PART - III
ACCOUNTANCY
(Urdu & English Version)

Time Allowed : 2.30 Hours
Maximum Marks : 90

Instructions:
(1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
(2) Use Blue or Black ink to write and underline and pencil to draw diagrams.

Note:
(i) Answer all the questions.
(ii) Choose the most appropriate answer from the given alternatives and write the option code and the corresponding answer.

1. Interest on drawings is deducted from:
   (a) Expense A/c  (b) Income A/c  (c) Capital A/c
Income received in advance will be shown on the ________ side of the Balance Sheet.

(a) Credit  (b) Liabilities  (c) Assets

Credit sale is obtained from:

(a) Total Creditors Account
(b) Bills Receivable Account
(c) Total Debtors Account

Proprietor’s Liability ₹ 85,000, His Capital ₹ 15,000 and his Assets ________.

(a) ₹ 90,000  (b) ₹ 1,00,000  (c) ₹ 70,000
Match the following:

1. Operating Profit
2. Cost of goods sold
3. Operating Expenses
4. Net Sales

(i) Administrative Expenses, Selling Expenses
(ii) Total Sales less Sales Returns
(iii) Sales less Gross Profit
(iv) Gross Profit less Operating Expenses

(a) (1) - (i) (2) - (ii) (3) - (iv) (4) - (iii)
(b) (1) - (ii) (2) - (i) (3) - (iv) (4) - (iii)
(c) (1) - (iv) (2) - (iii) (3) - (i) (4) - (ii)

Under Reducing Balance Method, Depreciation:

(a) Remains constant every year
(b) Decreases every year
(c) Increases every year
Total amount of depreciation provided on the Straight Line method at the rate of 10% p.a. on ₹ 10,000 for first three years will be:

(a) ₹ 3,200  (b) ₹ 2,710  (c) ₹ 3,000

All activity ratios are expressed in terms of:

(a) Times  (b) Proportion  (c) Percentage

Cash sales is ₹ 1,75,000. Credit sales is ₹ 2,25,000 then Total sales will be:

(a) ₹ 5,00,000  (b) ₹ 4,00,000  (c) ₹ 50,000

Redemption of debentures is an example for _________.

(a) Cash Receipts  (b) Cash Payments  (c) None of the above
The opening balance of cash in September is ₹1,50,00,000. Total receipts for the month are ₹3,00,00,000 and total payment amounted to ₹3,25,00,000. Opening balance of cash in October will be:

(a) ₹1,25,00,000
(b) ₹1,50,00,000
(c) ₹1,45,00,000
(d) ₹1,05,00,000

In partnership, Interest on drawings is calculated by __________ method.

(a) Average Profit method
(b) Average Period Method
(c) Super Profit Method

The minimum number of persons in a partnership firm is __________.

(a) Seven
(b) One
(c) Two

Goodwill is a/an __________ Asset.

(a) Current
(b) Intangible
(c) Tangible
On admission of a partner if goodwill account is to be raised this should be debited to:
(a) Goodwill Account
(b) Partners’ Capital Account
(c) Revaluation Account

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(a) Goodwill Account
(b) Partners’ Capital Account
(c) Revaluation Account

\[
\text{New \ Profit \ Ratio} = \text{Old \ Profit \ Ratio} + \text{Difference}
\]

(a) Sacrifice
(b) Gaining
(c) Capital

Decreasing the value of liability, it results in ________ item.
(a) Profit and Loss
(b) Loss
(c) Profit

According to Table A, interest charged on calls in arrears is ________.
(a) 6%  
(b) 4%  
(c) 5%

A public issue cannot be kept open for more than ________ days.
(a) 5  
(b) 10  
(c) 3
Nominal Capital is the capital mentioned in the ________ of the company.

(a) Memorandum of Association
(b) Prospectus
(c) Articles of Association

PART - II

7x2=14

Answer any seven questions in which question no. 30 is compulsory.

A' and 'B' are partners. They decided to admit 'C' into the firm. 'C' brings cash ₹1,00,000 and stock ₹50,000. Give journal entries for the cash and stock brought in by 'C'.

How does the factor, 'Efficiency of Management' raise the goodwill of the firm?

What is residual value?

According to the Institute of Cost and Management Accounts, London, define budget.
What is Prepaid Expense?

What is Reserve Capital?

Bad debts ₹ 5,000. Pass adjusting entry and Transfer entry.

Calculate Closing Creditors:

<table>
<thead>
<tr>
<th>₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Creditors</td>
</tr>
<tr>
<td>Cash paid to Creditors</td>
</tr>
<tr>
<td>Total Purchases</td>
</tr>
<tr>
<td>Cash Purchases</td>
</tr>
</tbody>
</table>
Calculate Fixed Assets Turnover Ratio.

\[
\text{Fixed Assets} \quad 1,00,000 \\
\text{Depreciation} \quad 25,000 \\
\text{Sales} \quad 3,00,000
\]

Opening Value of Loose Tools of Vivek Ltd. is ₹ 1,20,000 and Its closing value ₹ 80,000 then,
(i) Name the method of Valuing Depreciation
(ii) Calculate the amount of Depreciation

\[
7 \times 3 = 21
\]

Answer any seven questions in which question no. 40 is compulsory.

Calculate the rate of Depreciation under Straight Line method.

\[
\begin{align*}
\text{Cost of Fixed Assets} & \quad \text{₹ 50,000} \\
\text{Residual Value} & \quad \text{₹ 5,000} \\
\text{Estimated life} & \quad 10 \text{ years}
\end{align*}
\]
What are the Internal causes of Depreciation?

Trial Balance for the period ending 31.3.2014 shows ₹ 40,000 as Insurance Premium.

**Adjustment**: Prepaid Insurance Premium ₹ 5,000.

Show how this item will appear in the final accounts?

From the following information calculate profit of a Firm.

<table>
<thead>
<tr>
<th>₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Capital</td>
</tr>
<tr>
<td>Additional Capital</td>
</tr>
<tr>
<td>Drawings</td>
</tr>
<tr>
<td>Opening Capital</td>
</tr>
</tbody>
</table>
Rema draws ₹ 2,000 on 1.5.2014, ₹ 3,000 on 31.10.2014, ₹ 5,000 on 30.11.2014. Calculate Rema’s Interest on drawings at 10% for the year ending 31st March 2015.

Vinod Company Ltd. issued shares on 1.4.2006 1,00,000 Shares at ₹ 10 each payable on application ₹ 2. The company received application for 1,20,000 shares. The excess applications were rejected and money refunded. Pass necessary journal entries.

Ram Company Ltd. has the following Liabilities.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debentures</td>
<td>2,00,000</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Equity Share Capital</td>
<td>1,25,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>25,000</td>
</tr>
</tbody>
</table>

Indicate the extent to which the company depends upon long term debts for its existence through “Debt - Equity Ratio”.
Prepare Cash Budget for the month of November 2016.

(1) Opening Cash Balance in November ₹ 7,000

(2) Cash Sales ₹ 40,000

(3) Dividend Receivable in the month of November ₹ 5,000

(4) Cash Purchases ₹ 32,000

Amali and Kamali are partners sharing profit and loss in the ratio of 4 : 3. After they admit Kumuthini into the firm their new profit sharing ratio is 7 : 4 : 3. Calculate Sacrificing Ratio.
The average net profits of the firm expected in the future is ₹ 27,000. The average capital employed in the business is ₹ 1,50,000. The rate of interest expected from the capital invested in the business is 10%. The remuneration of the partner is ₹ 4,000 p.a.

The firm calculated the value of goodwill on the basis of two years purchase of super profits is ₹ 20,000.

(i) Is the calculated value of goodwill correct?
(ii) If not, calculate the value of goodwill.

---

### PART - IV / IV-

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>₹ 27,000</td>
</tr>
<tr>
<td>Average Capital</td>
<td>₹ 1,50,000</td>
</tr>
<tr>
<td>Rate of Interest</td>
<td>10%</td>
</tr>
<tr>
<td>Remuneration</td>
<td>₹ 4,000</td>
</tr>
</tbody>
</table>

#### (i) Is the calculated value of goodwill correct?

#### (ii) If not, calculate the value of goodwill.

---

7x5=35 | Answer all the questions.

(a) | 41

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Price</td>
<td>₹ 1.4206</td>
</tr>
<tr>
<td>Net Profit</td>
<td>₹ 6,000</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>₹ 8,000</td>
</tr>
<tr>
<td>Sales</td>
<td>₹ 10,000</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>₹ 6,000</td>
</tr>
<tr>
<td>Net Profit</td>
<td>₹ 4,000</td>
</tr>
<tr>
<td>Cost Price</td>
<td>₹ 1.4206</td>
</tr>
<tr>
<td>Sales</td>
<td>₹ 10,000</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>₹ 6,000</td>
</tr>
</tbody>
</table>

7x5=35 | [ Turn over ]
(b) مزیرگو ہوں کے درج ذیل افرادی تواتر سے بانک میں سال کمی 31 مارچ 2012 کے تعلقہ بندی فارمیٹ کے

<table>
<thead>
<tr>
<th>نام (نامی)</th>
<th>فرضیہ (کلیئہ)</th>
<th>فرضیات</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000</td>
<td>پیشکش فروخت</td>
<td></td>
</tr>
<tr>
<td>25,000</td>
<td>جاری وجوہت</td>
<td></td>
</tr>
<tr>
<td>15,000</td>
<td>کرایہ</td>
<td></td>
</tr>
<tr>
<td>2,000</td>
<td>نقد</td>
<td></td>
</tr>
<tr>
<td>1,800</td>
<td>استضیفہ</td>
<td></td>
</tr>
<tr>
<td>5,000</td>
<td>دیکھ ہئی</td>
<td></td>
</tr>
<tr>
<td>28,000</td>
<td>مشیری نقد</td>
<td></td>
</tr>
<tr>
<td>6,500</td>
<td>استضیفہ</td>
<td></td>
</tr>
<tr>
<td>5,200</td>
<td>دیکھ ہئی</td>
<td></td>
</tr>
<tr>
<td>2,500</td>
<td>لین دیکھ ہئی</td>
<td></td>
</tr>
<tr>
<td>1,000</td>
<td>نہیں</td>
<td></td>
</tr>
<tr>
<td><strong>66,000</strong></td>
<td><strong>66,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

طیارہات:

1. اضافی استضیفہ 4,900 
2. قیم مکمل دیکھ ہئی 300 
3. قیم اضافہ ہوگے 500
(a) From the following details prepare Ramu and Somu’s Capital accounts under Fluctuating Capital Method.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Ramu</th>
<th>Somu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital as on 1.4.2006 :</td>
<td>80,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Drawings</td>
<td>6,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Interest on Capital</td>
<td>4,800</td>
<td>3,000</td>
</tr>
<tr>
<td>Interest on Drawings</td>
<td>150</td>
<td>100</td>
</tr>
<tr>
<td>Share of Profits</td>
<td>8,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Partner’s Salary</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Commission</td>
<td>1,600</td>
<td>1,200</td>
</tr>
</tbody>
</table>

OR

(b) From the following Trial Balance of Mr. Ragu, prepare Final account for the year ended 31st March 2012.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Debit ₹</th>
<th>Credit ₹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>40,000</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Purchases</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>1,800</td>
<td></td>
</tr>
<tr>
<td>Drawings</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td>28,000</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>6,500</td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>5,200</td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>66,000</td>
<td>66,000</td>
</tr>
</tbody>
</table>

Adjustments :

1. Closing Stock ₹ 4,900
2. Outstanding Salary ₹ 300
3. Prepaid Rent ₹ 200
16

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Profit</td>
<td>10,50,000</td>
</tr>
<tr>
<td>Cost of Items</td>
<td>9,27,500</td>
</tr>
<tr>
<td>Income</td>
<td>15,750</td>
</tr>
<tr>
<td>Net Profit</td>
<td>35,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>17,500</td>
</tr>
<tr>
<td>Interest</td>
<td>42,000</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>52,500</td>
</tr>
<tr>
<td>Total Assets</td>
<td>75,600</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>2,62,500</td>
</tr>
</tbody>
</table>

(i) Profit Ratio = 1 : 2

(ii) Debt Ratio = 75,000 / 25,000 = 3

(iii) Total Liabilities = 50,000 + 25,000 = ₹ 75,000

(iv) Total Profit = 10,50,000

(v) Cost of Items = 9,27,500

(vi) Income = 15,750

(vii) Net Profit = 35,000

(viii) Depreciation = 17,500

(ix) Interest = 42,000

(x) Other Expenses = 52,500

(xi) Total Assets = 75,600

(xii) Total Liabilities = 2,62,500
(a) Mr. Vijay started business on 1.4.2013 with the capital of ₹ 2,62,500. From the details given below prepare Trading and Profit and Loss account and Balance Sheet as on 31st March 2014.

<table>
<thead>
<tr>
<th>₹</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>10,50,000</td>
</tr>
<tr>
<td>Total Purchases</td>
<td>9,27,500</td>
</tr>
<tr>
<td>Wages</td>
<td>15,750</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>35,000</td>
</tr>
<tr>
<td>Advertisement</td>
<td>17,500</td>
</tr>
<tr>
<td>Furniture</td>
<td>42,000</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>52,500</td>
</tr>
<tr>
<td>Drawings</td>
<td>75,600</td>
</tr>
<tr>
<td>Debtors (Closing)</td>
<td>2,62,500</td>
</tr>
<tr>
<td>Creditors (Closing)</td>
<td>1,75,000</td>
</tr>
<tr>
<td>Stock (Closing)</td>
<td>1,22,500</td>
</tr>
<tr>
<td>Cash (Closing)</td>
<td>1,64,150</td>
</tr>
</tbody>
</table>

OR

(b) Current Ratio = 2 : 1

Current liability ₹ 75,000. Then

(i) What is the amount of Current Assets ?

(ii) If the above Current Assets includes Stock of ₹ 50,000 and Pre-paid expenses of ₹ 5,000 calculate Liquid Ratio ?

(iii) Absolute Liquid Assets ₹ 50,000

Liquid liability ₹ 25,000

Calculate Absolute Liquid Ratio.
Robert and Co. purchased a Machinery for ₹ 75,000 on 1.4.2012. After having used it for three years it was sold for ₹ 35,000. Depreciation is to be provided at 10% on Straight Line method. Accounts are closed on 31st March every year.

Prepare Machinery Account and Depreciation Account for three years.

OR

Malar, Kiruba and Begam are partners sharing profits in the ratio of 5 : 3 : 2 Malar decided to retire. Goodwill of the firm is to be valued at ₹ 40,000.

Give journal entries for the following:

(i) There is no goodwill in the books of the firm

(ii) The goodwill appears at ₹ 30,000

(iii) The goodwill appears at ₹ 50,000
(a) From the following, calculate Net Profit Ratio, Operating Profit Ratio and Operating Ratio.

₹

Sales 1,00,000
Gross Profit 30,000
Dividend Received 400
Net Profit 26,600
Administrative Expenses 1,000
Selling Expenses 2,000
Loss on Sale of Investment 800

OR

[ / Turn over]
The Directors of a company forfeited 100 equity shares of ₹ 10 each on which the first call of ₹ 3 and final call of ₹ 3 had not been paid. Of these, 40 shares were reissued upon payment of ₹ 300.

Journalise the transaction of forfeiture and reissue of shares.

---

(a) 45

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ 4,500</td>
<td>Dr. Bank (Dr)</td>
</tr>
<tr>
<td>300</td>
<td></td>
</tr>
<tr>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td>7,600</td>
<td></td>
</tr>
<tr>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>18,000</td>
<td></td>
</tr>
</tbody>
</table>

(b) 5

(i) ₹ 12,000: Transferred to share reserve fund

(ii) ₹ 3,000: Transferred to general reserve

(iii) ₹ 4,000: Transferred to capital reserve
(a) Mrs. Vanitha keeps her books on Single entry basis. Find out the profit or loss made for the period 31st March 2014.

On 1.4.2013 her Capital was ₹ 23,200.

On 31.3.2014 her position was as under.

<table>
<thead>
<tr>
<th>₹</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Balance</td>
<td>4,500 (Dr)</td>
</tr>
<tr>
<td>Cash</td>
<td>300</td>
</tr>
<tr>
<td>Stock</td>
<td>4,000</td>
</tr>
<tr>
<td>Debtors</td>
<td>7,600</td>
</tr>
<tr>
<td>Furniture</td>
<td>30,000</td>
</tr>
<tr>
<td>Creditors</td>
<td>18,000</td>
</tr>
</tbody>
</table>

Mrs. Vanitha had withdrawn ₹ 10,000 for personal use and had introduced additional capital ₹ 4,000. Depreciated furniture at 10%.

OR

(b) Chithra, Megala are partners sharing profit and loss in the ratio of 3 : 2. They decided to admit Radha into the firm and revalue their assets and liabilities as under.

(i) To bring into record investment of ₹ 12,000 which had not so far been recorded in the books of the firm.

(ii) To depreciate stock, furniture and machinery by ₹ 3,000, ₹ 1,000 and ₹ 5,000 respectively.

(iii) A provision for outstanding liabilities was to be created for ₹ 4,000. Prepare Revaluation Account.
From the following information, prepare a cash budget for the month of October, November.

(i) Opening cash balance in October ₹ 3,000
(ii) Cash sales October ₹ 12,000; November ₹ 14,000
(iii) Credit purchases September ₹ 10,000, October ₹ 12,000; November ₹ 14,000
(iv) Dividend to be received in November ₹ 4,000
(v) Advance Tax ₹ 3,000 payable in October
(vi) Sale of an Old Asset for ₹ 12,000 during November

OR

Murugan, Guhan, Amalan had Capital of ₹ 80,000; ₹ 60,000; ₹ 40,000 respectively on 1.4.2014. Guhan withdrew ₹ 8,000 from his capital on 30.9.2014. Amalan introduced additional Capital of ₹ 12,000 on 31.12.2014. Calculate interest on Capital at 6% p.a. for the year ending 31st March 2015.
(a) 

تعیین:

- مجموع اصلی: 50,000 ریال
- نرخ 10% نقدها: 5,000 ریال
- سود 9,000 ریال
- سود کل: 80,000 ریال
- مجموع کل: 10,000 ریال

(b) 

نتایج در سال 31.3.2015:

<table>
<thead>
<tr>
<th>مبایل (تاریخ)</th>
<th>مبلغ (ریال)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 50,000</td>
<td></td>
</tr>
<tr>
<td>2 - 1,000</td>
<td></td>
</tr>
<tr>
<td>3 - 3,000</td>
<td></td>
</tr>
<tr>
<td>4 - 5,000</td>
<td></td>
</tr>
<tr>
<td>5 - 2,000</td>
<td></td>
</tr>
</tbody>
</table>

توضیحات:

(i) نرخ تخلیه خارج کردن: 1,000 ریال
(ii) نرخ تخلیه خارج کردن: 5% کالاگذار
(iii) نرخ تخلیه خارج کردن: 2% کالاگذار

[ مفتیزاده / Turn over ]
(a) From the following information prepare Extracted Balance sheet of Abdul Ltd. as on 31.3.2014

Authorised share capital ₹ 5,00,000

Issued shares of 10,000 at ₹ 10 each at discount of 10%

Public subscribed 9,000 shares and fully paid

Bank Balance ₹ 80,000

Discount on issue of shares account showed Balance of ₹ 10,000

OR

(b) Trial Balance as on 31.3.2015 shows the following.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Discount on Debtors</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Bad debts</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>Provision for Bad and doubtful debts</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td>Provision for discount on debtors</td>
<td>-</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Adjustments:

(i) Bad debts to be written off ₹ 1,000.
(ii) Provide 5% Provision for Bad and doubtful debts
(iii) Provide 2% Provision for discount on debtors.

Show how this item will appear in Profit and Loss account.