



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

## **ASSIGNMENT – 4 to 6**

**ACADEMIC SESSION: 2016-17**

**DIPLOMA IN ACCOUNTING**

**(DIA)**

Please read the instructions carefully before attempting assignment questions.

## **INSTRUCTIONS**

**Dear Learner,**

Welcome to the Diploma Programme in Accounting offered by Odisha State Open University, Sambalpur.

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 response to 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 carefully, 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. Due weightage is given to the marks/grades you obtain in assignments. 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.
2. Assignments are also a part of the teaching-learning process in ODL. Your assignment, after evaluation, will be returned back to you with specific and general comments by the evaluator. 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 in 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 carry 25% weightage and term-end examination will carry 75% weightage.
2. Each assignment will be of 100 marks. But it will carry 25% weightage.
3. You have to score minimum pass mark i.e. 40% in each assignment. In case you do not submit assignment or get fail mark in assignment you have to re-submit in the next year.

### SUBMISSION DATES FOR ASSIGNMENTS

<b>Course No.</b>	<b>Course Title</b>	<b>Date of Submission</b>	<b>Day as per Calendar</b>
<b>SEMESTER-2</b>			
<b>DIA-04</b>	<b>PARTNERSHIP ACCOUNTING</b>	<b>09.04.2017</b>	<b>SUNDAY</b>
<b>DIA-05</b>	<b>COMPANY ACCOUNTS</b>	<b>16.04.2017</b>	<b>SUNDAY</b>
<b>DIA-06</b>	<b>ANALYSIS OF FINANCIAL STATEMENTS</b>	<b>23.04.2017</b>	<b>SUNDAY</b>

**ASSIGNMENT-1**  
**COURSE-4 (PARTNERSHIP ACCOUNTING)**

**Group-A**

(Short answer question carries 5 marks each)

1. Why the Profit & Loss Adjustment Account is prepared?
2. How will you show the following in case the capitals are?
  - i) Fixed and           (ii) fluctuating
    - a) Additional capital introduced
    - b) Drawings
    - c) Withdrawal of capital
    - d) Interest on capital and
    - e) Interest on loan by partners.
3. In the absence of Partnership deed, specify the rated relating to the following.
  - a) Sharing of profit and losses
  - b) Interest on partner's capital
  - c) Interest on partner's drawings
  - d) Interest on partner's loan
  - e) Salary to a partner.
4. What do you mean by revaluation of assets and liabilities in case of admission of a partner?
5. Explain the accounting treatment of goodwill on retirement of partner?
6. Under what circumstances a court can order dissolution of a partnership firm?

### Group-B

(Medium answer question carries 10 marks each)

7. X and Y were partners sharing profits in the ratio of 5:4. On 1<sup>st</sup> April, 2014 they admitted Z as a new partner; all the partners agreeing to share future profit equally. On the date of admission of the new partner, there was a goodwill account in the old firm's ledger showing a balance of Rs. 18,000.

The current Value of firm's goodwill was placed at Rs. 36,000. Z paid Rs. 50,000 by way of his capital. He also paid an appropriate amount of his share of goodwill. X and Y write off the goodwill account before Z's admission.

Place the necessary Journal Entries.

8. A, B and C are partners sharing profit and losses in the ratio of 2:2:1. Their balance sheet as on March 31, 2015 is as follows:

#### Balance Sheet of A, B and C as on March 31, 2016

Liabilities	Amount Rs.	Assets	Amount Rs.
Reserve Fund	2,500	Cash at Bank	2,500
Creditors	2,000	Stock	2,500
Capitals:-		Furniture	1,000
A       5,000		Debtors	2,000
B       2,000		Plant & Machinery	4,500
C       1,000			
_____			
	<u>8,000</u>		
	<u>12,500</u>		<u>12,500</u>

They decided to dissolve the business. The following amounts were realized. Plant and Machinery Rs. 4,250, Stock Rs. 3,500, Debtors Rs. 1,850, Furniture Rs. 750.

'A' agreed to bear all realization expenses. For the services 'A' is paid Rs.60. Actual expenses on realization amounted to Rs. 450. Creditors paid 2% less. There was an unrecorded assets of Rs. 250, which was taken over by 'B' at Rs. 200.

Prepare the necessary accounts to close the book of the firm.

9. What do we meant by settlements of accounts in case of death or retirement of a partner?

### **Group- C**

(Long question carries 20 marks each)

10. a) What do you meant by Partnership Deed? State the contents of a Partnership Deed.  
b) Discuss the main provisions of the Indian Partnership Act, 1932 that are relevant to Partnership accounts if there is no partnership deed?
11. a) What do we mean by dissolution of the Partnership firm? Explain the process of dissolution of partnership firm?  
b) State the Order of settlement of accounts on dissolution.

## **ASSIGNMENT-2**

### **COURSE-5 (COMPANY ACCOUNTS)**

#### **Group-A**

(Short answer question carries 5 marks each)

1. Give the meaning of “reissue of Shares”. What amount is transferred to Capital Reserve A/c after reissue of forfeited Shares? Why is this account transferred to Capital reserve A/c?
2. Differentiate between ‘Equity Shares’ & “Preferences Shares” in brief?
3. Sunita, a shareholder holding 500 shares of Rs. 10 each, did not pay the allotment money of Rs.4 per share (including a premium of Rs. 2) and the first and Final call of Rs. 3. Her Shares were forfeited after the first and final call. Give journal entry for forfeiture of the Shares.
4. Explain the meaning of “Forfeiture of Shares” and “forfeiture of shares at a discount”?
5. What are the “Subsidiary Books”?
6. Write Short notes on these followings:
  - I. Share Capital
  - II. Reserve and Surplus
  - III. Money received against share warrants

#### **Group-B**

(Medium answer question carries 10 marks each)

7. India Infrastructure Limited has issued its shares of Rs 20 each at a discount of Rs. 2 per share. Mahima holding 100 shares did not pay final call of rs. 5 per share. Her shares were forfeited. Later on the company reissued 100 shares of these forfeited shares at (i) Rs. 15 per share (ii) Rs 20 per share, and (iii) Rs 25 per share.  
Make journal entries for the forfeiture and reissue of the shares in the books of company.
8. State the distinction between Shares and Debentures?
9. Write Short notes on:-
  - i. Calls in arrear
  - ii. Calls in Advance
  - iii. Over-Subscription of Shares
  - iv. Under-Subscription of Shares
  - v. Issues of Shares at a premium
  - vi. Issue of Shares at a discount.

**Group-C**

(Medium answer question carries 20 marks each)

10. What is the meaning of Company? What are the types of company? Describe its characteristics of company registered under companies Act, 1956?
11. What do you mean by the term “Share”? Discuss the type of Share, which can be issued under the Companies Act, 1956 as amended to date.



## ASSIGNMENT-3

### COURSE-6 (ANALYSIS OF FINANCIAL STATEMENTS)

#### Group-A

(Short answer question carries 5 marks each)

Answer all in 100 words

1. Give 3 characteristics of ideal financial statements.
2. Who are the users of financial statements?
3. Discuss the significance of Debt-Equity ratio.
4. When does flow of funds take place?
5. Compare Funds flow statement with a Balance sheet.
6. What is the concept of Working capital?

#### Group-B

(Medium answer question carries 10 marks each)

Answer all in 300 words

1. Define the term working capital. What factors would you take into consideration in estimating the working capital needs of a concern?
2. Explain the procedure of preparing a Cash flow statement.
3. The following is the Balance sheet of Reliance company, for the year ending December 31,2016:

<b>LIABILITIES</b>	<b>RS.</b>	<b>ASSETS</b>	<b>RS.</b>
Preference share capital	500000	Goodwill	100000
Equity share capital	1000000	Land & Building	650000
Debentures	200000	Plant	800000
Long term loan	100000	Furniture	150000
Bills payable	60000	Bills receivable	70000
Sundry creditors	70000	Sundry debtors	90000
Bank overdraft	30000	Bank balance	45000
Outstanding expenses	5000	Short term investment	25000
		Prepaid expenses	5000
		Stock	30000
	<b>1965000</b>		<b>1965000</b>

From the Balance sheet calculate:

- Current ratio
- Acid test ratio
- Absolute liquid ratio

### Group-C

(Medium answer question carries 20 marks each)

Answer all in 400 words

1. What is Common size balance sheet statement & income statement? Explain the technique with a suitable example.
2. From the following Balance sheet of S.N. industries prepare a Funds Flow Statement showing your workings clearly:

<b>LIABILITIES</b>	<b>2015 Rs</b>	<b>2016 Rs</b>	<b>ASSETS</b>	<b>2015 Rs</b>	<b>2016 Rs</b>
Share capital	60000	65000	Goodwill	30000	25000
Profit & loss a/c	34000	26000	Plant & machinery	60000	50000
Current liabilities	12000	3000	Current assets	16000	19000
	<b>106000</b>	<b>94000</b>		<b>106000</b>	<b>94000</b>

Additional information:

- Depreciation of Rs 20000 on plant & machinery was charged to profit & loss account.
- Dividends of Rs 12000 were paid during the year.