

Q.P. Code: 23792

7. That a reserve for Bad debts be created at the rate of 5% on debts of both the firms.
8. That the total capital of the "Vanee Trading Corporation" will be Rs. 1,80,000 and the capital of each partner will be in his profit sharing ratio which will be as follows :
Anil 30%, Ajay 30%, Sunil 20%, Vijay 20%
The differences if any, should be transferred to current account.

9. Goodwill account in the new firm should be written off.

You are required to close the books of M/s Lalwani Bros and prepare balance sheet of VANEE TRADING CORPORATION as on 1st April, 2017.

Q5.

(15)

Veena and Neena are carrying on business in the name of Veena & co, sharing profit in the ratio of 2:3. On 31st March 2017 their Balance Sheet was:

Liabilities	Amount	Assets	Amount
Neena A/c	88,000	Property	72,000
Veena A/c	60,000	Stock	40,000
General Reserve	24,000	Debtors	48,000
Loan- Neena	16,000	Machinery	60,000
Bank Overdraft	32,000	Advances	8,000
Creditors	20,000	Cash/Bank	12,000
	<u>2,40,000</u>		<u>2,40,000</u>

On the same date Veena Pvt. Ltd was incorporated to take over the running business of Veena & Co, on the following terms.

1. Goodwill of the firm is to be valued at 2 years purchase of average profits of past Five years. The firm used to transfer Rs.4,000 every year to General Reserves. The profit after above transfer were Rs.12,800, Rs.14,000, Rs. 15,000, Rs.14200 and Rs. 15,400
2. Machinery is overvalued by Rs 6,000 and property is undervalued by Rs.8,000 other assets and liabilities except Loan of Neena are taken over at book value.
3. The Company decided to allot
 - (a) 12% preference shares to that partners who has excess capital after all necessary adjustments to the extent of such amount.
 - (b) Equity shares for the balance amount payable.
4. The face value of shares is Rs.10.

Show necessary Journal Entries in the books of both parties to the above agreement.

OR

Q5.

(15)

Ajit and Sujit were partners sharing profits and losses in the ratio of 2:1. Their Balance sheet as on 31-03-2017 showed the following positions.

Liabilities	Amount	Assets	Amount
Capital Accounts:		Freehold Premises	62,000
Ajit	50,000	Plant and Machinery	18,000
Sujit	40,000	Stock	32,000
Current Accounts:		Book Debt	41,000
Ajit	26,000	Bank PNB	45,000
Sujit	18,000		
Ajit's Loan Account	40,000		
Accounts Payable	24,000		
	1,98,000		1,98,000

The partner's wishing to dissolve the firm. Accepted the offer of Majestic Ltd to acquire the stock and fixed assets at an inclusive price of Rs.1,40,000.

The Purchase consideration was to be satisfied by-

1. A cash payment of Rs.35,000
2. By allotment to the partners 6,000, 6% preference shares of Rs.10 each valued at Rs.8 per share.
3. 57,000 ordinary shares of Rs. 1 each.

The book debts realized Rs.38,000 and Accounts payable were settled by Rs.22,000.

The partners agreed that the following should be the basis of distribution on dissolution of partnership.

- (a) Ajit to be allotted preference shares in settlement of his loan, the remaining preference shares being allotted equally to them.
- (b) The ordinary shares to be allotted in the ratio of profit sharing.
- (c) The Balance to be paid in cash.

You are required to prepare:-

1. Realisation Account
2. Partners capital and Current Accounts separately.
3. Majestic Ltd. Account
4. Cash Account.

Q.6. (a) What is the Accounting Procedure for accounting of Amalgamation of Firm in the books of Amalgamating firms? (10)

(b) What are the Adjustments in final accounts of a firm? (10)

OR

Q6. Short Notes (Answer any Four)

(20)

a) Net Asset Method of purchase consideration	b) Proportionate capital Method
c) Death of Partner	d) Interest on Partners Loan.
e) Fluctuating Capital	f) Accounting Procedure in the books of purchasing company.

Time: 3 Hours

Marks: 100

Please check whether you have got the right question paper.

- N.B. : 1. All questions are compulsory.
 2. Figures to the right indicate maximum marks.

Q1. Objective Questions:

A) Choose the correct answer from the options given below (any ten): (10 Marks)

1. Henri Fayol stated _____ principles of management.
 (Ten , Twelve, Fourteen)
2. Ethos is originally a _____ word that signifies character.
 (Roman , Greek , Indian)
3. _____ skills are also known as interpersonal skills.
 (Technical , Human Relations , None of these)
4. _____ is a long-term action plan for achieving the goals.
 (Strategy , Procedure , Program)
5. Planning needs to be _____
 (complicated , flexible , rigid)
6. Heuristic technique is a _____ technique.
 (rule of thumb , blind , trial and error)
7. Formal organisation structure is _____ in nature.
 (official, un-official , un-structured)
8. Delegation of authority _____ the burden on superior.
 (maintains , reduces , increases)
9. De-centralization is necessary for effective management of a _____
 Business organisation. (small , medium , large)
10. _____ uses network analysis by identifying critical and non-critical activities.
 (PERT, CPM , Budgetary Control)
11. Noise and distance are _____ barriers to effective communication.
 (physical , cultural , psychological)
12. _____ is a function of leadership.
 (Directing , Confidence , Vision)

B) State whether the following statements are True or False (any ten): (10 Marks)

1. Staffing involves selection of right person for the right job.
2. Division of work leads to specialization.
3. Controlling is a measuring and correcting device.
4. Only external environmental factors are analyzed in the planning process.
5. In Management By Exception, the managers get involved in day to day activities of the employees.
6. Use of technology leads to quick decision-making.
7. Matrix Structure is a combination of project and functional organisation.
8. Tall Organisation Structure has very few levels of hierarchy.
9. Successful Functional Departmentation requires good co-ordination.
10. Leadership is a personal quality.
11. Budgetary Control technique is qualitative in nature.
12. Cultural diversity causes communication problem.

Q 2. Answer any two of the following: (15 Marks)

- a) Define Management. Explain the nature of management.
- b) Explain the F.W.Taylor's Theory of Scientific Management.
- c) Explain the dimensions of management stated by Peter Drucker in Modern Approach.

Q 3. Answer any two of the following: (15 Marks)

- a) Define Planning and state its importance.
- b) Explain briefly the steps involved in the MBO process
- c) What are the essentials of sound Decision Making?

Q4. Answer any two of the following: (15 Marks)

- a) Explain the features of Line and Staff Organisation Structure.
- b) Discuss Tall and Flat Organisation in detail.
- c) What is Delegation of Authority? Describe the process of Delegation of Authority.

Q. P. Code: 23778

Q.5 Answer any two of the following:

(15 Marks)

- (a) What is Motivation? State its importance.
- (b) Explain the different Styles of Leadership.
- (c) What are the essentials of a good Control System?

Q6. Answer any four Short Notes:

(20 Marks)

- i) Indian Ethos in Management
- ii) Management Information System
- iii) Virtual Organisation
- iv) Departmentation
- v) Management Audit
- vi) Financial factors influencing Motivation
