

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]

- Credit balance of trading account represents
(A) gross profit
(B) net profit
(C) gross loss
(D) net loss
- 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

Section F

* Answer The Following Essay Type Questions. [33]

- 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		
Mira	60,800		
	<u>1,52,000</u>		

7,92,0007,92,000

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	1,60,00		Fixed assets:		
	0				
+ Net profit	<u>91,200</u>		Building		2,40,000
	2,51,20		Plant-Machinery		20,000
	0		Furniture		20,000
- Drawings	<u>48,000</u>	2,03,200	Investments		24,000
Mira:			Current assets:		
Capital	1,20,00				
	0		Cash balance		10,000
+ Net profit	<u>60,800</u>		Bank balance		25,000
	1,80,80		Bills receivable		5,000
	0		Debtors		56,000
- Drawings	<u>24,000</u>	1,56,800			
Creditors		32,000			
Bills payable		8,000			
		<u>4,00,000</u>			<u>4,00,000</u>

After preparation of annual accounts, it is found that:

- 5% interest on capital is not calculated.
- 10% depreciation on building is to be provided.
- Prepaid salary is of Rs.400.
- Interest on investments not received Rs.800.
- Bad debts reserve of Rs.1,200 is to be maintained.
- 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.

- 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:

- Closing stock is of Rs.21,000 ; in which stock of stationery of Rs.2,000 is included.
 - On machinery, depreciation rate is to be increased upto 10%.
 - Credit sales of Rs.1,000 is recorded in the purchase return book by mistake.
 - 1/4 share of advertisement expense is to be carry forwarded to the next year.
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		
	<u>4,51,600</u>		<u>4,51,600</u>

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.
