

Collection of 3 marks Important Questions for board Examination 2020

Q.1 The following are the extracts of Receipts and Payments Account of a charitable hospital:

RECEIPTS AND PAYMENTS ACCOUNT For the year ending 31 December 2018

Receipts	Amount	Payments	Amount
Subscription received		By Salaries	1,600
2017 300			
2018 24,000			
2019 600	24,900		

Additional Information:

- Subscription outstanding as on 1-1-2018 was ₹ 1,400 and as on 31-12-18 was ₹ 2,600. Four members @ ₹ 250 p.a. had paid their subscription for 2018 in the year 2017.
- Salaries outstanding as on 1-1-2018 were ₹ 200 and at the end of the year was ₹ 400.
- Salaries paid in advance as on 31-12-2017 was ₹ 500 and as on 31-12-2018 was ₹ 700.

Calculate the amount of Subscription and salaries to be charged to Income and Expenditure Account for the year ended 31st December 2018.

Q.2 Subscription received during the year ended 31st March 2019 are as under:

• For the year ended 31 st March, 2018	₹ 4,000
• For the year ended 31 st March 2019	₹ 2,11,000
• For the year ended 31 st March 2020	₹ 8,000
Total	₹ 2,23,000

Additional information:

- The club has 450 members, each paying an annual subscription of ₹ 500.
- ₹ 4,500 were in arrears for the year ended 31st March, 2018.

Calculate the amount of Subscription to be credited to Income and Expenditure Account for the year ended 31st March, 2019. Also show balance sheet presentation.

Q.3 From the following information, calculate the amount to be debited to stationery account in Income and Expenditure account for the year ended 31st March, 2019:

a. Stock of stationery as on 1-4-2018	₹ 15,000
b. Creditors for stationery as on 1-4-2018	₹ 10,000
c. Amount paid for stationery during the year 2018-19	₹ 54,000
d. Creditors for stationery as on 31-3-2019	₹ 6,500
e. Advance paid for stationery as on 31-3-2018	₹ 1,500
f. Advance paid for stationery as on 31-3-2019	₹ 2,000
g. Stock of stationery as on 31-3-2019	₹ 2,500

Q.4 Read the following information carefully:

a. Tournament fund as on 1-4-2018	₹ 5,000
b. Donation for tournament received during 2018-19	₹ 20,000
c. Sale of tournament tickets	₹ 1,500
d. Tournament Expenses	₹ 24,000

You are required to show the presentation of above in the financial statements of Yuva Sports Club, a non-profit organization.

Q.5 Read the following information carefully:

- | | |
|--|----------|
| a. Tournament fund as on 1-4-2018 | ₹ 15,000 |
| b. Donation for tournament received during 2018-19 | ₹ 46,000 |
| c. Sale of tournament tickets | ₹ 4,500 |
| d. Income from advertisement during tournament | ₹ 12,000 |
| e. Tournament Expenses | ₹ 80,000 |

You are required to show the presentation of above in the financial statements of Navyuvak Sports Club, a non-profit organization.

Q.6 Read the following information carefully:

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|--|------------|
| a. Building Fund as on 1-4-2018 | ₹ 75,000 |
| b. Donation for Building received during 2018-19 | ₹ 1,25,000 |
| c. Construction of Building | ₹ 1,90,000 |

You are required to show the presentation of above in the financial statements of a charitable hospital.

Q.7 Read the following information carefully:

- | | |
|--|------------|
| a. Building Fund as on 1-4-2018 | ₹ 75,000 |
| b. 12% Building Fund Investments Account | ₹ 50,000 |
| c. Donation for Building received during 2018-19 | ₹ 50,000 |
| d. Construction of Building | ₹ 1,30,000 |
| e. Interest received on Building Fund Investments during 2018-19 | ₹ 4,700 |

You are required to show the presentation of above in the financial statements of a charitable hospital.

Q.7 Distinguish between Receipts and Payments Account and Income and Expenditure Account on any three bases.

Q.8 Distinguish between Income and Expenditure Account and Profit and Loss Account on any three bases.

Q.9 Write short notes on any each of the following:

- (a) Legacy (b) Endowment Fund (c) Subscription

Q.10 State any three items which are shown in Income and Expenditure Account but not in Receipts and Payments Account. Also give reason for each item.

Accounting for Partnership Firms- Basic Concepts

Q.11 A, B and C are equal partners. A & C gave a loan of ₹ 1,00,000 & ₹ 1,50,000 to firm on 1st October 2017. It is agreed that Interest on loan @ 9% p.a. will be paid to partners. Books are closed on 31st March every year. The net profit before Interest on loan was ₹ 1,40,000. Record necessary journal entries for the year ended 31st March 2018.

Q.12 A, B & C are partners. A & C gave a loan of ₹ 1,00,000 & ₹ 1,50,000 to firm on 1st October 2017. There was no agreement about Interest on loan, However A & C are demanding interest @ 9% p.a. on the loans provided by them but B objects. State giving reason who is correct? The books are closed on 31st March every year. The net profit before Interest on loan was ₹ 1,40,000. Show Profit and Loss Appropriation Account.

Q.13 X & Y commenced business with the capitals of ₹ 60,000 and ₹ 40,000 on 1-4-2017. According to agreement they are entitled to get IOC @ 5% p.a. Y gave a loan of ₹ 30,000 to firm on 1-7-2017. The net profit before any interest amounted to ₹ 5,350. Show distribution of profit. The books are closed on 31st March every year.

Q.14 A, B & C are partners in a firm. Their drawings were as under:

- A: ₹ 40,000 during the year
- B: ₹ 10,000 on 1st January; ₹ 15,000 on 31st May; ₹ 10,000 on 15th November
- C: ₹ 14,000 on 30th April; ₹ 10,000 on 1st November; ₹ 10,000 on 1st December

You are required to calculate Interest on Drawings @ 6% p.a., assuming that the books are closed on 31st December each year.

Q.15 Simran is a partner in a firm. He withdrew the following amounts during the year ended on 31st Dec 2018:

February	1	12,000
April	30	6,000
June	30	9,000
August	31	12,000
October	1	8,000
December	31	7,000

Calculate interest on drawings @ 12% p.a. The books are closed on 31st December.

Q.16 Write journal entries for each of the following:]

- Interest on capital
- Interest on drawings
- Interest on Loan (Loan from partner)
- Rent payable to a partner for using his accommodation for business purpose.

Q.17 Akbar, Birbal and Chanakya are partners. Their Fixed Capitals on 31st March 2018 (after closing the books) were ₹ 4,00,000; ₹ 3,00,000 and ₹ 3,00,000 respectively. Their drawings during the year were ₹ 1,00,000 each. The net profit of ₹ 4,50,000 was distributed without considering Interest on capital @ 12% p.a. The books are closed on 31st March each year. Pass adjustment entry.

Q.18 A,B and C are partners with the capitals of ₹ 3,50,000; ₹ 4,50,000 and ₹ 6,00,000 respectively. IOC is allowed @ 10% p.a. and IOD is charged @ 6% p.a. The drawings were as follows: A ₹ 10,000 1st day of each month; B ₹ 30,000 1st day of each Quarter and C ₹ 60,000 during the year. It was decided to treat IOC as charge against profit. The profit before making any entry for IOC and IOD amounted to ₹ 1,05,000. Prepare necessary accounts to show distribution of profit.

Q.19 Calculate goodwill of the firm of X & Y from the following information:

Year	2016-17	2017-18	2018-19
Profits	1,20,000 Profit	1,50,000 profit	2,20,000 profit

Additional information:

- I was found that a computer costing ₹ 50,000 was purchased on 1-4-2016 but by mistake the amount was debited to office expenses account. The computer is subject to depreciation @ 10% p.a. by written down value method.
- It was mutually agreed between buyer and seller to value goodwill at 4 years purchase of Average profit.

Q.20 A, B and D are partners in a firm. On 1st April, 2018 the balance in their capital accounts stood at ₹ 8,00,000, ₹ 6,00,000 and ₹ 4,00,000 respectively. They shared profits in the proportion of 3:2:1 respectively. Partners are entitled to Interest on capital @ 6% p.a. and salary to B @ ₹ 4,000 per month. B's share of profit, including Interest on capital, but excluding salary is guaranteed at not less than ₹ 82,000 p.a. Any deficiency arising on that account shall be met by D. The profits of the firm for the year ended 31st March 2019 amounted to ₹ 3,12,000. Prepare P&L Appropriation Account.