

Reg. No. : .....

**SY 49**

Name : .....

**MARCH 2019**Time : 2½ Hours  
Cool-off time : 15 Minutes

Part – III

**ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS**  
Maximum : 80 Scores**General Instructions to Candidates :**

- There is a 'Cool-off time' of 15 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

**വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :**

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നൽകിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

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**PART - A**  
**ACCOUNTING**

(Maximum Scores : 40)

Answer all questions from 1 to 4. Each carries 1 score.

(4 × 1 = 4)

1. The Balance Sheet of a not for profit organization does not include :  
(a) Assets (b) Liabilities  
(c) Owner's Fund ✓ (d) Capital Fund
2. Gaining ratio is to be calculated at the time of \_\_\_\_\_ of a partner.  
(a) admission (b) retirement ✓  
(c) death (d) both (b) and (c)
3. Forming a partnership deed is \_\_\_\_\_.  
(a) mandatory ✓ (b) not mandatory  
(c) mandatory in writing (d) None
4. Unrecorded liabilities located on admission of a partner will be \_\_\_\_\_.  
(a) Debited to Revaluation A/c. (b) Credited to Revaluation A/c.  
(c) Debited to Capital A/c. (d) Credited to Capital A/c.

Answer all questions from 5 to 8. Each carries 2 scores.

(4 × 2 = 8)

5. Malu, a partner withdrew ₹ 1,000 regularly at the beginning of every month. Calculate interest on drawings @ 6% p.a.
6. Complete the following table :

Partner	Old Ratio	Sacrificing Ratio	New Ratio
Rajan	$\frac{3}{5}$	?	$\frac{12}{25}$
Radhan	$\frac{2}{5}$	$\frac{2}{25}$	?



7. Ascertain the amount of stationery consumed during the year ended 31<sup>st</sup> March, 2018.

Stock of stationery on 31-03-2017	– ₹ 1,200
Stock of stationery on 31-03-2018	– ₹ 1,900
Creditors for stationery on 31-03-2018	– ₹ 1,400
Amount paid for stationery during 2017-18	– ₹ 1,300

8. Creditors of a firm were ₹ 21,000. Of which creditors for ₹ 10,000 accepted stock worth ₹ 8,000 on full settlement. Remaining creditors were paid at 10% discount. Calculate the amount payable to creditors and pass Journal Entry at the time of dissolution of firm.

**Answer any 2 questions from 9 to 11. Each carries 3 scores.**

**(2 × 3 = 6)**

9. (a) Fill up the following as per hint given :

Hint : Receipts and Payment A/c. : Cash in hand

Income and Expenditure A/c. : \_\_\_\_\_ ?

(b) Write any two differences between Receipts and Payments A/c. and Income and Expenditure A/c.

10. In which ratio goodwill is shared in the following cases ?

(i) Amount of goodwill paid by the new partner.

(ii) Amount of goodwill paid to the outgoing partner

Also write any two differences between those ratios.

11. Anu, Achu and Ammu are partners sharing profits in the ratio of 5 : 4 : 3. Achu retires and is given ₹ 8,000 as goodwill.

(a) Compute the relevant ratio in which goodwill is shared by Anu and Ammu.

(b) Write the Journal Entry.

**Answer any 1 question from 12 to 13. Each carries 4 scores.**

**(1 × 4 = 4)**

12. A and B are partners in a firm. During the year 2017, the firm earned a profit of ₹ 24,000 before charging the following :

(i) Interest on capitals @ 10% p.a. (partners capitals – A - ₹ 30,000, B – ₹ 25,000).

(ii) Monthly salary payable to B ₹ 500.

(iii) Interest on drawings – A ₹ 300, B ₹ 200.

Prepare Profit and Loss Appropriation A/c.



13. Journalise the following on dissolution of a firm :

- Realisation expenses paid ₹ 1,500.
- Investments not recorded in the books realized ₹ 2,000.
- Creditors for ₹ 10,000 agreed to accept at 5% discount.
- Loss on realization amounted to ₹ 1,200.

Answer all questions from 14 to 15. Each carries 5 scores.

(2 × 5 = 10)

14. A, B and C are partners sharing profits as 2 : 1 : 2. C retires from the firm. Goodwill of the firm is based on 3 years purchase of the average profits of the last 4 years results which were ₹ 22,000, ₹ 28,000, ₹ 18,000 and ₹ 8,000 (loss) respectively.

Compute the value of goodwill and give Journal Entries in the following cases :

- When goodwill appears in the books at ₹ 30,000.
- When goodwill appears in the books at ₹ 50,000.

15. Following is the Balance Sheet of a firm where Abhi and Pranav are partners who share profits in the ratio of 3 : 2 :

Balance Sheet as on 31-03-2018

Liabilities		Amount	Assets		Amount
Creditors		20,000	Cash		12,000
Bills Payables		30,000	Debtors	20,000	
Investment Fluctuation Fund		5,000	(-) Provision	<u>1,000</u>	19,000
Reserve Fund		20,000	Stock		22,000
Capitals :			Furniture		25,000
Abhi	43,000		Machinery		40,000
Pranav	<u>30,000</u>	73,000	Investments		30,000
		<u>1,48,000</u>			<u>1,48,000</u>

Following transactions took place on dissolution of the firm :

- Debtors realized 90% of the book value.
- Abhi took over furniture at ₹ 22,000.
- Creditors were paid ₹ 17,000 in full settlement and stock realized at 10% less the book value.
- Realisation expenses ₹ 1,000 paid by Pranav.

Prepare Realisation Account.



Answer any 1 question from 16 to 17. Each carries 8 scores.

(1 × 8 = 8)

16. The Receipts and Payments Account of Jubily Club for the year ended 31<sup>st</sup> December, 2018 is given below :

**Receipts and Payments Account for the year ended 31<sup>st</sup> December, 2018**

Receipts	Amount	Payments	Amount
Balance b/d	12,000	Rent	3,000
Subscriptions	32,000	Salaries	7,500
Donation for building	25,000	Books	4,000
Sale of old newspapers	1,500	Furniture	12,000
Sundry receipts	1,000	Investment	30,000
		Balance c/d	15,000
	<b>71,500</b>		<b>71,500</b>

**Other Information :**

- (1) Subscriptions outstanding as on 31<sup>st</sup> December, 2017 ₹ 2,000 and on 31<sup>st</sup> December, 2018 ₹ 3,000.
- (2) Salaries due ₹ 2,500, Rent prepaid ₹ 500.
- (3) On 31<sup>st</sup> December, 2017, the Club had Furniture ₹ 6,000 and Books ₹ 3,000.
- (4) Depreciate furniture by ₹ 3,000.

Prepare Income and Expenditure Account and Balance Sheet as on the above date.

17. The Balance Sheet of Gopika and Deepika sharing profits in proportion of 3/4 and 1/4 is given below :

**Balance Sheet as on 31<sup>st</sup> March, 2018**

Liabilities	Amount	Assets	Amount
Sundry creditors	25,000	Cash	12,500
General reserve	4,000	Bills receivables	3,000
Capitals :		Sundry debtors	17,000
Gopika      31,000		(-) Prov.      1,000	16,000
Deepika     22,500	53,500	Stock	15,000
		Furniture	6,000
		Buildings	30,000
	<b>82,500</b>		<b>82,500</b>

Radhika is admitted on the above date as per the following terms :

- (1) She will bring in ₹ 20,000 for capital and ₹ 8,000 as her share of goodwill for 1/4 share in the profits.
- (2) Stock and furniture reduced by 10%.
- (3) Provision for doubtful debts to be increased to ₹ 1,500 and creditors unrecorded to the extent of ₹ 2,000.
- (4) Buildings revalued at ₹ 40,000.

Prepare necessary Ledger Accounts and Balance Sheet.



**PART – B**  
**ANALYSIS OF FINANCIAL STATEMENTS**

(Maximum Scores : 40)

Answer all questions from 1 to 4. Each carries 1 score.

(4 × 1 = 4)

1. A company issued 10%, 1000 debentures of ₹ 100 at par. Here 10% indicates :  
(a) Discount rate (b) Interest rate  
(c) Dividend rate (d) None
2. Find the odd one out :  
(a) Debt-Equity Ratio (b) Proprietary Ratio  
(c) Inventory Turnover Ratio (d) Interest Coverage Ratio
3. Tools of analysis of financial statements does not include :  
(a) Comparative Statement (b) Trend Analysis  
(c) Common Size Statement (d) Income Statement
4. Which of the following is not a non-cash item ?  
(a) Depreciation (b) Provision  
(c) Amortization (d) Income Tax

Answer any 3 questions from 5 to 8. Each carries 2 scores.

(3 × 2 = 6)

5. Write the type of debentures mentioned in the following statements :  
(a) Debentures for which the company does not keep any record of debenture holders.  
(b) Debentures which are redeemable on the winding-up of the company.
6. Under what heading will the following accounts appear in the Balance Sheet of a company ?  
(a) Reserves and Surplus  
(b) Inventories
7. Write the impact of the following transactions on cash from operations :  
(a) Increase in Debtors  
(b) Decrease in Inventory
8. Calculate Gross Profit Ratio :  
Revenue from operations ₹ 6,50,000  
Returns inwards ₹ 50,000  
Cost of revenue from operations ₹ 4,80,000



**Answer any 3 questions from 9 to 12. Each carries 3 scores.**

**(3 × 3 = 9)**

9. What are the basic financial statements of a company ? Write any two limitations of it.
10. Omega Ltd. purchased a building for ₹ 2,20,000. Half of the payment was made in cash and the balance by issue of 12% debentures at a premium of 10%. Give journal entries.
11. A company received 20000 applications against 15000 shares offered to the public.
- (a) Identify the type of subscription mentioned in the above.
  - (b) What are the alternatives available to the company for the allotment of shares in such a case ?
12. Classify the following business activities into investing, financing and operating activities :
- (a) Sale of fixed assets ✓
  - (b) Sale of inventories ✓
  - (c) Sale of shares ✓
  - (d) Payment of dividend ✓
  - (e) Payment to creditors ✓
  - (f) Dividend received ✓

**Answer all questions from 13 to 14. Each carries 4 scores.**

**(2 × 4 = 8)**

13. Kefcon Ltd. forfeited 300 shares of ₹ 10 each for non-payment of allotment money of ₹ 3 per share and call money of ₹ 4 per share. Out of these 250 shares were reissued for ₹ 2,000. Give Journal Entries.
14. Prepare a comparative statement of Profit and Loss for the year ending 31<sup>st</sup> March, 2018. Rate of income tax was 40%.

Particulars	2016-17	2017-18
Revenue from operations	6,00,000	8,00,000
Other incomes	50,000	1,00,000
Expenses	4,00,000	5,00,000



**Answer Questions No. 15, which carries 5 scores.**

**(1 × 5 = 5)**

15. Calculate cash from operations.

Items	2017	2018
Balance of Profit and Loss A/c.	20,000	30,000
Bills Receivables	18,000	14,000
Provision for Depreciation	30,000	32,000
Outstanding Rent	4,000	1,600
Prepaid Insurance	1,200	1,400
Goodwill	20,000	16,000
Sundry Debtors	18,000	14,000



**Answer any 1 question from 16 and 17. Each carries 8 scores.**

**(1 × 8 = 8)**

16. Sundaram Ltd. issued 50,000 shares of ₹ 10 each payable as ₹ 3 on application, ₹ 4 on allotment and the balance on first and final call.

Applications were received for 70,000 shares and allotment was made on pro-rata basis. Adwaith, holder of 500 shares failed to pay allotment and call money. His shares were later forfeited. Give journal entries.

17. From the following details

	₹
Revenue from operations	1,50,000
Cost of revenue from operations	1,20,000
Opening stock	29,000
Closing stock	31,000
Sundry debtors	16,000
Net fixed assets	1,10,000

Calculate :

- (a) Gross profit ratio
- (b) Inventory turnover ratio
- (c) Fixed assets turnover ratio
- (d) Debtors turnover ratio