

INTERNATIONAL INDIAN SCHOOL-RIYADH**ACCOUNTANCY 2014-2015****GRADE 12****WORKSHEET -3**

1. A, B are partners sharing profits in the ratio of 5:3. Their balance sheet as on 31st December 2013 was as follows

Balance Sheet of A and B

Liabilities		Amount	Assets		Amount
Creditors		20,000	Good will		30,000
Bills Payable		8,000	Building		34,000
General Reserve		28,000	Plant		27,000
Capital			Furniture		4,000
A	80,000	1,20,000	Debtors		32,500
B	40,000		Bill Receivable		15,000
			Stock		22,500
			Bank		11,000
		1,76,000			1,76,000

On the January, 2014, they decided to admit C giving 1/5th share. He brings Rs.50,000 in cash. The partners decide to revalue the assets as follows:

Good will	Rs.50,000	Debtors	Rs. 31,000
Building	Rs.40,000	Bills Receivable	Rs. 12,500
Furniture	Rs. 2,000	Stock	Rs. 32,500
Plant	Rs. 25,000		

The partners decide not to show goodwill account in the new firm. A and B also decided to adjust their capital accounts on the basis of C's Capital by opening current accounts. You are required to show journal entries regarding Goodwill, Revaluation account, Capital account and Balance Sheet of the new firm.

2. P, Q, R were partners sharing profits in the ratio of 3:2:1. Their Balance sheet on 31st December 2011 was as follows;

Balance Sheet 31st December 2011

Liabilities	Amount	Assets	Amount
Sundry Creditors	20,000	Machinery	45,000
Retained Earnings	9,000	Patents	8,000
P's Capital	40,000	Stock	25,000
Q's Capital	30,000	Debtors	20,000
R's Capital	20,000	Goodwill	10,000
		Cash	11,000
	1,19,000		1,19,000

The firm had joint life policy for Rs.60,000 on which premium were paid in all amounting to Rs.25,000. The surrender value of the policy was Rs.90,000 on 31st December 2011. Q retired on the above date upon the following terms:

- Goodwill of the firm be valued at Rs.25,000.
- Machinery be written down by 10%, Patent written up by 25%, a provision of 5% be created on debtors and a provision of 3% on creditors be made.
- Unclaimed liability of Rs.600 is to be written off
- Sale of scraps realized Rs. 300.
- Provision of Rs.982 be made for settling dispute with the former manager.
- Q be paid Rs.7000 by accepting a draft drawn by him payable after 3 months and Rs. 15,000 immediately, which is to be contributed by the other partners in the ratio of their capital.

P and R agreed to share profits in future in the ratio of 3:2 and decided not to keep any account in books in respect of joint policy. Prepare revaluation account, partners capital account and the Balance sheet of the firm after Q's retirement.

3. A, B and C were partners in sharing profit and loss in the ratio of 3:1:1. Their balance sheet as on 31st March 2009 the date on which they dissolve their firm was as follows:

Balance Sheet 31st March 2009

Liabilities	Amount	Assets	Amount
Creditors	6,000	Sundry Assets	17,000
Loan	1,500	Stock	7,800
A's Capital 27,500		Debtors 24,200	
B's Capital 10,000		Less provision for doubtful debts 1,200	23,000
C's Capital 7,000	44,500	Bills Receivable	1,000
		Cash	3,200
	52,000		52,000

It was agreed that:

- a) A to takeover Bills receivable t Rs. 800, debtors amounting to Rs.20,000 at Rs. 17200 and the creditors of Rs. 6000 were to be paid by him at this figure.
 - b) B is to takeover all stock for Rs.7,000 and some sundry assets at Rs.7,200 (being 10% less than the book value).
 - c) C to takeover remaining sundry assets at 90% of the book value and assume the responsibility of discharge of loan together with accrued interest of Rs.300.
 - d) The expenses of the realization were Rs.270/-
- 4.
- i) X limited forfeited 200 shares of Rs.10 each, Rs. 6 called up, issued at a discount of 10% to Mahesh on which he paid Rs.4 per share out of these 120 shares were reissued at Rs.6 per share to Suresh, Rs. 8 paid up.
 - ii) DC Limited purchased assets of Rs.38,0000 from Ram Traders. It issued shares of Rs.100 each fully paid at a discount of 5% in satisfaction of purchase consideration.
 - iii) ABC Company Limited issued 5000 shares at Rs.10 each at a premium of Rs. 2 per share for public subscription, payable at Rs.5 on application and

Rs.7 on allotment (including premium). Rajesh who was allotted 200 shares by the company failed to pay the allotment and his shares were forfeited by the company. 100 out of these forfeited shares were reissued to Brijesh as fully paid up for Rs.8 per share.

5.

A

company invited application for issuing 2,50,000 equity shares of Rs.10 each. The amount was payable as follows:

On Application	Rs.2
On Allotment	Rs.5
On first and final call	Rs.3

Applications for 4,00,000 shares were received and the allotment was made as follows:

Category	Shares Applied	Shares Allotted
I	60,000	50,000
II	1,20,000	75,000
III	2,20,000	1,25,000

All the shares were allotted on pro rata basis and excess application money was adjusted towards some due on allotment. Shakun who belonged to category I and to whom 1000 shares were allotted failed to pay the allotment money. Her shares were forfeited immediately after allotment. Sneha who belonged to Category II and who had applied for 400 shares failed to pay the final call. Her shares were forfeited to pay the final call. Her shares were forfeited after the final call. Out of the forfeited shares all the shares were reissued as fully paid up at the rate of Rs.8 per share. Pass the necessary journal entries in the books of the company.

6.

P

Pass journal entries for the following:

A Shasco Ltd. Issued 5000, 9% debentures of Rs.500 each. Pass journal entries when;

- i) Debentures are issued at 10% Premium and redeemable at par.
- ii) When debentures are issued at a premium of 25% to the vendors at for machinery purchased for Rs.25,00,000

B i) Redeemed 1200, 10% debentures of Rs.75 each by converting in equity shares of 100 each. The equity shares were issued at a discount of 10%.

- ii) Converted 550, 12% debentures at Rs.1000 each in to new 13% debentures of Rs.100 each. The new debentures were issued at a premium of 10%.

7. List the items which are shown under the heading current liabilities as per schedule VI part I of the companies act 1956. L

8. Give the major heading under which the following items will be put as per schedule VI part I of the companies act 1956. G

- | | |
|-----------------------------|---------------------|
| a) Long term investment | b) Provision of tax |
| c) Preliminary expenses | d) Loose tools |
| e) Bill receivable | f) Patents |
| g) Discount issue of shares | h) Sundry creditors |
| i) Unclaimed dividend | j) Motor car |

9. From the following information provided prepare comparative income statement for the period 2011 and 2012. F

	<u>2011</u>	<u>2012</u>
Sales	8,00,000	6,00,000
Gross Profit	40% on sales	50% on sales
Administrative expenses	20% of gross profit	15% of gross profit
Income tax	50%	50%

10. Debtors turn over ration -4 Times

Average debtors	-	Rs.1,80,000
Cash Sales	-	25% of total sales
Gross profit ratio	-	$33\frac{1}{3}\%$

Calculate a) sales b) cost of goods sold

11. Calculate the current ratio from the following information C

Total assets	-	Rs.4,50,000
Fixed assets	-	Rs.2,40,000
Non current investment	-	Rs.1,50,000
Long term liabilities	-	Rs.1,20,000
Share holders fund	-	Rs. 3,00,000

12. From the following information calculate (i) Opening Stock (ii) Liquid Ratio (iii) Operating profit ratio. F

Current assets	-	Rs.1,00,000
Current Liabilities	-	Rs.70,000
Total sales	-	Rs.2,00,000
Cost of Goods sold	-	Rs.1,50,000
Operating Expenses	-	Rs. 20,000
Stock Turnover Ratio	-	5 times

Closing stock is more by Rs.4,000 than opening stock.

13. C

Closing Stock Rs.30,000 Opening stock Rs. 20,000 Sales Rs.1,00,000
Administrative and selling expenses Rs.20,000 Purchases Rs. 70,000

Calculate (i) Gross profit Ratio (ii) Net Profit Ratio (iii) Stock turnover Ratio

14. From the following Balance sheet of XYZ Ltd.as on 31st March 2010 and 31st March 2011 prepare a cash flow statement.

Liabilities	31-03-2010	31-03-2011	Assets	31-03-2010	31-03-2011
EquityShare capital	2,50,000	3,50,000	Patents	50,000	47,500
P/L a/c	1,00,000	1,75,000	Equipment	2,50,000	2,50,000
Bank Loan	50,000	25,000	Investment	2,500	50,000
Proposed Dividend	25,000	35,000	Debtor	40,000	60,000
Provision for tax	15,000	25,000	Stock	25,000	65,000
Creditors	27,500	26,000	Bank	1,00,000	1,50,000
			Cash	--	13,500
	4,67,500	6,36,000		4,67,500	6,36,000

During the year equipment costing Rs. 50,000 was purchased. Loss on sale of equipment amounted to Rs. 6,000. Rs. 9,000 was charged on equipment.

15. X Ltd. Made a profit of Rs. 1,00,000. Calculate cash flow from operating activities.

Depreciation of fixed assets Rs. 20,000, writing of preliminary expenses Rs. 10,000, Loss on sale of furniture Rs.1,000, Provision of taxation Rs. 1,60,000, Transfer to general reserve Rs. 14,000, Profit on sale of machinery Rs. 6,000...

	<u>31-03-2007</u>	<u>31-03-2008</u>
Debtors	24,000	30,000
Creditors	20,000	30,000
Bill Receivables	20,000	17,000
Bill Payables	16,000	12,000

Prepaid expenses

400

600