

[Time: 3 Hours]

[ Marks:100]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
  2. Q.1 & Q.6 carry 20 marks each and Q.2 to Q.5 carry 15 marks each.
  3. Workings should form part of the answers.
  4. Use of simple calculator is allowed.

**Q1A. State whether the following statements are True or False (Any 10) (10)**

1. Interest on drawings is an income of the firm.
2. In Conversion of partnership into Limited Company, the partnership business is purchased by a limited company.
3. Dues payable to employees is a preferential liability of the firm.
4. In case of current accounts of partners, no interest is payable on the balances of current accounts.
5. In Amalgamation of firms, the old firms are called as Amalgamating Firms.
6. As per the Partnership Act, interest @ 6% p.a. is allowed on partners loans.
7. Excess Capital method is also known as Quotient Method.
8. The payment of purchase consideration in the form of shares/debentures and cash is known as Net Payment Method
9. Purchase consideration is the amount payable by the vendor firm to the purchasing firm.
10. Goodwill brought in by the incoming partner is shared by all the partners
11. Loan taken from partners spouse is an internal liability of the firm.
12. In case of Amalgamation of firms, a Realization account is prepared to close the books of the old firms.

**Q1B. Match the following Columns (Any 10) (10)**

Column A	Column B
1) Partners Salaries	a) Old firm
2) Purchase Consideration	b) Debited to P&L A/c
3) Purchasing Firm	c) Assets minus liabilities
4) Creditors	d) Debited to Trading A/c
5) Carriage Outwards	e) Contingent Liability
6) Bills Discounted	f) Debited to P&L Appropriation A/c
7) Net Assets Method	g) Old ratio minus new ratio
8) Vendor Firm	h) Outgoing Partner
9) Admission of Partner	i) Consideration payable on amalgamation
10) Carriage Inwards	j) External Liabilities
11) Ratio of Sacrifice	k) Incoming partner
12) Retirement of Partner	l) New Firm

