

# DAV Public School||Accountacy summer vacation

**Q. 44.** Show how would you deal with the following items in the final accounts of a Club :

	<i>Dr. Amount ₹</i>	<i>Cr. Amount ₹</i>
Prize Fund		2,00,000
Prize Fund Investments	2,00,000	
Income from Prize Fund Investments		10,000
Prizes awarded	7,500	
Donation for Prize Fund		40,000

[**Ans.** Net amount of Prize Fund shown on the liabilities side of Balance Sheet ₹2,42,500; Prize Fund Investments shown on the assets side ₹2,00,000.]

**Q. 45.** Show how will you deal with the following items while preparing the Balance Sheet of a Club as at 31st March, 2021 :

	<i>₹</i>
Match Fund	6,00,000
8% Match Fund Investments	5,00,000
Interest received on Match Fund Investments	30,000
Expenses on Matches	20,000
Donations for Match Fund	1,50,000
Match Prizes awarded	90,000

[**Ans.** Balance of Match Fund shown on the Liabilities side of Balance Sheet ₹6,80,000. Match Fund Investments shown on the Assets side ₹5,00,000. Interest Accrued shown on the Assets side ₹10,000.]

**Q. 46.** Receipts and Payments Account of Shimla Sports Club showed that ₹82,000 were received by way of subscriptions for the year ended on March 31, 2021.

**The additional information was as under :**

Subscription Outstanding as on March 31, 2020 were ₹8,400.

Subscription Outstanding as on March 31, 2021 were ₹9,200

Subscription received in advance as on March 31, 2020 were ₹3,000.

Subscription received in advance as on March 31, 2021 were ₹5,000.

Show how the above information would appear in the final accounts for the year ended on March 31, 2021.

[**Ans.** Subscriptions Credited to Income and Expenditure Account ₹80,800.]

**Q. 47.** From the following information, calculate the amount of subscription to be credited in the Income and Expenditure Account of Bharat Sports Club for the year ending 31.3.2018.

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2018
Advance Subscription	₹ 8,000	₹ 9,500
Outstanding Subscription	7,000	12,500

During the year, the club received ₹1,20,000 as subscription which included ₹5,000 for the year ending 31st March, 2017.

[Ans. Subscription credited to Income and Expenditure A/c ₹1,37,000.] (C.B.S.E. 2019)

Hint :

Subscription received		1,20,000
Less : Received out of subscription outstanding for 31st March, 2017		5,000
		1,15,000
Add : Outstanding for Current year		12,500
Add : Advance Subscription (Opening)		9,500
		<u>1,37,000</u>

Note : Advance subscription of ₹8,000 will be ignored because it was received in advance in 2016 for 2017. It has no relevance for the year ended 31st March 2018.

Q. 48. Subscriptions received during the year ended March 31, 2016 by a Club were as under :

	₹
2014-15	1,500
2015-16	44,000
2016-17	4,000
	<u>49,500</u>

The club has 100 members each paying @ ₹500 as annual subscription. Subscriptions outstanding as on March 31, 2015 were ₹2,500. Calculate the amount of subscriptions to be shown as income in the Income and Expenditure Account for the year ended March 31, 2016 and show the relevant data in the Balance Sheet as at 31st March, 2015 and 2016.

[Ans. Net amount credited to Income & Expenditure A/c ₹50,000. Outstanding Subscriptions shown on the assets side on 31st March, 2016 ₹7,000.]

Q. 49. From the following information of Gems Club, prepare Income and Expenditure Account for the year ended 31st March, 2018.

Receipts and Payments Account of Gems Club for the year ending 31st March, 2018

Receipts	₹	Payments	₹
To Balance b/d		By Furniture	1,30,000
To Interest on Investments	50,000	By Salaries	64,500
To Donations	2,400	By Miscellaneous Expenses	52,000
To Subscriptions	17,000	By Telephone Charges	12,000
To Rent Received	3,00,000	By Fax Machine	6,000
To Sale of old newspapers	70,000	By 6% Investments (on 1.8.2017)	1,00,000
	600	By Printing and Stationery	19,000

	By Balance c/d	56,500
<u>4,40,000</u>		<u>4,40,000</u>

**Additional Information :**

Subscriptions received included ₹15,000 for 2018-19. The amount of subscriptions outstanding on 31st March, 2018 were ₹20,000. Salaries unpaid on 31st March, 2018 were ₹8,000 and Rent receivable was ₹2,000. Opening stock of printing and stationery was ₹12,000, whereas closing stock was ₹15,000.

(C.B.S.E. 2019, Rajasthan)

[Ans. Excess of Income Over Expenditure ₹2,46,100.]

**Q. 50.** Namanjyot Society showed the following position :

**Balance Sheet as at 31st March, 2017**

Liabilities	₹	Assets	₹
Capital Fund	88,000	Furniture	40,000
Subscriptions Received in advance	6,000	Cash at Bank	30,000
		Cash in Hand	24,000
	<u>94,000</u>		<u>94,000</u>

**Receipts and Payments Account for the year ending 31st March, 2018**

Receipts	₹	Payments	₹
To Balance b/d :		By Computers (1.10.2017)	1,00,000
Cash at Bank           30,000		By Office Expenses	29,000
Cash in Hand <u>24,000</u>	54,000	By Electric Charges	15,000
To Sale proceeds of old newspapers	900	By Postage and Stationery	9,000
To Locker's Rent	7,000	By 10% Investments (on 1.12.2017)	60,000
To Interest on Investments	1,600	By Balance c/d :	
To Entrance Fees	50,000	Cash at Bank           80,000	
To Life Membership Fees	1,00,000	Cash in Hand <u>35,500</u>	1,15,500
To Membership Subscriptions	98,000		
To Subscriptions for relief fund	17,000		
	<u>3,28,500</u>		<u>3,28,500</u>

**Additional Information :**

- (i) Computers were to be depreciated @60% p.a. and furniture @10% p.a.
- (ii) Membership subscription included ₹20,000 received in advance.
- (iii) Electric charges outstanding ₹10,000.

Prepare Income and Expenditure Account for the year ended 31st March, 2018.

(C.B.S.E. 2019, Chennai)

[Ans. Excess of Income over Expenditure ₹46,900.]

**Q. 51.** The Young Association submits to you its Receipts and Payments Account for the year ending on 31st March, 2019. You are required to prepare the Income and

[Ans. Opening Capital Fund ₹1,15,500; Surplus ₹1,500; Balance Sheet Total ₹1,21,600.]

Hints :— (1) Subscriptions relating to the year 2014-15, which are still in arrears amount to ₹3,000 – ₹2,500 = ₹500. These will be written on the Assets side of the Balance Sheet as at 31st March, 2016.

(2) Outstanding subscriptions for current year = ₹12,500 – ₹10,000 = ₹2,500.

(3) Balance of Furniture = ₹6,000 + ₹2,500 – ₹1,000 = ₹7,500.

Q. 56. From the following information, prepare Income and Expenditure A/c for the year ending on 31st March, 2016 and a Balance Sheet as at that date, of an Entertainment Club :

Receipts		₹	Payments		₹
Cash Balance (1-4-2015)		7,200	Tournament Expenses		8,500
Life Membership Fees		10,000	Furniture Purchased		6,000
Donation		52,000	Building		43,200
Entry Fees		5,700	Sports Materials purchased		20,000
Subscriptions			Restaurant Expenses		12,600
2014-15	4,200		Salary		18,200
2015-16	46,000		Printing		4,100
2016-17	<u>1,600</u>	51,800	Investments		20,000
Tournament Fund		12,200	Cash Balance (31-3-2016)		15,800
Restaurant Receipts		8,000			
Miscellaneous Income		700			
Interest		800			
		<u>1,48,400</u>			<u>1,48,400</u>

The Club had 500 members, each paying an annual subscription of ₹100. ₹4,500 were outstanding subscriptions at the end of previous year and five members had paid their subscription for 2015-16 as well in the previous year itself. On 31st March, 2016, Outstanding salaries were ₹1,500 and prepaid salaries were ₹2,000. 50% of the Entrance fees is revenue income and Donations and Life Membership fees are to be capitalized. Accrued interest at the end of the year was ₹1,200. At the end of the year Stock of Sports Material was ₹5,000 and stock at the restaurant was ₹1,600.

[Ans. Opening Capital Fund ₹11,200; Surplus ₹15,750; Balance Sheet Total ₹98,600.]

Q. 57. Convert the following Receipts and Payment Account of the Delhi Nursing Society for the year ended 31st March, 2017 into the Income and Expenditure Account:

RECEIPT AND PAYMENT ACCOUNT					
Receipts		₹	Payments		₹
To Balance of Bank			By Salaries of Nurses		656
1st April, 2016			By Board, Laundry and		380
To Subscription		2,010	Domestic Help		200
To Fees from Non-members		1,115	By Rent, Rates and Taxes		
		270			

To Municipal Grant	1,000	By Cost of Car	2,000
To Donations for Building Fund	1,560	By Expenses of Car	840
To Interest	38	By Drugs and Incidental Expenses	670
		By Balance c/d	1,247
	<u>5,993</u>		<u>5,993</u>

A donation of ₹100 received for Building Fund was wrongly included in the Subscription Account. A bill of medicines purchased during the year amounted to ₹128 was outstanding.

[Ans. Deficit ₹551]

**Q. 58.** Following is the Receipts and Payments Account of a Club for the year ended 31st March, 2020 :

Receipts		₹	Payments		₹
To Balance b/d		75,000	By Salaries		22,000
To Subscriptions :			By Office Expenses		8,000
2018-19	35,000		By Sports Equipments		
2019-20	9,50,000		(Purchased on 1 October 2019)		6,00,000
2020-21	<u>55,000</u>	10,40,000	By Telephone Charges		12,000
To Donations		90,000	By Electricity Charges		18,000
To Entrance fees		60,000	By Travelling Expenses		6,000
To Locker Rent		20,000	By 10% Fixed Deposits		
To Donation for Buildings		1,50,000	(Made on 1st July, 2019)		7,00,000
			By Balance c/d		69,000
		<u>14,35,000</u>			<u>14,35,000</u>

#### Additional Information :

- Outstanding subscription for 2019-20 ₹80,000.
  - Outstanding salaries as on 1st April, 2019 were ₹2,000 and as at 31st March, 2020 were ₹4,000.
  - Locker Rent rate is ₹2,000 per month.
  - Depreciation on sports equipment @10% p.a.
- Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2020.

[Ans. Excess of Income Over Expenditure ₹11,58,500.]

**Q. 77.** Sonu and Rajat were partners sharing profits and losses in the ratio of 3 : 2. The partnership deed provided that Sonu was to be paid a salary of ₹20,000 per month and Rajat a commission of 5% on turnover. It also provided that interest on capital be allowed @ 8% p.a. Sonu withdrew ₹20,000 on 1st December, 2017 and Rajat withdrew ₹5,000 at the end of each month. Interest on drawings was charged @ 6% p.a. The net profit as per Profit and Loss Account for the year ended 31st March, 2018 was ₹4,89,950. The turnover of the firm for the year ended 31st March, 2018

amounted to ₹20,00,000. Pass necessary journal entries for the above transactions in the books of Sonu and Rajat.  
(C.B.S.E. 2019, M.P.)

[Ans. Divisible Profit ₹40,000.]

**Q. 78.** Asif and Ravi are partners in a firm sharing profits and losses in the ratio of 3 : 2. Their fixed capitals as on 1st April, 2016, were ₹6,00,000 and ₹4,00,000 respectively.

Their partnership deed provided for the following :

- Partners are to be allowed interest on their capitals @ 10% per annum.
- They are to be charged interest on drawings @ 4% per annum.
- Asif is entitled to a salary of ₹2,000 per month.
- Ravi is entitled to a commission of 5% of the correct net profit of the firm before charging such commission.
- Asif is entitled to a rent of ₹3,000 per month for the use of his premises by the firm.

The net profit of the firm for the year ended 31st March, 2017, before providing for any of the above clauses was ₹4,00,000.

Both partners withdrew ₹5,000 at the beginning of every month for the entire year.

You are required to prepare a Profit and Loss Appropriation Account for the year ended 31st March, 2017.  
(I.S.C. 2018)

[Ans. Divisible Profit ₹2,24,400.]

**Hint.** Commission 5% on ₹3,64,000 = ₹18,200.

**Q. 79.** Shankar and Manu are partners in a firm. On 1st April, 2014, their fixed capital accounts showed a balance of ₹2,00,000 and ₹4,00,000 respectively.

On this date, their current account balances were ₹50,000 and ₹1,00,000 respectively.

On 1st January, 2015, Shankar introduced additional capital of ₹2,00,000 while Manu gave a loan of ₹1,50,000 to the firm.

The clauses of their partnership deed provided for :

- Interest on capital to be allowed at the rate of 10% per annum.
- Interest on drawings to be charged at the rate of 12% per annum.
- Profits to be shared by them in the ratio of 3 : 2.
- 10% of the correct net profit to be transferred to General Reserve.

During the financial year 2014-15, both partners withdrew ₹6,000 each at the beginning of every quarter.

The net profit of the firm, before any interest, for the financial year 2014-15 was ₹5,00,000.

You are required to prepare for the year 2014-15 :

- Profit and Loss Appropriation Account.
- Partners' Fixed Capital Accounts.
- Partners' Current Accounts.
- Partner's Loan Account.

[Ans. Divisible Profit ₹3,86,575; Current A/cs balances : Shankar ₹2,81,145 and Manu ₹2,68,830.]

**Q. 80.** *D, E and F* were partners in a firm sharing profits in the ratio of 5 : 7 : 8. Their fixed capitals on 1st April, 2020 were *D* ₹5,00,000, *E* ₹7,00,000 and *F* ₹8,00,000. Their partnership Deed provided for the following :

- (i) Interest on capital @10% p.a.
- (ii) Salary of ₹10,000 per month to *F*.
- (iii) Interest on drawing @12% p.a.

*D* withdrew ₹40,000 on 30th April, 2020; *E* withdrew ₹50,000 on 30th June 2020 and *F* withdrew ₹30,000 on 31st March, 2021.

During the year ended 31st March, 2021 the firm earned a profit of ₹3,50,000.

Prepare the Profit and Loss Appropriation Account for the year ended 31st March, 2021.

[Ans. Share of Profit *D* ₹9,725; *E* ₹13,615 and *F* ₹15,560.]

**Q. 81.** Simmi and Sonu are partners in a firm, sharing profits and losses in the ratio of 3 : 1. The profit and loss account of the firm for the year ending March 31, 2021 shows a net profit of ₹1,50,000. Prepare the Profit and Loss Appropriation Account by taking into consideration the following information :

- (i) Partners capital on April 1, 2020 :  
Simmi ₹30,000; Sonu ₹60,000.
- (ii) Current accounts balances on April 1, 2020 :  
Simmi ₹30,000 (Cr.); Sonu ₹15,000 (Cr.).
- (iii) Partners drawings during the year amounted to :  
Simmi ₹20,000; Sonu ₹15,000.
- (iv) Interest on capital was allowed @ 5% p.a.
- (v) Interest on drawing was to be charged @ 6% p.a. at an average of six months.
- (vi) Partner's salaries : Simmi ₹12,000 and Sonu ₹9,000. Also show the partner's current accounts.

[Ans. Divisible profit ₹1,25,550; Current Account balance : Simmi ₹1,17,063 and Sonu ₹42,937.]

**Q. 82.** Pappu and Munna are partners in a firm sharing profits in the ratio of 3 : 2. The partnership deed provided that Pappu was to be paid salary of ₹2,500 per month and Munna was to get a commission of ₹10,000 per year. Interest on capital was to be allowed @ 5% per annum and interest on drawings was to be charged @ 6% per annum. Interest on Pappu's drawings was ₹1,250 and on Munna's drawings ₹425. Capital of the partners were ₹2,00,000 and ₹1,50,000 respectively, and were fixed. The firm earned a profit of ₹90,575 for the year ended 31-3-2021.

Prepare Profit and Loss Appropriation Account of the firm.

[Ans. Share of Profit : Pappu ₹20,850 and Munna ₹13,900.]



**Q. 83.** A, B and C were partners in a firm having capitals of ₹1,00,000; ₹1,00,000 and ₹2,00,000 respectively. According to the partnership deed the partners were entitled to interest on capital @ 6% p.a. A being the working partner was also entitled to a salary of ₹5,000 per month. The profits were to be divided as follows:

- The first ₹40,000 in the ratio of 2 : 3 : 5.
- Next ₹80,000 in the proportion of their capitals.
- Remaining profits to be shared equally.

The firm made a profit of ₹2,70,000 for the year ended 31st March, 2018 before charging any of the above items. Prepare the Profit & Loss Appropriation Account and pass necessary journal entry for apportionment of profits.

[Ans. Share of Profit : A ₹50,000; B ₹54,000 and C ₹82,000.]

**Q. 84.** X, Y and Z are in the partnership and on 1st April, 2020, their respective capitals were ₹2,00,000; ₹1,20,000 and ₹1,00,000. Y is entitled to a salary of ₹25,000 and Z ₹20,000 per annum, payable before division of profits. Interest is allowed on capital at 5% per annum but is not charged on drawings. Of the net divisible profits of the first ₹1,00,000; X is entitled to 40 per cent; Y to 35 per cent and Z to 25 per cent, over that amount profits are shared equally. The profit for the year ended 31st March, 2021, after debiting partnership salaries, but before charging interest on capitals, was ₹1,81,000 and the partners had drawn ₹8,000 each. Prepare partner's capital accounts for the year.

[Ans. Divisible Profits ₹1,60,000; Balance of Capital Accounts X ₹2,62,000; Y ₹1,98,000; Z ₹1,62,000.]

**Q. 85.** Tulsi and Kabir are partners sharing profits in proportion of 3 : 2 with capitals of ₹8,00,000 and ₹6,00,000 respectively. Interest on capitals is agreed at 6% p.a. Tulsi is to be allowed a salary of ₹6,000 per month. For the year ended 31st March, 2018, the profits prior to calculation of interest on capital but after charging Tulsi's salary amounted to ₹2,28,000. Manager is to be allowed a commission of 10% of the profits.

Prepare an account showing the allocation of profits.

[Ans. Divisible profit ₹1,14,000; Manager's Commission will be 10% of ₹3,00,000, i.e., ₹30,000.]

**Q. 86.** A and B are partners in a firm. A is to get a commission of 10% of net profit before charging any commission. B is to get a commission of 10% on net profit after charging all commissions. Net profit before charging any commission was ₹55,000. Find out the commission of A and B.

[Ans. A's commission ₹5,500; B's commission ₹4,500.]

**Q. 87.** On 1st April, 2017 the balances of A and B were as follows:—

	Capital Account	Current Account
	₹	₹
A	1,00,000	(Cr.) 8,420
B	40,000	(Dr.) 3,200

On 1st July, 2017, A withdrew ₹20,000 from his capital and B introduced ₹10,000

as further capital on the same date. According to the deed, interest on capitals is to be allowed at 8% p.a. but no interest is to be allowed or charged on current account balances and drawings. *A* is entitled to  $\frac{3}{5}$  and *B*  $\frac{2}{5}$  of the profit. The manager of the firm is entitled to a commission of 10% of the profit before any adjustment is made according to the deed. For the year ended 31st March, 2018, the profit was ₹40,000 and the drawings of *A* and *B* were ₹12,000 and ₹10,000 respectively. Prepare the P & L Appropriation A/c, Capital Accounts and Current Accounts.

[Ans. Manager's commission ₹4,000; Divisible Profit ₹25,400; Current Account balances : *A* ₹18,460 (Cr.) and *B* ₹760 (Cr.); Capital Account balances : *A* ₹80,000 and *B* ₹50,000.]

**Q. 88.** *A* and *B* are partners in a firm sharing profits and losses in the ratio of 3 : 2. The balance in their capital and current accounts as on 1-4-2017 were as under :

	<i>A</i> (₹)	<i>B</i> (₹)
Capital Account	40,000	20,000
Current Account (Cr.)	16,000	12,000

The partnership deed provided that *A* is to be paid salary @ ₹500 p.m. whereas *B* is to get commission of ₹4,000 for the year.

Interest on capital is to be allowed @ 6% p.a. The drawings of *A* and *B* for the year were ₹5,000 and ₹2,000, respectively. Interest on drawings for *A* and *B* works out at ₹225 and ₹75 respectively. The net profit of the firm for the year ended 31st March, 2018 before making these adjustments was ₹35,700.

Prepare the Profit and Loss Appropriation Account and the Partners Capital and Current Accounts.

[Ans. Divisible Profits ₹22,400; Balances of Capital Accounts :— *A* ₹40,000; *B* ₹20,000. Balances of Current Accounts :— *A* ₹32,615; *B* ₹24,085.]

**Q. 89.** Calculate the interest on Drawings of Tarun @ 8% p.a. for the year ended 31st March, 2018 in each of the following alternative cases :

Case (a) if his drawings during the year were ₹60,000;

Case (b) if he withdrew ₹5,000 p.m. in the beginning of every month;

Case (c) if he withdrew ₹5,000 p.m. at the end of every month;

Case (d) if he withdrew ₹5,000 p.m. during the year;

Case (e) if he withdrew the following amounts as under :

2017 June, 1 : ₹10,000; August 31 : ₹12,000; November 1 : ₹16,000; December 31 : ₹13,000; February 1, 2018 : ₹9,000.

[Ans. Case (a) ₹2,400; Case (b) ₹2,600; Case (c) ₹2,200; Case (d) ₹2,400; Case (e) ₹2,140.]