

Time : 2 ½ hrs.

Q.M.

1110115

Marks : 75



Note: All questions are compulsory with internal choice.
Figure to the right indicates marks.
Use of simple calculator is allowed.

- Q.1. [15]
- A. Fill in the blanks: (Any 8). [08]
- Decision Maker defines effectiveness measure which is combination of _____.
 - In decision making problem there only one _____ and a number of alternatives.
 - In case of pay-off matrix available for decision making then maximize average can be considered as _____.
 - The value at intersection of key column and key row is known as _____.
 - An entities whose values are to be determined from the solution are _____.
 - EOL stands for _____.
 - In case of pay-off table available maximax criterion can be considered as _____.
 - The number of demand centers in transportation problem are _____.
 - The problem of finding optimal allocation of two variables is known as _____.
 - Unutilized capacity of a resource denoted by _____.
- B. Write the following are true or false: (Any 7). [07]
- In the problem of decision making all possible situations are known.
 - Probability of any event may greater than 1.
 - The method of LPP is used to maximize the cost.
 - Key column in simplex method gives an incoming variable for next simplex table.
 - Transportation table does not contain total demand.
 - The problem of finding optimal allocation of two variable is known as assignment problem.
 - NWCR method allocation starts from left corner of transportation table.
 - Maximin is the value which is the minimum of maximum value
 - Maximization is the Hungarian method
 - VAM is more effective method than LCM.

- Q2.
- A. A bag contains 10 white balls and 20 black balls. Two balls are drawn simultaneously from the bag. Find the probability of [08]
- Both black balls
 - No black balls
 - One white and one black ball.
- B. From the following matrix, the elements of which indicate profits. Obtain the decision using the Laplace criterion. [07]

Actions	States of Nature			
	E1	E2	E3	E4
A1	26	26	18	22
A2	22	22	22	22
A3	13	34	18	18
A4	22	30	18	18
A5	18	20	20	18

OR

P.T.O.

- C. Pay-off matrix is given for four strategies S1, S2, S3, S4 and four states of nature N1, N2, N3, N4 (in Rs.). Find optimal decision using EMV criterion for the following data: [07]

Strategies	States of Nature			
	N1	N2	N3	N4
S1	600	600	600	600
S2	300	1200	1200	1200
S3	0	900	1800	1800
S4	-300	600	1500	2400
Probability	0.1	0.4	0.3	0.2

- D. If two fair dice are rolled, find the probability that the sum of the numbers on the uppermost faces of the dice is: [08]
- An even number
 - Divisible by 3
 - Greater than 3.

Q.3

- A. Solve the following linear programming problem graphically :
 Maximize $Z = 8X + 16Y$
 Subject to constraints :
 $X + Y \leq 200$,
 $Y \leq 125$,
 $3X + 6Y \leq 900$ and $X, Y \geq 0$.
- B. M/s BMS Ltd. have three strategy alternatives A1, A2 and A3 to encounter three possible states of nature-low demand, medium demand and high demand. Construct the decision tree for the following pay-off table: [08]

States of Nature	Alternatives			Probability
	A1	A2	A3	
Low Demand	1000	600	0	0.2
Medium Demand	500	200	400	0.5
High demand	-200	400	700	0.3

OR

- C. Solve the following LPP graphically : [07]
 Maximize $Z = 4X + 3Y$
 Subject to constraints:
 $X + Y \leq 50$,
 $X + 2Y \leq 80$
 $3X + 2Y \leq 140$ and $X, Y \geq 0$.
- D. Using simplex method, solve the following linear programming problem: [08]
 Maximize : $Z = 6X - 2Y$
 Subject to constraints :
 $2X - Y \leq 2$
 $X \leq 4$
 $X, Y \geq 0$.

Q4.

- A. A company has choice of launching any one of three variants of detergent - Super, Excel or Ultra. Pay-off table is given below: [08]

States of Nature	Product variant		
	Super	Excel	Ultra
N1	60	50	35
N2	35	40	30
N3	15	25	20
N4	-10	5	10

Find the appropriate decision by using Hurwicz alpha with $\alpha = 0.6$.

- B. A company has three plants A, B, C for which capacities are 7, 10 and 18 units. It has four warehouses P, Q, R, S for which demands are 5, 8, 7 and 15 units. Unit transportation cost is given in Rs.: [07]

Plant	WH			
	P	Q	R	S
A	38	60	100	24
B	140	60	80	120
C	80	20	120	40

Find IFS by using Least Cost Method.

OR

- C. A company has 3 plants A, B and C. It supplies to 4 warehouse W1, W2, W3 and W4. Cost per Unit and demand - supply data is as given below. Find optimal solution by modified distribution method. [07]

WH →	W1	W2	W3	W4	Capacity
Plant ↓					
A	100	300	140	120	500
B	160	140	180	20	600
C	30	174	158	162	400
Demand	200	700	500	100	

- D. A company has 4 machines to do 4 jobs. Each job can be assigned to only one machine. The cost of each job-machine combination is given in the table below in rupees. [08]

Jobs	Machines			
	I	II	III	IV
A	51	77	49	55
B	32	34	59	68
C	37	44	70	54
D	55	55	58	55

Find an optimal assignment which will minimize the cost, using Hungarian method.

- Q 5. Write short note : (Any 3) [15]
- Least corner Method [05]
 - Vogel's Approximation Method [05]
 - Minimax and Maximin Criterion [05]
 - Hungarian Method [05]
 - Terminology Linear Programming [05]

OR

- Q 5. Write short note : (Any 3) [15]
- EOL criterion [05]
 - Regrettable [05]
 - Probabilty with an example [05]
 - EPPI and EVPI [05]
 - Mnimax regret. [05]

Time : 2 ½ hrs.



- a) All questions are compulsory and subjected to internal choice.
b) Each question carry 15 marks.

Q.1. A) Multiple choice question. (Any 8)**(08)**

- The auditor will examine sales invoice for vouching _____.
a) Cash Sales b) Credit sales c) Cash purchase d) Credit purchase
- Arrears of pref. dividend is a _____.
a) Long term liability b) Contingent liability c) Fictitious liability d) Fixed liability
- Goods received notes support entries in
a) Sales book b) Purchase book c) Cash book d) None of above
- The objective of audit of financial statement prepared within a framework of the recognized accounting policies is to _____.
a) Determine true and fair view of financial position only
b) Determine true and fair view of operating results only
c) Determine true and fair view of financial position and operating results
d) None of above
- Materiality is a matter of _____.
a) Professional judgement b) Professional ethics
c) Professional commitment d) None of above
- The first auditor is appointed by _____.
a) Banker b) Shareholders c) Board of directors d) None of above
- The auditor must be _____.
a) Director b) C.A. c) I.C.A.I d) I.C.S
- First duty of the auditor is to _____.
a) Verify b) Investigate c) To detect fraud d) None of the above
- Which of the following statement is not true?
a) Valuation of the asset is the responsibility of the management.
b) The auditor can rely on the certificate issued by an authorized value as to the valuation of the asset in the balance sheet.
c) Auditor should value assets as per GAAP.
d) Valuation is no part of auditor duty.
- Interest and debentures is payable _____.
a) Out of income b) Out of profit c) a & b d) none of above.

Q.1. B) State whether true or false: (Any 7)**(07)**

- Audit or is a watch dog.
- Livestock is a current asset and hence need not be verified.
- AS 14 deals with accounting for investment.
- SA stands for standards of accountancy.
- Unintentional mistake is known as error.
- Materiality is a matter of professional ethics.
- A firm of chartered accountants can be appointed as auditors.

8. The company is punishable in case of any default.
9. The tenure of the auditor is from one AGM to next AGM.
10. Valuation is no part of the auditor's duty.

Q.2 A) Define vouching and the points to be considered in the course of vouching. (15)

OR

Q.2 B) What are the duties of auditor regarding Audit of Payments? (08)

Q.2 C) How will you audit scrap sales? (07)

Q.3 A) What are the general principles regarding verification of assets? (08)

Q.3 B) How will you verify Furniture and Fixtures? (07)

OR

Q.3 C) How will you verify Outstanding Expenses. (08)

Q.3 D) How will you verify Bills Payable. (07)

Q.4 A) Write a brief note on SA 230 (Audit Documentation). (08)

Q.4 B) Write a brief note on SA 570 (Going Concern). (07)

OR

Q.4 C) Write a brief note on SA 200 (Basic Principles of governing audit). (08)

Q.4 D) Write a brief note on SA 320 (Audit Materiality). (07)

Q.5 A) Discuss the qualifications and disqualifications of a company auditor. (15)

OR

Q.5 B) Write short note on: (Any 3) (15)

- i) Verify Goodwill.
- ii) Verify Rent Paid.
- iii) Verify Commission Received.
- iv) Verify Cash in hand.
- v) Removal of Auditor. (S.225)

Best of Luck!

**Q.1. A) Fill in the blanks:- (any 8)****(05)**

1. _____ is a process of choosing right person for the right job.
2. _____ is the power to take decisions.
3. An interview conducted by an organisation for those employees who have put in their resignation papers is called _____.
4. "Management is the art of getting things done through people." This definition on management is stated by _____.
5. _____ communication through grapevine may spread rumours about the organisation and its management.
6. The orders and instructions are initiated by the _____.
7. Effective direction can be achieved through the _____ by involving subordinates in decision -making process.
8. _____ is the first step in selection process.
9. An organisation is _____ when two or more persons are consciously co-ordinated toward a common objective.
10. Planning is the _____ function of management.

Q.1. B) True or False. (any 7)**(07)**

1. There are barriers in effective delegation of authority.
2. Deputation of employees is one of the external sources of recruitment.
3. Planning is future related activity.
4. Effective direction is possible if the managers adopt an appropriate style of leadership
5. The principle of equity implies equality towards employees.
6. The top management requires more technical skills as compared to conceptual skills.
7. Staffing policy of an organisation depends on internal factors only.
8. The actions or decisions of the various persons or departments in the organisation are independent of each other.
9. Responsibility comes into existence only when a person accepts authority.
10. The analysis of internal environment reveals the strengths and weakness fo the organisation.

Q.2. A) Define management. Explain the functions of management.**(15)****OR****Q.2. b) What are steps involved in process of organisation.****(08)****And****Q.2. c) Explain meaning and features of decision manking.****(07)****Q.3. a) What is delegation. Explain the steps in delegation process.****(15)****OR****Q.3. b) Explain the different types of interviews.****(08)**

(P.T.O.)

And

Q.3. c) Explain barriers in Effective communication. (07)

Q.4. a) Write a note on situational leadership style? (08)

Q.4. b) Explain any three bases of departmentation. (07)

OR

Q.4. b) Define organizing and explain Process of Organising. (15)

Q.5. a) Define recruitment. Explain sources of recruitment. (15)

OR

Q.5. b) Short Notes :- (any 3) (15)

- 1) Managerial Skills
- 2) Employment tests
- 3) Elements of planning
- 4) Internal Factors affecting staffing
- 5) Role of Interview.

Best of Luck!



All questions are compulsory.

Figures to the right indicate full marks.

Draw neat labelled diagrams whenever necessary.

Q.1. (A) Select the correct option and rewrite the answer: (Attempt any 8) (08)

1. According to H.O. theory, product price depends upon
 - a) Factor intensity
 - b) Factor abundance
 - c) Factor cost
 - d) All of the above
2. Equity, certainty, economy and elasticity are
 - a) Merits of direct tax
 - b) Demerits of direct tax
 - c) Merits of indirect tax
 - d) Demerits of indirect tax
3. Which one of the following is not a selective method of credit control
 - a) Margin requirement
 - b) Rationing of credit
 - c) Statutory liquidity ratio
 - d) Direct action
4. Black money leads to which inflation?
 - a) cost-push
 - b) demand pull
 - c) creeping
5. Sterilised intervention aims at
 - a) controlling only the exchange rate
 - b) domestic money supply
 - c) both (a) and (b)
6. Hedgers enter forward exchange market to
 - a) cover the risk
 - b) earn profit
 - c) speculate
7. The vehicle currency in India is
 - a) Australian dollar
 - b) Euro
 - c) US\$
8. WTO deals with
 - a) Balance of Payment
 - b) International trade
 - c) International aid
9. Given the money supply, if the demand for money increases the rate of interest will
 - a) fall
 - b) remain same
 - c) rise
10. According to _____ unemployment is due to lack of aggregate demand.
 - a) Keynes
 - b) Adam smith
 - c) J. B. Say

(B) State whether the following statements are true or false and give reasons:

(Attempt Any 07)

(07)

1. In a simple two sector economy aggregate demand consists of only two components.
2. Currency-demand ratio (K) alone determines money multiplier.
3. When there is liquidity trap LM curve is vertical.
4. Redistributive taxation has two functions to perform.
5. Under free float market forces determine exchange rate.
6. Commercial banks participate in the wholesale foreign exchange market.
7. Current account balance records all the receipts and payments for visible and invisible items.
8. Intense demand for imports increase gains from trade.
9. Real GNI refers to GNI at current prices.
10. There are 6 phases in trade cycle.

Q.2 A) Explain Value added method of measurement of National Income. (07)

Q.2 B) Explain Keynes theory of income determination under three sector model. (08)

OR

Q.2 C) Explain PPP Income. (07)

Q.2 D) What are trade cycles? Outline the policies that can be used to control cyclical fluctuations? (08)

Q.3 A) Explain Causes of Inflation. (07)

Q.3 B) Examine Instruments of Monetary control with special reference to Indian Economy. (08)

OR

Q.3 C) Examine agreements of WTO. (07)

Q.3 D) Explain Relative version of PPP. (08)

Q.4 A) Explain Goods market and IS curve.. (07)

Q.4 B) Explain classification of Public expenditure. (08)

OR

Q.4 C) Interest is a reward for parting with liquidity. Critically examine this statement. (07)

Q.4 D) Explain sources of revenue. (08)

Q.5 A) Explain the Evaluation (criticism) of comparative theory. (07)

Q.5 B) Explain spot and forward exchange rate. (08)

OR

Q.5 Short Notes : (Any three) (15)

- a) Gross Domestic Product
- b) Recession
- c) Velocity of money
- d) Transaction motive
- e) Prosperity

Best of Luck!



- N.B.**
1. All questions are compulsory and carry equal marks.
 2. Figures to the right indicate full marks.
 3. Illustrate answer with examples where necessary.
 4. Answer each question on a **new page**.
 5. Always write the full question No. and sub-No, in margin before answering.

Q.1 A Answer any 08 of the 10 stating whether the following are True or False:- (08)

- i) Provisions of Companies Act do not apply to LLP, 2008.
- ii) Partners are agents of another partner in case of LLP.
- iii) In LLP maximum 20 partners can be admitted.
- iv) LLP is an association.
- v) Retirement of LLP partner dissolves the firm.
- vi) In LLP one partner is liable to for the act of another partner.
- vii) All the partners in LLP must be resident in India.
- viii) Ordinary resolution is required for winding up of LLP.
- ix) Winding up of LLP is executed by Central Government.
- x) Registration of LLP optional.

Q.1 B Answer any 07 of the 10 Fill in the blanks with the appropriate words:- (07)

- i) Every single partner is bound to attend _____ (diligently, calmly) to his duty.
- ii) Sharing of profit is _____ (not a conclusive, conclusive) evidence of existence of partnership.
- iii) Publication in the _____ (newspaper, official gazette) is necessary for dissolution of firms irrespective of whether the firm is registered or not.
- iv) Partnership is a _____ (group, individual) effort.
- v) In comparison to sole proprietorship, it may be possible for partnership firm to pool _____ (more, less) resources.
- vi) True test of partnership is _____ (mutual agency, profit sharing).
- vii) It is _____ (not necessary, necessary) to get the partnership registered.
- viii) The partnership firm is a _____ (flexible, rigid) form of business organization.
- ix) In partnership, business risk is _____ (shared, not shared) by all the partners.
- x) Partner is an agent of firm for the purpose of _____ (business, profit) the firm.

Q.2A Under what circumstances can a court dissolve the firm? Explain. (15)

OR

Q.2B When a minor is admitted to the benefits of partnership, what are his rights and liabilities? (15)

P.T.O.

Q.3A State & explain the salient features of LLP. (15)

OR

Q.3B Explain the procedure for incorporation of LLP. (15)

Q.4A What are the provisions regarding safety of workers? (15)

OR

Q.4B What are the main objectives of Factories Act, 1948? (15)

Q.5 Write explanatory notes on any Three: (5 marks each) (15)

5a. Whistle Blowing - Section 31 of LLP.

5b. Partnership Deed.

5c. Designated partners.

5d. Manufacturing process.

5e. Distinguish between LLP and Partnership.

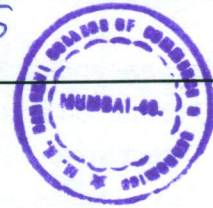
***** **BEST OF LUCK** *****

Time : 2 ½ hrs.

COST A/c

21/9/15

Marks : 75

Note : * All questions are compulsory subject to internal choice.*** Figures to the right indicate full marks.***** Use of simple calculator is allowed.****Q.1 A) Fill in the blanks. (any 8)****(08)**

- 1) Loss on sale of Investment appears only in _____ (Financial/cost) accounts.
- 2) Dividend received appears only in (Financial/cost) accounts .
- 3) Material supplied by the Contractee _____ (is/is not) debited to the Contract account.
- 4) Value of the work certified but not paid is known as _____ money.
- 5) Realizable value of normal Loss is _____ (Debited/Credited) to process account.
- 6) The cost of units of abnormal gain is _____ (Debited/Credited) to the process account.
- 7) Subsidy receivable with respect to any material shall be _____ (added to/ reduced from) cost of materials
- 8) The cost of units of abnormal loss is _____ (debited/credited) to the Process account.
- 9) Dividend received appears only in _____ (Financial/cost) accounts.
- 10) Sales Rs. 1,20,000, Profit 20% on Cost. Profit is Rs. _____ .

Q.1 B) State True or false. (any 7)**(07)**

- 1) Cost of sales = Factory cost + Selling and Distribution overheads
- 2) Administration cost is not included in the cost of Work-in-progress .
- 3) Overheads include only fixed cost.
- 4) Secondary packaging cost is not production but distribution cost.
- 5) The sale price of material for a contract is credited to the Contract account.
- 6) Cost of normal wastage of materials is debited to the Contract account.
- 7) In Contract costing ,the work- in-progress does not included uncertified work.
- 8) In contract costing, the percentage of price not paid by the contractee is known as margin money.
- 9) Cost are accumulated by time period in a process costing system.
- 10) The cost of good units is reduced by the abnormal gain in process costing.

Q.2 A)

Trading and Profit and Loss Accounts of MK & Co.

(15)

Dr.	For the Year Ended 31st March 2013.		Cr.
Particulars	Particulars	Particulars	Particulars
To Materials Consumed	3,75,000	By Sales (15,000units)	15,00,000
To Direct Wages	2,25,000		
To Factory Overheads	3,00,000		
To Gross Profit c/d	6,00,000		
	15,00,000		15,00,000
To Office Rent	90,000	By Gross Profit b/d	6,00,000
To General Expenses	75,000	By Dividend Received	13,500
To Management Expenses	60,000	By Interest on Investment	6,500
To Goodwill w/off	22,500		
To Advertisement	1,31,250		
To Salesmen Commission	1,50,000		
To Interest on Loan	14,500		
To Net Profit c/d	76,750		
	6,20,000		6,20,000

(P.T.O.)

For the year ending 31st March, 2014 following estimates have been made :

- Production and sales units will be doubled.
- Direct material cost per unit will rise by 20%.
- Direct wages per unit will increase by 40%.
- Of the factory overheads, ₹ 1,50,000 are Fixed and would remain at the same level but variable thereof would be in same proportion to direct wages as in 2012-13.
- Total office and administrative overheads would increase by 40%.
- Selling and Distribution overheads per unit will increase by 20%.
- Selling price per unit would rise by 10%.

You are require to prepare :

- Cost Sheet for the year ended 31st March, 2013 showing cost per unit and total cost and
- Projected cost sheet for the year ending 31st March, 2014 showing cost per unit and total cost.

OR

Q.2 b) KT manufacturing company gives you the following particulars for the year 2014.

Production and sales during the year was 10,000 units.

(15)

Particulars	₹
Materials	2,50,000
Direct Wages	1,50,000
Administrative overhead (fixed)	1,00,000
Sales	12,00,000
Profit	2,50,000
Factory Overheads :-	
Fixed	1,00,000
Variable	2,00,000
Selling and Distribution Overheads :-	
Fixed	60,000
Variable	90,000

The company has worked to its maximum capacity of 10,000 units during 2014. The management has decided to increase production capacity to 15,000 units for the year 2015 and it is estimated that :

- There will be allround rise in all variables expenditure by 10%.
- There will be increase of 20% in all fixed overheads.
- There will be no need to change the selling price for the year 2015.

Prepare a statement showing total as well as unit cost and profit for 2014. Also prepare a statement showing estimated profit for 2015 taking into consideration the changes in 2015

Q.3 a) Siddesh Construction company has undertaken three contracts during the year and the following particulars are available as on 31-12-2013.

Particulars	Contract		
	A ₹	B ₹	C ₹
Contract Price	10,00,000	25,00,000	7,50,000
Material issued to Contract	1,65,200	2,24,500	1,89,600
Labour	1,02,800	1,26,500	1,75,500
Sub-contract charges	72,800	65,900	28,500
Supervision charges	12,000	18,000	15,000
Architect fees	10,000	15,000	25,000
Insurance charges	3,000	6,100	7,400
work Certified	4,00,000	5,00,000	5,00,000
Work Uncertified	35,000	40,000	25,000
Amount received from contractee	3,20,000	4,50,000	3,75,000
Closing stock of Material	9,000	10,000	20,000

All contracts were commenced during the current year. Total Depreciation on plants amounted to ₹ 11,200 and allocate the same to all contracts in the ratio of work certified.

Prepare Contract Accounts. Show the calculation of profit transferred to Profit and Loss Account.

OR

Q.3 b) A Firm's Trading and Profit and Loss Account is as follows :

(15)

Particulars	₹	Particulars	₹
Purchase	37,815	Sales 75,000 Units	
Less: Closing Stock	6,120	@ ₹ 1.50 each	1,12,500
Wages [Direct]	15,750	Profit on Sale of Machinery	3,900
Works Expenses	18,195		
Selling Expenses	10,650		
Administration Expenses	8,010		
Depreciation	1,650		
Net Profit	30,450		
	<u>1,16,400</u>		<u>1,16,400</u>

The Profit as per Cost Accounts was ₹ 29,655. Prepare Reconciliation Statement to reconcile Cost Profit with Financial Profits. Further information as per Cost Accounts:

- Closing Stock was taken at ₹ 6,420.
- The Works Expenses were taken at 100% of Direct Wages.
- Selling and Administration Expenses were charged at 10% of sales and at ₹ 0.10 per unit respectively.
- Depreciation was taken at ₹ 1,200.

Q.4 a) Y Ltd. manufactures a chemical product which passes through three processes. The cost records show the following particulars for the year ended 30th June, 2013.

Input to I process 20,000 units @ ₹ 28 per unit.

Particulars	Process I	Process II	Process III
	₹	₹	₹
Materials -----	48,620	1,08,259	1,03,345
Labour -----	32,865	84,553	77,180
Expenses -----	2,515	10,588	16,275
Normal Loss -----	20%	15%	10%
Scrap value per unit -----	1	2	3
Actual Output (Units) -----	18,000	16,000	15,000

Prepare Process Accounts, Abnormal Gain/Loss Account. Also show process cost per unit for each process.

OR

Q.4 b) From the following details of KT & Co. compute profit as per Profit & Loss A/c as well as, as per cost sheet and reconcile profit between cost sheet and Profit & Loss A/c showing clearly the reasons for the variation of the two profit figures. **(15)**

Particulars	₹
Sales -----	20,000
Purchase of material -----	3,000
Closing Stock of material -----	500
Direct Wages -----	1,000
Indirect Wages -----	500
Indirect Factory Expenses -----	2,000
Bad Debts -----	100
Interest on Overdraft -----	50
Profit on sale of Assets -----	1,000
Selling Expenses -----	2,000
Distribution Expenses -----	1,000

in cost sheet manufacturing overheads are recovered at 300% of direct wages, selling overheads at ₹ 1,500 and distribution overheads at ₹ 700.

Q.5 a) Explain classification of cost on the basis of nature of production. **(07)**

Q.5 b) Give guidelines for CAS-4 (Cost Accounting Standard) issued by the ICWA. **(08)**

OR

Q.5 c) Write Short Notes on : (Any 3) **(15)**

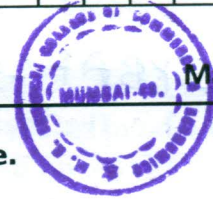
- 1) Packing Material Costs (CAS-9)
- 2) Reasons for difference in Cost A/c. & Financial A/c.
- 3) Methods of Valuation of Stocks.
- 4) Retention Money.
- 5) Meaning and Advantages of Process Costing.

Best of Luck!

Time : 2 ½ hrs.

F.A.

16/9/15



Marks : 75

Note : All questions are compulsory, subject to internal choice.
 Each questions carry 15 marks.
 Use of simple calculator is allowed.

Q.1. A) State True or False. (Any 8)**(08)**

- 1) Partnership is non-trading concern.
- 2) Interest on drawings is an income to the partnership firm.
- 3) Partners always share profits equally.
- 4) Partners are allowed 12% interest on capital in absence of contract to the contrary.
- 5) In piecemeal distribution, the amounts realised from the assets are used to pay first outside loans and then the realization expenses.
- 6) Piecemeal distribution means division of physical assets in pieces among the partners.
- 7) If any unrecorded asset is taken over by a partner on amalgamation, that Partner's Capital account is debited for the value of such assets.
- 8) Gains and losses on Realisation in an amalgamation are divided equally among partners.
- 9) On sale of firm to a company, cash and bank accounts are transferred to the Realisation A/c, even if not taken over by the company.
- 10) Conversion of firm into company does not involve dissolution of firm.

Q.1.B) Fill in the blanks. (Any 7)**(07)**

- 1) If fixed capital method is adopted, net profit is transferred to _____ account.
- 2) The liability of partners in a firm is _____.
- 3) The withdrawals by a partner of personal use from the firm is _____ to his account.
- 4) Bank loan obtained by hypothecation of machinery is treated as _____ creditors.
- 5) The purchase consideration payable by the new firm is _____ to the new firm's account in the books of the old firm, on amalgamation.
- 6) On amalgamation, fictitious assets of vendor firm are transferred to _____ Account(s)
- 7) Purchase Consideration is the amount payable by the _____ firm to the _____ firm for taking over its business.
- 8) On amalgamation, expenses on dissolution of vendor firm paid by purchasing firm are debited to _____ account in the books of purchasing firm.
- 9) Payment made in advance is shown on _____ side of balance sheet.
- 10) The Indian Partnership Act is in force since _____.

P.T.O.

Q.2.A) The Trial Balance of Arun and Pandit on 31st December, 2007 was as under: **(15)**

	Debit Rs.	Credit Rs.
Stock (1.1.2007)	70,000	
Purchases and Sales	1,80,000	3,72,000
Goodwill	25,000	
Wages paid (for the year 31.12.2007)	15,000	
Wages unpaid (for the year 2006)	-----	8,000
<u>Capitals :</u>	-----	-----
Arun		80,000
Pandit		60,000
Freehold Land	30,000	
Factory Building	71,000	
Plant	48,000	
Motor Vehicles	12,000	
6% debentures in X Ltd (Purchase on 1.1.2007)	50,000	
Interest received on above	-----	1,500
Debtors and Creditors	90,000	55,000
Salaries	28,000	
Office expenses	6,000	
Manufacturing expenses	18,000	
Cash at Bank	22,500	
<u>Drawings :</u>	-----	
Arun	5,000	
Pandit	6,000	
Loan 9% (taken on 1.7.2007)		1,00,000
Total	6,76,500	6,76,500

Adjustments to be made are :

- 1) Depreciate building by Rs. 2,500, 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 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, 2007 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. Prepare Trading a/c, Profit & Loss a/c, Profit & Loss appropriation A/c, Partner's Capital A/c and Balance sheet of Arun and Pandit.

OR

Q.2.B) Ram and Kriti were in partnership in a retail business sharing profits in proportion of 3:2. As from 1st January 2013 they admitted Vikram into partnership giving him one-fifth of the profits. Vikram brought in Rs.20,000 in cash of which Rs.6,000 were considered as being in payment for his share of goodwill and remainder as his capital.

The following Trial Balance has extracted from the books as on 31st December, 2013:

Particulars	Dr. (₹)	Cr. (₹)
Purchases and Sales	1,71,625	2,62,650
Returns	5,250	4,125
Customers and Creditors	40,200	25,525
Bills Receivable and Bills Payable	20,070	11,950
Carriage inward	15,000	-
Carriage outward	2,175	-
Stock (01-01-2013)	39,725	-
Reserve for doubtful debts	-	5,200
Outstanding Carriage Inward	-	1,200
Bad debts	400	-
Salaries	9,795	-
Furniture	5,000	-
Shop	15,500	-
Postage and Insurance	3,240	-
Trade Expense	2,690	-
Rent, Rates and Taxes	4,200	-
Loan to Vishnu (from 01-08-2013)	6,000	-
Prepaid Insurance	240	-
Rent accrued but not paid	-	900
Cash in hand	4,440	-
Current Accounts :		
Ram	5,000	-
Kirti	4,000	-
Vikram	2,000	-
Capital Accounts :		
Ram	-	15,000
Kirti	-	10,000
Cash paid by Vikram	-	20,000
Computer	30,000	-
Professional Charges	4,450	-
Loan from I.C.I.C.I. Bank	-	34,450
	3,91,000	3,91,000

You are required to prepare the firms. Trading and Profit and Loss Accounts for the year ending 31st December, 2013 and Balance Sheet as on that date having regard to the following information.

- 1) Stock at the end was ₹20,000/-
- 2) Depreciation on computer and furniture is to be charges at 10% per annum.
- 3) One fifth of the shop are to be written off.
- 4) Goods worth ₹ 800 have been destroyed by fire and Insurance Co. has admitted the claim for ₹600 only.
- 5) Bills receivable include a dishonored bill for ₹1,100/- due from customer on account of sales, who has been insolvent.
- 6) Reserve for Doubtful debts is to be maintained at 5% on debtors.

Q.3.A) Patel, Shah and Desai dissolve their firm on 31st December, 2007 when their Balance Sheet stood as under : (15)

Balance Sheet

Liabilities	Rs.	Assets	Rs.
<u>Capital A/c :</u>		Fixed Assets	1,60,000
Patel 30,000		Cash Balance	20,000
Shah 40,000		Deferred Advt. Exp.	20,000
Desai <u>50,000</u>	1,20,000		
General Reserve	20,000		
Creditors	60,000		
Total	2,00,000	Total	2,00,000

The fixed assets were sold on 31st January, 2008 ; 28th February, 2008 and 15th March, 2008 realising Rs. 20,000 ; Rs. 30,000 and Rs. 1,05,000 respectively. The partners shared profits in the ratio of 2:3:5

Show statement of Piecemeal Distribution of Cash and Statement of Excess Capital.

Q.3.B) G traders and H traders were partnership firms and they decided to amalgamate. The Balance Sheet were as under as on 31st December, 2007. (15)

Liabilities	G traders	H traders	Assets	G traders	H traders
<u>Creditors</u>	12,000	18,000	Cash	16,000	17,000
Bills Payable	5,000	-----	Furniture	5,700	6,000
Loans :		-----	Investments	10,000	8,400
F	10,000	-----	Debtors	9,000	4,600
I	-----	8,000	Premises	30,000	-----
Reserves	10,000	4,000	Land & Bldg.	-----	50,000
Capitals :			Machinery	15,000	-----
F	35,000	-----	Goodwill	8,300	-----
G	22,000	-----			
H	-----	36,000			
I	-----	20,000			
	94,000	86,000		94,000	86,000

Terms of amalgamation were as follows :

- 1) The new firm called GH Traders decided to value goodwill of both firms at Rs.12,000 each.
- 2) For G Traders, the new firm took investments and debtors at book values, Premises at Rs. 53,000 and Machinery at Rs. 9,300. Furniture was not taken over by the new firms.
- 3) For H Traders, the new firm took furniture and debtors at book values, land and building at Rs. 67,000. Investments were not taken over by the new firm.
- 4) The new firm agreed to take such cash after payments of loans made by each firm.
- 5) Trade Creditors of each firm were taken over by the new firm.

Prepare Realisation Account and Partner's Capital Accounts in the books of each firm and Balance Sheet in the books of the new firm.

Q.4.A) The Balance sheet of M/s 'A and 'B and M/s C and D as on 31-12-2013 were as follows : (15)

Liabilities	A & B	C & D	Assets	A & B	C & D
Capitals :	-----	-----	Land	10,000	12,000
A	10,000		Machinery	7,000	8,000
B	10,000		Furniture	3,000	3,500
C		10,000	Debtors	6,000	8,500
D		10,000	Stock	8,000	10,000
Creditors	15,000	10,000	Cash at bank	3,000	1,000
Loan		10,000			
Outstanding expenses	2,000	3,000			
	37,000	43,000		37,000	43,000

The two firms decided to amalgamate and form into ABCD & co. with effect from 1-1-2014. Partners would share profits and losses equality between themselves as they were doing prior to amalgamation and they agreed to following revaluation of assets and liabilities.

Particulars	A & B	C & D
Land	10,000	10,000
Machinery	7,000	8,000
Furniture	2,500	2,500
Debtors	5,500	7,000
Stock	8,000	8,000
Outstanding Expenses	2,000	3,500

In addition to the above it was decided :

- 1) That the new firm would not take over the loan of C&D.
- 2) That the goodwill of A&B and C&D were valued at Rs. 10,000 and Rs. 5,000 respectively in the first instance but for the purpose of the balance sheet of the new firm, the combined Goodwill would be valued at Rs. 12,000 and
- 3) That reconstructed capital of the partners would be Rs. 14,000 each partners introducing cash if necessary.

You are required to show :

- a) The accounts in the books of A&B and C&D
- b) The opening Balance sheet of new firm.

OR

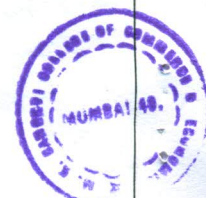


Q.4.B). Amar, Akbar and Anthony carry business in partnership under the style of M/s. 'A' & Co. sharing profits in the ratio of 5:3:2. They have floated 'A' Pvt. Ltd. For the purpose of takeover of business. The following is the Balance Sheet of the firm as on 30th September, 2013 : (15)

M/s 'A' & Co.

Balance Sheet as on 30-9-2013

Liabilities	₹	₹	Assets	₹	₹
Creditors		50,000	Cash		6,000
Capitals :			Bank		14,000
- Amar	1,01,000		Debtors	60,000	
- Akbar	1,51,000		Less : Provision for		
- Anthony	<u>1,33,000</u>	3,85,000	Doubtful Debts	<u>2,000</u>	58,000
			Stock		42,000
			Fixed Assets :		
			Written down value		3,00,000
			Expenditure in relation		
			To 'A' Pvt. Ltd.		
			Formation expenses	12,000	
			Bank a/c in the name of		
			'A' Pvt. Ltd. Deposit of par		
			Value of 300 equity shares of		
			₹10 each subscribed equally by		
			Amar, Akbar, Anthony as the		
			Subscribers to the memorandum		
			and articles of association	<u>3,000</u>	15,000
		<u>4,35,000</u>			<u>4,35,000</u>



On that day 'A' Pvt. Ltd. Took over the business for a total consideration of ₹ 5,00,000. The purchase consideration was to be discharged by the allotment of equity shares of ₹ 10 each at par in the profit sharing ratio and 15% debentures of ₹ 100 each at par for surplus capital.

The directors of 'A' Pvt. Ltd., revalued the fixed assets of 'A' & Co. at ₹ 4,00,000. You are asked to :

- State the number of equity shares and debentures allotted by 'A' Pvt. Ltd. to Amar, Akbar and Anthony by showing your working.
- Show the Realisation A/c and Capital Accounts in the Ledger of the firm, as the firm is converting into a limited company.

Q.5. A) Explain the stages in settlement of liabilities in Piecemeal Distribution Of Cash (08)

B) Methods of payment of Purchase Consideration. (07)

OR

Q.5.C) Write Short notes on : (Any 3) (15)

- Fixed & Fluctuating Capital Method
- Secured Creditors
- Inventory Accounting Under Tally
- Meaning of Amalgamation
- Unrecorded Assets

***** BEST OF LUCK *****