

Code No. **22 Y**

**COMMERCE EXAMINATIONS**  
**BOOK-KEEPING & ACCOUNTANCY**  
**JUNIOR GRADE - II Paper**

**June, 2016**

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

*Note :* (i) Answer any *five* questions.  
(ii) *All* questions carry equal marks.

1. Ajay and Chandan are in partnership with capitals of Rs. 20,000 and Rs. 15,000 respectively and sharing profits in proportion of  $\frac{3}{4}$  and  $\frac{1}{4}$ .

They admit Bharat into their partnership on condition that he pays Rs. 10,000 as his capital in return for  $\frac{1}{5}$  share in the future profits. The

goodwill of the old firm is valued at Rs. 12,000 and as Bharat does not bring his proportionate share thereof the old partners' capitals have to be adjusted by bringing their assets into record.

Pass the necessary Journal Entries, open Ledger Accounts and show in what proportion the profits would be divided among the partners in future.

2. a) What is the difference between Receipts and Payments Account and Income and Expenditure Account ?

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- b) From the following Receipts and Payments A/c of Mahendra Club, prepare Income and Expenditure A/c and Balance Sheet as on 31. 12. 2006 :

*Receipts and Payments A/c*

<i>Receipts</i>	<i>Rs.</i>	<i>Payments</i>	<i>Rs.</i>
To Balance on 1. 1. 2006	4,000	By Salaries	4,000
To Entrance Fees	400	By Electric charges	300
To <i>Subscriptions</i> :		By Rent	800
2005           1,000		By Printing	500
2006           9,000		By New Furniture	4,000
2007 <u>1,400</u>	11,400	By Investment (1. 4. 2006 )	6,000
Interest on Investment	400	By Other expenses	1,000
Profit on Entertainment	<u>2,400</u>	By Balance C/D.	<u>2,000</u>
	<u>18,600</u>		<u>18,600</u>

- i) Depreciate Furniture — 10% p.a.
- ii) On 31. 12. 1992, amount owing on account of salary is Rs. 8,000.
- iii) Subscriptions outstanding are Rs. 600.
- iv) On 1. 1. 2006, the Club possessed furniture worth of Rs. 6,000 and owed Rs. 400 on account of salary.
3. a) What are the objects of preparing due date ? How is it calculated ?
- b) Payments are due by Kamala to Vimala as follows :
- i) Rs. 800 on 22. 2. 1993
- ii) Rs. 1,200 on 28. 3. 1993
- iii) Rs. 1,000 on 2. 4. 1993
- iv) Rs. 2,000 on 21. 5. 1993
- v) Rs. 2,000 on 8. 6. 1993
- vi) Rs. 4,000 on 16. 6. 1993.

The payments were agreed to be made by 90 days from the respective dates of the payments. However, Anu wanted to arrange for all the payments to be made on single date.

Calculate the date on which such a statement could be made without loss of interest to either party.

4. a) What is Profit and Loss Appropriation Account ?
- b) Girish, Manju and Ramesh are partners in a business, sharing profits and losses as 2 : 2 : 1. The Balance Sheet as on 31. 12. 1992 is given below :

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Bills Payable	12,500	Machinery	19,500
Reserve Fund	5,000	Debtors	15,000
Creditors	2,000	Stock	16,000
<i>Capital :</i>		Cash at Bank	7,000
Girish	16,000		
Manju	12,000		
Ramesh	10,000		
	<u>38,000</u>		
	<u>57,500</u>		<u>57,500</u>

Ramesh retires on 1. 1. 1993 on the following terms :

- i) The machinery is to be depreciated by 4%
- ii) Stock is to be appreciated by 10%
- iii) The goodwill of the firm is to be valued at Rs. 15,000.
- iv) A Reserve for Bad Debts is to be raised by 5%.

You are required to pass Journal, Ledger A/c, and also Balance Sheet.

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5. a) Why is Single Entry called a crude method of Accounting ?
- b) From the following details, extracted from all the ill maintained records of Krupacharya and Company, find out the profits :

<i>Particulars</i>	<i>1. 4. 2003</i>	<i>31. 3. 2004</i>
	<i>Rs.</i>	<i>Rs.</i>
Machinery	15,000	20,000
Furniture	6,000	6,000
Cash and Bank Balance	24,000	28,000
Sundry Debtors	20,000	25,000
Sundry Creditors	23,000	20,000
Stock	9,000	13,000

- i) Depreciate furniture by 5%.
- ii) Provide 5% for RBD on Debtors
- iii) During the year machinery for Rs. 5,000 ( five thousand ) has been purchased.
6. a) Explain the nature of relationship between consignee and consignor.
- b) Ravi and Company sent 25 sewing machines, each costing Rs. 200 to Rajan Brothers to be sold at his risk. Rajan was to get, for his services, a commission at the rate of Rs. 20 per machine and was to be reimbursed for expenses. Rajan spent Rs. 300 on freight and Rs. 300 for salesman's salary, godown rent etc.
- Rajan Brothers sold 18 machines at Rs. 325 each and settled his account with Ravi and Company. Prepare the Consignment account in Ravi and Company's books.

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