

S. No.: 461

BATCH: 2015 - 2017

Reg. No.:

END OF SEMESTER EXAMINATIONS, APRIL / MAY - 2019

ADVANCED ACCOUNTING - II

SUBJECT CODE: 15UAPA15

MAJOR : B.COM (PA)
TIME : 3 HOURSSEMESTER : IV
MAX. MARKS: 75**SECTION - A (10 X 1 = 10)****Answer ALL the questions:**

1. Define partnership.
2. What is a 'Partnership deed'?
3. What is 'Sacrificing ratio'?
4. What do you understand by 'Hidden goodwill'?
5. What is join life policy?
6. What is surrender value?
7. What is Realisation Account?
8. What do you understand by 'Maximum possible loss'?
9. Who is an Insolvent partner?
10. What is meant by piecemeal distribution?

SECTION - B (5 X 4 = 20)**Answer any FIVE questions:**

11. Explain the contents of partnership deed.
12. Balu and Seenu are partner sharing profits and losses equally with capitals of Rs.60,000 and Rs.40,000 respectively. Their drawings during the year are as follows:

	Rs.
Balu's Drawings on: 31.03.1993	1,000
30.04.1993	1,200
01.07.1993	900
01.12.1993	2,800

Seenu drew Rs.400 at end of each month. The deed provides interest on capitals and drawings at 6%. Calculate interest on capitals and drawings. They close the Accounts every year on 31st December.

13. A and B are partners in a business sharing profits in the ratio of 5:3. They decide to admit C into the firm giving him 1/6th share. Calculate the new profit sharing ratio and sacrificing ratio of the partners.
14. The following were the profits earned by Berth and Lam for the past four years.

Year	Rs.
2007	60,000
2008	80,000
2009	1,00,000
2010	1,40,000

You are required to value the goodwill on the basis of 3 years purchase of weighted average profit, assign of 1, 2, 3 and 4 respectively for the four years.

15. Kavi, Pavi and Kiwi are partners sharing profit in the ratio of 3:4:2. Pavi retires and the goodwill of the firm is valued at Rs.32,400. On the date of retirement, goodwill amounting to Rs.40,500 appeared in the books of the firm. Kavi and Kiwi decide to share future profits in the ratio of 5:3. Give journal entries for goodwill.
16. Explain the various methods of treatment of goodwill on the retirement of a partner.
17. A, B and C are partners sharing profits and losses in the ratio of 5:2:3 respectively C became insolvent and was able to contribute only 40 paise in the rupee. Calculate deficiency in C's Capital A/c and how it will be shared by A & B from the following information:

	Rs.
C's Capital balance	6,360 (Dr)
Reserve	4,000
Realisation loss	4,900
A's Capital balance	10,000
B's Capital balance	5,000

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18. What do you understand by Garner vs. Murray rule?

SECTION - C (3 X 15 = 45)

Answer any THREE questions:

19. Describe the methods of readjusting capitals of partners at the time of admission of a new partners.

20. King, Queen and Prince are partners sharing profits in the ratio of 3:2:1. Their Balance Sheet on 31.03.1995 was as follows:

Liabilities	Rs.	Assets	Rs.
General Reserve	6,000	Buildings	20,000
Capital A/c:		Furniture	3,000
King	15,000	Stock	12,000
Queen	10,000	Debtors	15,000
Prince	5,000	Cash	1,000
Creditors	10,000		
Bills payable	5,000		
	51,000		51,000

Queen retires from the firm as on the date on the following terms:

- Building is to be valued at Rs.32,000; Furniture written down by Rs.600; Stock to be reduced by Rs.1,800; a provision of 5% be created on debtors.
- Goodwill is to be valued at 2 years purchase of 3 years profit. The retiring partner's share is to be adjusted in the capital of the continuing partners.
- The amount due to the retired partner is to be paid in three annual installments with 12% interest.
- The profit for the past three years were: Rs.5,000; Rs.6,000; and Rs.7,000 respectively. Give the Revaluation A/c, Capital A/c and the Balance Sheet of the new firm.

21. Ram, Rahim and Suresh share profits in the ratio 3:2:1 on 31.12.1994, their Balance Sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	12,000	Machinery	25,000
General Reserve	3,000	Stock	11,000
Capital:		Debtors	9,500
Ram	20,000	Goodwill	13,000
Rahim	15,000	Cash	1,500
Suresh	10,000		
	60,000		60,000

On the above date, the firm was dissolved. The assets except cash realised Rs.60,000. The Creditors were settled at Rs.11,500. Dissolution expenses amounted to Rs.800. Give necessary ledger A/cs. <http://www.tnstudy.com>

22. X, Y and Z who are equal partners decided to dissolve their firm. The following is their Balance Sheet after the sale of the assets.

Liabilities	Rs.	Assets	Rs.
X's Capital	1,800	Cash	1,500
Y's Capital	1,200	Z's Capital overdrawn	600
		Realisation	900
	3,000		3,000

Z become insolvent and could not pay anything to the firm. Prepare the necessary ledger accounts to close the books of the firm. There was no agreement among the partners.

23. What do you understand by piece meal distribution? Explain the methods of making such distribution.
