

## NEP - Semester End Examination – October 2025

Program:	SYBCOM SEM III	Course:	AFM - III
Program Code:	UGCOM01	Course Code:	NUCM302

Duration: 2 Hour

Max. Marks: 60

## Instructions:

- Attempt any FOUR out of SIX of the following.
- Figures to the right indicate full marks.
- Draw neat diagrams wherever necessary.

Q. 1	Attempt the following				Course Outcome	Knowledge Level	
(a) Fill in the blanks with an appropriate answer from the alternatives given. [08]					CO1, CO2, CO3, CO4	L1	
	I)	In the absence of any agreement, partners are liable to receive interest on their loans @ _____					
		a.	12% p.a.	b.	10% p.a.		
		c.	8% p.a.	d.	6% p.a.		
	II)	What balance does a Partner's Current Account has _____					
		a.	Debit balance	b.	Credit balance		
		c.	Either 'a' or 'b'	d.	None of the above		
	III)	Excess Capital Method is different from _____					
		a.	Surplus Capital Method	b.	Highest Relative Capital Method		
		c.	Maximum Loss Method	d.	None of the above		
	IV)	After all excess capitals are paid, the balance cash is paid to the partners _____					
		a.	in the ratio of their unit capitals	b.	in their profit sharing ratio		
		c.	equally	d.	none of the above		
	V)	In the case of amalgamation profit or loss on the sale of firm is ascertained through _____					
		a.	Realisation Account	b.	Profit & Loss Adjustment Account		
		c.	Profit and Loss Account	d.	None of the above		

		<p>VI) When closing the books of the old partnership firm, all the assets and liabilities are transferred to realisation account at value. _____</p> <table border="1"> <tr> <td>a. Market</td><td>b. Book</td></tr> <tr> <td>c. Barter</td><td>d. Agreed</td></tr> </table> <p>VII) Profit and loss appropriation account is prepared to ascertain profit. _____</p> <table border="1"> <tr> <td>a. Gross</td><td>b. Net</td></tr> <tr> <td>c. Divisible</td><td>d. Adjusted</td></tr> </table> <p>VIII) Practically in case of actual dissolution the asset are realised on basis. _____</p> <table border="1"> <tr> <td>a. Immediate</td><td>b. Gradual</td></tr> <tr> <td>c. Hasty</td><td>d. Prompt</td></tr> </table>	a. Market	b. Book	c. Barter	d. Agreed	a. Gross	b. Net	c. Divisible	d. Adjusted	a. Immediate	b. Gradual	c. Hasty	d. Prompt																																		
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	(b)	<p><b>State whether the following statements are true or false.</b></p> <p>I) Purchase consideration is amount payable by new firm to vendor firms.</p> <p>II) In piecemeal distribution, when all the partners are solvent, profit or loss on realisation is shared by all partners in their profit sharing ratio.</p> <p>III) Partner's current account must always show credit balance.</p> <p>IV) Whenever in any year a partnership firm makes losses it has to be dissolved.</p> <p>V) Dissolution expenses are credited to cash account.</p> <p>VI) Purchase of office equipment is shown in Profit and Loss A/c on debit side.</p> <p>VII) Adjustment to partner's capital is passed through current accounts when the capitals are fluctuating.</p>	[07]	<p>CO1</p> <p>CO2</p> <p>CO3</p> <p>CO4</p> <p>L2</p>																																												
Q. 2		<p>A, B, C are Partners sharing profits and losses in the ratio of 4: 2: 1. They decided to dissolve the partnership as on March 31, 2014 when their Balance Sheet was as follows :</p> <p style="text-align: center;"><b>Balance Sheet as on 31st March 2014</b></p> <table border="1"> <thead> <tr> <th>Liabilities</th> <th>₹</th> <th>Assets</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>Cash in Hand</td> <td>140</td> </tr> <tr> <td>Creditors</td> <td>11,400</td> <td>Investment</td> <td>30,000</td> </tr> <tr> <td>General Reserve</td> <td>18,900</td> <td>Stock</td> <td>1,28,300</td> </tr> <tr> <td>Bank Overdraft</td> <td>32,500</td> <td>Debtors</td> <td>45,400</td> </tr> <tr> <td>Capital : A</td> <td>80,000</td> <td>Machinery</td> <td>32,600</td> </tr> <tr> <td>                  B</td> <td>1,60,000</td> <td>Furniture</td> <td>4,900</td> </tr> <tr> <td>                  C</td> <td>1,30,000</td> <td>Building</td> <td>1,91,460</td> </tr> <tr> <td></td> <td>4,32,800</td> <td></td> <td>4,32,800</td> </tr> </tbody> </table> <p>All creditors have to be paid off. ₹ 2,400 have to be provided for realisation expenses. Thereafter all cash received should be distributed among the partners. The amounts were realised as follows :</p> <table> <tr> <td>1st Instalment:</td> <td>₹ 30,720</td> </tr> <tr> <td>2nd Instalment :</td> <td>₹ 36,800</td> </tr> <tr> <td>3rd Instalment :</td> <td>₹ 2,12,840</td> </tr> <tr> <td>4th Instalment :</td> <td>₹ 92,600</td> </tr> </table> <p>The actual realisation expenses were ₹ 1,200. Prepare a statement showing distribution of cash as per Excess Capital Method.</p>	Liabilities	₹	Assets	₹			Cash in Hand	140	Creditors	11,400	Investment	30,000	General Reserve	18,900	Stock	1,28,300	Bank Overdraft	32,500	Debtors	45,400	Capital : A	80,000	Machinery	32,600	B	1,60,000	Furniture	4,900	C	1,30,000	Building	1,91,460		4,32,800		4,32,800	1st Instalment:	₹ 30,720	2nd Instalment :	₹ 36,800	3rd Instalment :	₹ 2,12,840	4th Instalment :	₹ 92,600	[15]	<p>CO2</p> <p>L3</p>
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Q. 3

From the Following Trial Balance of Ajit and Sujit, you are required to prepare a Trading and Profit & Loss A/c for the year ended 31st December 2013 and a Balance Sheet as on that date:

**Trial Balance As on 31st December 2013**

Particulars	Debit ₹	Credit ₹	Particulars	Debit ₹	Credit ₹
Capital A/cs			Carriage	1400	
Ajit		60,000	Outwards		
Sujit		40,000	Wages	24,000	
			Insurance	1,600	
Drawing A/cs			Discount Received		200
-Ajit	2,000		Postage	800	
-Sujit	1,000		Debtors and Creditors	70400	64200
Stock on 1-1-2013	44,000		Furniture	24000	
Bills Receivable	1,800		Cash in Hand	9800	
Purchases and Sales	1,90,000	3,02,000	Machinery	80000	
Return	6,000	2,000	Rent & Taxes	1200	
Salaries	10,000		Printing & Stationery	400	

**Adjustments**

- (1) The closing stock on 31st December 2013 was valued at ₹ 56,000.
- (2) The outstanding expenses were : (a) Wages ₹ 2,000 and (b) Salaries ₹ 930.
- (3) Goods of ₹ 2,000 were distributed as free samples.
- (4) Interest on Partners' capitals was to be provided at 7% p.a.
- (5) Prepaid Insurance was ₹ 100.
- (6) Depreciation was to be provided on furniture at 10% and on machinery at 5%
- (7) A reserve for bad and doubtful debts was to be created at 5% of sundry debtors.

[15]

CO1 L3

Q. 4

Following is the Balance Sheet of two firms as at 31st March, 2014:

Liabilities	Prem & Co. ₹	Raj & Co. ₹	Assets	Prem & Co. ₹	Raj & Co. ₹
Capital A/cs			Premises	-	5000
Prem	11,500	-	Computers	10000	-
Anil	11,500	-	Furniture	5000	7000
Raj	-	18,000	Inventory	9000	8000
Shyam	-	12,000	Debtors	6000	14000
General Reserve	-	3,000	Bank	2000	4000
Creditors	5,000	4,000	Cash	1000	2000
Bills Payable	5,000	3,000			
	33,000	40,000		33,000	40,000

[15]

CO3 L3

Terms of amalgamation were as follow:

- a) Premises were valued at ₹ 10,000 and computers at ₹ 12,000.
- b) Furniture was not taken over by new firm.
- c) A reserve of 5% is to be created on debtors.
- d) Goodwill was valued as: M/s. Prem & Co. at ₹ 10,000 and that of M/s Raj & Co. at ₹ 15,000.
- e) The new firm also assumed other Assets and Liabilities of old firm at book value. Show necessary accounts in the books of old firms and the Balance Sheet of new firm M/s. Prem Raj & Co. after amalgamation.

Q. 5	<p>ABC Co. Ltd. was formed with an authorized capital of ₹ 1,50,000 consisting of 10,000 Equity shares @ ₹ 10 each and 5,000, 7½% Preference Shares of ₹ 10 each to acquire on 1-7-14 the business of M/s 'Lad and Wad', who were sharing profits in the ratio 3:2. Their Balance Sheet as on 30-06-14 was follows :</p> <table border="1" data-bbox="275 192 1113 466"> <thead> <tr> <th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr> </thead> <tbody> <tr> <td>Trade Creditors</td><td>16,580</td><td>Land and Building</td><td>40,000</td></tr> <tr> <td>Overdraft</td><td>8,950</td><td>Plant and Machinery</td><td>24,000</td></tr> <tr> <td>Capitals :</td><td></td><td>Stock</td><td>15,960</td></tr> <tr> <td>    Lad</td><td>40,974</td><td>Debtors</td><td>23,860</td></tr> <tr> <td>    Wad</td><td>37,316</td><td></td><td></td></tr> <tr> <td></td><td><b>1,03,820</b></td><td></td><td><b>1,03,820</b></td></tr> </tbody> </table> <p>The company took over all the assets and assumed all the liabilities and the consideration was fixed at ₹ 1, 10,000. In computing this figure, Land and Building were valued at ₹ 60,000, Plant and Machinery at ₹ 20,000; Stock at ₹ 15,000 and Debtors at book value subject to allowance of 5% to cover the doubtful debts.</p> <p>The purchase price was settled by the issue of 3,300 Equity shares at ₹ 10 each, to the firm, 2,500 Preference shares of ₹ 10 each, and the balance paid in cash.</p> <p>Prepare :</p> <ul style="list-style-type: none"> <li>(a) Realisation A/c</li> <li>(b) Partners' Capital A/c</li> <li>(c) ABC Co. Ltd. A/c and</li> <li>(d) Cash A/c</li> </ul>	Liabilities	₹	Assets	₹	Trade Creditors	16,580	Land and Building	40,000	Overdraft	8,950	Plant and Machinery	24,000	Capitals :		Stock	15,960	Lad	40,974	Debtors	23,860	Wad	37,316				<b>1,03,820</b>		<b>1,03,820</b>	[15]		CO4 L3
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Q. 6	Attempt any Three of the following.	[15]	Course Outcome	Knowledge Level																												
(a)	Realisation account			CO3																												
(b)	Purchase consideration			CO4																												
(c)	Benefits of conversion of firm into company			CO4																												
(d)	Admission of partner			CO1																												
(e)	Order of Payment of external Liabilities			CO2																												