

Code No. **21 X**

COMMERCE EXAMINATIONS
BOOK-KEEPING & ACCOUNTANCY
SENIOR GRADE - I Paper

July, 2015

{ Time : 2 $\frac{1}{2}$ Hours
{ Max. Marks : 100

- Note :*
- i) Answer *all* the questions.
 - ii) Pay attention to neatness.
 - iii) All questions carry equal marks.

1. a) What is goodwill ? How can it be satisfied by the incoming partners ?
- b) Hema and Uma with capitals Rs. 5,000/- and Rs. 10,000/- respectively sharing profits equally, agreed to admit Soma as an equal partner on the condition that she brings Rs. 15,000/- as capital and Rs. 5,000/- as her share of goodwill. It was further agreed that the amount brought in as goodwill showed not remain in the firm.

Pass Journal Entries to record the above and show the Ledger Accounts.

2. a) Define partnership. Explain the partnership deed.
- b) The following is the Balance Sheet of Harshita and Nishant who are sharing in 3 : 1 ratio as on 31.12.2000.

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Bills payable	35,000	Cash at bank	6,000
Creditors	30,000	S. Debtors	9,000
Capitals :		Stock	20,000
Harshita : 30,000		Machinery	40,000
Nishant : 20,000	50,000	Building	40,000
	1,15,000		1,15,000

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They agreed to admit Manoj in the partnership on the following terms :

- (i) Manoj was to be given 1/6th of share in profits and was to bring Rs. 30,000/- as his capital and Rs. 12,000/- as goodwill.
- (ii) That the values of stock and machinery were to be reduced by 10%.
- (iii) That a reserve of 5% was to be treated in respect of Debtors.
- (iv) The value of building was taken as Rs. 60,000.
- (v) That the goodwill amount was to be withdrawn by the partners Harshita and Nishant.

Pass the Journal Entries and prepare important Ledger Account and a new Balance Sheet.

3. Gopal and Srinavas enter into joint venture showing profits and losses in the ratio of 3 : 2. Gopal purchased timber in Coorg and forwarded it to Srinivas in Bangalore. Gopal purchased timber worth Rs. 20,000/- and paid Rs. 500/- as expenses. Srinivas received the consignment and Gopal accepted Srinivas's draft for Rs. 9,000/-. Gopal discounted it at 6% p.a. Srinivas disposed the timber for Rs. 30,000/-. He had to spend Rs. 800/- for insurance and Rs. 600/- for rent. Srinivas is entitled for commission at 10% on sale proceeds.

Give Journal Entry and prepare Ledger A/c in the books of Gopal.

4. The following is the Receipts and Payments Account of Nuthan Club for the year ended on 31.12.2005.

<i>Receipts</i>		<i>Rs.</i>	<i>Payment</i>		<i>Rs.</i>
To	Balance c/d	2,050	By	Salaries	4,160
"	Subscriptions		"	Stationery	800
	2004 — 80		"	Rent and Rates	1,200
	2005 — 4220		"	Telephone	200
	2006 — 160	4,460	"	Investments in 4% Govt. loan	2,500
"	Donation	2,000	"	Sundry expenses	1,850
"	Proceedings from entertainment	3,100	"	Balance c/d	900
		<u>11,610</u>			<u>11,610</u>

The following information are available :

- (i) There are 450 members paying an annual subscription of Rs. 10.
- (ii) Stock of stationery on 31.12.2004, Rs. 100, for 2006 Rs. 180.
- (iii) Rates were prepaid till 31st March, the yearly charge being Rs. 1,200.
- (iv) Outstanding expenses for 2005 Rs. 40 and for 2006 Rs. 70.
- (v) As on 31.12.2005 Buildings stood at Rs. 20,000 and depreciation is to be provided at 5% investments on 31.12.2005, Rs. 40,000.

Prepare Income and Expenditure Account and Balance Sheet.

5. a) Give any four advantages of Single Entry system of Book-keeping.
- b) A firm acquired a lease for Rs. 1,00,000 and decided to provide for its annual depreciation and also for its replacement at the end of the 5th year on the Depreciation Fund system. A reference to the depreciation table showed that the annual amount to be provided on the basis of 5 %. interest worked out to be Rs. 18,100.

Show the necessary Accounts.

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