**Q1)**

The trial balance of Arun and Pandit on 31st December, 2011 was under:

|  |  |  |
| --- | --- | --- |
|  | Dr.  Rs. | Cr.  Rs. |
| Stock (1.1.2011)  Purchases  Goodwill  Wages paid (for the year 31.12.2011)  Wages paid (for the year 2010)  Capitals :  Arun  Pandit  Freehold Land  Factory Building  Plant  Motor Vehicles  6% Debentures on ‘X’ ltd (Purchase on 1.1.2011)  Interest received on above  Debitors and Creditors  Salaries  Office Expenses  Manufacturing Expenses  Cash at Bank  Drawings:  Arun  Pandit  Loan 9% ( Taken on 1/7/2011) | 70,000  1,80,000  25,000  15,000    30,000  71,000  48,000  12,000  50,000  90,000  28,000  6,000  18,000  22,500  5,000  6,000  \_\_\_\_\_\_-  6,75,500 | 3,72,000  8,000    80,000  60,000  1,500  1,00,000  6,76,500 |

**Adjustments to be made are:**

1. Depreciate Building by Rs.2500, Plant by Rs.4,000 and Motor Vehicles by Rs.1,500.
2. A provision of 5% is required to be made for doubtful debts.
3. Office Expenses include pre-paid insurance Rs 1,000.
4. Interest on capital and drawings is to be at 6% p.a.
5. Pandit is to get a salary of Rs 1,000 p.m.
6. Unpaid wages Rs 500 and salaries Rs .1,000 outstanding.
7. Stock on 31st December, 2011; was Rs 65,000.
8. Profits are to be shared equally.

Prepare the Final Accounts of the firm assuming that the partners maintain their Capital Accounts as Fluctuating.

**Q2)**

Sanjay, Rajesh and Anand carried on a retail business in partnership. The partnership agreement provides that:

1. The partners are to be credited at the end of each year with salaries of Rs. 10,000 to Sanjay and Rs. 5,000 each to Rajesh and Anand, and with interest at the rate of 9% p.a. on the balance at the credit of their respective accounts at the commencement of the year.
2. No interest to be charged on drawings.
3. After charging salaries and interest on capital, profits and losses are to be divided in the following ratio:

Sanjay 50%, Rajesh 30% and Anand 20%

The Trial Balance of the firm as at 31st December, 2011 was as follows:

|  |  |  |
| --- | --- | --- |
|  | Dr.  Rs | Cr.  Rs |
| Capital Accounts :1.1.2011:  Sanjay  Rajesh  Anand  Current Accounts: 1.1..2011:  Sanjay  Rajesh  Anand  Sales  Trade creditors  Furniture and fittings  Freehold premises (Purchased during the year)  Leasehold Premises  Addition & Alteration to Leasehold Premises (1.1.2011)  Purchases  Stock as on 1.2.2011  Salaries and Wages  Office and Trade expenses  Rent, Rates and Insurance  Professional Charges  Debtors  Provision for Doubtful Debts  Balance at Bank  Drawings :  Sanjay  Rajesh  Anand | 22,000  60,000  45,000  25,000  2,80,000  42,000  64,000  45,200  10,500  3,500  20,600  43,700  17,000  11,000  9,000  6,98,500 | 80,000  50,000  30,000  16,000  12,000  8,000  4,65,000  37,000  500  \_\_\_\_\_\_\_\_  6,98,500 |

**You are given the following additional information:**

1. Stock on 31st December, 2011 was valued at Rs. 36,000.
2. A debtor of Rs.600 is to be written off and provision against the remaining debtors should be 5%.
3. Provide for the following outstanding expenses as on 31st December, 2011.

Office and Trade Expense: Rs.2,400 : Salaries and wages : Rs.6,000.

1. Rates prepaid as on 31st December, 2011 : Rs.2,500.
2. Depreciate Furniture and Fittings by 10%.
3. Professional Charges include Rs. 2,500 Fees paid in respect of the acquisition of the lease hold premises, whose fees are to be capitalized.
4. The cost and the additions alterations to the lease hold premises are to be written off over twenty five years, commencing on 1st January, in the year in which the premises were acquired.

**You are required to prepare:**

1. The Trading and Profit & Loss Account for the year ended 31st March, 2011.
2. The Balance sheet as on that date.
3. Partner’s Current Account.

**Q3)**

Ajit and Bishansing were in partnership in a retail business sharing profit in the proportions of 3:2. As from 1st January, 2011; they admitted Chandu into partnership giving him one –fifth of the profits. Chandu brought in Rs. 20,000 in cash of Rs. 6,000 were considered as being in payment for his share of goodwill and remainder as his capital.

The following Trial Balance was extracted from the books as on 31st December,2011.

|  |  |  |
| --- | --- | --- |
|  | Dr.  Rs. | Cr  Rs. |
| Purchase and Sales  Returns  Reserve for doubtful debts  Sundry Debtors and Creditors  Bills Receivable and Bills Payable  Stock (1st January2011)  Wages  Salaries  Furniture  Alterations to shop  Postage, Insurance and Stationery  Trade Expenses  Rent, Rates and Taxes  Bad Debts  Loan at 5% to Dilip made on 1.2.2011  Prepaid Insurance  Outstanding Wages  Rent accrued but not paid  Capital Accounts( 1.1.2011)  Ajit  Bishansingh  Cash paid by Chandu on 1.1.2011  Current Account :  Ajit  Bishansingh  Chandu  Cash in hand  Total | 1,71,625  5,250  40,200  20,070  39,725  17,175  9,795  5,000  15,500  3,240  2,690  4,200  400  6,000  240  5,000  4,000  2,000  4,400  3,56,550 | 2,62,650  4,125  5200  25,525  11,950  1,200  900  15,000  10,000  20,000  \_\_\_\_\_\_\_  3,56,550 |

You are required to prepare the firm’s Trading and Profit & Loss Account for the year ending 31st December, 2011 and Balance Sheet as on that date having regard to the following information:

1. Stock at the end was Rs.20,000 .
2. Sundry Debtors include item of Rs.300 for goods supplied to Bishansingh & item of Rs. 1,000 due from customer for account of sales, who has become insolvent.
3. Depreciation on Furniture is to be charged at 10% per annum.
4. Reserve for doubtful debts is to be maintained at 5% on the sundry debtors.
5. Goods to the value of Rs.800 have been destroyed by fire and the Insurance Co. has admitted the claim for Rs.600 only.
6. Bills Receivable includes only a dishonoured bill for Rs. 1,100.
7. One –fifth of the alterations to the shop are to be written off.

**Q4)**

Mukesh and Umesh are partners sharing profit 3/4 and 1/4 respectively. On 1st July, 2011; Unmesh joined as 1/6 partner for Rs. 28,000 Capital and Rs. 6,000 premium for goodwill. From 1st July, 2011 each partner is to get salary @ Rs 6,000 p. a. and existing partners guarantee a minimum of Rs.10000 p. a (including profit share and salary) to Unmesh.

The Trial balance for the first year ending on 31st December, 2011 is as given below:

|  |  |  |
| --- | --- | --- |
|  | Dr.  Rs. | Cr.  Rs |
| Captial/Drawings  Mukesh  Umesh  Unmesh  Suspense : Cash paid by Unmesh  Purchases  Salaries(including partners salary upto November)  Furniture(cost)  Motor vehicles  Acquired on 1.1.2011  Acquired on 31.10.2011  Sales(to June Rs.5,00,000)  General Expenses  Debtors/Creditors  Bank | 38,500  21,500  4,000  7,35,000  82,500  32,000  28,100  6,900  33,760  86,900  17,100  10,86,260 | 1,35,000  45,000  34,000  7,50,000  1,22,260  \_\_\_\_\_\_\_\_  10,86,260 |

Sales yielded at Gross Profit of 20% on sales until October .On 31st December, 2011; Stock Rs. 1,33,750.

Accrued expenses Rs. 3,540, payment Rs.800. To be withheld from income tax Rs. 6,300.

(Rs. 2,000 Mukesh, Rs. 1,800 Umesh and Rs.2, 500 Unmesh)

Depreciate Furniture 10%, Vehicles 20% p.a. on cost.

Prepare Trading and Profit & Loss Account and Partners Capital Accounts for the first year.

**Q5)**

Lalchand was carrying on business as a wholesale businessman. He closes his accounts by 31st March every year. Lakhan was his manager on a monthly salary of Rs. 1,500 till 30th September, 2011 and on 1st October, 2011 it was agreed that he will be admitted as a partner with 1/3 share in the Profit and Losses without any salary.

The Trial Balance as on 31st March, 2012 was as follows:

|  |  |  |
| --- | --- | --- |
|  | Dr.  Rs | Cr.  Rs |
| Lalchand ’s Capital  Lalchand’s Drawings  Furniture  Motor car  Stock (1.4.2011)  Debtors  Bank balance  Cash  Purchase (1,00,000 till 30.9.2011)  Sales  Creditors  Salaries  Selling Expenses  Audit Fees  Rent  Rent Advances | 18,000  9,000  15,000  30,000  14,000  15,000  900  2,10,000  15,000  33,000  2,400  6,400  4,000  3,72,700 | 35,000  3,30,000  7,700  \_\_\_\_\_\_\_  3,72,700 |

**Additional Information :**

1. Furniture is to be depreciated at 10% and Motor car at 20%
2. Rent which was Rs.500 p.m. till 30th November, 2011 was increased to Rs.600 p.m. from 1st December, 2011.
3. Sales during the first six months off the year were Rs.1,10,000. Stock on 30th September, 2011 was Rs. 50,000 and on 31st March, 2012 was Rs.20,000.

Prepare Trading and Profit & loss Account in columnar from showing the share of the partners and the Balance Sheet as on 31st March, 2012.

**Q6)**

Following is the Trial Balance of M/s Dilip, Dinesh & Deepak as on 31.12.2011.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Rs. |  | Rs. |
| Drawings  Dilip  Dinesh  Deepak  Purchases  Returns  Stocks(1.1.2011)  Staff Salary  General Expenses  Sundry Expenses  Bad Debts  Carriage  Carriage on sales  Debtors  Bills Receivable  Bank Balance  Cash  Investment  Land & Building  Machinery | 16,000  16,000  16,000  2,08,000  3,200  32,000  36,000  16,000  6,000  2,800  6,000  9,000  1,34,000  4,000  11,200  2,800  20,000  80,000  \_48,000  6,67,000 | Captial Accounts:  Dilip  Dinesh  Deepak  Sales  Returns  RDD  SBI loan  Creditors  Bills Payable  Loan from Friends | 48,000  48,000  48,000  3,68,000  2,400  12,000  27,000  1,02,000  3,600  8,000  \_\_\_\_\_\_\_  6,67,000 |

**On 1st July , 2011 : Dilip expired . Following adjustments are to be considered:**

1. Goodwill to be valued at Rs.1,20,000.
2. Machinery worth Rs.96,000 was purchased on 31st March, 2011 but it was not recorded in the books.
3. Amount due to Deepak should be treated as Mrs. Deepak’s Loan at 20% p.a.
4. Closing stock is valued at Rs.56,000 it cost was Rs.60,000.
5. RDD should be kept at Rs.6,000.
6. Depreciate Machinery by 10% and Building by 15% p.a.
7. 10% interest is to be allowed on partner’s capitals.
8. Each partner should be allowed salary @ Rs. 4,000 p.a.

Prepare Trading and Profit & Loss Account for the year ended 31st December, 2011 and Balance Sheet as on that date.