Guess Paper – 2014
Class – XII
Subject – Accountancy

Time: 3hrs. **M.M.: 80**

General Instructions:-

This Question paper contains three parts A,B and C.

- ***(i) Part A is compulsory for all Candidates.***
- ***(ii) Candidates can attempts only one part of the remaining parts B and C.***
- ***(iii) All parts of the Questions should be attempted at one place.***

Part-A:Accounting for Partnership firms and Company Accounts
(60 MARKS)

1. Why is gaining ratio calculated? [1]

2. How does the market situation affect the value of Goodwill of a firm? [1]

3. In case of dissolution of firm, which payment is to be paid first from the sale proceeds of the assets? [1]

4. When a partner is liable for debts incurred by the firm after his retirement? [1]

5. Can a company issue shares at 11% discount? Give reason. [1]

6. State one difference between Share & Debenture on the basis of convertibility. [1]

7. What is Reserve Capital? Does it differ from Capital Reserve? . [1]

8. The profit of the first year was `12,000; second year twice the profit of the first year & the third year one & half times of the profit of the second year. Goodwill is to be calculated at two years purchase of the average of the last 3 year's profit. Find out the value of goodwill.
[3]

9. Bansika Ltd issued 55,000, 12% debentures of ` 100 each. Give journal entries in the following cases when:

i) The debentures were issued at the premium of 10%.

ii) The debentures were issued as a collateral security to Bank against a loan of

`45, 00,000.

iii) The debentures were issued to a supplier of machinery costing ` 49, 50,000 as his full and final payment. [3]

10. Pass journal entries for the redemption of following cases:

a) A joint stock company issued 20,000 10% debentures of ` 100 each at a premium of 5%. These debentures were to be redeemed at a premium of 10% through the issue of shares at discount of 5%.

b) 1,000, 12% debentures of ` 100 each issued at a discount of 5% and redeemable at par after 5 years were converted into shares ` 10 each issued at a premium of 25% before maturity.
[3]

11. After doing their MBA (Marketing) Preeti suggested to her friend Deepika to form partnership to do business of fashion garments together under the name of M/s designer wears. They joined hands together as Deepika was also a good fashion designer and on the other hand Preeti was experienced in marketing such products.

Both agreed to form a partnership firm but they were not having enough capital to invest. Preeti therefore persuaded her rich friend Amar who hailed from Himachal to be a partner and contribute the required capital. All of them formed partnership on the following terms:

i) Amar will invest ` 10, 00,000; Preeti ` 50, 00,000 and Deepika will be partner without capital.

ii) Interest on capital will be allowed @ 9% p. a.

iii) The profit sharing ratio will be 2: 2: 1.The profits of the firm for the year ended 31st march, 2012 were ` 1, 20, 000.

a) Amar and Bihari desire that Deepika and Preeti being woman should not participate in the conduct of the business of the partnership firm. Which value has been affected for the same?

b) Prepare Profit and Loss Appropriation Account for the year ending 31st march 2012.

c) On 1st April, 2012 Amar, Preeti and Deepika decided to admit Bihari in the firm as a partner with 1/6th share state new ratio and sacrificing ratio of the partners. [4]

12. Explain the various amounts dues and deduction to a legal representative executor's in case of death of a partner. [4]

13. A B Ltd. forfeited 1,000 equity shares of ` 10 each issued at a discount of ` 1 per share for non-payment of the first call ` 2 per share and final call of ` 2 per share. Out of these 200 shares are issued as fully paid up on receipt of ` 7 per share. Pass journal entries for forfeiture and reissue of shares. [4]

14. Rohit Ltd. purchased assets from Rohan & Co., worth ` 4, 00,000 at 10% trade discount. A sum of ` 90,000 was paid by the means of a bank draft and for the balance due Rohit Ltd. issued equity shares of ` 10 each at a discount of 10%. Journalise the above transactions in the books of the company. [4]

15. P, Q and R are partners sharing profits in the ratio of 3:2:1. However R is guaranteed ` 25,000 as his share of profits every year. Deficiency if any would be borne by the other partners. The profits for two years ending

31.03.2011 and 31.03.2012 had been ` 75,000 and ` 1, 50,000 respectively. Prepare the Profit and Loss Appropriation Account for the two years. [6]

16. Ram and Shyam were partners in a firm sharing profits in the ratio of 2:1. On 28th February 2012, their firm was dissolved. Dissolution resulted in a loss of ` 45,000. On that date, the capital account of Ram showed a credit balance of ` 35,000 and the capital account of Shyam showed a credit balance of ` 40,000. There was a cash balance of ` 30,000.

Pass necessary journal entries for

i) The transfer of loss of the capital accounts of the partners and

ii) Making final payments to the partners and prepare cash account. [6]

17. Sadhana Ltd. issued 20000 shares of `10 each at a discount of 10 %, payable as follows:-On Application: - `3;On Allotment: - ` 3 and balance on final call.

The issue was oversubscribed to the extent of 25000 shares and the allotment was made as follows:- (a) Applications for 10,000 shares were rejected(b) Applicants of 5000 shares were given full allotment (b) other applicants of shares were allotted shares on pro-rate basis. All moneys due were received with the exception of the allotment and call money on 1000 shares held by A and call money on 500 shares held by B. The shares on which allotment and call money was not received were forfeited. The forfeited shares were reissued at Rs. 7 per share as fully paid up.(i) Pass necessary Journal entries in the books of Sadhana Ltd. for the above transactions. (ii) With the rejection of 10,000 applications, which value has been neglected by the company? [8]

or

Anand Ltd. issued a prospectus offering 2,00,000 Equity shares of Rs. 100 each at a premium of Rs. 20 per share, payable as follows:-

On Application and Allotment:- Rs. 40 (Including Rs. 10 premium) and Balance on first and final call.

Subscriptions were received for 3,50,000 shares and the allotment made, was as under:-

(i) To applicants for 1,80,000 shares-1,00,000 shares
(ii) To applicants for 1,70,000 shares- 1,00,000 shares

All the money due was received except Mr. A who was allotted 1000 shares in the category (i) and Mr. B, who applied for 3400 shares in the category (ii) failed to pay first and final call money. Of the share forfeited 50 % shares of A and B were reissued to Mr. C as fully paid up for Rs. 75 per share. (i)Give the journal entries to record the above transactions. (ii)With the allotment of available shares among all the applicants which value has been taken care of by the company? [8]

18. Dhiya and Gaya sharing profit in the ratio of 3:2 admit Riya as a partner on 1.04.2012. The terms agreed upon were:

i) Riya was to contribute `30,000 as capital

ii) Goodwill of the firm be valued `28,000

iii) Land and building be appreciated by 40%

iv) Depreciate Plant and Machinery by 10%

v) The provision for doubtful debts was to be increased by `800

vi) A liability of ` 1,000, included in the Sundry creditors is not likely to arise

vii) New profit sharing ratio between Dhiya, Gaya and Riya shall be 5:3:2 respectively.

The Balance Sheet of Dhiya and Gaya as on 31.03.2012 before admission of Riya was as follows:

Liabilities	`	Assets	`
Sundry creditors	29,000	Cash at Bank	9,000
Bills payable	6,000	Land and Building	25,000
Capitals:		Plant and Machinery	30,000
Dhiya 50,000		Stock	15,000
Gaya <u>35,000</u>	85,000	Sundry Debtors 20,000	
General Reserve	16,000	Less: Provision for	
		doubtful debts <u>(1,000)</u>	19,000
		Goodwill	10,000
		Profit and Los A/c	28,000
	1,36,000		1,36,000

Prepare Revaluation Account, Capital Accounts, Bank Account and the new Balance sheet as on 01.04.2012 after the admission of Riya. [8]

OR

In affirm A, B and C are equal partners. On 1st April, 2012 their balance sheet was as follows:

Liabilities	`	assets	`

Capital A/c:		Cash	2,800
A	16,000	Investments	16,000
B			
C	13,200	Sundry Debtors	18,000
Creditors	16,000	Plant and Machinery	14,000
	14,000	Land and Building	8,400
	59,200		59,200

On 1st April, 2012, A took retirement. The terms were as follows:

i) The value of Land and building ` 12,200, value of Plant and Machinery ` 13,000 and value of Investments ` 18,000 was agreed upon.

ii) The value of goodwill was agreed upon `21,000.

iii) A agreed upon to take investments at its new value.

iv) B agreed to invest ` 8,000 as an additional capital.

v) Due amount was paid off to A.

Prepare Revaluation A/c, Partner's capital A/c and Balance sheet of the new firm. [8]

PART B: FINANCIAL STATEMENT ANALYSIS

(20 MARKS)

19. State how financial statement analysis is affected by window dressing? [1]

20. What is cash flow statement? [1]

21. For the following transaction, calculate the resulting cash flow and state the nature of business activities – paid ` 2, 50,000 to acquire shares in Infosys Ltd. and dividend of `50,000 after acquisitions.
[1]

22. Calculate debt equity ratio, if total assets ` 2, 00,000, total debts ` 1, 20,000 and Current Liabilities ` 40,000. [3]

23. From the following information, calculate any two of the following ratios:

a) Working Capital Turnover Ratio

b) Quick Ratio

c) Creditors Turnover Ratio

Information:

Cash `30,000

Trade Receivables `15,000

Stock `10,000

Prepaid Expenses `5,000

Trade Payables `18,000

Sales `50,000

Purchases `36,000

Return outwards `6,000. [4]

24. Prepare comparative Income Statement from the following particulars: [4]

Particulars	2011 `	2012 `
Revenue from Operations	8,00,000	10,00,000
Add: Other income	10,000	12,000
	8,10,000	10,12,000
Less: Cost of material consumed	5,60,000	6,00,000
Employees benefit expenses	40,000	60,000
Other expenses	8,000	9,000
Profit before tax	2,02,000	3,43,000

25. From the following Balance Sheet of Ashoka Ltd. As at 31st March 2012 & 2013; Prepare Cash Flow Statement :

Particulars	Note No.	31.03.2012 (`)	31.03.2013(`)
I. Equity & liabilities:			
1. Share Holder's Fund:			
(a) Share Capital:		3,00,000	3,60,000
(b) Reserves & Surplus:	1	1,60,000	2,00,000
2. Non-Current Liabilities:			
Long Term Borrowings:	2	2,62,000	3,78,000
3.Current Liabilities: (a) Trade Payables: (b)Other Current liab[outstanding exp]	 3 	 28,000 6,000	 28,000 2,000
TOTAL:		7,56,000	9,68,000
II.Assets:			
1. Non Current Assets: Fixed Assets: (a)Tangible		 4,60,000	 6,40,000

(b)Intangible [goodwill]		20,000	10,000
2. Current Assets: (a)Inventories: (b)Trade Receivables; (c)Other Current assets: (d)Cash & Cash Equivalents: Cash at Bank	 4	 40,000 1,36,000 20,000 80,000	 34,000 1,68,000 16,000 1,00,000
TOTAL:		7,56,000	9,68,000

Additional Information: Depreciation charged on tangible assets ` 30,000. [6]

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