Guess Paper – 2014
Class – XII
Subject – Accountancy

TIME ALLOWED: - 3 hours **Maximum Marks: - 80**

General Instructions: -

1. This question paper contains two parts A and B.
2. Attempt all parts of a question together.
3. Any one of the parts should be attempted in questions having options.

PART A

(Accounting for Partnership Firms and Companies)

Q.1 Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu Contributed Rs.2,00,000, Rs.3,00,000 and Rs.1,00,000 respectively. Alka and Barkha desired that the profits should be desired in the ratio of their capital contribution. Charu does not agree to this. Is Charu correct? Give reason. [1]

Q.2 What is meant by calls in advance? [1]

Q.3 Pawan and Jayshree are partners. Bindu is admitted for 1/4th share. What is the ratio in which Pawan and Jayshree will sacrifice their share in favour of Bindu? [1]

Q.4 State any two occasions on which a firm may be reconstituted. [1]

Q.5 When is 'Partners Executors' Account prepared? [1]

Q.6 What is meant by 'Minimum Subscription'? [1]

Q.7 What is meant by 'Debentures issued as Collateral Security'? [1]

Q.8 A, B and C are partners in a firm. They had omitted interest on capital @10% p.a for three years ended 31st March 2012. Their fixed capitals on which interest was to be calculated throughout were: -

A	Rs.1,00,000/-
B	Rs.80,000/-
C	Rs.70,000/-

Give necessary adjustment journal entry with working notes. [3]

Q.9 On 01st January 2010, Rhythm Limited issued 1,000; 10% Debentures of Rs.500 each at par. Debentures are redeemable after 7 years. However, the company gave an option to debenture holders to get their debentures converted into equity shares of Rs.100 each at a premium of Rs25 per share anytime after the expiry of of one year.

Shivansh the holder of 200 debentures, informed on January 01, 2012 that he wanted to exercise the option.

Pass necessary journal entries to record the issue of debentures on January 01, 2010 and conversion of debentures on January 01, 2012. [3]

Q.10 Pass necessary Journal entries for 'issue of debentures' for the following:

a) Jain Ltd. Issued 750; 10% Debentures of Rs.100 each at a discount of 10% redeemable at a premium of 5%.

b) Sohan Ltd. Issued 800; 9% Debentures of Rs.100 each at a premium of Rs.20 per debenture redeemable at a premium of Rs.10 per debenture. [3]

Q.11 A, B and C are partners sharing profit in the ratio of 5:4:1. C is given a guarantee of Rs.5,000 as minimum profit and any deficiency relating to that was to be borne by A and B equally. The profit for the year 2012 was Rs.40,000. Prepare profit & loss appropriation account for the year ending 31st March 2012. [4]

Q.12 P, Q and R are partners in a firm sharing profits in the ratio of 2:2:1. R retires and the Balance Sheet of the firm was as under: -

BALANCE SHEET
AS ON ....

LIABILITIES		AMOUNT	ASSETS	AMOUNT
Creditors		30,000	Cash	8,000
General Reserve		60,000	Debtors	75,000
Profit & Loss Account		13,000	Stock	90,000
Workmen's Compensation Fund		10,000	Plant	1,40,000
Capital Accounts:-			Patents	22,000
P	1,00,000			
Q	80,000			
R	40,000	2,20,000		
		3,35,000		3,35,000

It was agreed that stock is to be brought down to Rs.82,000 and plant is to be reduced by Rs.20,000. Patents were found valueless. There was no liability on account of workmen's compensation fund. Record necessary Journal entries. [4]

Q.13 Rohit Ltd. purchased assets from Rohan & Co. for Rs.3,50,000. A sum of Rs.75,000 was paid by means of a bank draft and for the balance due Rohit Ltd. issued Equity Shares of Rs.10 each at a premium of 10%. Journalise the above transactions in the books of Rohit Ltd. [4]

Q.14 Milton Rubber Ltd. issued a prospectus offering 10,000 equity shares of Rs.50 each at Rs.55 per share payable as follows: -

On application	Rs.15
On allotment	Rs.20 (including premium Rs.5)
On 1st call	Rs.10
On final call	Rs.10

Show the entries in the Cash Book of the business. [4]

Q.15 X, Y and Z were partners in a firm. Their capitals on 01-04-2011 were X: Rs.2,00,000; Y: Rs.2,50,000 and Z: Rs.3,00,000. The partnership deed provided the for the following:

a) They will share profits in the ratio of 2:3:3.

b) X will be allowed a salary of Rs.12,000 p.a.
c) Interest on capital will be allowed @12% p.a.

During the year X withdrew Rs.28,000; Y Rs.30,000 and Z Rs.18,000. Profit earned for the year ended 31st March 2012 was Rs.5,00,000.

Prepare profit & loss appropriation account and capital account. [6]

Q.16 Arti, Bharti and Seema are partners sharing profits in the proportion of 3:2:1 and their Balance Sheet on March 31st, 2003 stood as follows:

BALANCE SHEET
AS ON 31ST MARCH 2012

LIABILITIES		AMOUNT	ASSETS	AMOUNT
Creditors		14,000	Cash	12,000
General Reserve		12,000	Debtors	12,000
Bills Payable		12,000	Stock	1,750
Capital Accounts:-			Buildings	21,000
Arti	20,000		Bank	13,700
Bharti	12,000		Bills Receivable	4,300
Seema	8,000	40,000	Investment	13,250
		78,000		78,000

Bharti died on 12th June 2012 and according to the deed of the said partnership her executors are entitled to be paid as under:

a) The capital to her credit at the time of her death and interest thereon @10% p.a.
b) Her proportionate share of reserve fund.
c) Her share of profit for the intervening period will be based on the sales during that period, which were calculated as Rs.1,00,000. The rate of profit during the past three years had been 10% on sales.
d) Goodwill according to her share of profit to be calculated by taking twice the amount of the average profit of the last three years less 20%. The profits of the previous years were:

2010	Rs.8,200
2011	Rs.9,000
2012	Rs.9,800

The investments were sold for Rs.16,200 and her executors were paid out. Prepare Bharti's capital account and executors account. [6]

Q.17 AB Ltd. invited applications for 1,00,000, 12% Preference Shares of Rs.100 each issued at a discount of 10%. Amount were due as follows:

On application Rs.30

On allotment Rs.20

On first and final call Balance

Applications for 1,50,000 shares were received. Applications for 30,000 shares were rejected and pro-rata allotment was made to the remaining applicants. All calls were made and were duly received except the first and final call on 1,000 shares held by Kumar. His shares were forfeited. Out of the forfeited shares 700 shares were re-issued at Rs.120 per share fully paid up. Pass necessary journal entry in the books of AB Ltd. [8]

OR

Give journal entries for forfeiture and re-issue of shares: -

a) A Ltd. forfeited 1,000 shares of Rs.10 each, Rs.7 called up, issued at a premium of 20% (paid at the time of allotment) for non payment of a first call of Rs.2 per share. Out of these, 600 shares were re-issued as Rs.7 paid up for Rs.4 per share.

b) B Ltd. forfeited 1,000 shares of Rs.10 each, Rs.7 called up, issued at a premium of 20% (to be paid at the time of allotment) for non payment of allotment money of Rs.4 per share (including premium) and first call of Rs.2 per share. Out of these, 600 shares were re-issued as fully paid for Rs.8.50 per share.

c) X ltd. forfeited 100 shares of Rs.100 each (Rs.80 called up) issued at a discount of 10% to Mr.Arun on which he did not pay allotment money of Rs.25 per share and first call money of Rs.20 per share. [8]

Q.18 A and B share the profits of a business in the ratio of 5:3. They admit C into the firm for 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:

BALANCE SHEET

AS ON ....

LIABILITIES	AMOUNT	ASSETS	AMOUNT
A's Capital	40,000	Machinery	30,000
B's Capital	30,000	Furniture	20,000
Workmen's Compensation Fund	4,000	Stock	15,000
Creditors	2,000	Debtors	15,000
Provident Fund	10,000	Bank	6,000
	86,000		**86,000**

Terms of C's Admission were as follows: -

a) C will bring Rs.30,000 for his share of capital and goodwill.

b) Goodwill of the firm has been valued at 3 years' purchase of the average super profits of last four years. Average profits of the last four years are Rs.20,000 while the normal profits that can be earned with the capital employed are Rs.12,000.

c) Furniture is to be appreciated by Rs.6,000 and the value of stock is to be reduced by Rs.2,000. Provident Fund be raised by Rs.1,000.

Prepare Revaluation Account, Partner's Capital Account and the new Balance Sheet of A, B and C. [8]

OR

A, b and C shared profits in the ratio of 3:2:1. They dissolved the firm and appointed A to realise the assets. A is to receive 5% commission on the sale of assets (except cash) and is to bear all expenses of realisation. The position of the firm was as follows:

BALANCE SHEET
AS ON ....

LIABILITIES		AMOUNT	ASSETS	AMOUNT
Bank Overdraft		25,000	Cash in Hand	22,500
Creditors		60,000	Debtors	52,300
Provident Fund		12,000	Stock	36,000
Investment Fluctuation Fund		6,000	Investments	15,000
Commission Received in Advance		8,000	Plant	91,200
Capital Accounts:			Profit & Loss A/c	54,000
A	Rs.90,000			
B	Rs.60,000			
C	Rs.10,000	1,60,000		
		2,71,000		2,71,000

Information: -

a) A realised the assets as follows: --------- Debtors Rs.30,000; Stock Rs.26,000; Investments at 75% value; Plant at Rs.42,750. Expenses of realisation amounted to Rs.4,100.
b) Commission received in advance is returned to the customers after deducting Rs.3,000 for work done.
c) Firm had to pay Rs.7,200 for outstanding salaries, not provided for earlier.
d) Compensation to employees paid by the firm amounted to Rs.9,800. The liability was not provided for in the above balance sheet.
e) Rs.25,000 had to be paid for Provident Fund.
f) Cash in hand was deposited into bank.

Prepare Realisation Account, Partners Capital Account and Bank Account. [8]

PART B

(ANALYSIS OF FINANCIAL STATEMENTS)

Q.19 Interest received by a finance company is classified under which kind of activity while preparing Cash Flow Statement? [1]

Q.20 State whether cash deposited in bank will result in inflow, outflow, or no flow of cash. [1]

Q.21 X Ltd. has a Debt Equity Ratio of 3:1. According to the management it should be maintained 1:1. What are the two choices to do so? [1]

Q.22 State three objectives of preparing financial statements? [3]

Q.23 Find the value of current liabilities and current assets, if current ratio is 2.5:1, liquid ratio is 1.2:1 and the value of inventory of the firm is Rs.78,000. [4]

Q.24 Prepare a 'Comparative Statement of Profit & Loss' with the help of following information:

PAFRTICULARS	2011	2012
Revenue from Operations	20,00,000	30,00,000
Expenses	12,00,000	21,00,000
Other Incomes	4,00,000	3,60,000
Income Tax	50%	50%

[4]

Q.25 From the following summarised balance sheets of a company, calculate cash flow from operating activities: -

PARTICULARS	31/03/2011	31/03/2012
	Rs.	Rs.
I EQUITY AND LIABILITIES		
Share Holders Fund: -		
Equity Share Capital	1,00,000	1,00,000
Reserve and Surplus (Profit & Loss Balance)	30,000	60,000
Non Current Liabilities: -		
6% Debentures	60,000	80,000
Current Liabilities: -		
Creditors	30,000	35,000
Bills Payable	30,000	10,000
Other Current Liabilities	40,000	45,000
TOTAL	**2,90,000**	**3,30,000**

(II) ASSETS

Non-current Assets: Fixed Assets	1,50,000	1,90,000
Non-current Investments	40,000	30,000
Current Assets: -		
Stock	40,000	55,000
Debtors	40,000	45,000
Cash	20,000	10,000
TOTAL	**2,90,000**	**3,30,000**

Additional Informational: -

a) A piece of Machinery costing Rs.5,000, on which depreciation of Rs.2,000had been charged was sold for Rs.1,000. Depreciation was charged during the year Rs.17,000.

b) New Debentures have been issued on 01st August 2011. [6]

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