

Sampurna June 2024

Practice Test Series - 01

Business Laws

1. Total Marks - 50
 2. Time Allowed – 1.5 Hours
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All Question are Compulsory

1. All contracts are agreements, but all agreements are not contracts”. Comment. **(5 Marks)**
2. A sends an offer to B to sell his second-car for Rs. 1,40,000 with a condition that if B does not reply within a week, he (A) shall treat the offer as accepted. Is A correct in his proposition? **(3 Marks)**
3. Explain the type of contracts in the following agreements under the Indian Contract Act, 1872:
 - (i) A coolie in uniform picks up the luggage of A to be carried out of the railway station without being asked by A and A allows him to do so.
 - (ii) Obligation of finder of lost goods to return them to the true owner.
 - (iii) A contracts with B (owner of the factory) for the supply of 10 tons of sugar, but before the supply is effected, the fire caught in the factory and everything was destroyed.**(6 Marks)**
4. Define the term acceptance under the Indian Contract Act, 1872. Explain the legal rules regarding a valid acceptance **(7 Marks)**
5. Explain the type of contracts in the following agreements under the Indian Contract Act, 1872:
 - (i) X promise to sell his scooter to Y for Rs. 1 Lac. However, the consent of X has been procured by Y at a gun point.
 - (ii) A bought goods from B in 2015. But no payment was made till 2019.
 - (iii) G agrees to give tuitions to H, a pre-engineering student, from the next month and Hin consideration promises to pay G Rs. 5,000 per month.**(3 Marks)**
6. Mr. Pratham applied for a job as principal of a school. The school management decided to appoint him. One member of the school management committee privately informed Mr. Pratham that he was appointed but official communication was not given from the school. Later, the management of the school decided to appoint someone else as a principal. Mr. Pratham filed a suit against the school for cancellation of his appointment and claimed damages for loss of salary. State with reasons, will Mr. Pratham be successful in suit filed against school under the Indian Contract Act, 1872? **(6 Marks)**
7. Mr. Balwant, an old man, by a registered deed of gift, granted certain landed property to Ms. Reema, his daughter. By the terms of the deed, it was stipulated that an annuity of Rs. 20, 000 should be paid every year to Mr. Sawant, who was the brother of Mr. Balwant. On the same day Ms. Reema made a promise to Mr. Sawant and executed in his favour an agreement to give effect to the stipulation. Ms. Reema failed to pay the stipulated sum. In an action against her by Mr. Sawant, she contended that since Mr. Sawant had not furnished any consideration, he has no right of action. Examining the provisions of the Indian Contract Act, 1872, decide, whether the contention of Ms. Reema is valid? **(6 Marks)**
8. A stranger to a contract cannot sue, however in some cases even a stranger to contract may enforce a claim. Explain. Or
“Only a person who is party to a contract can sue on it”. Explain this statement and describe its exceptions, if any. **(7 Marks)**

9. Define consideration the characteristics of a valid consideration.

(4 Marks)

10. “To form a valid contract, consideration must be adequate”. Comment.

(3 Marks)



Practice Test-2 (Subjective)

Sampurna June 2024

Accounting

BRS , Rectification of Errors

Q1 On 30th June, 2021, Cash Book of Ms. Suman (Bank Column of Account No. 1) shows a Bank Overdraft of *Rs.1,97,400*. On going through the Bank Pass book for reconciling the Balance, she found the following:

1. Out of cheques drawn on 26th June, those for *Rs.14,800* were cashed by the bankers on 2nd July.
2. A crossed cheque for *Rs.3,000* given to Abdul was returned by him and a bearer cheque was issued to him in lieu on 1st July.
3. Cash and cheques amounting to *Rs.13,600* were deposited in the Bank on 29th June., but cheques worth *Rs.5,200* were cleared by the Bank on 1st July., and one cheque for *Rs.1,000* was returned by them as dishonored on the latter date.
4. According to Suman's standing instructions, the bankers have on 30th June, paid *Rs.1,280* as interest to her creditors, paid quarterly premium on her policy amounting to *Rs.640* and have paid a second call of *Rs.2,400* on shares held by her and lodged with the bankers for safe custody. They have also received *Rs.600* as dividend on her shares and recovered an Insurance Claim of *Rs.3,200*, as their charges and commission charged on the above being *Rs.400*. On receipt of information of the above transaction, she has passed necessary entries in her Cash Book on 1st July.
5. Bankers seem to have given a wrong credit for *Rs.2,000* paid in by her in No. 2 account and wrong debit in respect of a cheque for *Rs.1,200* drawn against her No. 2 account.

Prepare a Bank Reconciliation Statement as on 30th June, 2021.

Q2 From the following particulars of M/s Swapnil enterprises, prepare a Bank reconciliation statement:

1. Bank overdraft as per Pass Book as on 31st March, 2021 was *Rs.8,800*.
2. Cheques deposited in Bank for *Rs.5,800* but only *Rs.2,000* were cleared till 31st March.
3. Cheques issued were *Rs.2,500*, *Rs.3,800* and *Rs.2,000* during the month. The cheque of *Rs.5,800* is still with the supplier .
4. Dividend collected by Bank *Rs.1.250* was wrongly entered as *Rs.1,520* in the Cash Book.
5. Amount transferred from fixed deposit A/c into the current A/c *Rs.2,000* appeared only in Pass Book .
6. Interest on overdraft *Rs.930* was debited by the Bank in the Pass Book and the information was received only on 3rd April 2021.
7. Direct deposit by M/s Rajesh Trader *Rs.400* not entered in the Cash Book.
8. Corporation tax *Rs.1,200* paid by the Bank as per standing instruction appears in PassBook only.

Q3 Mr.Naman was unable to agree the Trial Balance last year and wrote off the difference to the Profit and Loss Account of that year. Next Year, he appointed a Chartered Accountant who examined the old books and



found the following mistakes:

- (1) Purchase of Bike was debited to conveyance account Rs.6,000.
 - (2) Purchase account was over-cast by Rs.20,000.
 - (3) A credit purchase of goods from Mr.Gaurav for Rs.4,000 was entered as a sale.
 - (4) Receipt of cash from Mr.Ashish was posted to the account of Mr.Kapil Rs.2,000.
 - (5) Receipt of cash from Mr.Dhruv was posted to the debit of his account, Rs.1000.
 - (6) Rs.1000 due by Mr.Komal was omitted to be taken to the trial balance.
 - (7) Sale of goods to Mr.Sanjay for Rs.4,000 was omitted to be recorded.
 - (8) Amount of Rs.4,395 of purchase was wrongly posted as Rs.4,593.
- Mr.Naman used 10% depreciation on vehicles. Suggest the necessary rectification entries.

Q4 Give journal entries to rectify the following:

- (1) A purchase of goods from Manmeet amounting to Rs.300 has been wrongly entered through the Sales Book.
- (2) A Credit sale of goods amounting Rs.240 to Riya has been wrongly passed through the Purchase Book.
- (3) On 31st December, 2022 goods of the value of Rs.600 were returned by Hitesh and were taken into inventory on the same date but no entry was passed in the books.
- (4) An amount of Rs.400 due from Kartik , which had been written off as a Bad Debt in a previous year, was unexpectedly recovered, and had been posted to the personal account of Kartik.
- (5) A Cheque for Rs.200 received from Suraj was dishonoured and had been posted to the debit of Sales Returns Account.



Practice Test-3 (Subjective)

Sampurna June 2024

Accounting

Non-Profit Organisation

Q1 The Income and Expenditure Account of City Sports Club for the year ended 31st March, 2019 was as follows:

Expenditures	₹	Incomes	₹
To Salaries	1,20,000	By Subscription	1,60,000
To Printing and Stationery	6,000	By Entrance Fees	10,000
To Rent	12,000	By Contribution for Annual Dinner	20,000
To Repairs	10,000		
To Sundry Expenses	8,000	By Profit on Annual Sports meet	20,000
To Annual Dinner Expenses	30,000		
To Interest to Bank	6,000		
To Depreciation on Sports Equipment	6,000		
To Excess of Income over Expenditure	12,000		
	2,10,000		2,10,000

The above account had been prepared after the following adjustments:

	₹
Subscription outstanding on 31.03.2018	12,000

Subscription received in advance on 31.03.2018	9,000
Subscription received in advance on 31.03.2019	5,400
Subscription outstanding on 31.03.2019	15,000

Salaries outstanding at the beginning and at the end of the financial year were ₹ 8,000 and ₹ 10,000 respectively. Sundry expenses included prepaid insurance expenses of ₹ 1,200.

The club owned a freehold ground valued ₹ 2,00,000. The club has sports equipment on 01.04.2018 valued at ₹ 52,000. At the end of the year after depreciation the sports equipment amounted to ₹ 54,000. The club raised a loan of ₹ 40,000 from a bank on 01.01.2018 which was unpaid till 31.03.2019. On 31.03.2019 Cash in hand was ₹ 32,000.

Prepare Receipts and Payments account of the club for the year ended 31st March, 2019 and Balance Sheet as on that date.

Q2 From the following information supplied by M.B.S. Club prepare Receipts and Payments Account and Income and Expenditure Account for the year ended 31st March 2019.

	01.04.2018 ₹	31.03.2019 ₹
Outstanding subscription	1,40,000	2,00,000
Advance Subscription	25,000	30,000
Outstanding Salaries	15,000	18,000
Cash in Hand and at	1,10,000	??



Bank		
10% Investment	1,40,000	70,000
Furniture	28,000	14,000
Machinery	10,000	20,000
Sports Goods	15,000	25,000

Subscription for the year amount to ₹3,00,000. Salaries paid ₹60,000. Face value of the Investment was ₹1,75,000, 50% of the Investment was sold at 80% of Face Value. Interest on Investments was received ₹14,000.

Furniture was sold for ₹ 8000 at the beginning of the year. Machinery and Sports Goods purchased and put to use at the last date of the year. Charge depreciation @ 15% p.a. on Machinery and Sports Goods and @10% p.a. on Furniture.

Following Expenses were made during the year:

Sports Expenses: ₹50,000

Rent : ₹24,000 out of which ₹2,000 outstanding

Misc. Expenses : ₹ 5,000



Practice Test - 04

Sampurna June 2024

Business Laws

1. Total Marks - 50
2. Time Allowed – 1.5 Hours

Date 04-02-2024

All Question are Compulsory

1. PQR, a hospital in Delhi, recruits Dr. A, on contract basis for a period of 3 months. The hospital management promises to pay Dr. A, a lumpsum amount of Rs. 1,00,000 if Dr. A test positive for noval corona virus (Covid 19) during the contract period of 3 months.
Identify the type of contract and highlight the rule of enforcement. Also, what will happen if Dr. A does not contract Covid 19.

(6 Marks)
2. X found a wallet in a restaurant. He enquired of all the customers present there but the true owner could not be found. He handed over the same to the manager of the restaurant to keep till the true owner is found. After a week he went back to the restaurant to enquire about the wallet. The manager refused to return it back to X, saying that it did not belong to him.
In the light of the Indian Contract Act, 1872, can X recover it from the Manager?

(4 Marks)
3. M Ltd., contract with Shanti Traders to make and deliver certain machinery to them by 30.6.2017 for Rs. 11.50 lakhs. Due to labour strike, M Ltd. could not manufacture and deliver the machinery to Shanti Traders. Later, Shanti Traders procured the machinery from another manufacturer for Rs. 12.75 lakhs. Due to this Shanti Traders was also prevented from performing a contract which it had made with Zenith Traders at the time of their contract with M Ltd. and were compelled to pay compensation for breach of contract. Advise Shanti Traders the amount of compensation which it can claim from M Ltd., referring to the legal provisions of the Indian Contract Act, 1872.

(7 Marks)
4. A & B entered into a contract to supply unique item, alternate of which is not available in the market. A refused to supply the agreed unique item to B. What directions could be given by the court for breach of such contract.

(3 Marks)
5. X, Y and Z jointly borrowed Rs. 90,000 from L. Decide each of the following in the light of the Indian Contract Act, 1872:
 - (i) Whether L can compel only Y to pay the entire loan of Rs. 90,000?
 - (ii) Whether L can compel only the legal representatives of Y to pay the loan of Rs. 90,000, if X, Y and Z died?
 - (iii) Whether Y and Z are released from their liability to L and X is released from his liability to Y and Z for contribution, if L releases X from his liability and sues Y and Z for payment?

(6 Marks)
6. X, Y and Z are partners in a firm. They jointly promised to pay Rs. 3,00,000 to D. Y become insolvent and his private assets are sufficient to pay 1/5 of his share of debts. X is compelled to pay the whole amount to D. Examining the provisions of the Indian Contract Act, 1872, decide the extent to which X can recover the amount from Z.

(4 Marks)
7. Distinguish between wagering agreement and contract of insurance.

Or

Enumerate the differences between 'Wagering Agreements' and 'Contract of Insurance' with reference to provision of the Indian Contract Act, 1872.

(5 Marks)

8. 'X' agreed to become an assistant for 2 years to 'Y' who was practicing Chartered Accountant at Jodhpur. It was also agreed that during the term of agreement 'X' will not practice as a Chartered Accountant on his own account within 20 kms of the office of 'Y' at Jodhpur. At the end of one year, 'X' left the assistantship of 'Y' and started practice on his own account within the said area of 20 kms.
Referring to the provisions of the Indian Contract Act, 1872, decide whether 'X' could be restrained from doing so?
(5 Marks)
9. "To form a valid contract, consideration must be adequate". Comment.
(4 Marks)
10. Explain the type of contracts in the following agreements under the Indian Contract Act, 1872:
(i) A coolie in uniform picks up the luggage of A to be carried out of the railway station without being asked by A and A allows him to do so.
(ii) Obligation of finder of lost goods to return them to the true owner.
(iii) A contracts with B (owner of the factory) for the supply of 10 tons of sugar, but before the supply is effected, the fire caught in the factory and everything was destroyed.
(6 Marks)



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Practice Test 05 (Subjective)

Sampurna June 2024

Accounting

Depreciation , NPO

Time- 1 Hour

Date - 11-02-2024

Q1 M/s. Dayal Transport Company purchased 10 trucks @ ₹ 50,00,000 each on 1st July 2017. On 1st October, 2019, one of the trucks is involved in an accident and is completely destroyed and ₹ 35,00,000 is received from the insurance in full settlement. On the same date, another truck is purchased by the company for the sum of ₹ 60,00,000. The company writes off 20% of the original cost per annum. The company observes the calendar year as its financial year. Give the motor truck account for two years ending 31st December, 2020. **(10 Marks)**

Q2 The Machinery Account of a Factory showed a balance of ₹ 95 Lakhs on 1st April, 2020. The Books of Accounts of the Factory are closed on 31st March every year. Depreciation is written off @ 10% per annum under the Diminishing Balance Method. On 1st September, 2020 a new machine was acquired at a cost of ₹ 14 Lakhs and ₹ 44,600 was incurred on the same day as installation charges for erecting the machine. On 1st September, 2020 a machine which had cost ₹ 21,87,000 on 1st April, 2018 was sold for ₹ 3,75,000. Another machine which had cost ₹ 21,85,000 on 1st April, 2019 was scrapped on 1st September, 2020 and it realized nothing. Prepare Machinery Account for the year ended 31st March, 2021. Allow the same rate of depreciation as in the past and calculate depreciation to the nearest multiple of a rupee. Also show all the necessary working notes. **(10 Marks)**

Q3 The Accountant of Diana Club furnishes you the following Receipts and Payments account for

the year ending 30th September, 2013:

Receipts	(₹)	Payments	(₹)
Opening Balance:		Honorarium to Secretary	9,600
Cash at Bank	16,760	Misc. expenses	3,060
Subscriptions	21,420	Rates and taxes	2,520
Sale of old newspaper	4,800	Groundman's wages	1,680
Entertainment fees	8,540	Printing and Stationery	940
Bank Interest	460	Telephone expenses	4,780
Bar Receipts	14,900	Payment for Bar purchases	11,540
		Repairs	640
		New Car (Less sale proceeds of	25,200
		Old Car ₹ 6,000)	
		Closing Balance:	
		Cash at Bank	6,920
	66,880		66,880

Additional Information:



	01.10.2012 ₹	30.09.2013 ₹
(i) Subscription due (not received)	2,400	1,960
(ii) Cheques issued, but not presented for payment of printing	180	60
(iii) Club premises at cost	58,000	-
(iv) Depreciation on club premises provided so far	37,600	-
(v) Car at cost	24,380	-
(vi) Depreciation on car	20,580	-
(vii) Value of Bar stock	1,420	1,740
(viii) Amount unpaid for bar purchases	1,180	860

(ix) Depreciation is to be provided @5% p.a. on the written down value of the club premises and @15% p.a. on car for the whole year.

You are required to prepare an Income and Expenditure account of Diana Club for the year ending 30th September, 2013 and Balance Sheet as on that date. **(10 Marks)**

- Q4** From the following particulars relating to Deena Nath Charitable Hospital, prepare
- Receipts and Payments Account for the year ended on 31st March, 2016; and
 - Balance Sheet as on 31st March, 2016:

Income and Expenditure Account

(For the year ended 31st March, 2016)

Expenditure	₹	Income	₹
To Medicines used	29,980	By Subscriptions	56,000

To Honorarium to doctors	12,000	By Donations		9,500
To Salaries	27,500	By Interest on investment @ 11%		11,000
To Printing and stationery	1,100	By Income from film show:		
To Electricity	475	Proceeds	11,450	
To Rent	6,000	Less: Expenses	780	10,670
To Depreciation on Furniture	2,100			
To Depreciation on equipment	3,250			
To Surplus i.e. excess of income over expenditure	4,765			
	87,170			87,170

Additional Information:

		On 1.4.2015	On 31.3.2016
(i)	Subscription due	120	160
(ii)	Subscriptions received in advance	64	100
(iii)	Electricity bills unpaid	92	115
(iv)	Stock of medicines	7,820	9,750
(v)	Estimated value of equipment	11,600	13,900
(vi)	Furniture and fixtures	21,000	18,900



(vii)	Land	-	10,000
(viii)	Interest accrued on investments in 11% debentures costing ₹ 1,02,500 (face value: ₹ 1,00,000)	3,750	3,750

(ix)	Cash in hand	340	160
(x)	Cash at bank	9,000	?

(10 Marks)

Practice Test - 06
Sampurna June 2024
Business Laws

1. Total Marks - 50
2. Time Allowed – 90 Min.

Date : 18/02/2024

All Question are Compulsory

1. Explain whether the agency shall be terminated in the following cases under the provisions of the Indian Contract Act, 1872:
 - (i) A gives authority to B to sell A's land, and to pay himself, out of the proceeds, the debts due to him from A. Afterwards, A becomes insane.
 - (ii) A appoints B as A's agent to sell A's land. B, under the authority of A, appoints C as agent of B. Afterwards, A revokes the authority of B but not of C. What is the status of agency of C ?

(6 Marks)
2. Mr. Ahuja of Delhi engaged Mr. Singh as his agent to buy a house in West Extension area. Mr. Singh bought a house for ₹ 20 lakhs in the name of a nominee and then purchased it himself for ₹ 24 lakhs. He then sold the same house to Mr. Ahuja for ₹ 26 lakhs. Mr. Ahuja later comes to know the mischief of Mr. Singh and tries to recover the excess amount paid to Mr. Singh. Is he entitled to recover any amount from Mr. Singh? If so, how much? Explain.

(4 Marks)
3. Pankaj appoints Shruti as his agent to sell his estate. Shruti, on looking over the estate before selling it, finds the existence of a good quality Granite-Mine on the estate, which is unknown to Pankaj. Shruti buys the estate herself after informing Pankaj that she (Shruti) wishes to buy the estate for herself but conceals the existence of Granite-Mine. Pankaj allows Shruti to buy the estate, in ignorance of the existence of Mine. State giving reasons in brief the rights of Pankaj, the principal, against Shruti, the agent. Give your answer as per the provisions of the Contract Act, 1872.

What would be your answer if Shruti had informed Pankaj about the existence of Mine before she purchased the estate, but after two months, she sold the estate at a profit of ₹ 10 lac?

(6 Marks)
4. State the essential elements of a contract of bailment.

(6 Marks)
5. Mrs. Shivani delivered her old silver jewellery to Mr. Y a Goldsmith, for the purpose of making anklet out of it. Every evening she used to receive the unfinished good (anklet) to put it into box kept at Mr. Y's Shop. She kept the key of that box with herself. One night, the anklet was stolen from that box. Was there a contract of bailment? Whether the possession of the goods (actual or constructive) delivered, constitute contract of bailment or not? Give your answer as per the provisions of the Indian Contract Act, 1872.

(4 Marks)
6. Amar bailed 50 kg of high quality sugar to Srijith, who owned a kirana shop, promising to give ₹ 200 at the time of taking back the bailed goods. Srijith's employee, unaware of this, mixed the 50 kg of sugar belonging to Amar with the sugar in the shop and packaged it for sale when Srijith was away. This came to light only when Amar came asking for the sugar he had bailed with Srijith, as the price of the specific quality of sugar had trebled. What is the remedy available to Amar under the Indian Contract Act, 1872?

(4 Marks)

7. Distinguish between a contract of Indemnity and a contract of Guarantee as per The Indian Contract Act, 1872. (6 Marks)
8. 'Surendra' guarantees 'Virendra' for the transactions to be done between 'Virendra' & 'Jitendra' during the month of March, 2021. 'Virendra' supplied goods of ₹ 30,000 on 01.03.2021 and of ₹ 20,000 on 03.03.2021 to 'Jitendra'. On 05.03.2021, 'Surendra' died in a road accident. On 10.03.2021, being ignorant of the death of 'Surendra', 'Virendra' further supplied goods of ₹ 40,000. On default in payment by 'Jitendra' on due date, 'Virendra' sued on legal heirs of 'Surendra' for recovery of ₹ 90,000. Describe, whether legal heirs of 'Surendra' are liable to pay ₹ 90,000 under provisions of Indian Contract Act 1872. What would be your answer, if the estate of 'Surendra' is worth of ₹ 45,000 only? (6 Marks)
9. Megha advances to Nisha ₹ 5,000 on the guarantee of Prem. The loan carries interest at ten percent per annum. Subsequently, Nisha becomes financially embarrassed. On Nisha's request, Megha reduces the interest to six per cent per annum and does not sue Nisha for one year after the loan becomes due. Nisha becomes insolvent. Can Megha sue Prem? Decide your answer in reference to the provisions of the Contract Act, 1872. (4 Marks)
10. 'A' gives to 'M' a continuing guarantee to the extent of `8,000 for the fruits to be supplied by 'M' to 'S' from time to time on credit. Afterwards 'S' became embarrassed and without the knowledge of 'A', 'M' and 'S' contract that 'M' shall continue to supply 'S' with fruits for ready money and that payments shall be applied to the then existing debts between 'S' and 'M'. Examining the provision of the Indian Contract Act, 1872, decide whether 'A' is liable on his guarantee given to M. (4 Marks)



Practice Test- 07 (Subjective)

Sampurna June 2024

Accounting

Time- 1 hour

Accounts from incomplete Records , Inventory

Date- 25-02-2024

Q 1 Mr. Prakash furnishes following information for his readymade garments business:

Receipts and Payments during 2022-23:

Receipts	Amount	Payments	Amount
Bank Balance as on 1-4-22	16,250	Payment to Sundry Creditors	3,43,000
Received from Sundry Debtors	4,81,000	Salaries	75,000
Cash sales	1,70,800	General Expenses	22,500
Capital brought in the business during the year	50,000	Rent and Taxes	11,800
Interest on Investment received	9,750	Drawings	96,000
		Cash Purchases	1,22,750
		Balance at Bank on 31-03-23	36,600
		Cash in hand on 31-03-23	20,150
	7,27,800		7,27,800

Particulars of other Assets and Liabilities are as follows:

	1st April, 2022	31st March, 2023
	(₹)	(₹)
Machinery	85,000	85,000
Furniture	24,500	24,500
Trade Debtors	1,55,000	?
Trade Creditors	60,200	?
Stock	38,600	55,700
12% Investment	85,000	85,000
Outstanding Salaries	12,000	14,000

Additional information:

1. 20% of Total sales and 20% of total purchases are in cash.
2. Of the Debtors, a sum of 7,200 should be written off as Bad debt and further a reserve for doubtful debts is to be provided @ 2%.
3. Provide depreciation @ 10% p.a. on Machinery and Furniture.

You are required to prepare Trading and Profit & Loss account for the year ended 31st March, 2023, and Balance Sheet as on that date.

(10 marks)

Q 2 Ramesh had ₹ 3,30,000 in the bank account on 1st January, 2021 when he started his business. He closed his accounts on 31st March, 2022. His single-entry books (in which he did not maintain any bank account for the bank) showed his position as follows:

Particulars	31.3.2021	31.3.2022
Stock	20,900	31,900
Debtors	1,100	3,200
Cash	2,200	3,300
Creditors	5,500	4,300

On and from 1st February, 2021, he began drawings at ₹ 770 per month for his personal expenses from the cash box of the business. His account with the bank had the following entries:

Particular	Deposits	Withdrawals
1.1.2021 to 31.3.2021	-	2,45,300
1.4.2021 to 31.3.2022	2,53,000	2,97,000

1. The above withdrawals included payment by cheque of ₹ 2,20,000 and ₹ 66,000 during the period from 1st January, 2021 to 31st March, 2021 and from 1st April, 2021 to 31st March, 2022 respectively for the purchase of Machines for the business.
2. The deposits after 1st January, 2021 consisted wholly of sale proceeds received from the customers by cheques.
3. One customer (Suresh) had directly deposited a cheque of ₹ 2,700 on 25th March, 2022 into bank account of Ramesh. Ramesh has no knowledge of this and this cheque is not included in the deposits for the period 1st April 2021 to 31st March 2022 given above.

You are required to draw up Ramesh's Statement of Affairs as at 31st March, 2021 and 31st March, 2022 respectively and work out his Profit or Loss for the year ended 31st March, 2021 and 31st March, 2022. **(10 marks)**

Q 3 A manufacturer has the following record of purchase of a condenser which he uses while manufacturing radio sets:

Purchases were as follows

Date	Quantity (Units)	Price per (Unit)
Dec-4	900	5.00
Dec-10	400	5.50
Dec-11	300	5.50
Dec-19	200	6.00
Dec-28	800	4.75
	2600	

Issues were made as follows

Date	Quantity (Units)
Dec-5	600
Dec-12	400
Dec-29	600

Value the closing stock under different methods . (10 Marks)

Q 4 (A) From the following information, ascertain the value of stock as on 31.3.2023:

	₹
Value of stock on 1.4.2022	11,00,000
Purchases during the period from 1.4.2022 to 31.3.2023	43,50,000
Manufacturing expenses during the above period	10,00,000
Sales during the same period	53,20,000

At the time of valuing stock on 31.3.2023 a sum of ₹60,000 was written off a particular item which was originally purchased for ₹1,50,000 and was sold for ₹1,60,000. But for the above transaction the gross profit earned during the year was 25% on cost. (5 Marks)

(B) Raj Ltd. prepared their accounts for the financial year ending on 31st March 2019. Due to unavoidable circumstances actual stock has been taken on 10th April 2019, when it was ascertained at ₹1,25,000. It has been found that;

(i) Sales are entered in the Sales Book on the day of dispatch and return inwards in the Returns Inward Book on the day of the goods received back.

(ii) Purchases are entered in the Purchase Book on the day the Invoices are received.

(iii) Sales between 1st April 2019 to 9th April 2019 amounting to ₹ 20,000 as per Sales Day Book.

(iv) Free samples for business promotion issued during 1st April 2019 to 9th April 2019 amounting to ₹4,000 at cost.

(v) Purchases during 1st April 2019 to 9th April 2019 amounting to ₹10,000 but goods amounting to ₹ 2,000 were not received till the date of stock taking.

(vi) Invoices for goods purchased amounting to Rs. 20,000 were entered on 28th March 2019 but the goods were not included in stock.

Rate of Gross Profit is 25% on cost.

Ascertain the value of Stock as on 31st March 2019.

(5 Marks)

Practice Test- 08
Sampurna June 2024
Business Laws

1. Total Marks - 50

2. Time Allowed – 90 Min.

Date: 03/03/2024

All Question are Compulsory

1. Distinguish between ‘Sale’ and ‘Hire Purchase’ under the Sale of Goods Act, 1930. **(6 Marks)**

2. Classify the following transactions according to the types of goods they are:
 - (i) A wholesaler of cotton has 100 bales in his godown. He agrees to sell 50 bales and these bales were selected and set aside.
 - (ii) A agrees to sell to B one packet of sugar out of the lot of one hundred packets lying in his shop.
 - (iii) T agrees to sell to S all the apples which will be produced in his garden this year. **(6 Marks)**

3. A agrees to sell to B 100 bags of sugar arriving on a ship from Australia to India within next two months. Unknown to the parties, the ship has already sunk. Does B have any right against A under the Sale of Goods Act, 1930? **(5 Marks)**

4. “A breach of condition can be treated as a breach of warranty”. Explain this statement as per relevant provisions of the Sale of Goods Act, 1930. **(5 Marks)**

5. What are the differences between a ‘Condition’ and ‘Warranty’ in a contract of sale?
 Or
 Difference between conditions and warranties. **(3 Marks)**

6. J the owner of a Fiat car wants to sell his car. For this purpose he hand over the car to P, a mercantile agent for sale at a price not less than Rs. 50,000. The agent sells the car for Rs. 40,000 to A, who buys the car in good faith and without notice of any fraud. P misappropriated the money also. J sues A to recover the Car. Decide given reasons whether J would succeed. **(6 Marks)**

7. Avyukt purchased 100 Kgs of wheat from Bhaskar at Rs. 30 per kg. Bhaskar says that wheat is in his warehouse in the custody of Kishore, the warehouse keeper. Kishore confirmed Avyukt that he can take the delivery of wheat from him and till then he is holding wheat on Avyukt’s behalf. Before Avyukt picks the goods from warehouse, the whole wheat in the warehouse has flowed in flood. Now Avyukt wants his price on the contention that no delivery has been done by seller. Whether Avyukt is right with his views under the Sale of Goods Act, 1930. **(4 Marks)**

8. Suraj sold his car to Sohan for Rs. 75,000. After inspection and satisfaction, Sohan paid Rs. 25,000 and took possession of the car and promised to pay the remaining amount within a month. Later on Sohan refuses to give the remaining amount on the ground that the car was not in a good condition. Advise Suraj as to what remedy is available to him against Sohan. **(6 Marks)**

9. Rachit arranges an auction to sale an antic wall clock. Megha, being one of the bidders, gives highest bid. For announcing the completion of sale, the auctioneer fall the hammer on table but suddenly hammer brakes and damages the watch. Megha wants to avoid the contract. Can she do so under the provisions of the Sale of Goods Act, 1930? **(4 Marks)**

10. J sold a machine to K. K gave a cheque for the payment. The cheque was dishonoured. But J handed over a delivery order to K. K sold the goods to R on the basis of the delivery order. J wanted to exercise his right of lien on the goods. Can he do so under the provisions of the Sale of Goods Act, 1930? **(5 Marks)**



Practice Test - 09 (Accounting)

Sampurna June 2024

Accounting

Shares , Debentures

Time - 1 hour

Date- 10-03-2024

Q1 State with Reasons , whether the following statements are True or False :

The rate of dividend on preference shares may vary From year to year. (2 Marks)

Q2 State with Reasons , whether the following statements are True or False :

If a company incurs loss, then it does not pay interest to the debenture holders. (2 Marks)

Q3 State with Reasons , whether the following statements are True or False :

As per table F, rate of interest on calls in arrears is 12%. (2 Marks)

Q4 State with Reasons , whether the following statements are True or False :

Coupon rate is a specified interest rate payable on debenture. (2 Marks)

Q5 State with Reasons , whether the following statements are True or False :

Preliminary Expenses are shown in the Balance sheet on the Assets side . (2 Marks)

Q6 On 1st April 2020, Zaid Ltd. took over assets of ₹4,50,000 and liabilities of 60,000 of Bharat Ltd. for the purchase consideration of ₹ 4,40,000. It paid the purchase consideration by issuing 8 % debenture of ₹ 100 each at 10 % premium on the same date.

Zaid Ltd. issued another 3000, 8 % debenture of ₹ 100 at discount of 10 % redeemable at premium of 5 % after 5 years. According to the terms of the issue ₹ 30 is payable on application and the balance on the allotment on debentures. It has been decided to write off the

entire loss on the issue of discount in the current year itself.

You are required to pass the journal entries in the books of Zaid Ltd. for the financial year 2020-21. (5 Marks)

Q7 Avantika Ltd. purchased machinery worth ₹ 9,90,000 from Avneet Ltd. The payment was made by issue of 10 % debentures of ₹ 100 each. Pass the necessary journal entries for the purchase of machinery and issue of debentures when: (i) Debentures are issued at par; (ii) Debentures are issued at 20 % discount; and (iii) Debentures are issued at 20 % premium. (5 Marks)

Q8 Fashion Garments Ltd invited applications for issuing 10,000 equity shares of ₹ 10 each. The amount was payable as follows:

(i) On Application ₹ 1 per share

(ii) On Allotment ₹ 2 per share

(iii) On First call ₹ 3 per share

(iv) On Second and final Call ₹ 4 per share .

The issue was fully subscribed. Mr.A to whom 100 shares were allotted, failed to pay the allotment money and his shares were forfeited immediately after the allotment.

Mr.B to whom 150 shares were allotted, failed to pay the first call. His shares were also forfeited after the first call. Afterwards the second and final call was made. Mr.C to whom 50 shares were allotted , failed to pay the second and final call. His shares were also forfeited. All the forfeited shares were re-issued at ₹ 9 per share fully paid-up.



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Pass necessary Journal entries in the books of Fashion Garments Ltd. **(10 Marks)**

- Q9** Tarzan Limited issued Rs.10,00,000 new capital divided into Rs.100 shares at a premium of Rs.20 per share, payable as under :
- On Application - Rs.10 per share
 - On Allotment - Rs.40 per share (including premium of Rs.10 per share)
 - On First and Final Call - Balance
- Over-payments on application were to be applied towards sums due on allotment and

first and final call. Where no allotment was made, money was to be refunded in full .

The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret and application money was returned to them.

All the money due was duly received.

Give Journal Entries to record the above transactions (including cash transactions) in the books of the company. **(10 Marks)**



Practice Test- 10
Sampurna June 2024
Business Laws

1. Total Marks - 50

2. Time Allowed – 90 Min.

Date: 17/03/2024

All Question are Compulsory

1. “Sharing in the profits is not conclusive evidence in the creation of partnership”. Comment. **(6 Marks)**
2. State the differences between Partnership and Hindu Undivided Family. **(6 Marks)**
3. Mr. XU and Mr. YU are partners in a partnership firm. Mr. XU introduced MU (an employee) as his partner to ZU. MU remained silent. ZU, a trader believing MU as partner supplied 50 Laptops to the firm on credit. After expiry of credit period, ZU did not get amount of Laptop sold to the partnership firm. ZU filed a suit against XU and MU for the recovery of price. Does MU is liable for such purpose? **(4 Marks)**
4. Whether a minor may be admitted in the business of a partnership firm? Explain the rights of a minor in the partnership firm. **(5 Marks)**
5. Mr. M is one of the four partners in M/s XY Enterprises. He owes a sum of Rs. 6 crore to his friend Mr. Z which he is unable to pay on due time. So, he wants to sell his share in the firm to Mr. Z for settling the amount. In the light of the provisions of the Indian Partnership Act, 1932, discuss each of the following:
 - (i) Can Mr. M validly transfer his interest in the firm by way of sale?
 - (ii) What would be the rights of the transferee (Mr. Z) in case Mr. M wants to retire from the firm after a period of 6 months from the date of transfer? **(7 Marks)**
6. A, B and C are partners of a partnership firm carrying on the business of construction of apartments. B who himself was a wholesale dealer of iron bars was entrusted with the work of selection of iron bars after examining its quality. As a wholesaler, B is well aware of the market conditions. Current market price of iron bar for construction is Rs. 350 per Kilogram. B already had 1000 Kg of iron bars in stock which he had purchased before price hike in the market for Rs. 200 per Kg. He supplied iron bars to the firm without the firm realising the purchase cost. Is B liable to pay the firm the extra money he made, or he doesn't have to inform the firm as it is his own business and he has not taken any amount more than the current prevailing market price of Rs. 350? Assume there is no contract between the partners regarding the above. **(5 Marks)**
7. Distinguish between dissolution of firm and dissolution of partnership. **(5 Marks)**
8. MN partnership firm has two different lines of manufacturing business. One line of business is the manufacturing of Ajinomoto, a popular seasoning & taste enhancer for food. Another line of business is the manufacture of paper plates & cups. One fine day, a law is passed by the Government banning Ajinomoto' use in food and to stop its manufacturing making it an unlawful business because it is injurious to health. Should the firm compulsorily dissolve under the Indian Partnership Act, 1932? How will its other line of business (paper plates & cups) be affected? **(6 Marks)**
9. Ram, Mohan and Gopal were partners in a firm. During the course of partnership, the firm ordered Sunrise Ltd. to supply a machine to the firm. Before the machine was delivered, Ram expired. The machine, however, was later delivered to the firm. Thereafter, the remaining partners became insolvent and the firm failed to pay the price of machine to Sunrise Ltd.
Explain with reasons:
 - (i) Whether Ram's private estate is liable for the price of the machine purchased by the firm?
 - (ii) Against whom can the creditor obtain a decree for the recovery of the price? **(6 Marks)**



Practice test -11

Sampurna June 2024
Accounting

Date -
24-03-2024

Q1 The following balances appeared in the books of a company (unlisted company other than AIFI, Banking company, NBFC and HFC) as on December 31, 2021: 6% Mortgage 10,000 debentures of Rs.100 each; Debenture Redemption Reserve (for redemption of debentures) Rs.50,000; Investments in deposits with a scheduled bank, free from any charge or lien Rs.1,50,000 at interest 4% p.a. receivable on 31st December every year. Bank balance with the company is Rs.9,00,000.

The Interest on debentures had been paid up to December 31, 2021.

On February 28, 2022, the investments were realised at par and the debentures were paid off at 101, together with accrued interest.

Write up the concerned ledger accounts (excluding bank transactions). Ignore taxation.

(10 Marks)

Q2 Radha Limited (a listed company) recently made a public issue in respect of which the following information is available:

(a) No. of partly convertible debentures issued- 2,00,000; face value and issue price - Rs.100 per debenture.

(b) Convertible portion per debenture- 60%, date of conversion- on expiry of 6 months from the date of closing of issue.

(c) Date of closure of subscription lists - 1.5.2021, date of allotment- 1.6.2021, rate of interest on debenture- 15% payable from the date of allotment, value of equity share for the purpose of conversion- Rs.60 (Face Value Rs.10).

(d) No. of debentures applied for- 2,00,000.

(e) Interest payable on debentures half-yearly on 30th September and 31st March.

Write relevant journal entries for all transactions arising out of the above during the year ended 31st March, 2022 (including cash and bank entries). **(10 Marks)**

Q3 Ram Ltd. gives you the following information as at 31st March, 2023:

	Particulars	
EQUITY AND LIABILITIES		
1	Shareholder's Funds	
	a. Share Capital	2,50,000
	b. Reserves and Surplus	48,000
2	Current liabilities	
	Trade Payables	56,500
ASSETS		
1	Property, Plant and Equipment	3,45,000
2	Non-current investments	18,500
3	Current Assets	
	Cash and cash equivalents (bank)	31,000

The share capital of the company consists of Rs.50 each equity shares of Rs. 2,25,000 and Rs.100 each Preference shares of Rs.65,000(issued on 1.4.2021). Reserves and Surplus comprises Profit and Loss Account only. In order to facilitate the redemption of preference shares at a premium of 10%, the Company decided:

(a) to sell all the investments for Rs.15,000.

(b) to finance part of redemption from company funds, subject to, leaving a bank balance of Rs.12,000.

(c) to issue minimum equity share of Rs.50 each share to raise the balance of funds required.

You are required to pass the necessary Journal



Entries to record the above transactions. **(10 Marks)**

Q4 The Balance Sheet of Harish Ltd. as at 31st December, 2021 inter alia includes the following information:

50,000, 8% Preference Shares of Rs.100 each, Rs.70 paid up	35,00,000
1,00,000 Equity Shares of Rs.100 each fully paid up	1,00,00,000
Securities Premium	5,00,000
Capital Redemption Reserve	20,00,000
General Reserve	50,00,000
Bank	15,00,000

Under the terms of their issue, the preference

shares are redeemable on 31st March, 2022 at 5% premium. In order to finance the redemption, the company makes a rights issue of 50,000 equity shares of Rs.100 each at Rs.110 per share, Rs.20 being payable on application, Rs.35 (including premium) on allotment and the balance on 1st January, 2023. The issue was fully subscribed and allotment made on 1st March, 2022. The money due on allotment were duly received by 31st March, 2022. The preference shares were redeemed after fulfilling the necessary conditions of Section 55 of the Companies Act, 2013.

You are asked to pass the necessary Journal Entries. (Ignore date column) **(10 Marks)**



Practice Test- 12
Sampurna June 2024
Business Laws

1. Total Marks - 50
2. Time Allowed – 90 Min.

Date: 31/03/2024

All Question are Compulsory

1. What is a wagering agreement? Describe the transactions which resembles with wagering transactions but are not void. **(6 Marks)**

2. Rahul, a transporter was entrusted with the duty of transporting tomatoes from a rural farm to a city by Aswin. Due to heavy rains, Rahul was stranded for more than two days. Rahul sold the tomatoes below the market rate in the nearby market where he was stranded fearing that the tomatoes may perish. Can Aswin recover the loss from Rahul on the ground that Rahul had acted beyond his authority? **(5 Marks)**

3. Ms. R owns a two Wheeler which she handed over to her friend Ms. K on sale or return basis. Even after a week, Ms. K neither returned the vehicle nor made payment for it. She instead pledged the vehicle to Mr. A to obtain a loan. Ms. R now wants to claim the two Wheeler from Mr. A. Will she succeed?
Examine with reference to the provisions of the Sale of Goods Act, 1930, what recourse is available to Ms. R?
Would your answer be different if it had been expressly provided that the vehicle would remain the property of Ms. R until the price has been paid? **(7 Marks)**

4. What are the rights of buyer against the seller, if the seller commits a breach of contract under the Sale of Goods Act, 1930? **(4 Marks)**

5. What do you mean by “Particular Partnership” under the Indian Partnership Act, 1932? **(2 Marks)**

6. State the differences between Partnership and Hindu Undivided Family. **(4 Marks)**

7. Whether a minor may be admitted in the business of a partnership firm? Explain the rights of a minor in the partnership firm. **(6 Marks)**

8. A & Co. is registered as a partnership firm in 2015 with A, B and C partners. In 2016, A dies. In 2017, B and C sue X in the name and on behalf of A & Co., without fresh registration. Decide whether the suit is maintainable. Whether your answer would be same if in 2017 B and C had taken a new partner D and then filed a suit against X without fresh registration? **(7 Marks)**

9. Explain any five circumstances under which contracts need not be performed with the consent of both the parties. **(5 Marks)**

10. Ramesh hires a carriage of Suresh and agrees to pay ₹ 1500 as hire charges. The carriage is unsafe, though Suresh is unaware of it. Ramesh is injured and claims compensation for injuries suffered by him. Suresh refuses to pay. Discuss the liability of Suresh. **(4 Marks)**

