

END OF SEMESTER EXAMINATIONS, NOVEMBER – 2017
ADVANCED ACCOUNTING - II
SUBJECT CODE:15UAPA15

MAJOR: B.COM (PA)
TIME : 3 HOURS

SEMESTER : IV
MAX. MARKS: 75

SECTION – A (10 x 1 = 10)

Answer ALL the Questions:

1. A Partner makes drawings of Rs. 2,000 p.m. under the partnership deed. Interest is to be charged at 12% p.a. What is the Interest that should be charged to the partner if the amount was drawn in the beginning of the month?
2. What is gaining ratio?
3. What do you understand by Hidden goodwill?
4. What is Memorandum Revaluation Account?
5. What do you mean by Death of a partner?
6. What is decreasing payment method?
7. What is Dissolution by Notice?
8. Write the Journal Entry for expenses on Dissolution?
9. What is Fixed Capital Method in insolvency of a partner?
10. What is Maximum Loss method?

SECTION – B (5 x 4 = 20)

Answer any FIVE Questions:

11. Explain the Rights & Duties of a partner?
12. Explain the methods of valuating Good will?
13. Explain the objectives of Amalgamation?
14. A Firm earned net profits during the last three years as follows:
I year – Rs. 36,000, II year – Rs. 40,000, III year – Rs. 44,000
The capital investment of the firm is Rs. 1,20,000. A fair return on the capital having regard to the risk involved is 10%. Calculate the value of goodwill on the basis of 3 years purchase of super profit.
15. Bil, Chil, Dhil and Gil are partners sharing profits in the ratio 3:2:3:2. On the retirement of Dhil, Goodwill was valued at Rs. 48,000. Dhil's share of goodwill will be given to her by adjusting it into the capital accounts of Bil, Chil and Gil. Give Journal entry for goodwill when the new profit ratio is 3:1:6.
16. X, Y and Z are partners sharing profits & losses in the ratio 2:1:1. Z dies on 15.3.95. Sales from 1.1.95 to 15.3.95 – Rs. 60,000. Sales for 1994 – Rs. 2,40,000 and Profit for 1994 – Rs. 48,000. Z's share of profit on the basis of turnover to be calculated?
17. Ram, Rahim and Suresh share profits in the ratio 3:2:1 on 31.12.94, their balance sheet was as follows.

Liabilities		Assets	
Creditors	12,000	Land & Buildings	25,000
General Reserve	3,000	Stock in trade	11,000
Capital Ram	20,000	Debtors	9,500
Rahim	15,000	Cash in hand	1,500
Suresh	10,000	Goodwill	13,000
	60,000		60,000

The firm was dissolved. The assets except cash realized Rs. 60,000. The Creditors were settled at Rs. 11,500. Dissolution Expenses Rs. 800. Give Realization A/c.

18. The following balance sheet relates to A, B & C as on 31.12.1985.

Liabilities		Assets	
Sundry Creditors	10,000	Cash at bank	40,000
Capital A	20,000	(Assets Realised)	
B	20,000	C's Capital	4,000
		Deficiency A/C	6,000
	50,000		50,000

A, B & C are equal partners, but 'C' is bankrupt and no amount is realized from his estate. Make final payment prepare partner's capital Accounts (Solvent).

SECTION – C (3 x 15 = 45)

Answer any THREE Questions:

19. What are the adjustments that are necessary to retire a partner from the firm?
 20. Sunil, Devan and Ravi are equal partners in a firm & their Balance sheet as on 31.12.90 is given below:

Liabilities		Assets	
Capital:			
Sunil	15,000	Machinery	43,500
Devan	12,000	Furniture	1,500
Ravi	18,000	Debtors	30,000
Reserve	4,500	Stock	15,000
Creditors	40,500		
	90,000		90,000

Ravi retired on 31.12.90 and assets were revalued as under:
 Machinery Rs. 51,000, Furniture Rs. 1,200, Debtors Rs. 28,500, Stock Rs. 14,700,
 Goodwill of the firm is valued at Rs. 9,000, and Ravi's share of goodwill is to be
 Adjusted to continuing partner's capital accounts. Give journal entries, prepare
 necessary ledger accounts & new balance sheet.

21. The Balance sheet of A & B as on 31.03.2002.

Liabilities	A	B	Assets	A	B
Capital	15,000	20,000	Machinery	7,500	9,000
Creditors	10,000	5,000	Furniture	---	3,500
Bank loan	5,000	---	Stock	10,000	5,000
Bills Payable	---	2,500	Debtors	5,000	10,000
			Buildings	7,500	---
	30,000	27,500		30,000	27,500

They decided to amalgamate their business. The following revaluation were agreed.

- (a) Machinery to be reduced by 10%
- (b) Furniture of 'B' to be appreciated by 5%
- (c) Stock to be depreciated by 10%
- (d) Buildings to be appreciated by 20%

Pass the journal entries in the books of A & B, and also prepare the amalgamated balance sheet.

22. What is Purchase Consideration? Explain the different methods of computing purchase consideration payable to a firm.
23. The following is the balance sheet of X, Y and Z as at 30.12.94.

Liabilities		Assets	
Capital X	75,000	Plant & Machinery	50,000
Y	22,500	Land & Buildings	1,00,000
Z	67,500	Stock	20,000
Y's loan	13,000	Debtors	70,000
Creditors	62,000		
	2,40,000		2,40,000

On the above date, they decided to dissolve the firm and to Repay the amounts due to partners as and when the assets were realized viz.

- I Realisation Rs. 45,000
- II Realisation Rs. 1,09,500
- III Realisation Rs. 70,500

Prepare the statement showing how the distribution should be made.

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