

ST. XAVIER'S SCHOOL DORANDA, RANCHI

Topics for the Project Work (2020)

Std XII

Subject: Accounts

Project 1.

1. After completing his graduation Binod suggested his classmate Chandan to form a partnership to start a computer business. Chandan agreed to the proposal and requested to admit his friend Deepak also in the proposed firm. All of them formed a partnership and prepared deed containing the following clauses:

- Name of the firm will be progressive Computers
- Capital of Binod will contribute Rs. 6,00,000, Chandan Rs. 5,00,000 and Deepak Rs.4,00,000
- Profits sharing ratio will be equal irrespective of their capital contribution
- Interest on capital is to be allowed @ 8% per annum and will be allowed only when there is a profit
- No interest is to be charged on drawings
- No partner is entitled to any salary or commission for taking part in firm's business
- Interest on loan @6% p.a is to be allowed on a partner's loan to the firm. Such interest is to be paid even if there are losses
- Admission of a new partner is not done without the consent of all existing partners

They started business on 1st April 2011 and the partner contributed the entire share of their capitals by cheques drawn in the firms' name. On the same date they deposited the cheques in the bank. On the same day they purchased 20 computers of Rs.50,000 each. They deposited Rs.20,000 for the electric connection with the electricity board and also deposited Rs.1,50,000 with VSNL for internet and Telephone connection. They spent Rs.40,000 for getting the computer cafe furnished and also spent Rs.6,000 in getting the pamphlets printed and distributed. All payments were to be made by cheques and all the receipts were to be deposited in the bank on the same day.

At the end of the year, the results were:

Purchase of computer stationery	:	92,000
Revenue from fees received from students	:	5,48,000
Revenue on account of internet facility	:	4,20,000
Revenue from sale of computer stationery	:	1,60,000
Wages paid	:	60,000
Electricity Charges	:	2,40,000
Telephone charges	:	73,000

Entertainment Expenses	:	7,000
General expenses	:	5,200
Rent of the Building	:	1,20,000

Drawings made by the partners were Binod: 50,000, Chandan: 40,000 and Deepak: 20,000

You are required to:

1. Journalise the transactions, post them into the ledger and prepare a trial balance
2. Prepare Trading and Profit & loss Account and Balance sheet taking into consideration that a telephone bill of Rs.6800 is yet to be paid
3. Depreciate furniture by 20% and computer by 30%

Project 2.

1. Star enterprises has applied for a short term loan of Rs. 15 lakhs from HDFC Ltd. you are required to draft the balance sheet according to the schedule III of companies act 2013 and Prepare the comparative and common size balance sheet. Following are the particulars

Particulars	2012 (Amount in Lakhs)	2011 (Amount in Lakhs)
Share capital	100	80
Reserves and surplus	72	34
Long term borrowings	32	15
Bank overdraft	8	3
Trade payables	29.7	23.8
Outstanding expenses	0.3	0.2
Provision for tax	32	18
Total	274	174
Fixed assets	171	118
Accumulated depreciation	(46)	(26)
Non current investments	8	10
Current investments (Marketable securities)	0.4	0.6
Inventories	75	35

Trade receivables	64.8	36
Cash balance	0.8	0.4

Additional information

1. Depreciation charged during the year Rs.20,00,000
2. Interest on long term borrowings paid during the year Rs.3,00,000
3. Income from non-current investments Rs.200,000
4. Provision for tax made during the year Rs.30,00,000
5. Interim dividend paid during the year Rs.6,00,000