

**INSTRUCTIONS FOR EXAMINERS AND MODERATORS**

- Stepwise marking scheme is provided for each answer.
- Marks to be allotted even if different formats or methods adopted provided the answers are logically correct.
- For all theory question the examiner can adopt their own sanction and if possible to give full marks if the candidate has justified the answer.
- For any query please feel free to contact us on :

Prof. Mubeen Y. Shaikh	9322123549
Prof. Pratap Kadam	9819148315

**Q.1. [A] STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE [ANY 8] [08 MARKS]**

1	2	3	4	5	6	7	8	9	10
False	False	False	False	False	False	False	False	False	False

**Q.1. [B] FILL IN THE BLANKS WITH APPROPRIATE OPTIONS [ANY 7] [07 MARKS]**

1	2	3	4	5
All of the above	Goodwill	4:3	2:1:1	Goodwill
6	7	8	9	10
Revaluation	Excess Capital Met.	Guaranteed amt +	Increase	Profit & Loss

**2. [A] [15 MARKS]**

MARKING SCHEME	
Trading Account	2 Marks
Profit and Loss	5 Marks
Profit and Loss Appropriation	2 Marks
Partners' CURRENT	3 Marks
Balance Sheet	3 Marks
<b>TOTAL</b>	<b>15 MARKS</b>

**IN THE BOOKS OF SANIL, RAHUL AND AKASH**

TRADING ACCOUNT FOR THE YEAR ENDED			
PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Opening Stock	39720	By Sales (412650-5250)	407400
To Purchases (271600-4100)	267500	By Closing Stock	200000
To carriage inward	17180	By goods distributed as samples	5000
To Gross Profit c/d	288000		
	612400		612400

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED					
PARTICULARS	PRE	POST	PARTICULARS	PRE	POST
To office Salaries	2450	7350	By Gross profit b/d	72000	216000
To Bad debts 640					
Add: FBD 1000					
Add: R.D.D.-New 43920					
Less: R.D.D.(Old) 15200					
To Postage, Stat & Insur.	7590	22770			
To Rent, rates and taxes	3482	10448			
To Dep. On Furniture	1050	3150			
To Free samples	512	1538			
Net Profit c/d	1250	3750			
	55666	166994			
	72000	216000		72000	216000

**PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED**

PARTICULARS	PRE	POST	PARTICULARS	PRE	POST
To Interest on capital:			By Net profit b/d	55666	166994
Sanil	3225	9675			
Rahul	3150	9450			
Akash		14400			
To Partners Cap. a/c(Old)	49291				
To Partners Cap a/c(All)		133469			
	55666	166994		55666	166994

**PARTNERS CURRENT ACCOUNT**

PARTICULARS	SANIL	RAHUL	AKASH	PARTICULARS	SANIL	RAHUL	AKASH
To bal b/d	55000	52000	122000	By Goodwill	36000	24000	
				By Int. on capital	12900	12600	14400
				By P & L app.(Pre)	29575	19716	
To bal c/d	87540	47026		By P & L app.(Post)	64065	42710	26694
				By Bal c/d			80906
	142540	99026	122000		142540	99026	122000

**BALANCE SHEET AS ON 31.03.2018**

LIABILITIES	AMOUNT	ASSET	AMOUNT
<b>CAPITAL A/C:</b>		Sundry Debtors	440200
Sanil	215000	Less: F.B.D.	1000
Rahul	210000	Less: R.D.D.	43920
Akash	320000	B/R	120070
<b>CURRENT A/C:</b>		Furniture	20500
Sanil	87540	Less: Dep. @ 10%	2050
Rahul	47026	Cash in hand	18450
Outstanding wages	1200	Closing Stock	204440
Rent payable	900	<b>CURRENT A/C:</b>	
Bills payable	11950	Akash	80906
Creditors	125530		
	1019146		1019146

Working Notes:

- 1) Time Ratio : 1:3
- 2) New PSR : 12:8:5

Q.2. [B]

**FINAL ACCOUNTS OF A PARTNERSHIP FIRM – RETIREMENT**

[15 MARKS]

PROFIT & LOSS ACCOUNT	6 MARKS
PROFIT & LOSS APPROPRIATION ACCOUNT	3 MARKS
PARTNERS CAPITAL ACCOUNT	3 MARKS
BALANCE SHEET	3 MARKS

3

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2018**

PARTICULARS	3	9	PARTICULARS	3	9
	MONTHS	MONTHS		MONTHS	MONTHS
To General Expenses	31500	94500	By Gross Profit b/d	427500	3847500
To Travelling & Conveyance	43200	388800	By Interest on Investments	9000	27000
To Salaries	219750	659250	By Discount received	10800	32400
To Advertisement	18750	168750			
To Carriage Outward	6750	60750			
To Insurance	6750	20250			
To Salesman Commission	45000	405000			
To Bad Debts	37650	338850			
Add:- Reserve - Bad Debts	4860	43740			
To Printing	4500	13500			
<u>To Depreciation</u>					
Land & Building	135000	405000			
Machinery	45000	135000			
To Net Profit c/d		1173510	By Net Loss c/d	151410	
	598710	3906900		598710	3906900

**PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31/03/2018**

Particulars	3	9	Particulars	3	9
	Months	Months		Months	Months
<u>To Net Loss c/d- PRE</u>			<u>By Net Profit b/d-POST</u>		
Sneha	75705		Sneha		704106
Anjali	50470		Anjali		469404
Shivani	25235		Shivani		
<u>To Interest on Capital</u>			<u>By Divisible Loss</u>		
Sneha	12000	36000	Sneha	90705	
Anjali	10125	30375	Anjali	60470	
Shivani	7875		Shivani	30235	
<u>By Divisible Profit c/d</u>					
Sneha		664281			
Anjali		442854			
	181410	1173510		181410	1173510

**PARTNERS CAPITAL ACCOUNT**

PARTICULARS	Sneha	Anjali	Shivani	PARTICULARS	Sneha	Anjali	Shivani
	To Drawings	97500	130500		84000	By Balance b/d	960000
<u>To Divisible Loss</u>				By Interest on Capital	48000	40500	7875
Pre	90705	60470	30235	By Goodwill	60000	40000	20000
To Shivani Loan			543640	By Div. Profit -Post	664281	442854	
To Balance c/d	1544076	1142384			1732281	1333354	657875
[Balancing Figure]	1732281	1333354	657875				

**BALANCE SHEET AS ON 31/03/2018**

LIABILITIES	AMOUNT	AMOUNT	ASSETS	AMOUNT	AMOUNT
<b>Capital</b>			Land and Building	2700000	
Sneha	1544076		Less :- Depreciation	540000	2160000
Anjali	1142384	2686460	Machinery	1800000	
Shivani Loan		543640	Less :- Depreciation	180000	1620000
Bank Loan		900000	Furniture		
Outstanding Salary		27000	Less :- Depreciation		135000
Bills Payable		79050	Debtors	486000	
Creditors		648750	Less :- Bad Debts Reserve	48600	437400
Anali's Loan		450000	Investments		600000
			Cash and Bank		77250
			Goodwill		120000
			Bills Receivable		185250
		5334900			5334900

[15 MARKS]

Q.3. [A]

MARKING SCHEME		TOTAL
Calculation of P.C. [Working]	1 mark	1
Realisation a/c [Both the firms]	1 mark each	2
Partners Capital a/c [Both the firms]	1 mark each	2
Cash a/c [Both the firms]	1 mark each	2
New firms a/c [In the books of both the firms]	1 mark each	2
Balance Sheet	6 marks	6
		15

**CALCULATION OF PC**

	R&A	J&U
<b>ASSETS</b>		
Goodwill	60000	60000
Equipment	24000	
Building	140000	80000
Investments	39900	60800
Debtors	30000	44000
Machinery	127200	80500
Furniture & Fixtures	30000	54000
<b>TOTAL</b>	<b>451100</b>	<b>379300</b>
<b>Less :-</b>		
<b>LIABILITIES</b>		
Bad Debts		6000
R.D.D.	1500	1900
Creditors	70000	64000
Bills Payable	50000	30000
<b>TOTAL</b>	<b>121500</b>	<b>101900</b>
<b>PC</b>	<b>329600</b>	<b>277400</b>

**IN THE BOOKS OF R & A**

Dr. **REALISATION ACCOUNT** Cr.

PARTICULARS	AMT	AMT	PARTICULARS	AMT	AMT
To <u>Sundry Asset</u>			<u>By Sundry Liabilities</u>		
Investments	42000		Creditors	70000	
Debtors	30000		Bills Payable	50000	
Machinery	106000		Bank Loan	30000	
Goodwill	20000		Mrs. A's Loan	<u>10000</u>	160000
Fixture & Patterns	30000		<u>By New Firm</u>		329600
Building	<u>140000</u>	368000			
<u>To Cash/Bank</u>					
Bank Loan	30000				
Mr. A's Loan	<u>10000</u>	40000			
<u>To Partner's Capital</u>					
R	40800				
A	<u>40800</u>	81600			
		<u>489600</u>			<u>489600</u>

Dr. **PARTNER'S CAPITAL ACCOUNT** Cr.

PARTICULARS	R	A	PARTICULARS	R	A
To Cash	22000	22000	By Balance b/d	140000	130000
			By General Reserve	6000	6000
			By Revenue Reserve	5000	5000
To RAJU [Bal fig]	169800	159800	By Realisation a/c	40800	40800
	<u>191800</u>	<u>181800</u>		<u>191800</u>	<u>181800</u>

Dr. **RAJU ACCOUNT** Cr.

PARTICULARS	AMT	AMT	PARTICULARS	AMT	AMT
To Realisation a/c		329600	<u>By Partners Cap. Acc</u>		
			R	169800	
			A	<u>159800</u>	329600
		<u>329600</u>			<u>329600</u>

Dr. **CASH/BANK ACCOUNT** Cr.

PARTICULARS	AMT	AMT	PARTICULARS	AMT	AMT
To Balance b/d		84000	<u>By Realisation</u>		
			Bank Loan	30000	
			Mr. A's Loan	<u>10000</u>	40000
			<u>By Partners Capital</u>		
			R	22000	
			A	<u>22000</u>	44000
		<u>84000</u>			<u>84000</u>

**IN THE BOOKS OF J & U**

Dr. **REALISATION ACCOUNT** Cr.

PARTICULARS	AMOUNT	AMOUNT	PARTICULARS	AMOUNT	AMOUNT
To <u>Sundry Asset</u>			<u>By Sundry Liabilities</u>		
Investments	64000		Creditors	64000	
Debtors	44000		Bills Payable	30000	
Machinery	70000		Bank Loan	<u>24000</u>	118000
Fixture & Patterns	42000		<u>By RAJU</u>		277400
Furniture	<u>80000</u>	300000			
<u>To Cash/Bank</u>		24000			
<u>To Partners Capital</u>					
J	47600				
U	<u>23800</u>	71400			
		<u>395400</u>			<u>395400</u>

Dr.

**PARTNER'S CAPITAL ACCOUNT**

Cr.

PARTICULARS	J	U	PARTICULARS	J	U
To Cash/ Bank	30667	15333	By Balance b/d	120000	100000
			By General Reserve	16000	8000
			By Revenue Reserve	5333	2667
To RAJU	158267	119133	By Realisation a/c	47600	23800
	188933	134467		188933	134467

Dr.

**RAJU ACCOUNT**

Cr.

PARTICULARS	AMT	AMT	PARTICULARS	AMT	AMT
To Realisation		277400	By Partners Cap. Ac		
			J	158267	
			U	119133	277400
		277400			277400

Dr.

**CASH/BANK ACCOUNT**

Cr.

PARTICULARS	AMT	AMT	PARTICULARS	AMT	AMT
To Balance b/d		70000	By Realisation		24000
			By Partners Capital		
			J	30667	
			U	15333	46000
		70000			70000

**BALANCE SHEET AS ON 31/10/2018**

LIABILITIES	AMT	AMT	ASSETS	AMT	AMT
<b>Capital</b>			<b>FIXED ASSET</b>		
R	169800		Goodwill	120000	
A	159800		Equipment	24000	
J	158267		Building	220000	
U	119133	607000	Investments	100700	
			Machinery	207700	
Creditors	134000		Furniture & Fixtures	84000	756400
Bills Payable	80000	214000	Debtors	74000	
			Less :- Bad Debts	6000	
				68000	
			Less :- R.D.D.	3400	64600
		821000			821000

Q.3. [B]

**PIECEMEAL DISTRIBUTION OF CASH**

[15 MARKS]

STATEMENT OF EXCESS CAPITAL	3 MARKS
STATEMENT OF DISTRIBUTION OF CASH	12 MARKS

**STATEMENT OF EXCESS CAPITAL**

PARTICULARS	VISHRUTI	SHARVAREE	ISHA
1. Capital Balance	300000	105000	7500
Add: Reserve	36000	24000	12000
Adjusted Capital	336000	129000	19500
2. P.S.R.	3	2	1
3. Unit Value	112000	64500	19500
4. P.C. (L.U.V. * PSR)	58500	39000	19500
5. E.C.	277500	90000	-
6. P.S.R.	3	2	
7. Unit Value	92500	45000	
8. P.C.	135000	90000	
9. U.E.C.	142500	-	

7

## STATEMENT OF DISTRIBUTION OF CASH

PARTICULARS	CASH	TOTAL CLAIM	CREDITORS	B/P	LOAN FROM ISHA	VISHRUTI	SHARVAREE	ISHA
Balance	45000	900000	175000	87500	153000	336000	129000	19500
Less: Paid to Crs. & B/P	45000	45000	30000	15000				
Balance	-	855000	145000	72500	153000	336000	129000	19500
1 <sup>st</sup> Realiation(Net)	144000							
Less: Paid to Crs. & B/P	144000	144000	96000	48000				
Balance	-	711000	49000	24500	153000	336000	129000	19500
2 <sup>nd</sup> Realisation(Net)	573000							
Less: Paid to Crs. & B/P	73500	73500	49000	24500	153000			
Less: Loan from Isha	153000	153000				142500		
Less: Vishruit for UEC	142500	142500				122400	81600	
Less: Vishruti & Sharvaree	204000	204000						
Balance	-	138000	-	-	-	71100	47400	19500
3 <sup>rd</sup> Realisation(Net)	138000							
Less: Vishruti & Sharvaree	21000	21000				12600	8400	
Less: Paid to All partners	117000	117000				58500	39000	19500
No Profit No Loss	-	-	-	-	-	-	-	-

Q.4. [A]

## CONVERSION OF A PARTNERSHIP FIRM INTO A LIMITED COMPANY

[15 MARKS]

## MARKING SCHEME

Calculation of PC	5 Marks
Realisation a/c	4 Marks
Partners Capital a/c	2 Marks
New Company a/c	1 Mark
Bank a/c	1 Mark
Balance Sheet	2 Marks

## CALCULATION OF PURCHASE CONSIDERATION

PARTICULARS	AMOUNT
<b>ASSETS TAKEN OVER AT AGREED VALUE</b>	
Land & Building	560000
Machinery	240000
Furniture & Fixture	20000
Stock	120000
Goodwill	128800
Debtors	374400
Bank	116800
	1560000
<b>LESS :- LIABILITIES AT AGREED VALUE</b>	
Sundry Creditors	360000
	1200000

**REALISATION ACCOUNT**

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
<b>To Sundry Assets a/c</b>		<b>By Sundry Liabilities</b>	
Land & Building	480000	Bills Payable	24000
Machinery	288000	Sundry Creditors	384000
Motor Van	192000		
Furniture & Fixture	40000	<b>By New Company a/c</b>	
Stock	75200	SJA	1200000
Debtors	416000	By Bank a/c	160000
Marketable Securities	96000	<b>By Partners Capital a/c</b>	
To Bank a/c [Exp]	20000	Sherin	192000
To Bank a/c [BP]	24000		
<b>To Partners Capital a/c</b>			
Sherin	131520		
Janesa	131520		
Alba	65760		
	<b>1960000</b>		<b>1960000</b>

**BANK ACCOUNT**

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Balance b/d	116800	By Realisation a/c	20000
To Realisation a/c	160000	By Realisation a/c	24000
		<b>By Partners Capital a/c</b>	
		Sherin	93120
		Janesa	93120
		Alba	46560
	<b>276800</b>		<b>276800</b>

**SJA**

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
To Realisation	1200000	By Equity Shares a/c	1200000

**PARTNERS CAPITAL ACCOUNT**

PARTICULARS	SHERIN			JANESA			ALBA		
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	
To Realisation a/c	192000			480000	448000	272000			
To Bank a/c	93120	93120	46560	38400	38400	19200			
To Equity Shares a/c	364800	524800	310400	131520	131520	65760			
[Bal Figure]	649920	617920	356960	649920	617920	356960			

**BALANCE SHEET OF SJA Ltd**

PARTICULARS	NOTE	AMOUNT
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE HOLDERS FUND</b>		
Share Capital		1200000
Reserves & Surplus		
<b>NON CURRENT LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade Payable - Creditors		360000
<b>TOTAL</b>		<b>1560000</b>



9

<b>ASSETS</b>		
<b>NON CURRENT ASSET</b>		
Land & Building		560000
Machinery		240000
Furniture & Fixture		20000
Goodwill		128800
<b>CURRENT ASSET</b>		
Inventories - Stock		120000
Trade Receivables - Debtors		374400
Cash & Cash Equivalent - Bank		116800
<b>TOTAL</b>		<b>1560000</b>

[15 MARKS]

Q.4. [B]

ACCOUNTING FOR TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS  
NOTE :- 15 MARKS FOR JOURNAL ENTRIES [1.5 MARKS FOR EACH ENTRIES]

**JOURNAL ENTRIES IN THE BOOKS OF SANDYI LTD.**

DATE	PARTICULARS	L.F.	DEBIT(RS.)	CREDIT(RS.)
01.12.2016	Purchases a/c.....Dr. To Stone Ltd. a/c		1,17,00,000	1,17,00,000
01.02.2017	Robert Ltd. a/c .....Dr. To Export Sales a/c		2,17,75,000	2,17,75,000
10.03.2017	Bank a/c .....Dr. To Robert Ltd. a/c To FEF a/c		1,22,40,000	1,20,60,000 1,80,000
20.03.2017	Stone Ltd. a/c .....Dr. To Bank a/c To FEF a/c		68,25,000	67,20,000 1,05,000
31.03.2017	FEF a/c .....Dr. To Stone Ltd a/c		3,00,000	3,00,000
31.03.2017	Robert Ltd. a/c .....Dr. To FEF a/c		2,90,000	2,90,000
31.03.2017	FEF a/c .....Dr. To Profit & Loss a/c		2,75,000	2,75,000
15.04.2017	Bank a/c .....Dr. FEF a/c .....Dr. To Robert Ltd.		97,87,500 2,17,500	1,00,05,000
25.05.2017	Stone Ltd. a/c .....Dr. FEF a/c.....Dr. To Bank a/c		51,75,000 1,50,000	53,25,000
31.03.2018	Profit & Loss a/c .....Dr. To FEF a/c		3,67,500	3,67,500

[15 MARKS]

Q.5. [A] LONG ANSWER

Examiners are requested to exercise their own discretion and allot full marks if the learner has logically justified the answer.

OR

[15 MARKS]

Q.5. [B] SHORT NOTES

Examiners are requested to exercise their own discretion and allot full marks if the learner has logically justified the answer.