : 1. Revaluation A/c, 2. Partners Capital A/c, 3. New Balance sheet of the firm.

28. Usha and Uma are partners sharing profits and losses in the Ratio of 2 : 1. Their Balance sheet as on 31-03-2024 was as follows :

Balance Sheet

Liabilities	Amount	Assets		Amount
Creditors	50,000	Buildings		22,400
Bank loan	20,400	Debits	70,000	
Profit and Loss A/c	30,000	Less : PDD	4000	66,000
Capitals:		Stock		62,000
Usha	1,00,000	Motor Van		30,000
Uma	60,000	Investments		20,000
		Plant		60,000
	2,60,400			**2,60,400**

Meera is admitted on 1-4-2004 as new partner on the following terms :

a) She should bring ₹ 80,000 as capital for 1/4 share in the future profit.

b) Goodwill of the firm is valued at ₹ 30,000 (AS 26)

c) Increase PDD by ₹ 1000.

d) Reduce value of Motor Van by ₹ 2000.

e) Outstanding rent ₹ 1500.

Prepare: 1) Revaluation Account
2) Partners capital A/c
3) New Balance Sheet of the firm.

29. Asha, Kavya and Varsha are partners sharing Profit and Loss in the ratio of 2 : 2 : 1. Their Balance Sheet as on 31-03-2024 was as follows :

Balance Sheet as on 31-03-2023

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash in hand	10,000
Bank overdraft	30,000	Debtors	30,000
Reserve fund	20,000	Stock	10,000
Capitals:		Investments	25,000
Asha	50,000	Computers	35,000
Kavya	30,000	Land	60,000
Varsha	20,000		
	1,70,000		**1,70,000**

On the above date Kavya retired from the business and the following adjustments are to be made :

a) Depreciate computers by 20%.

b) Investments are valued at ₹ 30,000

c) Provide for bad debts at 10%

d) Retiring partners share of goodwill is to be valued at ₹ 6000 (as per AS26)

Prepare : 1) Realisation A/c
2) Partners Capital A/cs
3) New Balance Sheet of the firm.

30. Mohan and Manju are partners in a firm sharing profits and losses in the ratio of 3 : 2 respectively. Their Balance sheet as on 31-03-2024 was as under :

Balance Sheet as on 31-03-2024

Liabilities	Amount	Assets	Amount
Creditors	30,000	Cash at Bank	10,000
Bills payable	10,000	Bills Receivable	8,000
Mohan's Loan	5,000	Debtors	30,000
Reserve Fund	15,000	Stock	17,000
Capitals :		Furniture	10,000
Mohan	60,000	Machinery	25,000
Manju	40,000	Buildings	60,000
	1,60,000		**1,60,000**

On the above date the firm was dissolved :

a) The assets realised as follows :
Bills Receivables ₹ 6,500, Debtors ₹ 25,000, Stock ₹ 15,000, Machinery ₹ 22,000, Buildings ₹ 65,000.

b) Furniture was taken over by Manju for ₹ 9000

c) All the liabilities were paid infull.

d) Dissolution Expenses ₹ 2000.

Prepare : 1. Realisation A/c, 2. Partners Capital A/c, 3. Bank A/c.

31. Roopa, Deepa and Geetha are partners in a firm sharing Profit and Losses in the ratio of 2 : 1 : 1. Their Balance Sheet as on 31-3-2024 was as follows :

Balance Sheet

Liabilities	Amount	Assets		Amount
Creditors	30,000	Cash in hand		10,000
Bank loan	30,000	Debtors	32,000	
Reserve fund	20,000	Less : PDD	2000	30,000
Capitals:		Stock		40,000
Roopa	60,000	Furniture		20,000
Deepa	50,000	Machinery		50,000
Geetha	40,000	Building		70,000
		Investments		10,000
	2,30,000			**2,30,000**

The firm dissolved on the above date. The adjustment are as follows :

1) Stock raised 10% more than the book value, debtors ₹ 30,000.

2) Machinery sold for ₹ 45,000

3) Realized value of building ₹ 80,000 and Furniture ₹ 18,000

4) All the liabilities are paid at a discount of 10%.

5) Investment taken over by Deepa at their agreed value of ₹ 9000.

6) Unrecorded liabilities were paid ₹ 1000.

7) Roopa agreed to bear all realization expenses for the service Roopa is ₹ 3000. Actual realization expenses amounting to ₹ 2000.

Prepare : 1. Realisation A/c, 2. Partners capital A/c, 3. Bank A/c.

32. Krishna Company Limited issued 10000 equity shares of ₹ 100 each. At a premium of ₹ 10 per share. The amount was payable as below :

₹ 20 on application

₹ 50 on allotment (Including premium)

₹ 40 on First and Final Call.

All the shares were subscribed and the money duly received except the first and final call on 1000 shares. The Directors forfeited these shares and re-issued them as fully paid up at 80 per share.

Pass the necessary Journal Entries in the books of the company.

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