Revision Assignment–2013 – 14
Accounts
Test paper-1

1 A and B share profits in the ratio of 5:3. They admit C into firm for a 1/4the share in the profits contributed equally by A and B. on the date of the admission; the balance sheet of the firm was as follows:

Balance sheet (as at ----)

Liabilities	Amount	Assets	Amount
A's capital	30000	Machinery	26000
B's capital	20000	Furniture	16000
Workmen compensation fund	4000	Stock	12000
Bank loan	12000	Debtors	8000
Creditors	2000	Bank	6000
	68000		68000

Terms of C's admission were as follows:

a) C will bring Rs 33000 for his share of capital and necessary amount for his share of goodwill.
b) Goodwill of the firm has been valued at 4 years purchase of the average super profits of the last three years. Average profits of the last three years are Rs 22000, while the normal profits that can be earned with the capital employed are Rs 14000.
c) Furniture is to be appreciated by Rs 6000 and value of stock is to be reduced by Rs 2000.
d) Prepare Revaluation account, partner's capital account and the new balance sheet of the A, B & C.

2 B & C were partners sharing in the ratio of 3:1. On 1-03-2007 their firm was dissolved. On that date B's capital was Rs 120000 and C's capital was Rs 90000. Creditors on that date were Rs 40000 and there was balance of Rs 68000 in general reserve. Cash balance was Rs 10000.
Sundry assets realized Rs 400000 and expenses on dissolution were Rs 15000 which was paid by C.
Prepare Realization Account, Cash Account and Partner's capital Account.

3 A, B & C were carrying partnership business sharing profits in the ratio of 3:2:1 respectively. On 31st December 1996 the balance sheet of the firm stood as follows:

Liabilities	**Amount**	**Assets**	**Amount**
Creditors	13590	Cash	4700
A'S Capital	15000	Debtors	8000
B'S Capital	10000	Stock	11690
C'S Capital	10000	Building	23000
		P&L Account	1200
	48590		**48590**

B retired on the above mentioned date on the following terms:

a) Building is to be appreciated by Rs 7000.
b) Provision for doubtful debts to be made at 5% on debtors.
c) Goodwill of the firm is valued at Rs 18000.
d) Rs 3000 to be paid immediately and the balance in his capital account to be transferred to his loan account.

Prepare Revaluation account, capital account, cash account and the balance sheet after B's retirement.

4 Bharat ltd invited applications for issuing 200000 equity shares of Rs 10 each. The amount was payable as follows:
On Application Rs 3 per share; On Allotment Rs 5 per share; and on First and Final call Rs 2 per share Application Rs 3 per share.
Applications were received for 300000 shares and prorate allotment was made to all the applicants.
Bajaj who was allotted 3000 shares failed to pay the allotment money. His shares were forfeited. Out of these shares 2500 shares were reissued as fully paid up @ Rs 8 per share.Pass journal.

5 A&B is partners sharing profits in the ratio of 3:2 with capital of Rs 50000 and Rs 30000 respectively. Interest on capital is agreed @6% p.a. B is to be allowed an annual salary of Rs 2500. During 1995 the profits of the year prior to calculation of interest on capital but after charging B's salary amounted to Rs 12500. A provision of 5% of this profit is to be made in respect of manager's commission. Prepare an account showing the allocation of profits.

6 From the following information prepare a comparative income statement for the years 2009 and 2010:

Particulars	**31-3-2009**	**31-3-2010**
Revenue from operations (net sales)	500000	800000
Purchase of stock in trade	240000	400000
Employees benefit expenses	160000	240000
Other income	30000	30000
Tax rate @ 50%		

Test paper-2

1 Amit and Vijay started a partnership business on 1^{st} Jan. 2006. Their capital contributions were Rs 200000 and Rs 150000 respectively. The partnership deed provides inter alias that:

a) Interest in capital at 10%p.a.
b) Amit get a salary of Rs 2000 p.m. and Vijay Rs 3000 p.m.
c) Profits are to be shared in the ratio of 3:2.

The profits for the year ended on 31 Dec. 2006 amounted to Rs 216000 before making above appropriations.
Interest on drawings amounted to Rs 2200 and Rs 2500.Prepare profit and loss appropriation account.

2 Tara limited invited application for 100000 equity shares of Rs 10 each issued at 30 % premium payable as follows :
Application Rs 6 per share (including premium)
Allotment Rs 5 per share
Final call Rs 2 per share.
Applications were received for 150000 shares. Application for 10000 shares were rejected and pro-rata allotment was made to the remaining applicants on the following basis:
Applicants for 80000 shares were allotted 60000 shares and
Applicants for 60000 shares were allotted 40000 shares.
X who belonged to first category and was allotted 3000 shares was failed to pay the allotment money and call money.
Y who belonged to second category and was allotted 2000 shares was failed to pay the call money. Their shares were forfeited and reissued @ Rs 8 per share as fully paid up. Pass journal

3 P, Q & R were partners sharing profits in the ratio of 2:3: 5. Om 31^{st} march 2004 their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Creditors	60000	Bank	45000
P's capital	80000	Debtors 40000 Less prov. 5000	35000
Q's capital	70000	Stock	50000
R's capital	60000	Building	140000
Reserve	10000	Profit and loss account	10000
	280000		280000

On the above date R retired from the firm on the following terms:

- Building was to be depreciated by Rs 40000.
- Provision for doubtful debts was to be maintained at 20% on debtors.
- Salary outstanding Rs 5000 were to be recorded and creditors Rs 4000 will not be claimed.
- Goodwill of the firm was valued at Rs 72000 and the same was to be treated without opening goodwill account.
- R was to be paid Rs 15000 in cash through bank and balance was to be transferred to his loan account.
- Capital of the new firm is fixed at Rs 150000 and is to be divided among remaining partners in new profit sharing ration i.e equal. Balance is to be adjusted through cash account.

Prepare revaluation account; partners' capital account and balance sheet.

4 **A,B and C** are partners in a firm .Their balance sheet as on 31-12-01 is given below :

LIABILITIES	**AMOUNT**	**ASSETS**	**AMOUNT**
Creditors	10000	Machinery	20000
General Reserves	10000	Furniture	2500
A' Capital	20000	Stock	10500
B' Capital	15000	Debtors	15000
C' Capital	5000	Investments	12000
	60000		**60000**

B died on 30-06-01.The deed provides that the representatives of the deceased partner shall be entitled to :

a) Capital as appearing on the last balance sheet.
b) Interest on capital @ 10% p.a up to the date of death.
c) His share in profit up to the date of death the basis of average profit of last three years.
d) His share in undistributed profits.
e) Interest on his drawings up to the date of death will be charged at 10%p.a.

Profit of the last three years was Rs 65000, Rs 64000 and Rs 69000. B' drawings up to the date of death amounted to Rs 10000.Prepare B's capital account.

5 PASS JOURNAL:

a) Redeemed its 9000,8% debentures of Rs 100 each by converting it into equity shares of Rs 50 each issued at 10% discount.
b) Issued 5000 6%debentures of Rs 100 each @ Rs 95 redeemable @ Rs 105 each.

Test paper-3

1 Pass journal for the following:

a) 500 shares of Rs 10 each ,issued at a premium of 10 % on which Rs 8 (including premium) was called and Rs 6 (including premium) was paid, have been forfeited .400 of these shares were re-issued as fully paid up for Rs 7.

b) Forfeited 700 shares of Rs 100 each, issued at 30% premium (payable with allotment), on which he had paid only application money of Rs 20 per share. Out of these 400 shares were re-issued as Rs 85 per share as fully paid up.

c) Forfeited 300 shares of Rs 100 each (Rs 75 called up) issued at discount of Rs 5 per share on which he had paid only Rs 30 per share. Of these 200 shares were re-issued as Rs 75 called up for Rs 60 per share.

2 A ,B & C were partners sharing profit & loses in the ratio of 3:2:1 .the balance sheet of the firm on the date of dissolution was as follows :-

LIABILITIES	**AMOUNT**	**ASSSETS**		**AMOUNT**
Sundry Creditors	22000	Cash In Hand		21000
General Reserves	12000	Debtors	20000	
Capital Accounts :-		Less: Provision		
A	70000		(1000)	19000
B	50000	Stock		28000
		Plant and Machinery		34000
C' Capital	14000	Building		60000
	168000			**168000**

Plant was sold for 23420 and Building was sold for 33200, Stock was sold for 20% less than its book value. Bad Debts amounted to Rs 1620.

Furniture was taken over by A for Rs 4500.

Discount of Rs 800 is received from Creditors, .Outstanding Liabilities not provided for amounting to Rs 2500 were also paid. The expenses of Realization amounted to Rs 1200.

Prepare necessary Accounts to close the books of Firm.

3 A,B and C are the partners sharing profit and losses in the ratio of 2:2:1.their balance sheet as on 31-12-2004 was as follows:

BALANCESHEET

Liabilities		**Amount**	**Assets**		**Amount**
Creditors		80000	Cash		30000
			Debtors	120000	
			less:prov	(8000)	112000
Workmen compensation fund			Stock		118000
General reserve		20000			
Capitals: A	300000		Plant And Machinery		150000
B	280000		Land and building		410000
C	160000	740000	Goodwill		20000
		840000			**840000**

They admit Z into partnership for 1/5 share who bring Rs 200000 as his capital and a further Rs 40000 for his share of goodwill. Building is to be appreciated by 20% and machinery depreciated by 10%.Increase provision for doubtful debts to Rs 10000. A liability of Rs 5000 for outstanding expenses has been omitted to be recorded in the books.

Prepare Revaluation Account, Capitals Account And Balance sheet of new firm..

4 A)Pass journal for the following transactions:

a) Issued 8% debentures @ Rs 105 each Redeemable @ Rs 110 each.
b) Issued 8% debentures @ Rs 95 each Redeemable @ Rs 105 each.
c) Issued 8% debentures @ Rs 100 each Redeemable @ Rs 110 each.

(assuming that nominal value of each debentures was Rs 100 each)

B) Purchased machinery for Rs 540000 payable by issuing 9% debentures of Rs 100 each as follows:

- @ Rs 90 each.
- @ Rs 100 each.
- Rs 90000 in cash and balance in the form of fully paid up debentures issued @ Rs 45 each (face value Rs 50 each).

Pass journal.

5 X, Y & Z are partners sharing profits in the ratio of 3:2:1 respectively. From 01-01-2010 they decided to share profits in the ratio of 1:1:1. The partnership deed provides that in the event of any change in profit sharing ratio, the goodwill should be valued at three years purchase of the average of five years profits. The profits of the preceding five years are: 2005-120000; 2006-300000; 2007-340000; 2008-380000; 2009-140000.

Show the working clearly, and pass journal to record the above change.

Test paper-4

01 X, Y & Z were partners sharing profits in the ratio of 7:4:9. Their fixed capitals were Rs 200000, Rs 175000 and Rs 350000. The deed provided for the following:

- Interest on capital @ 9%p.a.
- Salary of Rs 6000 per month to Y.
- Interest on drawings @6%p.a.

During the year ended 31-12-2009 the firm earned a profit of Rs 170000. Interests on drawings were Rs 750, Rs 450 and Rs 1250.Prepare profit and loss appropriation account for the year ended 31-12-2009.

2 X Ltd. Furniture for Rs 99000 from Y Ltd. The payment to Y ltd. Was made by issue of equity shares of Rs 10 each.
Pass journal entries for the above transactions when:
Shares were issued at 10% premium.
Shares were issued at 10% discount.

3 A firm current ratio was 3times whereas its Quick ratio was 1.2 times. If closing inventory was valued at Rs 72000 calculate the value of current assets and liquid assets.

4 Prepare a comparative income statement from the following information:

Particulars	31-03-2008	31-03-2009
Revenue from operations	140% of cogs	150% of cogs
Purchases of stock in trade	150000	250000
Employees benefit expenses	200000	300000
Other expenses	10000	15000
Income tax	40%	40%

5 Tata limited invited application for 75000equity shares of Rs 200 each issued at 5% discount payable as follows :
Application Rs 80 per share; Allotment Rs 60per share and balance on Final call.
Applications were received for 100000 shares. Allotment was made on prorate basis and company received all money except allotment money by Ravi to whom 1500 shares were allotted and his shares were immediately forfeited after allotment.
Afterwards the final call was made. Vishesh the holder of 750 shares failed to pay the call money his shares were also forfeited and all the shares of Ravi and 350 shares were reissued for Rs 180 shares fully paid up.
Pass journal.
OR
XYZ limited invited application for 100000 equity shares of Rs 100 each issued at 20 % premium payable as follows :
Application Rs 30 per share (including premium of Rs10 per share); Allotment Rs 50 per share (including premium of Rs 10per share); 1st call Rs 20 per share and balance on final call.
Applications were received for 130000 shares. Shares were allotted on pro-rata basis to the applicants of 120000 shares.
X to who applied for 1800 shares was failed to pay the allotment and calls hence his shares were forfeited and were reissued for @ Rs 110 per share as fully paid up. Pass journal

6 B & C were partners sharing in the ratio of 3:1. On 1-03-2007 their firm was dissolved. On that date B's capital was Rs 120000 and C's capital was Rs 90000. Creditors on that date were Rs 40000 and there was balance of Rs 68000 in general reserve. Cash balance was Rs 10000.
Sundry assets realized Rs 600000 and expenses on dissolution were Rs 15000 which was borne by C.
Prepare Realization Account, Cash Account and Partner's capital Account.

7 ABC Ltd purchased building worth Rs 140000, Machinery worth Rs 120000 and stock worth Rs 40000 from BLtd. and took over liabilities of Rs 35000 for a purchase consideration of Rs 330000. ABC Ltd paid the purchase consideration by issuing 10% debentures of Rs 100 each at a premium of 10%. pass journal.

8 Zee Ltd purchased an established business at Rs 700000 payable Rs 160000 by band draft and balance by 9% debentures of Rs 10 each issued @ Rs 12 each. Pass journal.

9 ABC Ltd issued secured debentures which are secured against the particular tangible fixed asset. these debentures called fixed charge as they do not allow the company from dealing with mortgaged assets. identify the values involved by issuing secured debentures.

10 On 31-3-2012 Ekta Ltd took loan of Rs 1000000 from PNB for which the company placed with the bank 12000, 10% debentures of Rs 100 each as a collateral security. as per the terms the bank is obliged and bound to immediately release the debentures as soon as the loan is repaid.

a) Identify the value which according to you motivated the PNB to insist the company for issuing debentures as a collateral security against the loan.
b) Pass journal and show the above transactions in companies Balance Sheet.

Test paper-5

1	a) Z Ltd. Issued Rs 2000000, 8% debentures on 01-04-2001 at a premium of 5%. On 31-03-2006 out of these Rs 200000, 8% debentures were redeemed by converting them into equity shares of Rs 100 each issued at par and Rs 500000, 9% debentures were converted into 10% preference shares of Rs 100 each issued at premium of 25%. Pass journal for the redemption of debentures. b) Rohit Ltd. has a balance of Rs 3000000 at the credit of its profit and loss account. Instead of declaring a dividend, it is resolved to utilize the profits to repay its 10% debentures of Rs 2200000 redeemable at 10% premium. pass journal.	

2 A, B &C were partners in a firm sharing profits in the ratio of 5:3:2. On 31-12-2006 their balance sheet was as under:

Liabilities	Amount	Assets	Amount
Creditors	7000	Building	20000
Reserves	10000	Machinery	30000
A capital	30000	Stock	10000
B capital	25000	Patents	6000
C capital	15000	Debtors	8000
		Cash	13000
	87000		87000

B died on 1st July 2006. It was agreed between his executors and the remaining partners:

a) Goodwill of the firm is valued at 2 years purchase of the average profits of the previous 5 years which were 2001–Rs 15000; 2002–Rs 13000; 2003–Rs 12000; 2004 –Rs 15000 and 2005 –Rs 20000.
b) Patent is valued at Rs 8000; machinery is valued at 28000 and building is 30000.
c) Profits for the year 2005-06 are taken as having accrued at the same rate as the previous year. Interest on capital is provided at 10% p.a.
d) A sum of R 4250 was to be paid to his executors immediately.

- Prepare B's capital account and executors account till the time of his death.
- Pass journal also.

3 On 31st December 2005 the balance sheet of A&B who are partners in a firm sharing profits in the ratio of 3:2 was as follows.

Liabilities	Amount	Assets	Amount
A 's capital	10000	Plant	10000
B's capital	8000	Land & building	8000
Reserves	15000	Debtors 12000 Less provision 1000	11000
Workmen comp. fund	5000	Stock	12000
Creditors	12000	Cash	9000
	50000		50000

They agreed to admit C into partnership for 1/5 share of profits on the following terms:

- Provision for doubtful debts would be increased by Rs 2000.
- The value of land and building would be increased to 18000.
- The value of stock would be increased by 4000.
- The liability against workmen compensation fund is determined at 2000.
- C brought in as his share of goodwill Rs 10000 in cash.

C would further bring cash as would make his capital equal to 20% of the total capital of the new firm, after the above revaluation and adjustments are carried out.
Prepare revaluation account, partner's capital account and the balance sheet of the firm after C's admission.

5 Following information is available from the books of XYZ Ltd as on 31-3-2011 and 31-3-2012

Particulars	**31-3-2011**	**31-3-2012**
Revenue from operations	1000000	1500000
Cost of revenue from operations	50% of revenue from sales	60% of revenue from sales
Change in inventory	10% of cost of revenue from sales	5% of cost of revenue from sales
Other income	20% of revenue from sales	20% of revenue from sales
Employees benefits expenses	10% of revenue from sales	15% of revenue from sales

Tax rate is 50%.
You are required to prepare comparative income statement for the year ended on 31-3-2011 and 2012.

6 Sara limited invited application for 100000 equity shares of Rs 20 each issued @ Rs 24 each payable as follows :
Application Rs 8 per share (including premium of Rs 2per share)
Allotment Rs 6 per share (including premium of Rs 2 per share)
First call Rs 4 per share. And balance whenever required.
Applications were received for 150000 shares. Application for 10000 shares were rejected and pro-rata allotment was made to the remaining applicants on the following basis:
Applicants for 80000 shares were allotted 60000 shares and

	Applicants for 60000 shares were allotted 40000 shares. X who belonged to first category and was allotted 1500 shares was failed to pay the allotment money and 1^{st} call therefore his shares were forfeited. Y who belonged to second category and was allotted 1200 shares paid all the money on his shares along with allotment. Pass journal.	
7	X,Y & Z are partners sharing profits in the ratio of 5:4:3. They decided to share future profits equal proportion and for the purpose goodwill of the firm is valued at Rs 48000. pass journal.	
8	P,Q & R are parters sharing profits in the ratio of 5:3:2. Q decided to take retirement. P & R decided to share future profits in the ratio of 1:1. goodwill on the date of retierement is valued at Rs 120000. pass journal.	
9	A & B are partners sharing in the ratio of 7:3. They admit C as new partner for 1/5 share who bring Rs 30000 as his share of capital and Rs 4000 as his share of goodwill in cash. A, B & C decided to share future profits in the ratio of 5:3:2. Pass journal.	
10	X & Y are partners sharing in the ratio of 2:1. They admit Z as new partner for 1/5 share who bring Rs 80000 as his share of capital and Rs 30000 as his share of goodwill in cash. Pass journal.	
11	Ram & Sham were partners sharing profits in the ratio of 3:2. the admit Mohan as a new partner. Ram surrender 1/3 of his share and Sham surrender 1/4 of his share in favour of Mohan. calculate their new profit sharing ratio.	
12	Forfeit 500 shares of Rs 20 each due to the non payment of final call of Rs 4 each. these shares were reissue @ Rs 14 each As fully paid up.	
13	Forfeit 500 shares of Rs 20 each(issued at 10% discount) due to the non payment of final call of Rs 4 each. Out of these 400 shares were reissue @ Rs 15 each as fully paid up. pass journal.	
14	Forfeit 600 shares of Rs 50 each(Rs 42 called up) on which only Rs 12 was paid. Of these 400 shares were reissue @ Rs 35 each Rs 42 paid up. Pass journal.	
15	On 31-07-2010 Zee ltd converted its Rs 8800000, 7% debentures into equity shares of Rs 20 each issued at a premium of Rs 2 per share. pass journal.	
16	On 31-03-2009 Z ltd. held Rs 800000, 9 % debentures due for redemption. on the date the DRR account show a balance of Rs 280000. pass journal.	
17	Balance sheet of X,Y & Z who share profits in their capital ratio as on 31-03-2011 was as follows:	

Liabilities	Amount	Assets	Amount
Creditors	21000	Building	100000
General reserve	20000	Machinery	50000
Provision for doubtful debts	1000	Debtors	20000
A,s capital	80000	Stock	18000
B's capital	40000	Cash in hand	14000
C's capital	40000		
	202000		202000

	On the date B decided to retire on the following terms: Building is appreciated by 20%. Machinery to be depreciated by 20%. Provision for doubtful debts to be increased to 15% of debtors. Goodwill of the firm is valued at Rs 72000 B was paid Rs 10000 in cash and balance transfer to his loan account carry interest @10% p.a. Pass journal	
18	Stock turnover ratio of a firm is 4times. Stock in the beginning was Rs 20000 less than stock at the end. Sales Rs 600000. Gross profit ratio 25%. Current liabilities Rs 60000 and quick ratio 0.75: 1. Calculate current ratio of a company.	
19	State with reason whether the withdraw of cash from bank for office use will result into inflow, outflow or no flow of cash.	
20	Give any one difference between dissolution of firm and reconstitution of firm.	
21	Give the meaning of ' Registered Capital' of a company.	
22	Why do we prepare cash flow statement.	

Test Paper-6

1 Following is the balance sheet of D,G & T on 28-2-2002:

Liabilities	Amount	Assets	Amount
Creditors	50000	Bank	20000
Bills payable	10000	Debtors	30000
G's loan	8000	Stock	20000
R's loan	12000	Furniture	15000
Reserve	20000	Land and building	245000
D's capital	100000	G's capital	20000
T's capital	150000		
	350000		350000

The firm was dissolved on the above date on the following terms:
Debtors realized 28000 and creditors and bills payable were paid at 10% discount.
Stock was taken over by T for 15000 and furniture was sold to N for 12000.
Land building was sold for 280000.
R, s loan was paid by cheque for the same amount.
The firm had a joint life policy of Rs 50000 with surrender value of Rs 10000. The policy was surrender at the same value.
Prepare realization account, bank account and capital accounts.

2 A, B & C were partners in a firm sharing profits in the ratio of 3:2:1. On 28th Feb. 2001 B retired. On the date of his retirement the balance in his capital account was Rs 35000. The other assets and liabilities of the firm on the date were as follows:
Cash 10000; debtors 20000; plant 40000; building 100000; stock 20000 and investment 30000.
The following was agreed between the partners on the retirement of B'S.
Building is appreciated by 20%.
Plant to be depreciated by 10%.
A provision of 5% on debtors to be created for doubtful debts.
Stock was to be valued at 18000 and investment at 35000.
An old photocopier previously written off was sold for Rs 2000.
Partner had to pay 5000 to the family of an employee who died in an accident. B was paid 7500 in cash and the balance in three equal yearly installments with interest @10%p.a. starting from 1-4-2001.
Pass the necessary journal entries to record the above adjustments; prepare revaluation account and B's loan account till it is finally paid. The firm closes its books on 31st march every year.

3
1) The average profits expected of a firm in future are 68000 per year and capital employed in the business by the firm is 350000. The rate of interest expected from capital invested in this class of business is 12%. The remuneration of the partners is estimated to be 8000 for the year. You are required to find out the value of goodwill on the bases of two year's purchase of super profits.
2) P,Q & R have been sharing profits in the ratio of 3:2:1. R wanted that he should share equally in profits with P & Q. he further wants that change in profits sharing ratio should be applicable retrospectively for the last three years. Other partners have no objection to this. The profits for the last three years were Rs 80000, Rs 67000 and Rs 75000. Record the adjustment by mean of journal entry. Give working.
3) A& B are partners in a firm sharing profits in the ratio of 3:2. They admit C into partnership, C paying a premium of Rs 1000 for ¼th share of the profits. A, B &C decided to share future profits in the ratio of 3:3:2. Give journal.

4 Calculate the cash flow from operating activities from the following information:

Profits for the year 2003-04	50000
Transfer to general reserve during the year	10000
Depreciation provided during the year	20000
Profits on sale of furniture	5000
Loss on sale of machinery	10000
Preliminary expenses written off during the year	10000

Particulars	31-03-2003	31-03-2004
Debtors	10000	15000
Bills receivables	7000	5000
Stock	15000	18000
Prepaid expenses	2000	3000
Creditors	20000	18000
Bills payable	15000	25000
Outstanding expenses.	3000	4000

5
a) XYZ limited invited application for 18000 equity shares of Rs 10 each issued at 10 % discount payable as follows : Application Rs 4 per share and balance on allotment.
Applications were received for 27000 shares. Shares were allotted on pro-rata basis. X to whom 900 shares were allotted failed to pay allotment money. His shares were forfeited and reissued @8 per share as fully paid up.

6
a) A company earns gross profits of 20% on cost. Its credit sales are twice its cash sale. If the credit sales are Rs

400000. Calculate the gross profit ratio of the company.

b) From the given information calculate the stock turnover ratio:

Sales 200000; gross profit 25%; opening stock was 1/4th of the value of closing stock. Closing stock ws 20% of sales.

7 L, M & N were partners sharing profits in the ratio of 3;4:5. Their fixed capitals were 400000;500000 and 600000 respectively. The deed provided as follows:

- Interest on capital @6% p.a.
- Salary to N 30000 p.a.
- Interest on drawings @12%p.a.

During the year the firm earned a profit of Rs 270000. L withdrew 10000 on 1-4-2008, M withdrew Rs 12000 on 30-09-2008 and N withdrew 15000 on 31-12-2008.
Prepare profit and loss appropriation account on 31-03-2009.

8 A,B&S partners sharing profits in the ratio of 3:2:5. Their balance sheet on31st march 2003 stood as follows:

Liabilities	Amount	Assets	Amount
Bills payable	12000	Building	21000
Creditors	14000	Cash	12000
Reserves	1200	Bank	13700
A's capital	20000	Debtors	12000
B's capital	12000	Bills receivables	4300
C's capital	8000	Stock	1750
		Investment	13250
	78000		78000

B died on 30th June 2003 and according to the deed of the said partnership her executors are entitled to be paid as under:

- The capital balance along with interest @ 10%p.a.
- Share in general reserve.
- Share in profits till date of death on the basis of the sales for the period. Sales for the period were 120000. The rate of profit during the past three year had been 10% on sales.
- Goodwill is to be calculated by taking twice the amount of profits of the last three years. The profits of the previous years were: 2000-2001 Rs 12000; 2001-2002 Rs 15000 and 2002-2003 Rs 11000.
- Prepare B's capital account and her executors account.
- Pass journal also.

9 Following is the Balance sheet of XYZ. Ltd .as on 31-03-2011 and 31-03-2012:

Particulars	Note No.	31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES			
1) **SHAREHOLDERS FUNDS**			
SHARE CAPITAL		700000	600000
RESERVE AND SURPLUS (PROFIT & LOSS BAL.)		200000	110000
2) NON- CURRENT LIABILITIES			
LONG TERM BORROWINGS		300000	200000
3) CURRENT LIABILITIES			
TRADE PAYABLES		30000	**25000**
TOTAL		**1230000**	**935000**
II. ASSETS			
NON- CURRENT ASSETS			
FIXED ASSETS (TANGIBLE ASSETS)		1100000	800000
CURRENT ASSETS			
INVENTORIES		70000	60000
TRADE RECEIVABLES		32000	40000
CASH AND CASH EQUIVALENTS		28000	**35000**
TOTAL		**1230000**	**935000**

Prepare cash flow statement

Test paper-7

1

- Mohan and Sohan are partners sharing profits in the ratio of 3:2. They admit Karan for $1/5^{th}$ share in the profits of the firm, which he gets equally from Mohan and sohan. Calculate the new profit sharing ratio.
- R& T are partners sharing profits in the ratio of 3:2. S joins the firm. R surrender $1/4^{th}$ of his share and T $1/5^{th}$ of his share in favour of S. find the new profit sharing ratio.
- L & M are partners in a firm, sharing profits in the ratio of 7:3. They admit N for $3/4^{th}$ share of profits, which he takes $2/7^{th}$ from L and $1/7^{th}$ from M. calculate their new profit ratio.
- Suman and poonam were partners in a firm sharing profits in the ratio of 3:2. From 1^{st} April 2006 they decided to change it to 3:1. For this purpose the goodwill of the firm was valued at Rs 120000. Pass journal.

2

A, B &C are partners in a firm on 1-4-2005 their capital stood at Rs 50000; Rs 25000 and Rs 25000 respectively. As per the provisions of the deed:

- C was entitled for a salary of Rs 5000 p.a.
- Partners were entitled to interest on capital at 5%p.a.
- Profits were to be shared in the ratio of partner's capital.

The net profits for the year 2005-06 of Rs 33000 were distributed equally without providing for the above terms.
Pass an adjusting entry to rectify the above error.

3

A and B are partners in a firm sharing profits in the ratio of 3:2. Their balance sheet as on 31-12-2004 stood as under:

Liabilities	Amount	Assets	Amount
A's capital	35000	Machinery	33000
B's capital	30000	Furniture	15000
General reserve	10000	Investment	20000
Bank loan	9000	Stock	23000
Creditors	36000	Debtors 19000 Less prov. 2000	17000
		Cash	12000
	120000		120000

On the date they admit C into partnership for $1/4^{th}$ share in the profits on the following terms:

- C brings capital proportionate to his share. He brings 7000 in cash for his share of goodwill.
- Debtors are all good. Depreciate stock by5% & furniture by 10%.
- An outstanding bill for repair Rs 1000 will be brought in books.
- Half of the investment was to be taken over by A & B in their profit sharing ratio at book value.
- Partners agreed to share future profits in the ratio of 3:3:2.

Prepare revaluation account partners capital account and balance sheet.

4

A, B & C are partners sharing profits in the ratio of 3:2:1. Their balance sheet as on 31^{st} December 2004 is as under.

Liabilities	Amount	Assets	Amount
Creditors	30000	Cash	18000
Bills payable	16000	Debtors 25000 Less prov. 3000	22000
General reserve	12000	Stock	18000
A's capital	40000	Furniture	30000
B's capital	40000	Machinery	80000
C's capital	30000	Goodwill	60000
	168000		168000

B retired on 1^{st} January 2005 on the following terms:

- Provision for doubtful debts will be raised by Rs 1000.
- Stock will be depreciated by 10-% and furniture by 5%.
- There is an outstanding claim for damages of Rs 1100 and it is to be provided for in the books.
- Creditors will be written back by 6000.
- Goodwill of the firm is valued at Rs 24000 and same is not to be shown in the books.

B is paid in full with cash brought in by A & C in such a manner that their capitals are in proportion to their profit sharing ratio of 3:2.
Prepare revaluation account, partner's capital account and the balance sheet of A&C.

5

a) CMC Ltd. Invited applications for issuing 100000 equity shares of Rs 10 each at a premium of Rs 3 per share. The whole amount was payable on application. The issue was over-subscribed by 30000 shares and allotment was made on prorate basis. Pass journal entries in the books of the company.

b) Rohit Ltd. Purchased assets from Rohan & Co. for Rs 350000. A sum of Rs 75000 was paid by means of a bank drafts and for the balance due Rohit Ltd. Issued equity shares of Rs 10 each at a premium of 10%. Journalise the above transactions in the books of a company.

Z Ltd. Invited applications for issuing 40000 equity shares of Rs 50 each at a premium of Rs 10 per share. The amount payable as follows: application Rs 30 per share (including premium) and balance on allotment. Applications for 50000 shares were received. Prorate allotment was made to all the applicants.
Ram to whom 8000 shares were allotted failed to pay allotment money therefore his shares were forfeited and reissued @

	Rs 45 per share as fully paid up. Pass journal.
7	a) Preeti, Nisha and Mona share profits in the ratio of 3:2:1. The net profits of the last three years were 140000; 84000 and 106000 respectively. These profits were by mistake shared equally for all the three years. It is now decided to correct the error. Give the necessary journal entry for the same.

8 Following is the Balance sheet of XYZ. Ltd .as on 31-03-2011 and 31-03-2012:

Particulars	Note No.	31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES			
1) **SHAREHOLDERS FUNDS**			
SHARE CAPITAL		700000	600000
RESERVE AND SURPLUS(PROFIT & LOSS BAL.)		200000	110000
2) NON- CURRENT LIABILITIES			
LONG TERM BORROWINGS(12%debentures)		300000	200000
3) CURRENT LIABILITIES			
TRADE PAYABLES		30000	**25000**
TOTAL		**1230000**	**935000**
II. ASSETS			
NON- CURRENT ASSETS			
FIXED ASSETS (TANGIBLE ASSETS)		1100000	800000
CURRENT ASSETS			
INVENTORIES		70000	60000
TRADE RECEIVABLES		32000	40000
CASH AND CASH EQUIVALENTS		2800	**35000**
TOTAL		**1230000**	**935000**

Additional Information:

During the year fixed asset include machinery costing Rs75000 accumulated depreciation charged Rs 20000 was sold at a loss of Rs 12000.

Depreciation charged on fixed assets amounted Rs 50000.

Prepare cash flow statement.S.

9 A Ltd. has an authorized capital of Rs 2, 00,000 divided into shares of Rs 10 each. Of these, 6,000 shares were issued as fully paid in payment of building purchased from B Ltd.8,000 shares were subscribed for by the public and during the first year Rs 5 per share was called up payable as Rs 2 on application, Re 1 on allotment, Re. 1 on the first call and Re.1 on second call. The amounts received in respect of these shares were as follows:-

On 6,000 Shares	Full amounts called
On 1,250 Shares	Rs 4 per share
On 500 Shares	Rs 3 per share
On 250 Shares	Rs 2 per share

The directors forfeited the 750 shares, on which less than Rs 4 per share had been paid.

Requirement: Give Journal Entries and show the above transactions in company's balance sheet.(including cash transactions).

10 Raj ltd had a profit of Rs 2750000 for the year ended on 31st march 2009 after considering the following :

Depreciation on building depreciation on plant

Goodwill write off Rs 20000

Loss on sale of machinery Rs 12000

Profit on sale of investment Rs 5000

Following was the position of current assets and current liabilities :	**31-03-2009**	**31-03-2008**
Stock	Rs 50000	Rs 87000
Bills receivables	Rs 80000	Rs 60000
Notes payable	Rs 40000	Rs 92000
Bank overdraft	Rs 100000	Rs 58000
Outstanding salary	Rs 150000	Rs 67000
Provision for doubtful debts	Rs 5000	Rs 7000

You are required to calculate cash flow from operating activity.

Test paper-8

1 From the following information below prepare a comparative income statement.

	31st march 2008	31st march 2009
Revenue from operations (Sales)	300000	400000
Cost of material consumed	60% of sales	50% of sales
Employees benefit expenses	20%of gross profit	10%of gross profit
Income tax	50%	50%

2 Following is the Balance sheet of XYZ. Ltd .as on 31-03-2011 and 31-03-2012:

Particulars	Note No.	31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES			
1**) SHAREHOLDERS FUNDS**			
SHARE CAPITAL		700000	600000
RESERVE AND SURPLUS(PROFIT & LOSS BAL.)		200000	110000
2) NON- CURRENT LIABILITIES			
LONG TERM BORROWINGS		300000	200000
3) CURRENT LIABILITIES			
TRADE PAYABLES		30000	**25000**
TOTAL		**1230000**	**935000**
II. ASSETS			
NON- CURRENT ASSETS			
FIXED ASSETS (TANGIBLE ASSETS)		1100000	800000
CURRENT ASSETS			
INVENTORIES		70000	60000
TRADE RECEIVABLES		32000	40000
CASH AND CASH EQUIVALENTS		28000	**35000**
TOTAL		**1230000**	**935000**

Additional information:

During the year a piece of machinery of the book value of Rs 80000 was sold for Rs 65000. Depreciation provided on tangible assets during the year amounted to Rs 200000.

prepare cash flow statement.

3 Usha and Asha are partners in a firm sharing profits in the ratio of 3:2. Their balance sheet on 31st march 2003 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	27000	Cash	24000
General reserve	18000	Debtors 48000 Less provision 4800	43200
Bills payable	5000	Stock	30000
Usha capital	40000	Patent	7400
Asha capital	35000	Building	20000
	125000		125000

Neelam is admitted into the firm for 1/5th share in the profits.

Neelam to bring Rs 30000 as her capital and her goodwill in cash subject to the following terms.

- Goodwill of the firm is valued at Rs 50000.
- Stock to be reduced by 10% and provision for doubtful debts be reduced by Rs 2400.
- Patent are valueless.
- There was a claim against the firm for damages amounting to Rs 2000. The claim has now been accepted.

Prepare revaluation account, partners' capital account and the balance sheet of the new firm.

4
- P, R & S are in partnership sharing profits in the ratio of 4:3:1. It is provided that in the partnership deed that, on the death of any partner, his share of goodwill is to be calculated at the half of the profits credited to his accounts during the previous four completed years.

  R dies on 1st Jan 2005. The firms' profits for the last four years 2001-120000; 2002-80000; 2003-40000 and 2004-80000. Determine the amount that should be credited to R in respect to his share of goodwill.

- X, Y & Z were partners in firm sharing profits in the ratio of 5:3:2. On 15th feb.2002 X dies and the new profit sharing ratio of Y & Z was equal. On X death the goodwill of the firm was valued at Rs 50000.
  Calculate the gaining ratio and pass necessary journal entry on X death for the treatment of goodwill without opening

	goodwill account.	
5	Rohit and Suresh are in partnership, sharing profits in the ratio of 2:3. On march 31st 2005, they agreed to dissolve the business. Pass journal entries at the time of dissolution to record the following: a) Realization expenses amounted to Rs 2000. b) Deferred revenue advertising expenses appeared at Rs 60000. c) P/L Account on the assets side of the balance sheet was Rs 30000. d) An unrecorded assets of Rs 3000 was taken over by Suresh. e) Liabilities amounting to Rs 24000 already transfer to realization account was settled at Rs 22000. f) Loan to Rohit was adjusted through his capital account Rs 15000.	
6	a. New India forfeited 1000 shares of Rs 10 each issued at 10% discount of. The company had called up only Rs 8 per share. Final call of Rs 2 per share has not been made on these shares. These shares were allotted to Ramu, who did not pay the first call of Rs 3 per shares. These shares were reissued at Rs 7 per share as Rs8 paid up.Give journal. b. Forfeited 800 shares of Rs 10 each, (called up only Rs 8 per share). On these shares allotment of Rs 5 per share was not paid. Of these 600 shares were reissued at Rs 7 per share as Rs8 paid up. Give journal. c. Z ltd. Invited applications for 40000 shares of Rs 10 each at a premium of Rs 2 per share. The amount payable as follows: Applications Rs 6 per share(including premium) and balance on allotment. Applications for 50000 shares were received. Prorate allotment was made to all applicants. Ajay to whom 8000 shares were allotted failed to pay the allotment money and his shares were forfeited and later on reissue for Rs 70000 as fully paid up. Pass journal.	
7	a) X ltd has 80000, 8% debentures of Rs 100 each due for redemption on march 31st 2006. Assume that debentures redemption reserve has a balance of Rs 3800000 on that date. Record the necessary journal on redemption. b) A company issued 1000; 15% debentures of Rs 100 each issued at a discount of 5%, redeemable at 10% premium after 5 years. Give journal on issue and on redemption of debentures. c) Issued 5000, 12% debentures of Rs 100 each redeemable at par. d) Issued 2000, 8% debentures of Rs 100 each at 15% premium, redeemable at par. e) Issued 10000, 10% debentures of Rs 100 each at 6% discount, redeemable at 10% premium.	
8	A,B and C are partners in a firm they have omitted interest on capital @ 10% p.a. for three years ended 31st dec 2008. their fixed fixed capitals as on which interest was to be calculated throughout were: 100000;80000;and 70000. Give the necessary journal entry with working notes.	
9	a) X, Y and Z are the partner sharing profits in the ratio of 5:3:2. On 31st march 2008 Z decided to take retirement. On the same date their books shows a credit balance of reserve and surplus account of Rs 40000 and a debit balance of profit and loss account of Rs 10000. On the occasion goodwill of the firm is valued at Rs 60000.Pass journal on Z's retirement.	
10	a) Total sales Rs 600000; gross profit 25% on sales; stock turnover ratio 5times. Closing stock is Rs 12000 more than opening stock. Calculate value of opening and closing stock. b) A business has a current ratio of 3:1 and a quick ratio of 1.8:1. If the working capital is Rs 160000, calculate the amount of current assets and stock. c) Calculate the debt equity ratio from the following information: general reserve 160000; 10% debentures 150000; current liabilities 100000; preliminary expenses 10000 and equity share capital 200000. d) List any three items each shown in the balance sheet of a company under the headings 'Reserve and Surplus' and 'Current Liabilities'.	
11	Pass journal for the following: a) 500 shares of Rs 10 each ,issued at a premium of 10 % on which application of Rs 6 (including premium) was only paid, have been forfeited .400 of these shares were re-issued as fully paid up for Rs 8.50. **b)** Forfeited 800 shares of Rs 100 each, issued at 30% premium (payable with allotment), on which he had paid only application money of Rs 30 per share. Out of these 500 shares were re-issued @ Rs 85 per share as fully paid up. **c)** Forfeited 300 shares of Rs 50 each issued at discount of Rs 5 per share due to the nonpayment of final call of Rs 30 per share. Of these 250 shares were re-issued as Rs 42 per share as fully called up **d)** 700, shares of Rs 100 each issued at 10% premium (payable Rs 6 on application and balance on allotment) on which only application money of Rs 30 per share (including premium) was paid are forfeited. Out of these 500 shares were Re-issued to ram for Rs 55000 as full paid up. Pass journal.	
12		

Test paper- 9

1 Prepare Calculate cash flow statement from the following information:

THE BALANCE SHEET OF SUNDER STEEL LTD. AS ON 31-03-2012 AND 31-03-2013 WERE AS FOLLOWS:

Following is the Balance sheet of XYZ. Ltd .as on 31-03-2011 and 31-03-2012:

Particulars	Note No.	31-03-2013	31-03-2012
I. EQUITY AND LIABILITIES			
1**) SHAREHOLDERS FUNDS**			
SHARE CAPITAL	1	200000	150000
RESERVE AND SURPLUS	2	91000	59500
2) NON- CURRENT LIABILITIES			
LONG TERM BORROWINGS		84000	66500
3) CURRENT LIABILITIES		1750	5950
TRADE PAYABLES		**376750**	**281950**
OTHER CURRENT LIABILITIES			
TOTAL			
II. ASSETS			
NON- CURRENT ASSETS			
FIXED ASSETS	3	285750	199000
TANGIBLE ASSETS	4	7000	----------
INTANGIBLE ASSETS			
CURRENT ASSETS			
INVENTORIES		26250	38500
TRADE RECEIVABLES		50750	35000
CASH AND CASH		7000	**9450**
EQUIVALENTS		**376750**	**281950**
TOTAL			

ADDITIONAL INFORMATION:

during the year depreciation charged on plant and machinery amounted to Rs 12250.

notes to accounts:

	31-03-2013	31-03-2012
Note 1. share capital	200000	150000
NOTE 2. RESERVE AND SURPLUS		
Balance in statement of profit and	56000	35000
loss	24500	175600
General reserve	10500	7000
Securities premium		
NOTE 3.TANGIBLE ASSETS		
Land and building	42000	24500
Plant and machinery	243750	174500
NOTE 4. INTANGIBLE ASSETS		
Goodwill	7000	nil

2 The following balances appeared in plant account and accumulated depreciation account in the books of bharat limited:

	31st march 2005	31st march 2006
Plant	750000	970000
Accumulated depreciation	180000	240000

Additional information- plant costing Rs 145000; accumulated depreciation thereon 70000 were sold for Rs 35000.

Compute the amount of plant purchased, depreciation charged for the year and loss on sale of plant.

Show how each of the items related to plant will be shown in the cash flow statement.

OR

A business has a current ratio 2.5 times and a quick ratio of 1.5 times. If the working capital is Rs 180000, calculate the amount of

	current assets and stock.	
3	1) A Company issued 1000; 15% Debentures of Rs 100 each issued at a discount of Rs 5each, redeemable at 10% premium after 10 years. Give journal entries for issue and redemption. 2) GSS Ltd. Has 5000;8% debentures of Rs 100 each due for redemption o 31st march 2008. Assume that debenture redemption reserve has a balance of Rs 190000 on that date. Record the necessary entries at the time of redemption of debentures. 3) Copeland Ltd. Purchased 5000 of its own debentures of Rs 1000 each at Rs 985 per debentures. It also purchased another lot of 600 debentures @ Rs 986 per debentures for its immediate cancellation. Pass journal.	

4 Following is the balance sheet of a partnership firm:

Liabilities	Amount	Assets	Amount
Creditors	25000	Cash	500
Bills payable	8000	Bank	8000
Mrs. A loan	5000	Sock	5000
Mrs. B loan	10000	Investment	10000
General reserve	10000	Debtors 20000 Less prov 2000	18000
Employees provident fund	5000	Plant	20000
Capital A 10000 B 10000	20000	Building	15000
Investment fluctuation fund	1000	Goodwill	4000
		Profit and loss account	3000
	84000		**84000**

The firm was dissolved on 31st December 2004 on the following terms:

- A promised to pay off his wife loan and took away stock at Rs 4000.
- Assets realized as follows: plant Rs 25000; building Rs 40000; goodwill Rs 6000 and investment 10%less than book value.
- Creditors and bills payable were paid at a discount of Rs 180.
- Bad debts amounted to Rs 1000.
- The old typewriter in the firm writes off completely now realize Rs 300 taken over by A at the same value.
- Expenses on realization were Rs 1000 paid by B.

Prepare realization account, partners capital accounts and cash account.

5 P, Q and R were partners sharing profits in the ratio of 3:2:1. their balance sheet as on 31st march 2010 ,

Liabilities	**Amount**	**Assets**	**Amount**
Creditors	13000	Cash	4700
Bills payable	590	Debtors	8000
P's capital	15000	Stock	11690
Q's capital	10000	Building	23000
R's capital	10000	Profit and loss account	1200
	48590		**48590**

Q retired on the above mentioned date on the following terms:
Value of Building is to be to Rs 30000.
A provision for doubtful debts to be made at 5% on debtors.
Goodwill is to be valued at Rs 18000.
Rs 2800 to be paid to Q immediately and the balance in three equal annual installments along with interest 10%p.a.
Pass journal and prepare Q's loan account till it is finally settled.

6 X, Y and Z are partners started business on 1st jan-2008 with capitals of Rs 300000, Rs 240000 and Rs 180000 respectively. As per the provision of the deed:

- X was to be allowed a remuneration of Rs 30000 p.a. whereas Z is allowed a commission @ 5% on net profit of the firm.
- Interest @10% was to be provided on capital.
- Profits are to be divided in the ratio of 5:3:2.
- On 1st July 2008 y withdrawn Rs 40000 from his capital whereas Z introduced Rs 20000 as additional capital.

For the year ended on 31st December 2008 firm earned a net profit of Rs 240000. Prepare profit and loss appropriation account.

7 Pass journal, on issue and redemption and calculate the requisite amount to be transferred to DRR account in the following:

- Issued 5000, 12% debentures of Rs 100 each redeemable at par after 3 years.
- Issued 2000, 8% debentures of Rs 100 each at 15% premium, redeemable at par after 15 months.
- Issued 10000, 10% debentures of Rs 100 each at 6% discount, redeemable at 10% premium after 5 years.

8 A, B and C are partners in a firm. Their deed provides interest on capital @ 8% whereas interest credited to them for the year ended on 31st march 2005 @ 10%. Their fixed capitals were: Rs100000; Rs 90000; and Rs 80000.
Give the necessary journal entry with working notes.

9 B and C are the partners sharing profit and losses in the ratio of 3:2.their balance sheet as on 31-12-2003 was as follows:

BALANCESHEET

Liabilities	Amount	Assets	Amount
Creditors	38000	Cash	9000
Bills payable	2000	Debtors	40000

	Provision for bad debts 5000 B's Capital 40000 C' s Capital 20000 Stock 16000 General reserve 15000 Plant And Machinery 25000 Land and building 30000 120000 120000 They admit T as a new partner on 01-01-2004 on the following terms: • T should pay Rs 15000 as premium. • He would receive one-sixth share of future profit. • Plant should depreciate by 10% and building should be increased to Rs 35000 • Stock should be reduced by Rs 6000. • Rs 3000 more should be provided for bad debts. • T should bring as capital an amount to 25% of the adjusted capitals of the old partners. Prepare Revaluation account, capitals account and balance sheet of new firm.	
10	1) A, B, and C are the partners with a capital of Rs 200000.30000 and 100000 respectively. A desire that profit should be divided in the ratio of capital contribution. C does not agree. How will you settle the dispute?	
11	Following is the Balance sheet of XYZ. Ltd .as on 31-03-2011 and 31-03-2012:	

Particulars	Note No.	31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES			
1**) SHAREHOLDERS FUNDS**			
SHARE CAPITAL		700000	600000
RESERVE AND SURPLUS(PROFIT & LOSS BAL.)		200000	110000
2) NON- CURRENT LIABILITIES		300000	200000
LONG TERM BORROWINGS			
3) CURRENT LIABILITIES		30000	**25000**
TRADE PAYABLES		**1230000**	**935000**
TOTAL			
II. ASSETS			
NON- CURRENT ASSETS			
FIXED ASSETS (TANGIBLE ASSETS)		1100000	800000
CURRENT ASSETS			
INVENTORIES		70000	60000
TRADE RECEIVABLES		32000	40000
CASH AND CASH EQUIVALENTS		28000	**35000**
TOTAL		**1230000**	**935000**

Prepare comparative balance sheet.

12	Ram ,Sham and Mohan are partners in the firm sharing profits in the ratio of 3:2:1. on 1-4-12 Ram decided to take retirement from the firm and on the date following balances appeared in the books of firm- Goodwill Rs 54000,General Reserve Rs 30000 and P/L Rs 21000. pass journal on retirement.	
13	X, Y and Z are the partner sharing profits in the ratio of 5:3:2. On 31st march 2008 Z decided to take retirement. On the same date their books shows a credit balance of reserve and surplus account of Rs 40000 and a debit balance of profit and loss account of Rs 10000. On the occasion goodwill of the firm is valued at Rs 60000.Pass journal on Z's retirement.	
14	Ram ,Sham and Mohan are partners in the firm sharing profits in the ratio of 3:2:1. on 1-4-12 Ram decided to take retirement from the firm and on the date following balances appeared in the books of firm- Goodwill Rs 45000,General Reserve Rs 15000 and P/L (Debit) Rs 12000. pass journal on retirement.	
15		