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SEAT No. _____

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SARDAR PATEL UNIVERSITY
BBA. LLB (Hon) Examination, I –Semester
2017

Wednesday, 08th November
 10.00 A.M. to 12.00 P.M.

UL01CBBH04 : Accounting for Firm

Total Marks: 50

| Q-1 | Define the meaning of partnership and explain the characteristics and rights of partners. | (12) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------|--|-------------|-----------------|--------|-----------|-----------|------------|------|-----------|----------|-----|---------|--------|------|--------------|-------|--------|-------------|--------|-----------|-------|------|--------|-----------|--------|-----------------|-------|----------|--------|--|-----------------|--|-----------------|-------------|
| OR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q-1(A) | Write a note on partnership deed. | (06) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (B) | Explain the different Kinds of partners. | (06) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q-2(A) | Nita and Mita are equal partners in a firm. On 1-1-2016, they agree to admit Rita with $\frac{1}{4}$ share in future profits of the firm. For this goodwill is to be valued at 3 times the average profits of last 5 years profits and losses are as under: <table style="margin-left: 40px; border: none;"> <tr> <td>2011</td> <td>Rs.30,000</td> <td>2014</td> <td>Rs.25,000</td> </tr> <tr> <td>2012</td> <td>Rs. 35,000</td> <td>2015</td> <td>Rs.40,000</td> </tr> <tr> <td>2013</td> <td>Rs.</td> <td></td> <td></td> </tr> <tr> <td></td> <td>15,000(Loss)</td> <td></td> <td></td> </tr> </table> | 2011 | Rs.30,000 | 2014 | Rs.25,000 | 2012 | Rs. 35,000 | 2015 | Rs.40,000 | 2013 | Rs. | | | | 15,000(Loss) | | | (07) | | | | | | | | | | | | | | | | |
| 2011 | Rs.30,000 | 2014 | Rs.25,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2012 | Rs. 35,000 | 2015 | Rs.40,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2013 | Rs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 15,000(Loss) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (B) | Asha and Nisha are partners sharing profit and losses in the ratio of 3:2. Prisha is admitted for one-fifth of the profit. Compute the new ratio. | (06) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q-2 | What is meant by Goodwill? Explain the factors affecting on goodwill. | (13) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q-3(A) | Differentiate between realisation a/c and revaluation a/c. | (06) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (B) | Explain the problems arising on retirement of partner. | (07) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q-3 | Sita, Gita and Mina are partners sharing profit and losses in the ratio of 5:3:2. Their balance sheet stood as under. 30 th June, 1996. <p style="text-align: center;">Balance Sheet</p> <table border="1" style="margin-left: 40px; border-collapse: collapse; width: 80%;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Assets</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: center;">21,000</td> <td>Cash</td> <td style="text-align: center;">28,300</td> </tr> <tr> <td>Capital:</td> <td></td> <td>Debtors</td> <td style="text-align: center;">18,000</td> </tr> <tr> <td>Sita</td> <td style="text-align: center;">38,000</td> <td>Stock</td> <td style="text-align: center;">25,000</td> </tr> <tr> <td>Gita</td> <td style="text-align: center;">24,000</td> <td>Furniture</td> <td style="text-align: center;">3,000</td> </tr> <tr> <td>Mina</td> <td style="text-align: center;">18,000</td> <td>Machinery</td> <td style="text-align: center;">10,000</td> </tr> <tr> <td>General Reserve</td> <td style="text-align: center;">6,000</td> <td>Building</td> <td style="text-align: center;">22,700</td> </tr> <tr> <td></td> <td style="text-align: center;">1,07,000</td> <td></td> <td style="text-align: center;">1,07,000</td> </tr> </tbody> </table> <p>Sita retires on 1st July, 1996. Following terms were agreed as under:</p> <ol style="list-style-type: none"> 1) Assets were revalued as under: stock Rs. 23,000; Furniture Rs. 2,800; Machinery Rs. 8,000; Building Rs.19,900; Debtors Rs 1,000 is doubt full. 2) Sita is to be paid Rs. 10,500 in cash and the balance is to be transferred to his loan account. Prepare profit and loss adjustment account, Partners capital account and Balance sheet of the new firm as on 1st July 1996. | Liabilities | Amount | Assets | Amount | Creditors | 21,000 | Cash | 28,300 | Capital: | | Debtors | 18,000 | Sita | 38,000 | Stock | 25,000 | Gita | 24,000 | Furniture | 3,000 | Mina | 18,000 | Machinery | 10,000 | General Reserve | 6,000 | Building | 22,700 | | 1,07,000 | | 1,07,000 | (13) |
| Liabilities | Amount | Assets | Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Creditors | 21,000 | Cash | 28,300 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital: | | Debtors | 18,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sita | 38,000 | Stock | 25,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gita | 24,000 | Furniture | 3,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mina | 18,000 | Machinery | 10,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General Reserve | 6,000 | Building | 22,700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1,07,000 | | 1,07,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Q-4 | What is dissolution of partnership? How do you distinguish between dissolution of a partnership and firm? OR | (12) |
| Q-4(A) | The amount of liabilities transferred to Realisation a/c was Rs.1,00,000. 50% of the liabilities were paid out a discount of 10%. 40% of the remaining were undertaken by a partner B to pay. Remaining creditors accepted the stock at an agreed value of Rs. 28,000 and cash Rs. 1,000 in full settlement. Give journal entries to record the payment of liabilities. | (06) |
| (B) | Explain the following terms: 1. Bad debt 2. Creditors 3. Profit 4. Bills payable 5. Cash discount 6. Capital | (06) |

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