



ଓଡ଼ିଶା ରାଜ୍ୟ ମୁକ୍ତ ବିଶ୍ୱବିଦ୍ୟାଳୟ, ସମ୍ବଲପୁର, ଓଡ଼ିଶା  
Odisha State Open University, Sambalpur, Odisha  
Established by an Act of Government of Odisha.

## ASSIGNMENTS

### DIPLOMA IN ACCOUNTING (DIA)

SESSION: 2018-19

### *2<sup>nd</sup> Semester*

#### *SUBMISSION DATES FOR ASSIGNMENTS*

COURSE CODE	COURSE TITLE	SUBMISSION DATE
DIA-04	Partnership Accounting	Sunday, 14 <sup>th</sup> April 2019
DIA-05	Company Accounts	Sunday, 14 <sup>th</sup> April 2019
DIA-06	Analysis of Financial Statement	Sunday, 14 <sup>th</sup> April 2019

## **INSTRUCTIONS**

Dear Learner,

Greetings from Odisha State Open University.

You are required to submit one assignment per course within the stipulated time in order to become eligible to appear in the term-end examination. The assignments will be evaluated by the counselors at your Study Centre. Please submit your assignment to the Coordinator of the Study Centre. Before you attempt the assignments, please go through the course materials carefully. Please read the instructions pertaining to an assignment before you start writing your answer. Do not copy from the course material or from any other source. You are advised to read the material, understand the same and write answers in your own language and style so that you will get good marks/grades.

### **Purpose of assignments**

1. Assignments are part of the continuous evaluation process in Open and Distance Learning (ODL) system.
2. This will help you for better performance in the term-end examination. If you secure good grades/marks in assignments, your overall performance will improve.
3. Your assignment, after evaluation, will be returned to you with comments by the evaluator.
4. This will help you to know your strength as well as your weakness. Thus, it will establish a two- way communication between learner and evaluator.

### **How to write assignments**

1. Write your name, programme code, course title, enrolment no. and study centre code on the top sheet of the assignment answer booklet.
2. Write the answers in your handwriting. Give sufficient margin in the left side of each page so that the evaluator will give comments on each paragraph/page.
3. Do not cross the word limit given in each question.
4. Your handwriting should be neat and readable.

### **Weightage for each assignment**

1. Each assignment will be of 100 marks but it will carry 25% weightage
2. Similarly, the Term End Examination will be of 100 marks but will carry 75% weightage.
3. You have to score minimum pass mark i.e. 40% in each assignment.
4. In case you do not submit assignment or get fail mark in assignment you have to re-submit in the next year.

**DIA 04 Partnership Accounting**  
**Assignment Questions**

**Group-A (1x10=10 Marks)**

1. Define the following and answer all the questions
  - a. Agreement
  - b. Partnership deed
  - c. Contract
  - d. Limited liability
  - e. Goodwill valuation
  - f. Dissolution of partnership
  - g. Partnership at will
  - h. Administrative expenses
  - i. Partners salaries
  - j. Interest on Drawings

**Group-B (5x4= 20 Marks)**

2. Answer any four in 50 words for each
  - a. Describe the salient features of partnership deed.
  - b. What are the powers and rights of a partner?
  - c. What are the rules to be followed for preparing appropriation account in the absence of partnership deed?
  - d. Distinguish between Average Profits and Super Profits.
  - e. Illustrate how interest on drawings will be calculated under various Situations.
  - f. What are the causes of general dissolution?

**Group-C (10x4=40 Marks)**

3. Answer any four in 200 words for each
  - a. What problems arise when a partner dies? How would you deal with them as an accountant?
  - b. What are the reasons for admission of a new partner? Mention the effects of admission of a new partner to business.
  - c. Write the differences between fixed capital method and fluctuating capital methods, with examples.
  - d. What are the propositions of Garner VS Murray? Discuss its application.
  - e. A and B are partners sharing profits as to A  $\frac{3}{4}$  and B  $\frac{1}{4}$ . The capitals are A Rs.

90,000 and B Rs 30,000. It is decided that with effect from 1st April, 2010 the profit sharing ratio will be: A  $\frac{5}{8}$  and B  $\frac{3}{8}$ . The partnership deed states that goodwill is to be valued at 2 years purchase of three years profits and those capitals of the two partners should be proportionate to the profit-sharing ratio. The profits for the years ended 31st March, 2008, 31st March, 2009 and 31st March, 2010 were Rs.42,000, Rs 39,000 and Rs 45,000 respectively. Make necessary journal entries.

- f. A, B & C are partners in a firm with capitals of Rs 50000, Rs 40000 & Rs 20000 respectively. They share profits & losses as:

(1) up to Rs 10000 in the ratio of 4:3:3 (2) above Rs 10000, equally.

The net profit of the firm for the year ended 31st December, 2016 amounted to Rs 40200, the drawings of the partners assuming: (a) partners capital are fixed (b) partner's capital are fluctuating, after considering the following adjustments:

- i. Interest on partner's capital to be paid @ 10%
- ii. Interest on drawings to be charged @ 5%
- iii. A to receive salary of Rs 5000 p.a.
- iv. B & C to get commission @ 10% each on the net profit.

**Group-D (15x2=30 Marks)**

4. Answer any two in 250 words for each
- a. Define goodwill. Describe various methods of valuing goodwill.
  - b. What is partnership? State the chief characteristics of a partnership? Describe the main provisions of the Partnership Act that are relevant to partnership accounts.
  - c. P and Q were working in partnership profits and losses equally. On 31 December, 2015, P decided to retire and in his place his son R was admitted as partner from 1 January, 2016, with  $\frac{1}{3}$  share of profit.

Balance Sheet as on December 31, 2016

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Sundry Creditors	14,700	Goodwill	15,000
Capital Accounts :		Land & Building	40,050
P : Rs.54,300		Motor Car	12,000
Q : Rs.48,000	1,02,300	Furniture	9,300
		Sundry Debtors	24,150
		Cash at Bank	16,500
	1,17,000		1,17,000

It was decided that: i) The goodwill would be raised to Rs.20,000. ii) The car would be taken over by P at its book value. iii) The value of land and buildings would be

increased by Rs.8,280. iv) Q and R would introduce sufficient capital to pay off P and to leave thereafter a sum of Rs.7,350 as bank balance, so as to make their capital proportionate to their share of profits. v) The Capital payable by R was to be gifted to him by his father.

1. Rajesh and Ravi are partners sharing profits in the ratio of 3 : 2. Their Balance Sheet stood as under:

Balance Sheet			
Liabilities	Rs.	Assets	Rs.
Creditors	38,500	Cash	2,000
Bank Loan	4,000	Stock	15,000
Capital A/cs		Prepaid Insurance	1,500
Rajesh	29,000	Debtors	9,000
Ravi	15,000	Provision	19,000
		Building	35,000
		Furniture	5,000
	86,500		86,500

Ramanis admitted as a new partner introducing a capital Rs. 16,000. The firm pays off the bank loan, such amount being credited to Rajesh Loan Account. The new profit sharing ratio is decided as 5 : 3 : 2. Raman is unable to bring in any cash for goodwill which is calculated on the basis of Raman's share in the profits and the capital contributed by him. Following revaluations are made:

- (i) Stock to depreciate 5% (ii) Provision for doubtful debts is to be Rs.500 (iii) Furniture to depreciate 10% (iv) Buildings are valued at Rs.40,000 Show the necessary ledger accounts and the balance sheet of the new firm.

## **DIA 05 Company Accounts**

### **Assignment Questions**

#### **Group-A (1x10=10 Marks)**

1. Define the following and answer all the questions
  - a. Share forfeiture account
  - b. Paid up capital
  - c. Right shares
  - d. Preference shares
  - e. Profit and Loss account
  - f. Discount on issue of shares
  - g. Current liability
  - h. Current assets
  - i. Miscellaneous expenditure
  - j. Overdraft

#### **Group-B (5x4= 20 Marks)**

2. Answer any four in 50 words for each
  - a. What is right share?
  - b. Distinguish between share holder and debenture holder.
  - c. Explain various types of profit from corporate point of view.
  - d. What do you understand by bills for collection in banking company accounts?
  - e. What do you mean by reserve for unexpired risk?
  - f. Give the format of vertical form of Balance Sheet.

#### **Group-C (10x4=40 Marks)**

3. Answer any four in 200 words for each
  - a. What are various types of debentures?
  - b. Give a proforma of Profit and loss account of Banking Company.
  - c. Prepare a revenue account of Marine Insurance Company with imaginary figure.
  - d. Sona Ltd. issued 10,000 shares of Rs10 each at par. The amount received as follows:
    - i. On application Rs3
    - ii. On allotment Rs3
    - iii. On first call Rs2
    - iv. On final call Rs2

The company received all the money except in case of 150 share holders did not received

the first and final call money these shares forfeited and reissued at discount of 10%. Pass Journal entries in the books of Sona Ltd.

e. What are various entries passed under sinking fund redemption method of redemption of debenture?

f. Prepare Fire revenue account for the period ending 31<sup>st</sup> March 2018

Particulars	Amount
Reserve for unexpired risk ( 1/4/2017)	90,000
Outstanding claim 1/4/2017	20,000
Outstanding claim 31/3/2018	15,000
Premium received	3,60,000
Reinsurance premium paid	50,000
Claims paid	90,000
Management expenses	70,000
Interest and dividend less tax	9,000
Legal expenses related to claim	3,000
Commission on direct business	30,500
Commission on re-insurance ceded	4,000
Commission on reinsurance accepted	1,000
Reserve for unexpired risk 60% of premium received on 31 <sup>st</sup> March 2018.	

**Group-D (15x2=30 Marks)**

4. Answer any two in 250 words for each

a. Atmika Ltd issued 8,000 shares and the amounts received were as follows:

On application Rs4, on allotment Rs2, Rs2 on first call and Rs2 on second call. The amounts received in respect of these shares were as follows:

On 6,000 shares the full amount of Rs10

On 1,250 shares Rs8 per share

On 500 shares Rs6 per share

On 250 shares Rs4 per share

The directors forfeited all such shares on which less than Rs8 per share had been received and reissued at par.

b. The Profit as shown by the revenue account of general insurance company for the year ending 31st March 2018 is Rs 4,00,000 before taking in to the following figures:

Claims intimated but not paid Rs40,000

Claims recovered under re-insurance Rs 20,000

Bonus in reduction of premium Rs 4,000

Outstanding premium Rs 3,000

Interest accrued Rs 2,000

Pass journal entries and revised profit statement.

- c. On 1st January 2013, Achyut Ltd. issued 10% debentures of Rs 1,00,000, which are to be redeemed after five years. The company creates sinking fund for this purpose. The annual amounts were invested at the end of each year in 5% government securities. The annual appropriation amount is Rs18,098. On 31st December 2017 the investments realized Rs75,000 and debentures were paid off. Pass journal entries in the books.
- d. Who is responsible for maintenance of Books of accounts? Briefly explain the provisions of company law relating maintenance of books of accounts.

## **DIA 06 Analysis of Financial Statement**

### **Assignment Questions**

#### **Group-A (1x10=10 Marks)**

1. Define the following and answer all the questions
  - a. Depreciation
  - b. Cash in hand
  - c. Creditor
  - d. Net operating income
  - e. Account receivables
  - f. Dividend
  - g. Net profit
  - h. Debtor
  - i. Current ratio
  - j. Cash flow statement

#### **Group-B (5x4= 20 Marks)**

2. Answer any four in 50 words for each
  - a. Who are the users of financial statement?
  - b. Write a note on 'Tendon Committee Report'
  - c. What is 'percentage of sales method'?
  - d. What are the limitations of ratio analysis?
  - e. What is owner's equity?
  - f. Explain various parties interested in financial statement analysis.

#### **Group-C (10x4=40 Marks)**

3. Answer any four in 200 words for each
  - a. Explain various types of Working Capital with example for each.
  - b. Explain fund from operation and state the calculation procedure.
  - c. M/s. Goutami & Co. Supplies the following information for the year ending 31st December 2016. Credit sales Rs. 1,50,000; Cash sales Rs. 2,50,000; Returns inward Rs.25,000; Opening stock Rs. 25,000 and closing stock Rs. 35,000. Calculate
    - (i) Inventory turnover when gross profit ratio is 20%
    - (ii) Inventory Conversion period
  - d. Explain comparative statement analysis.
  - e. State various Tools of financial statement analysis

- f. Give the specimen of cash flow statement by indirect Method.

**Group-D (15x2=30 Marks)**

4. Answer any two in 250 words for each
- a. What do you mean by financial statements? Discuss the nature of Financial Statement with its limitations.
  - b. Explain cash flow statement? State the procedure for preparing a Cash flow statement with imaginary items.
  - c. What do you mean by ratio analysis? Elaborate the statement “Ratio analysis is an important tool for judgement of the health of any organisation.
  - d. Define the term Working Capital? What factors would you take into consideration in estimating the working capital needs of a concern?