1. Vinod, Manthan and Dhanraj are partners and sharing profits and losses in the ratio of 3:2:1. To expand the business, they admitted 50 new partners to fulfil the requirement of capital. Is it still a partnership business? Give reason in support of your answer.
2. Vinod and Sampurna share profits and losses in the ratio of 4:3. They admit Karan with 3/7th share, which he gets 2/7th from Vinod and 1/7th from Sampurna. What will the new profit sharing ratio?
3. Vinod Limited invited applications for issuing 20,00,000 Equity Shares of Rs.10 each. The public applied for 17,10,000 shares. Can the company proceed for the allotment of shares? Give reason in support of your answer.
4. Name the asset which we do not transfer in the debit side of Realisation Account but we record it in the credit side of Realisation Account because it brings certain amount of cash against its disposal at the time of dissolution of partnership firm.
5. Pass the necessary journal entry in the books of Vinod Limited when 40,000, 11% Debentures of Rs.100 each are issued as collateral security against the Loan of Rs.32,00,000 taken from HDFC Bank.
6. Vinod, Ramneek and Navrup are partners sharing profits as per the partnership deed 3:2:1. The partnership deed allows interest on capital but there was a loss instead of profit at the end of the year. At what rate interest on capital is to be calculated?
7. Vinod Limited converted its 2,000; 11% Debentures of Rs.100 each into Equity Shares of Rs.10 each. The debentures were issued at a premium of Rs.10 per debentures and the Equity Shares were issued at a premium of Rs.2.50 per share. Give journal entries.
8. The partnership firm of Vinod and Purva was dissolved on 1.3.2013. According to the agreement Vinod had agree to undertake the dissolution work for an agreed remuneration of Rs.4,000 and bear all realisation expenses. Dissolution expenses were Rs.3,000 and the same were paid by the firm. Pass the necessary journal entry for the payment of dissolution expenses.
9. Vinod Limited purchased a running business of Kedia Limited for a sum of Rs.36,00,000 payable by issue of equity shares of Rs.100 each at a premium of Rs.20 per share. The assets and liabilities consisted of the following:
Machinery Rs.7,00,000; Land and Building Rs.12,00,000; Stock Rs.9,00,000 and Creditors Rs.2,00,000.

Give necessary journal entries.

10. On 1st April, 2012, Kamya Ltd. was formed with an authorised capital of Rs. 40,00,000 divided into 4,00,000 equity shares of Rs. 10 each. The company issued prospectus inviting applications for 3,80,000 equity shares. The company received applications for 3,60,000 equity shares. During the first year, Rs. 8 per share were called. Deepti holding 3,000 shares and Divya holding 6,000 shares did not pay first call of Rs. 2 per share. Divya's shares were forfeited after the first call and later on 5,000 of the forfeited shares were re-issued at Rs. 6 per share, Rs. 8 called up.

Show the following :

(a) 'Share Capital' in the Balance Sheet of the company as per revised Schedule III of the Companies Act, 2013.

(b) Also prepare 'Notes to Accounts'.

11. On March 31st, 2016, the balances in the capital accounts of Vinod, Hardik and Anoop after making adjustments for profits and drawings were Rs. 3,20,000, Rs. 2,40,000 and Rs. 1,60,000 respectively. Subsequently, it was discovered that the interest on capital and drawings had been omitted.

- The profit for the year ended on 31st March, 2016 was Rs. 90,000.
- During the year, Vinod and Hardik each withdrew a sum of Rs. 48,000 in equal Instalments in the middle of every month and Anoop withdrew Rs. 60,000.
- The interest on drawings was to be charged @ 5% p.a. and interest on capital was to be allowed @ 10% p.a.
- The profit sharing ratio of the partners was 3 : 2 : 1.

Showing your workings clearly pass the necessary rectifying entry.

12. Vinod, David and Mridul are partners in a trading firm. The firm has a fixed total capital of

Rs.60,000 held equally by all the partners. Under the partnership deed the partners were entitled to:

(a) Vinod and David to a salary of Rs.1,800 and Rs.1,600 per month respectively.

(b) In the event of the death of a partner, Goodwill was to be valued at 2 years purchase of the average profits of the last 3 years.

(c) Profit upto the date of the death based on the profit of the previous year.

(d) Partners were to be charged interest on drawings at 5% p.a. and allowed interest on capitals at 6% p.a.

David died on 1.1.2011. His drawings to the date of death were Rs.2,000 and the interest thereon was Rs.60. The profits for the three years ending 31.3.2008, 2009 and 2010 were Rs.21,200; Rs.3,200 (Dr.) and Rs.9,000 respectively.

Prepare David's Capital Account to calculate the amount to be paid to his executors.

13. Vinod, Divij and Siddarth were partners in a firm sharing profits in the ratio of 3 : 2 : 1. On 30th June, 2014, they decided to dissolve the firm. Following was the Balance Sheet of the firm on that date.

Liabilities	Amount	Assets	Amount
Creditors	50,400	Bank	13,700
Investment Fluctuation fund	10,000	Stock	20,100
Reserve Fund	12,000	Debtors	62,600
Capitals: Vinod	30,000	Investment	16,000
Divij	20,000	Furniture	20,000
Siddarth	10,000		
	1,32,400		1,32,400

The assets were realized and the liabilities were paid off as follows :

(a) Investments were taken over by Vinod for Rs. 18,000.

(b) Stock was taken over by Divij for Rs. 17,500 and furniture was taken over by Siddarth at book value.

(c) Rs. 60,500 were realized from the debtors.

(d) Creditors were settled in full and realization expenses were Rs. 4,500.

Prepare Realisation account, Bank account and Partners' Capital accounts.

14. Vinod, Ayush and Pukhraj were partners in a firm sharing profits in the ratio of 1:2:3. Their Balance Sheet as on 31.3.2015 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	1,00,000	Land	1,00,000
Bills Payable	40,000	Building	1,00,000
Reserve Fund	60,000	Plant	2,00,000
Capitals: Vinod	2,00,000	Stock	80,000
Ayush	1,00,000	Debtors	60,000
Pukhraj	50,000	Bank	10,000
	5,50,000		5,50,000

All partners have decided that reconstitution of partnership is to be done with effect from

1st April, 2015. For this it was agreed that:

(a) Creditors of Rs.12,000 were not likely to be claimed and hence be written off.

(b) Goodwill of the firm be valued at Rs.3,00,000.

(c) Land be revalued at Rs.1,60,000 and building be depreciated by 6%.

Prepare Revaluation Account, Partners Capital Account and new Balance Sheet.

15. Give Journal entries in the following cases:

(a) Vinod Limited converted 550; 11% Debentures of Rs.1,000 each into new 13% Debentures of Rs.100 each. The new debentures were issued at a premium of 10%.

(b) Vinod refrigerators Ltd. had an outstanding balance of Rs. 10,00,000, 11% Debentures of Rs. 100 each redeemable at a premium of 10%. According to the terms of redemption, the company redeemed 10% of these debentures by converting them into 13% preference shares of Rs. 100 each issued at a premium of 10%.

16. Vinod Ltd. had an Authorised capital of Rs. 95,50,000 divided into Equity shares of Rs. 100 each. The company offered 84,000 shares to the public at premium.

The amount was payable as follows :

On Application – Rs. 30 per share

On Allotment – Rs. 40 per share (including premium)

On First & Final call – Rs. 50 per share.

Applications were received for 80,000 shares.

All sums were duly received except the following :

Madan, a holder of 200 shares did not pay allotment and call money.

Mayank, a holder of 400 shares did not pay call money.

The company, forfeited the shares of Madan and Mayank subsequently, the forfeited shares were reissued for Rs. 80 per share fully paid-up. Show the entries for the above transaction in the cash book and Journal of the company.

OR

Complete the following journal entries of issue of 10,000 shares by Vinod Limited and applications were received for the same number.

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	---------------- Dr. To -------------------------- (Being Share application money received @ Rs.1)		?	?
	---------------------------- Dr. To ------------------------------- (Being Application money adjusted)		?	?
	------------------------------- Dr. To -------------------------------- (Being Allotment money due @ Rs.2)		?	?
	-------------------- Dr. To ----------------------------- (Being allotment money received except on 100 shares of Ram)		?	?
	----------------------------------- Dr. To ----------------------------- To ----------------------------- (Being100 shares forfeited)		?	? ?
	------------------------------------- Dr. To ----------------------------- (Being first call money due @ Rs.3)		?	?

	------------------------------------ Dr. To --------------------------------- (Being first call money received except on 150 shares of Mohan)		?	 ?
	---------------------------- Dr. To ---------------------------- To ---------------------------- (Being 150 shares forfeited)		?	 ? ?
	--------------------------------------- Dr. To ------------------------------ (Being second & final call money due)		?	 ?
	----------------------- Dr. To -------------------------- (Being second call money received except on 50 shares from Sohan)		?	 ?
	----------------------------- Dr. To ------------------------------ To ------------------------------ (Being 50 shares forfeited)		?	 ? ?
	------------------------- Dr. ------------------------- Dr. To ------------------------------ (Being 300 forfeited shares re-issued @ Rs.9)		? ?	 ?
	---------------------------------- Dr. To ------------------------------------- (Being balance of share forfeiture account Transferred to capital reserve)		?	 ?

Complete the above given entries

17. Vinod, Mohan and Sohan are partners in a firm sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as at 31st December, 2014 is as under:

Liabilities	Amount	Assets		Amount
Capitals : Vinod	40,000	Cash in hand		18,000
Mohan	40,000	Debtors	25,000	
Sohan	30,000	Less : Provision	3,000	22,000
Creditors	30,000	Stock		18,000
Bills Payable	16,000	Furniture		30,000
General Reserve	12,000	Machinery		70,000
		Goodwill		10,000
	1,68,000			1,68,000

Mohan retired on 1st January, 2015 on the following terms:

(i) Provision for doubtful debts will be raised by Rs.1,000.

(ii) Stock will be depreciated by 10% and Furniture by 5%.

(iii) There is an outstanding claim for damages of Rs.1,100 and it is to be provided for in the books.

(iv) Creditors will be written back by Rs.6,000.

(v) Goodwill of the firm is valued at Rs.22,000, which is not to be shown in the books of new firm.

(vi) Mohan is paid in full with the cash brought in by Vinod and Sohan in such a manner that their capitals are in proportion to their profit sharing ratio of 3:2.

Prepare Revaluation Account, Partners Capital Account and B/S of new firm.

OR

Vinod and Krishna are partners in a firm sharing profits in the ratio of 3:2. Their Balance Sheet as at 31st December, 2015 stood as:

Liabilities	Amount	Assets		Amount
Capitals: Vinod	70,000	Machinery		66,000
Krishna	60,000	Furniture		30,000
General Reserve	20,000	Investment		40,000
Bank Loan	18,000	Stock		46,000
Creditors	72,000	Debtors	38,000	
		Less: Provision	4,000	34,000
		Cash in hand		24,000
	2,40,000			2,40,000

On that date, they admitted Vimanyu into partnership for 1/4th share in the profits on the following terms:

(i) Vimanyu brings capital proportionate to his share. He brings Rs.14,000 in cash as his share of goodwill.

(ii) All debtors are good.

(iii) Depreciate stock by 5% and Furniture by 10%.

(iv) An outstanding bill for repairs Rs.2,000 will be brought in the books.

(v) Half of the investments were to be taken over by Vinod and Krishna in their profit sharing ratio at book value.

(vi) Bank loan is paid off.

(viii) Partners have decided to share future profits in the ratio of 3:3:2.

Prepare necessary accounts and balance sheet of new firm.

18. Vinod Limited is carrying on a Mutual Fund business. The company had invested Rs.18,00,000 in the shares of Alliance Limited and Rs.20,00,000 in the Debentures of MTPC Limited. Company received Rs.60,000 as dividend and Rs.1,60,000 as interest. Find out the Cash Flow from Investing Activities.

19. Give any two transactions which result into outflow of cash.

20. (a) Under which major headings and sub-headings the following items will be shown in the Balance Sheet of a company as per Schedule III, of the Companies Act, 2013.

(i) Securities Premium Reserve

(ii) Cash in hand

(iii) Bank Balance

(iv) Rent Outstanding

(b) State any two advantages of Financial Statement Analysis.

21. Vinod was the Managing Director of Lalit Plastics Ltd. For the last six years the company had been consistently earning good profits. Vinod followed democratic style of leadership. He believed in giving respect to his subordinates by agreeing to their good suggestions. The company also opened a school for girls in the locality and also contributed towards the cleanliness of the locality. Following is the comparative 'Statement of Profit & Loss' of Lalit Plastics Ltd. for the years ended 31st March, 2014 :

Particulars	Note No.	2012-13 (Rs)	2013-14 (Rs)	Absolute Change (Rs)	% Change
Revenue from operations		12,00,000	16,00,000	4,00,000	33.33
Less: Employees benefit expenses		3,00,000	4,00,000	1,00,000	33.33
Profit before tax		9,00,000	12,00,000	3,00,000	33.33
Tax at 40% rate		3,60,000	4,80,000	1,20,000	33.33
Profit after tax		5,40,000	7,20,000	1,80,000	33.33

(a) Calculate Net Profit ratio for the years ending 31st March, 2013 and 2014.

(b) Identify any 2 values which are being communicated to the society.

22. Prepare Common-Size Statement of P/L form the following information of Vinod Limited
as on 31st March 2016:

Revenue from operations (Net sales) ……………………………….…30,00,000

Interest received on investment 50,000

Cost of Material Consumed 10,00,000

Other Expenses 1,50,000

Tax Payable 40%

[4]

23. Following was the Balance Sheet of Vinod Ltd. as on 31st March, 2014 :

	Particular	Note No.	31.3.2014 (Rs)	31.3.2013 (Rs)
I	**Equity and Liabilities**			
1.	**Shareholder's Funds:**			
	a) Share Capital		7,00,000	6,00,000
	b) Reserve and Surplus		2,00,000	1,10,000
2.	**Non-Current Liabilities:**			
	Long-Term Borrowings (Debentures)		3,00,000	2,00,000
3.	**Current Liabilities:**			
	a) Trade Payables		30,000	25,000
	Total		12,30,000	9,35,000
II	**Assets:**			
1.	**Non-Current Assets:**			
	a) Fixed Assets:			
	i. Tangible (Machinery)		11,00,000	8,00,000
2.	**Current Assets:**			
	a) Inventories		70,000	60,000
	b) Trade Receivables		32,000	40,000
	c) Cash and Cash equivalents		28,000	35,000
	Total		12,30,000	9,35,000

Adjustments: During the year a piece of machinery of the book value of Rs.80,000 was sold Rs.65,000. Depreciation provided on tangible assets during the year amounted to Rs.2,00,000. Prepare a Cash Flow Statement.

24. A, B and C are partners sharing profits and losses in the ratio of 5:3:2. C retired and his capital balance after adjustments regarding reserves, accumulated profits/

losses and gain/loss on revaluation was `2,50,000. C was paid `3,00,000 in full settlement. Afterwards D was admitted for 1/4th share. Calculate the amount of goodwill premium brought by D.

25. A and B are partners. The net divisible profit as per Profit and Loss Appropriation A/c is `2,50,000. The total interest on partner's drawing is `4,000. A's salary is `4,000 per quarter and B's salary is `40,000 per annum. Calculate the net profit/loss earned during this year.

26. ABC Ltd. purchased for cancellation its own 5,000, 9% Debentures of `100 each for `95 per debenture. Brokerage charges `15,000 were incurred. Calculate the amount to be transferred to capital reserve

27. When can shares held by a shareholder be forfeited?

28.A and B were partners in a firm. They admitted C as a new partner for 20% share in the profits. After all adjustments regarding general reserve, goodwill, gain or loss on revaluation, the balances in capital accounts of A and B were `3,85,000 and `4,15,000 respectively. C brought proportionate capital so as to give him 20% share in the profits. Calculate the amount of capital to be brought by C.

29.A partnership firm has 50 members. All the partners have agreed to admit Ram and Mohan as new partners. Can Ram and Mohan be admitted? Give reason in support of your answer.

30.Explain with an imaginary example how issue of debenture as collateral security is shown in the balance sheet of a company when it is recorded in the books of accounts.

31.Rekha, Sunita and Teena are partners in a firm sharing profits in the ratio of

3:2:1. Samiksha joins the firm. Rekha surrenders 1/4th of her share; Sunita surrenders 1/3rd of her share and Teena surrenders1/5th of her share in favour of Samiksha. Find the new Profit sharing ratio.

32.King Ltd took over assets of 25,00,000 and liabilities of 6,00,000 of Queen Ltd. King Ltd paid the purchase consideration by issuing 10,000 equity shares of 100each at a premium of 10% and 11,00,000 by a Bank Draft.

Calculate Purchase consideration and pass necessary Journal entries in the books of King Ltd.

33. ABC Ltd was a cloth manufacturing company located in Delhi. Being a socially aware organization they wanted to set up a manufacturing plant in a backward area of Kashmir to provide employment to the local people. On July 17, 2014 a flood had hit the entire state of Jammu & Kashmir causing massive destruction and loss. The company wanted to help the people, so they decided to raise the funds through issuing 50,000 Equity shares of 50 each to set up the plant in the rural area of Kashmir.

34. A, B, C and D were partners sharing profits in the ratio of 1:2:3:4. D retired and his share was acquired by A and B equally. Goodwill was valued at 3 year's purchase of average profits of last 4 years, which were Rs 40,000. General Reserve showed a balance of Rs 1,30,000 and D's Capital in the Balance Sheet was Rs 3,00,000 at the time of D's retirement. You are required to record necessary Journal entries in the books of the firm and prepare D's capital account on his retirement.

35. Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2013 and 2014, Interest on capital has been allowed to partners @ 6% p. a. although there is no provision for interest on capital in the partnership deed. Their fixed capitals were Rs 2,00,000; Rs 1,60,000 and Rs 1,20,000 respectively. During the last two years they had shared the profits as under:

Year	Ratio
31st March 2013	3:2:1
31st March 2014	5:3:2

You are required to give necessary adjusting entry on April 1, 2014.

36. On 31st March 2015 the Balance Sheet of Punit, Rahul and Seema was as follows

Balance Sheet of Punit, Rahul and Seema

As at March 31, 2015

Liabilities		₹	Assets	₹
Capitals:			Buildings	40,000
Punit	60,000		Machinery	60,000
Rahul	50,000		Patents	12,000
Seema	30,000	1,40,000	Stock	20,000
			Cash	42,000
Reserves		20,000		
Creditors		14,000		
		1,74,000		1,74,000

They were sharing Profit and loss in the ratio 5:3:2.

Seema died on October 1, 2015. It was agreed between her executors and the remaining partners that:

i. Goodwill be valued at 2 years' purchase of the average profits of the previous five years, which were: 2010-11: 30,000; 2011-12: 26,000; 2012-13: 24,000; 2013-14: 30,000 and 2014-15: 40,000.

ii. Patents be valued at 16,000; Machinery at 56,000; Buildings at 60,000.

iii. Profit for the year 2015-16 be taken as having been accrued at the same rate as that in the previous year.

iv. Interest on capital be provided at 10% p. a.

v. A sum of 15,500 was paid to her executors immediately.

Prepare Revaluation Account, Seema's Capital Account and Seema's executors Account.

37. Ruchi Ltd issued 42,000, 7% Debentures of 100 each on 1st April, 2011, redeemable at a premium of 8% on 31St March 2015. The Company decided to create required Debenture Redemption Reserve on 31st March 2014. The company invested the funds as required by law in a fixed deposit with State Bank of India on 1st April, 2014 earning interest @10% per annum. Tax was deducted at source by the bank on interest @10% per annum. Pass necessary Journal Entries regarding issue and redemption of debentures.

38. Hema and Garima were partners in a firm sharing profits in the ratio of 3:2 . On March 31, 2015, their

Balance Sheet was as follows:

Balance Sheet of Hema and Garima
as at March 31, 2015

Liabilities		₹	Assets	₹
Creditors		36,000	Bank	40,000
Garima's Husband's Loan		60,000	Debtors	76,000
Hema's Loan		40,000	Stock	2,00,000
Capitals:			Furniture	20,000
Hema	2,00,000		Leasehold Premises	1,00,000
Garima	1,00,000	3,00,000		
		4,36,000		4,36,000

On the above date the firm was dissolved. The various assets were realized and liabilities were settled
as under:

(i) Garima agreed to pay her husband's loan.

(ii) Leasehold Premises realized 1,50,000 and Debtors 2,000 less.

(iii) Half the creditors agreed to accept furniture of the firm as full settlement of their claim and remaining half agreed to accept 5% less.

(iv) 50% Stock was taken over by Hema on cash payment of 90,000 and remaining stock was sold for 94,000.

(v) Realisation expenses of 10,000 were paid by Garima on behalf of firm.

(vi) Pass necessary journal entries for the dissolution of the firm.

39. P and Q were partners in a firm sharing profits in 3; 2 ratio. R was admitted as a new partner for $1/4^{th}$ share in the profits on April 1, 2015. The Balance Sheet of the firm on March 31, 2015 was as follows:

Balance Sheet of P and Q
As at March 31, 2015

Liabilities		₹	Assets	₹
Creditors		20,000	Cash	20,000
General Reserve		16,000	Debtors	18,000
Capitals:			Stock	20,000
P	96,000		Furniture	12,000
Q	68,000	1,64,000	Machinery	40,000
			Buildings	90,000
		2,00,000		2,00,000

The terms of agreement on R's admission were as follows:

a) R brought in cash 60,000 for his capital and 30,000 for his share of goodwill.

b) Building was valued at 1,00,000 and Machinery at 36,000.

c) The capital accounts of P and Q were to be adjusted in the new profit-sharing ratio. Necessary cash was to be brought in or paid off to them as the case may be.

Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of P, Q and R.

OR

Khushboo, Leela and Meena were partners in a firm sharing profits in the ratio of 5:3:2. Their Balance Sheet on March 31, 2015 was as follows:

40.Surya Ltd with a Registered capital of 10,00,000 Equity Shares of 10 each, issued 1,00,000 Equity Shares payable 3 on Application, 2 on Allotment, 3 on First Call and 2 on Second and Final Call.

The amount due on Allotment was duly received except Mr. X holding 6,000 shares. His shares were immediately forfeited. On the first call being made, Mr. Y holding 5,000 Equity shares paid the entire balance on his holding. Second call was not made.

Pass the necessary Journal Entries to record the transactions and Show how the Share Capital will be presented in the Balance Sheet of the Company. Also prepare notes to accounts.

OR

a) Nidhi Ltd. issued 2,000 Shares of 100 each. All the money was received except on 200 shares on which only 90 per share were received. These shares were forfeited and out of the forfeited shares 100 shares were reissued at 80 each as fully paid up. Pass necessary Journl entries for the above transactions and prepare the Forfeited Share Account.

b) Complete the following Journal Entries:

S.No.	Particulars	L.F	Debit ₹	Credit ₹
i.	------------------------ ………………………Dr To--------------------------- To--------------------------- (Being the forfeiture of 1000 shares of ₹ 10 each, ₹8 called up, on which allotment money of ₹2 and First Call of ₹3 has not been received.)		--------	 ----------- -----------
ii.	------------------------………………………Dr To--------------------------- To--------------------------- (Being reissue of 1000 forfeited shares fully paid up at ₹11 per share)		----------	 --------- ---------
iii.	------------------------ …………………Dr To--------------------------- (Being gain on the reissue of shares transferred to capital reserve Account)		-----------	 -----------