

# Suraj Gir's Guess Paper for AISSCE-2008

## Accountancy

### Q Paper Code 67/1/1

CLASS: XII

MAX MARKS: 80

TIME ALLOWED: 3 Hrs

#### GENERAL INSTRUCTIONS:

- 1 This paper contains two parts A and B.
- 2 All parts of question should be attempted at one place.
- 3 Marks of each question are indicated against it.

### PART A

#### (Accounting for Not For Profit Organisations, Partnership and Companies Accounts)

- 1 How are the Life Membership Fees dealt with ? 1
- 2 At what rate the interest on loan is allowed if the deed is silent ? 1
- 3 In which ratio the old partners share the amount of goodwill brought in by the new partner ? 1
- 4 State a point of difference between Fixed Capital and Fluctuating Capital Accounts of partners. 1
- 5 What is meant by the debentures issued as Collateral Security ? 1
- 6 From the following Receipts and Payments Account for the year 2007, find out the amount to be taken to Income and Expenditure Account and also show the Balance Sheet as on December 31,2007. 3

Receipts	Amount	Payments	Amount
		By Salaries	25,000

Salaries Outstanding for the year 2006 were Rs 8,000 and for the year 2007 were Rs 12,000. Prepaid salaries in 2006 for 2007 were Rs 6,000 and pre paid salaries in 2007 for 2008 were Rs 5,000.

- 7 Can a Company issue its shares at discount ? If , Yes, What are the conditions for issuing shares at discount ? 3
- 8 X Ltd issued 20,000 shares of Rs 10 each at 10% discount for public subscription. Full 3

amount was payable on application. Applications were received on 30,000 shares. The directors decided to make a pro-rata allotment . Pass journal entries.

- 9 Ram, Mohan and Sohan are equal partners . Sohan draws Rs 5,000 each per month. As per partnership deed the interest is calculated @ 3% p.a. Calculate interest on Drawing in the following cases: 4
- If he withdraws in the beginning of each month.
  - If he withdraws at the end of each month.
- 10 R, M and S were partners sharing profits and losses in the ratio of 5:3:2. S has been under a personal guarantee of R that his share of profit will not less than Rs 30,000 after charging interest on capital @ 5% and his salaries of Rs 12,000 p.a. Their capitals as on 1April, 2006 were as follows: 4
- R Rs 1,80,000 ; M Rs 1,00,000 and S Rs 80,000. The Profit for the year ended March 31,2007 were Rs 1,10,000 after interest before salary.
- Prepare Profit and Loss Appropriation Account.
- 11 X Ltd forfeited 500 shares of Rs 10 each ( Rs 6 called up ) issued at a discount of 10% to Ram on which he has paid Rs 3 per share. Out of these 300 shares were re-issued to Z as Rs 8 paid up for Rs 6 per share. 4
- Give journal entries for forfeiture and re issue of shares.
- 12 (a) A Promising Company Ltd took over assets of Rs 3,50,000 and Liabilities of Rs 30,000 of X Ltd for a purchase consideration of Rs 3,30,000. Promising Company Ltd paid the purchase consideration by issuing 12% debentures of Rs 100 each at 10% premium. 3+3=6
- Pass Journal Entries in the books of the Promising Company.
- (b) X Ltd redeemed 1000 15% Debentures of Rs 100 each by converting them into equity shares of Rs 20 each issued at a premium of Rs 5 per share. Give necessary Journal entries for redemption of the Debentures.
13. From the following Receipt and Payments Account of a NGO, Prepare Income and Expenditure Account and Balance Sheet for the year ended Dec 31,2006 6

Receipts	Amount Rs	Payments	Amonut Rs
Cash in hand	6800	Salaries	24000
Subscription	60200	Traveling Expenses	6000
Donation	3000	Stationery	2300
Sale of Furniture ( Book value Rs 6000)	4000	Rent	16000
Entrance Fees	800	Repair	700
Life membership Fee	7000	Books Purchased	6000
Interest on Investment@5% for full year	5000	Building Purchased	30000
	86800	Cash in hand	1800
			86800

Additional Information incorporates the following:

- i) NGO owned Building Rs 1,00,000, Stock of Books Rs Rs 80,000 and Investment Rs 1,00,000.
- ii) Arrears of subscription in the beginning Rs 2000 and at the end Rs 5,000.
- iii) Salaries paid during the year includes Rs 1000 were due in 2005 and Rs 1500 related to 2007.

14 G, H and I were partners of a firm sharing profit in the ratio of 4:3 :3. On 31.3.2006 their Balance Sheet was as follows :

6

Balance Sheet of G, H and I as on 31.3.2006

Liabilities	Amount Rs	Assets	Amount Rs
Creditors	87,000	Building	1, 70,000
Reserve	33,000	Machinery	1,20,000
Capitals :		Stock	40,000
G 1,05,000		Debtors	45,000
H 85,000	2,70,000	Cash	15,000
I 80,000			
	3,90,000		3,90,000

H died on 30.6.2006. Under the partnership agreement the executors of a deceased partner were entitled to :

- (i) Amount standing to the credit of deceased partner's Capital Account at the time of his death.
- (ii) Interest on capital at 12% per annum,
- (iii) His share of goodwill. The goodwill of the firm on H's death was valued at Rs. 2,70,000.
- (iv) His share in profit from the profit of the firm from the closing of the last financial year

till the date of death on the basis of last year's profit. The profit of the firm for the year ended 31.3.2006 was Rs. 2,40,000.

Prepare H's Capital Account to be rendered to his executors.

- 15 Shakti Ltd. invited applications for issuing 2,00,000 equity shares of Rs. 100 each at a premium of Rs. 10 per share. The amount was payable as follows : 8  
 On application Rs. 40 per share (including premium), on allotment Rs. 30 per share and the balance on first and final call.  
 Applications for 3,00,000 shares were received. Applications for 40,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments on applications were adjusted towards sums due on allotment.  
 Manoj who was allotted 2,000 shares failed to pay the allotment and first and final call money. His shares were forfeited. The forfeited shares were re-issued at Rs. 90 per share fully paid up.  
 Pass necessary journal entries in the books of Shakti Ltd. showing the working clearly.

Or

S Ltd issued Rs 10,00,000 new capital divided into Rs 100 shares at a discount of Rs 10 per share payable as under

On application                      Rs 10  
 On Allotment                      the Balance including discount.

Over Payment on application were applied towards sum due on allotment. Where no allotment was made the money to be returned in full.

The issue was oversubscribed to the extent of 13000 shares. Application for 12000 shares were allotted only 2000 shares and applicants for 3000 shares were rejected

All the money was duly received except a share holder of 300 shares who failed to pay allotment. These shares were forfeited by the directors and 200 shares of the forfeited shares were reissued at 10% discount.

Pass necessary journal entries in the books of Shakti Ltd. showing the working clearly.

- 16 A and B were partners in a firm sharing profits in the ratio of 3 : 2. They admitted C as a new partner for 1/6th share in the profits. C was to bring Rs. 40,000 as his capital and the capitals of A and B were to be adjusted on the basis of C's capital having regard to profit sharing ratio. The Balance Sheet of A and B as on 31.3.2006 was as follows : 8

Balance Sheet of A and B as on 31.3.2006.

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	36,000	Cash	10,000
Bills Payable	20,000	Debtors	34,000
General Reserve	24,000	Stock	24,000
A 1,50,000		Machinery	42,000
B 80,000		Building	2,00,000
	2,30,000		

	3,10,000		3,10,000
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The other terms of agreement on C's admission were as follows :

- (i) C will bring Rs. 12,000 for his share of goodwill,
  - (ii) Building will be valued at Rs. 1,85,000 and machinery at Rs. 40,000.
  - (iii) A provision of 6% will be created on debtors for bad debts,
  - (iv) Capital accounts of A and B will be adjusted by opening Current Accounts.
- Prepare Revaluation Account, Partners Capital Accounts and the Balance Sheet of A, B and C.

Or

X, Y and Z were partners in a firm sharing profits in 5 : 3 : 2 ratio. On 31.3.2006 Z retired from the firm. On the date of Z's retirement the Balance Sheet of the firm was as follows :

Balance Sheet of X, Y and Z as on 31.3.2006

Liabilities	Amount Rs	Assets	Amount Rs
Creditors	27000	Bank	80,000
Bills payable	13,000	Debtors	20,000
Outstanding rent	22,500	Less Provision for	
Provision for legal		doubtful debts	500
claims	57,500	Stock	21,000
Capitals: Rs		Furniture	87,500
X	1,27,000	Land and Building	2,00,000
Y	90,000		
Z	71,000		
	2,88,000		
	4,08,000		4,08,000

On Z's retirement it was agreed that:

- (i) Land and Building will be appreciated by 5% and furniture will be depreciated by 20%.
- (ii) Provision for doubtful debts will be made at 5% on debtors and provision for legal claims will be made Rs. 60,000.
- (iii) Goodwill of the firm was valued at Rs. 60,000.
- (iv) Rs. 70,000 from Z's Capital Account will be transferred to his loan account and the balance will be paid to him by cheque.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of X and Y after Z's retirement.

## PART B

( Analysis of financial Statements )

- 17 Name any two ratios which are used to know the long term financial position of the firm. 1
- 18 State whether there is Inflow or Outflow or No flow of cash in the following transactions: 1
  - a) Issue of shares to a vendor to buy a building.
  - b) Redemption of debentures out of capital.

19 State an example of Cash inflow from financial activities. 1

20 Under which headings of the Balance Sheet of a Ltd Company as per the schedule VI of the Co Act,1956 following items will be shown: 3  
Share Premium, Proposed Dividend, Goodwill, Prepaid expenses, Debentures, P&L A/c  
Dr Balance

21 Prepare a comparative income statement from the following information: 4

	1991	1992
	Rs	Rs
Sales :	3,00,000	2,00,000
Gross Profit :	50%	50%
Operating Expenses:20% of Gross Profit for the years.		
Other Income	10,000	20,000
Rate of Income Tax 50% for 1991 and 1992		

22 From the following information , determine the opening and closing debtors. 4  
Debtor turnover 5 times, Total sales Rs 2,00,000 , Cash sales is 75% of the total sales.  
Closing debtors is more by Rs 4,000 than the opening debtors.

23 Raj Ltd. had a profit of Rs. 17,50,000 for the year ended 31.3.2006 after considering the 6  
following :  
Depreciation on building Rs. 1,30,000  
Depreciation on plant and machinery Rs. 40,000  
Goodwill written off Rs. 25,000  
Loss on sale of machinery Rs. 9,000

Following was the position of current assets and current liabilities of the company as on 31.3. 2005 and 31.3.2006.

	31.3.2005	31.3.2006
	Rs.	Rs.
Stock	70,000	87,000
Bills Receivable	67,000	58,000
Cash	60,000	75,000
Creditors	68,000	77,000
Outstanding Salary	7,000	4,000
Bills Payable	43,000	29,000

Calculate cash flow from operating activities.