

Model Test Paper –1
Class XII Accountancy

Time allowed: 3 hours

Maximum marks: 80

General instructions:

- (a) The Question paper is divided into two parts A & B.
- (b) There are 23 questions in all and all are compulsory.
- (c) There is no overall choice, however there is internal choice in the questions of 8 marks.
- (d) Be precise and to the point. Draw format and show working notes wherever necessary.

Part A: Accounting for Not-For Profit Organizations, Partnership Firms & Companies.

- 1 How is life membership fees are treated in the accounts of a non-profit organization? 1
- 2 If the capital accounts of partners are fixed, where will you post the following items: 1
(a) Interest on capital (b) Additional capital
- 3 What is meant by minimum subscription? 1
- 4 State the types of debentures from security point of view. 1
- 5 What is meant by calls in arrears? 1
- 6 From the following extracts of Receipts and Payments Account & additional information you are required to calculate the Income from subscription for the year ending 31st March 2009 and show them in the Income and expenditure Account and Balance sheet of a club: 3

Receipts & Payments Account for the year ended 31st March 2009

Receipts	Amount	Payments	Amount
To Subscription:			
2007-08: 5,000			
2008-09: 30,000			
2009-10: 6,000	41,000		

Additional Information:

- Subscription outstanding on 31st March 2008 Rs 6,000.
- Subscription outstanding on 31st March 2009 Rs 5,000.
- Subscription received in advance on 31st March 2008 Rs 6,000.

- 7 You, the director of a company have invited applications for 20,000 equity shares of Rs 10 each. Applications were received for 28,000 shares. Name the kind of subscription. Give three alternatives for allotting these shares. 3
- 8 Victory Ltd issued 20,000 equity shares of Rs 100 each at par on 1st April 2007. The amount was payable as under: 3
On Application & Allotment Rs 50 per share On 1st April 2007;
On 1st & Final call Rs 50 On 30th June 2007.

All the shares were duly subscribed and paid for except Mohan to whom 1000 shares were allotted failed to pay the final call on its due date which he paid on 1st September 07. Give necessary journal entries assuming that the company follows 'Table A' of Companies Act, 1956.

- 9 A Ltd issued 5,000, 9% Debentures of Rs 100 each at par and also raised a loan of Rs 3,00,000 from bank collaterally secured by Rs 4,00,000, 9% debentures. How will you show the Debentures in the Balance Sheet of the company assuming that the company has recorded the issue of Debentures as collateral security in its books? 3
- 10 Shiv and Shanker were partners in a firm sharing profits in the ratio of 3:2. Their fixed capitals were Rs 1,70,000 and Rs 2,10,000 respectively. The partnership deed provides for the following; 4
- (a) Interest on capital @ 12% p.a. (b) Interest on drawings @ 18% p.a.
- Shiv drew Rs 12,000 on 30.06.06 and Shanker drew Rs 18,000 pm 30.09.06. The profit for the year ended 31st March 2007 was Rs 97,000, which was distributed among the partners without providing for the above adjustments. Pass adjustment entry.
- 11 A, B & C were partners in the ratio of 2:2:1. The books are closed on 31st March each year. B died on 1st June 2006. As per the terms of deed deceased partner's share in current accounting year was to be calculated on the basis of average profit of last four years preceding the death of partner. The profits and losses were as under: 4
- | | |
|---------|------------------|
| 2001-02 | Rs 30,000 Profit |
| 2002-03 | Rs 20,000 Profit |
| 2003-04 | Rs 60,000 Profit |
| 2004-05 | Rs 40,000 Profit |
| 2005-06 | Rs 10,000 Profit |
- Goodwill of the firm was to be twice the profits amount credited to deceased partner's account in last five years. You are required to calculate deceased partner's share in current year's profit & goodwill & pass necessary journal entries to record this.
- 12 X Ltd has a balance of Rs 5,00,000 in the profit and loss Account. The company decides to forego the payment of dividend and instead utilizes the profits to repay 12% Debentures of Rs 3,50,000 on June 30th 2008 at a premium of 10%. Debentures interest is payable annually on 31st March. The company also has a balance of Rs 2,00,000 in the Debenture Redemption Reserve Account. Journalize the above transactions in the books of X Ltd. 6

- 13 From the following information prepare Income and Expenditure Account for the year ended 31st March 2007 and Balance Sheet of Mehta Club as at 31st March 2007.

Receipts	Rs.	Payments	Rs.
To Balance b/d	2,750	By Furniture	3,750
To Interest on Investments	2,875	By Salaries	18,125
To Donations	21,250	By Miscellaneous Expenses	250
To Subscriptions	35,000	By Telephone Charges	16,125
To Rent Received	15,000	By Fax Machine	7,500
To Sale of old Newspapers	375	By Investments	18,750
		By Printing & Stationery	500
		By Balance c/d	12,250
	77,250		77,250

Additional Information:

Subscriptions received included Rs. 750 for 2007-08. The amount of Subscriptions Outstanding on 31.03.2007 was Rs. 625; Salaries during 2006-07 unpaid were Rs. 875 and Rent receivable was Rs. 250, 60% of the Donations were to be capitalized. Capital Fund as at 31st March 2006 was Rs. 12,750 and club also had investments of Rs. 10,000.

- 14 A & B were partners in the ratio of 3:2. Due to heavy losses they decided to dissolve their business. Give journal entries for each of the following transactions: (Assume that assets other than cash & Bank and External liabilities have been transferred to Realization Account) 6
- Furniture of the book value Rs 40,000 was realized at 85%.
 - Stock appeared in the books at Rs 30,000, 1/2 of which was taken over by B at 5% discount.
 - The remaining stock was accepted by Bank against their loan of Rs 18,000.
 - B agreed to pay off his wife's loan of Rs 3,000 and took away unrecorded investments of Rs 2,000 at an agreed valuation of Rs 1,800.
 - The general reserve appeared in the books at 7,200
 - The loss on realization amounted to Rs 4,500.
- 15 (a) FAST Ltd forfeited 100 shares of Rs 10 each (Rs 8 called up) for non-payment of allotment of Rs 2 per share & first call of Rs 3 per share. These shares were issued at 5% discount. Of these 75 shares were reissued at Rs 6 per share. 8
- (b) FAST Career Ltd forfeited 100 shares of Rs 10 each (Rs 8 called up) for non payment of allotment of Rs 2 per share & first call of Rs 3 per share. These shares were issued at 5% discount. Of these 75 shares were reissued at Rs 6 per share as fully paid up.
- (C) FAST Academic Research Center forfeited 100 shares of Rs 10 each (Rs 9 called up) for non-payment of allotment of Rs 2 per share & first call of Rs 2 per share. These shares were issued at 10% discount. Of these 80 shares were reissued at Rs 6 per share as Rs 8 paid up.

- 16 A and B share the profits of a business in the ratio of 5:3. They admit C into the firm for a 1/4th share in the profits to be contributed equally by A and B. On the date of admission of C, the Balance Sheet of the firm was as follows: 8

BALANCE SHEET
as at.....

Liabilities	Rs.	Assets	Rs.
A's Capital	30,000	Machinery	26,000
B's Capital	20,000	Furniture	16,000
Workmen's Compensation Fund	4,000	Stock	12,000
Bank Loan	12,000	Debtors	8,000
Creditors	2,000	Bank	6,000
	68,000		68,000

Terms of C's admission were as follows:

- C will bring Rs. 33,000 as capital & necessary amount for his share of goodwill.
- Goodwill of the firm has been valued at 4 years' purchase of the average super profits of the last three years. Average profits of the last three years are Rs. 22,000, while the normal profits that can be earned with the capital employed are Rs. 14,000.
- Furniture is to be appreciated by Rs. 6,000 and the Stock is to be reduced by 2,000.

Prepare Revaluation Account, Partners' Capital Accounts and the new Balance Sheet of A, B and C.

OR

Following is the balance sheet of A, B & C who share profits and losses in the ratio of 2:2:1

Liabilities	Amount	Assets	Amount
Accounts Receivable	30,000	Land & Building	70,000
Bank Loan	85,000	Plant & Machinery	30,000
General Reserve	15,000	Book Debts	22,000
		Less: Provision	2,000
Capital Accounts:		Inventories	22,000
A	40,000	Cash	78,000
B	30,000		
C	20,000		
	2,20,000		2,20,000

B retired from the firm from 1st January 2008 & his share was taken over equally by A & C.

- Land and building was revalued at Rs 90,000 & there was a claim of Rs 5,000 on account of compensation payable to workers.
- Of the total amount payable to B, Rs 16,000 to be treated as his loan which was repayable in 4 equal yearly installments together with interest @ 10% p.a.
- The capital of newly constituted firm was fixed at Rs 1,50,000 which was to be maintained by A & C in their profit sharing ratio. The adjustments in this respect were to be done as follows: Deficit/surplus, if any, was to be brought in cash.

Prepare Revaluation Account, Capital Accounts, Revised Balance Sheet.

Part B Analysis of Financial Statements

- 17 State any two objectives of preparing cash flow statement. 1
- 18 The Debt equity ratio of a company is 2:3.State which of the following would increase/decrease/not change the existing ratio: 1
- (a) Issue of equity shares for cash Rs 1,00,000
- (b) Payment to creditors Rs 54,500 in full settlement of Rs 60,000.

- 19 Calculate the amount of Tax paid from the following information; 1
- Provision for taxation at the end of the year Rs 31,000
- Provision for taxation at the beginning of the year Rs 15,000
- Income tax provision created during the year was Rs 43,000.

- 20 What is a contingent liability explain with suitable example. 3

- 21 Prepare a comparative position statement with the help of following information: 4

Particulars	Amounts 2007(Rs)	Amounts 2008 (Rs)
Fixed Assets	2,00,000	3,00,000
Equity share capital	1,00,000	1,00,000
Debentures	80,000	50,000
Investments	20,000	20,000
Working Capital	80,000	1,80,000
Reserves & Surplus	1,20,000	3,50,000

- 22 A firm had current assets of RS 3,00,000. It then paid a current liability of RS 60,000. After this payment the current ratio was 2:1. Determine the size of current liabilities and working capital after and before the payment was made. 4

- 23 Prepare a Cash Flow Statement from the following information: 6

LIABILITIES	AMOUNTS 2008	AMOUNTS 2007	ASSETS	AMOUNTS 2008	AMOUNTS 2007
Equity Share capital	4,00,000	2,00,000	Building	4,50,000	3,00,000
Pref. Share capital	60,000	80,000	Machinery (NET)	30,000	50,000
15% Debentures	80,000	1,20,000	5% Investments	20,000	50,000
P&L Account	1,10,000	20,000	Sundry Debtors	20,000	60,000
Income Tax Provision	80,000	30,000	Bills Receivables	20,000	10,000
Bills Payable	30,000	10,000	Cash in hand	2,50,000	10,000
General Reserve	40,000	90,000	Misc. Expenditure A/c	10,000	70,000