

Practice Paper:- 1**A: Not-for Profit Organisation, Partnership and Company Accounting**

- Q1).** A, B and C are partners in a firm. For the year ending 31st March, 2021, their sales were ₹ 4,50,000 and profit ₹ 36,000. On 1st September, 2021 A died, sales upto the date of death was ₹ 1,50,000. Compute A's share of profit and pass journal entry for it.
- Q2).** On the basis of the information given below calculate the amount of stationery to be shown in Income & Expenditure A/C of a club for the year ended 31st March 2022.

Particulars	(₹)
Stock of stationery on 1.4.2021	15,000
Stock of stationery on 31.3.2022	20,000
Stationery purchased for Cash during 2021-22	1,00,000
Stationery purchased on Credit during 2021-22	25,000
Advance paid for stationery on 1.4.2021	7,000
Advance paid for stationery on 31.3.2022	12,000
Creditors for stationery on 1.4.2021	8,000
Creditors for stationery on 31.3.2022	5,000

- Q3).** X and Y are partners in a firm. Their capital accounts after necessary adjustment of Realisation A/c showed balances of ₹ 1,00,000 and ₹ 2,00,000 (Dr.) respectively. Y's Loan to the firm stood at ₹ 90,000. Pass Journal entries for closing Y's Loan A/c and Capital Accounts of X and Y.
- Q4).** Pen, Pencil and Eraser are partners sharing profits in the ratio of 2:2:1 respectively. It is provided in the Partnership Deed that on the death of any partner, her share of goodwill was to be valued at half of the profits credited to her account during the four previous completed years. Eraser died on 1st December, 2021. The firm's profits for the last four years were: 2017-18 ₹ 2,50,000; 2018-19 ₹ 4,00,000, 2019-20 ₹ 4,50,000 and 2020-21 ₹ 5,00,000.

Determine the amount that should be credited to Eraser in respect of her share of Goodwill. On the date of Eraser's death, one of the old Debtors whose account was closed last year by transferring his debt amounting to ₹ 30,000 to Bad Debts Account, has now promised to pay the amount fully. Pass necessary Journal entries for the above mentioned transactions at the time of Eraser's death.

- Q5).** Show the following items in the financial statements of a "Not for profit organisation: (3)

Particulars	(₹)
Tournament Fund on 1.4.2019	4,00,000
Donation & Subscription for Tournament during 2019-20	2,00,000
Tournament Expenses	4,50,000
Sale of Tournament Tickets	1,00,000
Other proceeds from Tournament	90,000

Or

From the following information calculate the amount of subscriptions to the Income & Expenditure A/c for the year 2019-20.

	(₹)
Subscriptions received during the year	2,80,000
Subscriptions outstanding on 31-3-2019	30,000
Subscriptions outstanding on 31-3-2020	48,000
Subscriptions received in Advance on 31-3-2019	14,000
Subscriptions received in Advance on 31-3-2020	10,000

- Q6). Roja Ltd. purchased a running business of Kanan Bros. comprising Assets of ₹ 30,80,000 and Liabilities of ₹ 5,50,000, for a sum of ₹ 27,00,000. The due amount be paid as ₹ 5,00,000 by giving a promissory note in favour of Kanan Bros. for 3 months, balance by issue of 7% debentures of ₹ 100 each at a premium of 10%. You are required to pass necessary journal entries in the books of Roja Ltd. (3)

Or

- (a). Komal Ltd. took a loan of ₹ 50,00,000 from HDFC against the security of tangible assets of ₹ 45,00,000 and issued 12,000 9% debentures of ₹ 100 each as collateral security. Pass Journal Entry(s) for the above transactions if company does not record issue of debentures as collateral security in the books.
- (b). Nirmal Ltd. raised a loan of ₹ 20,00,000 from ICICI bank and issued 4,000 6% debentures of ₹ 100 each as collateral security. Journal Entry(s) for the above transactions if company records such issue of debentures in the books. (1+2=3)
- Q7). From the following particulars, prepare Income and Expenditure Account:

	(₹)
Fees collected, including ₹ 80,000 on account of the previous year	3,80,000
Fees for the year outstanding	10,000
Salary paid including ₹ 8,000 on account of the previous year	98,000
Salary outstanding at the end of the year	9,000
Entertainment Expenses	3,000
Tournament Expenses	42,000
Meeting Expenses	18,000
Traveling Expenses	6,000
Purchase of books and periodicals (including ₹ 18,000 for purchase of books)	28,000
Rent	17,000
Postage, telegrams and telephone	15,500
Printing and stationery	4,500
Donations received (50% of which to be capitalized)	25,000

- Q8). On 1st July, 2019 IDBI Bank Ltd. issued 30,000, 10% debentures of ₹ 100 each. These debentures will be redeemed after 10 years at 10% premium. Interest is payable yearly on 31st March every year. Pass necessary Journal Entries for the year ending 31st March, 2020. (5)
- Q9). Calculate New profit sharing ratio and pass journal Entries for goodwill in each of the following cases:
- (a). S, G and M are partners sharing profits in the ratio of 8:7:5. G retired and Goodwill of the firm valued at ₹ 3,00,000. On the date of his retirement goodwill appearing in the books at ₹ 1,20,000.
- (b). P, Q and R are partners sharing profits in the ratio of 3:2:1. Q decided to retire from the firm and his share is taken up by P and R in the ratio of 2:1. On the date of admission Goodwill of firm valued at ₹ 3,00,000

Or

M and N were partners in a firm sharing profits in the ratio of 3:2. On 31st March, 2017 their Balance Sheet was as follows

Balance Sheet of M and N as on 31st March, 2017

Liabilities	₹	Assets	₹
Creditors	77,500	Bank	25,000
Workmen Compensation Fund	10,000	Debtors	70,000
M's Loan	25,000	Stock	25,000
Capitals:		Furniture	67,500
M	1,00,000	Machinery	1,00,000
N	75,000		
	2,87,500		2,87,500

On the above date the firm was dissolved :

- M took over stock at 10% less than its book value.
- Furniture taken over by creditors which realised ₹ 60,000.
- Other assets realised ₹ 1,50,000.
- M agree to accept ₹ 22,000 in full settlement of his loan.
- Claim on account compensation Fund is ₹ 7,500.
- A bill of ₹ 20,000 was under discount dishonoured and acceptor of the bill became insolvent and 60% could be recovered from his estate.
- N was appointed to look after the dissolution process and has to bear realisation expenses, for which he was credited with ₹ 5,000. Actual realisation expenses ₹ 6,000 paid by him out of the firm.

Prepare Realisation Account.

B: Company Accounting and Analysis of Financial Statements

Q10). Calculate Cash flow from Financing Activities from the following:

Particulars	2020-21 (₹)	2019-20 (₹)
A). Non Current Liabilities:		
(a). Long term Borrowings:		
10% debentures	6,00,000	4,00,000
9% Debentures	1,50,000	2,70,000

Additional Information:

- 10% Debentures issued at 8% discount.
- 9% debentures redeemed at 5% premium.

Q11). From the following statement of Profit and Loss of Star Ltd., for the years ended 31st March, 2015 and 2016, prepare a common size statement.

Particulars	Note No.	2015-16 (₹)	2014-15 (₹)
Revenue from Operations		25,00,000	20,00,000
Employees Benefit Expenses		10,00,000	7,00,000
Other Expenses		2,00,000	3,00,000
Tax Rate		40%	40%

Q12). X Ltd., made a profit of ₹ 1,90,000 after considering the following items :

Depreciation on Fixed Assets	₹	40,000
Writing off Discount on issue of debentures	₹	10,000
Loss on sale of furniture	₹	5,000
Provision for taxation	₹	80,000
Transfer to General Reserve	₹	15,000
Profit on sale of machinery	₹	12,000

The following additional information is available to you :

Items	31-3-2017 (₹)	31-3-2018 (₹)
Trade Receivables	70,000	90,000
Trade Payables	50,000	68,000
Prepaid Rent	5,000	2,000
Outstanding Salaries	14,000	9,000

Calculate Cash flow from operating activities. (5)