

OPEN STUDENT FOUNDATION

Date : 19-02-2024

STD 12 Commerce Elements of Account
12th Account Practice Sheet Day 2 (Part 1 - Ch.2)

Total Marks : 35

Section A

* Choose The Right Answer From The Given Options.

[2]

1. Credit balance of trading account represents

- (A) gross profit
- (B) net profit
- (C) gross loss
- (D) net loss

Ans. : gross profit

2. Where will you disclose the credit balance of profit and loss account which is shown in the trial balance ?

- (A) Trading A/c
- (B) Profit and loss A/c
- (C) Profit and loss appropriation A/c
- (D) Capital/current A/c

Ans. : Profit and loss appropriation A/c

Section F

* Answer The Following Essay Type Questions.

[33]

3. Dhara and Mira are partners sharing profit-loss in the proportion of 3:2. Final accounts of their partnership firm are as follows:

Trading Account and Profit and Loss Account of partnership firm of
Dhara and Mira for year ending on 31-3-2017

Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
To cost of goods sold	4,64,000	By sales	7,84,000
To office expense	80,000	By sundry income	7,000
To show-room rent	10,000	By bad debts returned	1,000
To packing expense	12,000		
To bad debts	8,000		
To adv. expense	14,000		
To selling-dist. exp.	20,000		
To financial exp.	6,000		
To sundry exp.	16,000		
To salary	8,000		
To tax-insurance	2,000		
Net profit:			

Dhara	91,200		
	0		
Mira	<u>60,800</u>	1,52,000	
	0		
		<u>7,92,000</u>	<u>7,92,000</u>

Balance Sheet of Partnership Firm of Dhara and Mira as on 31-3-2017

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
Dhara:		Non-current assets:	
Capital	1,60,000	Fixed assets:	
	0	Building	2,40,000
+ Net profit	<u>91,200</u>	Plant-Machinery	20,000
	2,51,200	Furniture	20,000
	0	Investments	24,000
- Drawings	<u>48,000</u>	Current assets:	
Mira:		Cash balance	10,000
Capital	1,20,000	Bank balance	25,000
	0	Bills receivable	5,000
+ Net profit	<u>60,800</u>	Debtors	56,000
	1,80,800		
	0		
- Drawings	<u>24,000</u>		
Creditors			
Bills payable			
	<u>4,00,000</u>		<u>4,00,000</u>

After preparation of annual accounts, it is found that:

1. 5% interest on capital is not calculated.
2. 10% depreciation on building is to be provided.
3. Prepaid salary is of Rs.400.
4. Interest on investments not received Rs.800.
5. Bad debts reserve of Rs.1,200 is to be maintained.
6. Credit purchase of Rs.1,600 is not recorded.

Prepare revised Trading account profit and loss A/c, Profit and loss appropriation a/c and Balance sheet.

Ans. :

Dr.	Revised Trading Account of partnership firm of Dhara and Mira for the year ending on 31-3-2017		Cr.
Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
To Cost of goods sold	4,64,000	By Sales	7,84,000
	0		
+ Unrecorded purchase	<u>1,600</u>		
To Profit and Loss A/c			
Gross Profit	3,18,400		
	<u>7,84,000</u>		<u>7,84,000</u>

Dr. Profit Trading Account of Partnership firm of Cr.

Dhara and Mira for the year ending on 31-3-2017

Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
Administrative expense:		By Trading A/c (Gross profit)	3,18,400
To Office expenses	80,000	By Bad debts recovered	1,000
To Salary	8,000	By Sundry income	7,000
	0	By Int. on investments	800
+ Prepaid salary	<u>400</u>		
To Tax-Insurance	2,000		
To Sundry expense	16,000		
Selling-Dist. expense:	20,000		
To Adv. expense	14,000		
To Packing expense	12,000		
To Showroom rent	10,000		
Financial expenses:	6,000		
Other expenses losses:			
To Bad debts (TB)	8,000		
	0		
+ B.D.R.(A)	<u>1,200</u>		
	0		
To Depn. Building	24,000		
To P. and I. Appro A/c	1,26,400		
(Net profit)			
	<u>3,27,200</u>		<u>3,27,200</u>

**Profit and Loss Appropriation Account of Partnership firm of
Dhara and Mira for the year ending on 31-3-2017**

Particulars	Amt. (Rs.)	Particulars	Amt. (Rs.)
To Interest on capital		By Profit and Loss A/c	
Dhara	8,000	(Net profit)	1,26,400
Mira	<u>6,000</u>		
	0		
To Capital A/c (Divisible profit)			
Dhara	67,440		
Mira	<u>44,960</u>		
	1,12,400		
	<u>1,26,400</u>		<u>1,26,400</u>

Partners Capital Account

Date	Particulars	Dhara (Rs.)	Mira (Rs.)	Date	Particulars	Dhara (Rs.)	Mira (Rs.)
	To Draw. A/c	48,000	24,000	1-04-16	By Bal. b/d	1,60,000	1,20,000
							0

31-3-17	To Bal. c/d	1,87,440	1,46,960	31-3-17	By Int.on Cap.A/c	8,000	6,000
				31-3-17	By P. and L.	67,440	44,960
					Appro. A/c (Divisible profit)		
		<u>2,35,440</u>	<u>1,70,960</u>			<u>2,35,440</u>	<u>1,70,960</u>

Balance sheet of Partnership firm of Dhara and Mira as on 31-3-2017

Liabilities		Amt.(Rs.)	Assets		Amt.(Rs.)
Capital Accounts:			Non-current Assets:		
Dhara	1,87,440		Fixed Assets:		
Mira	<u>1,46,960</u>	3,34,400	Building	2,40,000	
				0	
Current Liabilities:			- depr.	<u>24,000</u>	2,16,000
Creditors	32,000		Plant-Machinery		20,000
+ unrec. purchase	<u>1,600</u>	33,600	Furniture		20,000
Bills payable		8,000	Investments		24,000
			Current Assets:		
			Cash balance		10,000
			Bank balance		25,000
			Debtors	56,000	
			- B.D.R. (A)	<u>1,200</u>	54,800
			Prepaid salary		400
			Receivable int. on investments		800
-		<u>3,76,000</u>			<u>3,76,000</u>

4. Dharma and Karma are partners sharing profit-loss in their capital ratio. From the following information prepare their final accounts.

Trial Balance of Partnership Firm of Dharma and Karma as on 31-3-2017

Debit Balance		Amt.(Rs.)	Credit Balance		Amt.(Rs.)
Drawings:			Capital accounts:		
Dharma		7,500	Dharma		1,40,000
Karma		5,000	Karma		1,20,000
Opening stock		15,000	Sales		1,20,000
Purchase		80,000	Goods return debit		2,000
Goods return credit		3,000	Payables		79,000
Receivables		27,400	Salary outstanding		700
Salary (upto 28-2-17)		13,200	Loan of Dharma		30,000
Machinery		71,760	Discount received		6,600
Depreciation on machine		6,240	Bank overdraft		2,800
Building		80,000	Current account:		

Wages	1,600	Karma	14,000
Insurance premium	1,800		
Discount allowed	3,200		
Interest on loan	1,200		
Furniture	87,000		
Stationery expense	7,000		
Advertisement exp.	36,000		
Cash balance	51,200		
Current account:			
Dharma	17,000		
	<u>5,15,100</u>		<u>5,15,100</u>

Adjustments:

1. Closing stock is of Rs.21,000 ; in which stock of stationery of Rs.2,000 is included.
2. On machinery, depreciation rate is to be increased upto 10%.
3. Credit sales of Rs.1,000 is recorded in the purchase return book by mistake.
4. 1/4 share of advertisement expense is to be carry forwarded to the next year.

Ans. :

Trading Account of partnership firm of Dharma and Karma for the year ending on 31-3-2017			
Dr.		Cr.	
Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
To Opening stock	15,000	By Sales	1,20,000
To Purchase	80,000	+ Unrec. sales	1,000
- Pur. return	2,000		1,21,000
+Credit sales (W.R.A)	1,000		0
	0	Sales return	3,000
To Wages	1,600	By Closing stock	19,000
To P.and I.A/c (G. p.)	41,400		
	<u>1,37,000</u>		<u>1,37,000</u>

Profit and Loss Account of partnership firm of Dharma and Karma for the year ending on 31-3-2017			
Dr.		Cr.	
Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
Admin. expenses:		By Trading A/c (G. p.)	41,400
To Stationery exp.	7,000	By Disc.received A/c	6,600
- Closing stock	2,000	By Partners cur. A/c	
To Salary	13,200	(Divisible loss)	
	0		
+ Unpaid	1,200	Dharma	7,000
To Ins. premium	1,800		0
		Karma	6,000
			0
S.-D. exp.:			13,000
To Discount A/c	3,200		

To Adver. exp.	36,000			
	0			
- Adv. Sus. A/c	<u>9,000</u>	27,000		
Financial expenses:				
To Int. on Dharma's loan	1,200			
+ Unpaid	<u>600</u>	1,800		
Other exp. and losses:				
To Dep. on Machine		7,800		
		<u>61,000</u>		<u>61,000</u>

Dr. Partners Current Account				Cr.			
Date	Particulars	Dharma (Rs.)	Karma (Rs.)	Date	Particulars	Dharma (Rs.)	Karma (Rs.)
1-04-16	To Bal. b/d	17,000		01-4-16	By Bal. b/d		14,000
	To Draw. No	7,500	5,000				
31-3-17	To P.- I. A/c (Divisible loss)	7,000	6,000				
31-3-17	To Bal. c/d		3,000	31-3-17	By Bal. c/d	31,500	
		<u>31,500</u>	<u>14,000</u>			<u>31,500</u>	<u>14,000</u>

Balance sheet of partnership firm of Dharma and Karma as on 31-3-2017

Capital-liabilities		Amt.(Rs.)	Assets-Receiveable		Amt.(Rs.)
Capital Accounts:			Non-current Assets:		
Dharma	1,40,000		Fixed Assets:		
	0				
Karma	<u>1,20,000</u>	2,60,000	Machines	71,760	
	0			0	
Cur. Acc. : Karma		3,000	+ Depr. (TB)	<u>6,240</u>	
				78,000	
Non-current Liab.:				0	
Loan of Dharma		30,000	- Depr. (A)	<u>7,800</u>	70,200
Current Liabilities			Building		80,000
Creditors	79,000		Furniture		87,000
+ Wrongly rec. P.R.	<u>1,000</u>	80,000	Other Non-cur.Asset:		
Bank overdraft		2,800	Adver.suspense A/c		9,000
O/s Salary		1,200	Current Assets:		
O/s Wages		700	Closing stock		19,000
O/s Interest on		600	Stationery stock		2,000
Dharma's loan			Debtors	27,400	
				0	
			+Credit sales	<u>1,000</u>	28,400

	Cash balance	51,200
	Cur. Acc.: Dharma	31,500
	3,78,300	3,78,300

5. Sant and Mahant are partners of a firm sharing profit and loss in the proportion of 3: 2. From the trial balance of 31-3-2017 and adjustments prepare final accounts of the partnership firm.

Trial Balance of Partnership Firm of Sant and Mahant as on 31-3-17

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Drawings :		Capital accounts :	
Sant	7000	Sant	80,000
Mahant	3000	Mahant	40,000
Plant and Machines	33,300	Creditors	48,000
Addition in plant and machines (from 1-7-2016)	24,000	Sale of plants and machines (on 1-4-16, book value ₹ 6900)	4800
Furniture-fittings	2560	Sales	2,68,000
Debtors	64,940	5 % loan from Gyani (from 1-10-16)	10,000
Advertisement expense	13,248	Commission	800
Cash-bank balance	8496		
Purchases	1,81,168		
Productive wages	45,272		
Electricity expense (Factory)	4296		
Rent-taxes (Office)	872		
Rent-taxes (Factory)	9384		
Technical expense	400		
Opening stock	33,696		
Factory expense	1780		
Office salary	8780		
Discount allowed	4800		
Carriage inward	1700		
Bad debts	836		
Office expenses	2072		
	4,51,600		4,51,600

Adjustments:

- (1) There was stock of 85,500.
- (2) Provide 15 % depreciation on plant and machines and 75 % on furniture and fittings
- (3) Provide bad debts reserve of 2000 on debtors
- (4) 6% interest is payable on capital of partners
- (5) Outstanding expenses: Productive wages 784, advertisement expense 312, office salary 400, technical expense 320.

Ans. : Balance sheet of partnership firm as on 31-03-2017

Capital		Amt	Amt	Asset		Amt	Amt
Sant		93,267		Plant & machinery		33,300	
Mahant		49,711	1,42,978	less:Sales		6,900	
5% loan from Gyani			10,000			26,400	
O/s Advertisement expenses			312	Additional plant		24,000	
O/s prodctive wages			784			50,400	
o/s technical expenses			320	Less: dep		6,660	43,740
o/s office salary			400	Furniture		2,560	
creditors			48,000	less:dep		192	2,368
Interest on loan from Gyani			250	Debtors		64,940	
				Less:bad debt reserv		2,000	62,940
				Cash /bank bal			8496
				Closing stock			85,500
			2,03,044				2,03,044
