

ACCOUNTANCY Sample Paper Class XII

Time Allowed: 3 hours

Maximum Marks: 80

Part A - Accounting for Partnership Firms and Companies

- 1) For what period, interest on drawing is to be calculated if a fixed amount is withdrawn on the last day of each quarter? 1
- 2) State the ratio in which the partners share profits or losses on revaluation of assets and liabilities, when there is a change in profit sharing ratio amongst existing partners? 1
- 3) What journal entry will be recorded for 'deceased partner's share in profit' from closure of last Balance Sheet till the date of his death? 1
- 4) P, Q and R were sharing their profits or losses in the proportion of 3:2:1. P died and his shares were taken up by Q and R in the ratio of 3:2. Calculate their New Ratio. 1
- 5) What is meant by 'Minimum Subscription'? 1
- 6) What is the name given to the 'part of capital' of a company which is called up only at the time of winding up? 1
- 7) What is meant by issue of debentures as a collateral security? 1
- 8) Ram, Rahim and Joseph are partners sharing profits and losses in the ratio of 3 : 2 : 1. After the final accounts have been prepared, it was discovered that interest on drawings had not been taken into consideration. The interest on drawings of partners amounted to X Rs.250, Y Rs.180 and Z Rs.100. Give the necessary adjusting entry. Highlight the value identified in this case. 3
- 9) XYZ Ltd. takes over the business of MNR Ltd. on following revalued figures :-
 Building – Rs.2,00,000; Plant – Rs.1,00,000; Debtors – Rs.50,000; Creditors – Rs.30,000
 The purchase consideration of Rs.3,00,000 was paid by issuing 9% Debentures of Rs.100 each at a discount of 20%. Journalise in the books of XYZ Ltd. 3
- 10) Pass the necessary journal entries on the issue & redemption of debentures in the following cases: 3
 - (i) Ankit Ltd. issued 500, 12% Debentures at Rs.100 each, redeemable at 105% at the end of 5 years.
 - (ii) Arpit Ltd. issued Rs.7,00,000 12% Debentures at Rs.100 each at a premium of 5% redeemable at 110%.
- 11) The Balance Sheet of A & B who share profits in the ratio of 3:2 as at 31/03/13 was as follows:

| Liabilities | Amounts(Rs.) | Assets | Amounts(Rs.) |
|-------------------|--------------|---------------------------|--------------|
| A's Capital | 30,000 | Tangible Fixed Assets | 1,20,000 |
| B's Capital | 20,000 | Stock | 1,20,000 |
| Reserve | 55,000 | Debtors | 20,000 |
| Profit & Loss A/c | 6,000 | Cash at Bank | 14,000 |
| Creditors | 1,64,000 | Advertisement Expenditure | 1,000 |
| | 2,75,000 | | 2,75,000 |
- They admit C as a partner with 1/5 share in the profits of the firm. C brings Rs.40,000 as his capital. Give the necessary Journal entry to record Goodwill. 4
- 12) X, Y and Z are partners sharing profits & losses equally. Total Capital Employed by them in firm is Rs.3,60,000 which was contributed by them in their profit-sharing ratio. Z retires from the firm. On the day of retirement, firm had a balance of Rs.60,000 in their General Reserve. Z took away one of the unrecorded assets of the firm valued at Rs.45,000 in part payment and balance amount was paid in cash. Calculate the net cash paid to the retiring partner Z. 4

- 13) Aman Ltd. had issued shares of Rs.100 each at a discount of 5%, payable as follows:

On Application – Rs.25 per share; On Allotment – Rs.25 per share(after discount);
Final Call – Bal. amount.

Jai, a shareholder, holding 50 shares did not pay First & Final Call. As a result, his shares were forfeited. Of these, 40 shares were reissued as fully paid up @ Rs.95 per share.

Pass necessary journal entries to record the forfeiture and reissue of shares in the books of Aman Ltd. 4

- 14) Supreme Ltd. has Nominal Capital of Rs.20,00,000 divided into Equity Shares of Rs.10 each. The company invited applications for 1,00,000 shares but applications were received for 70,000 shares only. All calls were made and received except the Final Call of Rs.2 per share on 2,000 shares. These shares were forfeited and reissued @ Rs.8 per share, fully paid – up.

Prepare an extract of Balance Sheet of Supreme Ltd. as per Revised Schedule VI Part-I of the Companies Act 1956 disclosing the above information. Also prepare 'notes to accounts' for the same. 4

- 15) Monu and Sonu are partners with their respective capital of Rs.4,00,000 and Rs.2,00,000. The profit for year ending on 31st March,2012 was Rs.3,45,000 before allowing interest on partner's loan. Show the distribution of profit after taking the following into consideration:

- Interest on Monu's loan of Rs.1,50,000.
- Interest on capital is to be allowed @ 5% p.a.
- Interest on drawings @ 6% p.a. Drawings were Monu Rs.60,000 and Sonu Rs.40,000.
- Sonu is to be allowed a commission of 2% on sales. Sales for the year were Rs.30,00,000.
- 10% of the divisible profit to be kept as Reserve.

Also show Partners' Capital Account. 6

- 16) The Balance Sheet of Sudha, Rahim and Kartik who were sharing profit in the ratio of 3 : 3 : 4 as on 31st March, 2012 was as follows:

| Liabilities | | | Amount (Rs.) | Assets | | Amount (Rs.) |
|-----------------|--------|---------------|--------------|-----------------|--|--------------|
| General Reserve | | | 10,000 | Cash | | 16,000 |
| Bills Payable | | | 5,000 | Stock | | 44,000 |
| Loan | | | 12,000 | Investments | | 47,000 |
| Capitals: | Sudha | 60,000 | | Land & Building | | 60,000 |
| | Prachi | 50,000 | | Sudha's Loan | | 10,000 |
| | Ritika | <u>40,000</u> | 1,50,000 | | | |
| | | | 1,77,000 | | | 1,77,000 |

Sudha died on June 30th 2012. The partnership deed provided for the following on the death of a partner:

- Goodwill of the firm be valued at two years purchase of average profits for the last three years.
 - Sudha's share of profit or loss till the date of her death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2012 amounted to Rs.4,00,000 and that from 1st April to 30th June 2012 to Rs.1,50,000. The profit for the year ended 31st March, 2012 was Rs.1,00,000.
 - Interest on capital was to be provided @ 6% p.a.
 - The average profits of the last three years were Rs.42,000.
 - According to Sudha's will, executors should donate her share to "Matri Chhaya - an orphanage-for girls".
- Prepare Sudha's Capital Account to be rendered to her executor. Also identify the value being highlighted in the question. 6

- 17) Bajaj Ltd. issued 50,000 shares of Rs.10 each at a premium of Rs.3 per share as :-

On Application – Rs.3 (including premium Rs.1)
On Allotment – Rs.7 (including premium Rs.2);
On First Call – Balance amount.

Applications were received for 53,000 shares. Applications of 3,000 shares were rejected and refunded in full. Rest were allotted in full. Sunil, a shareholder holding 300 shares, failed to pay allotment money and First Call. Subsequently his shares were forfeited after the First Call. Out of these, only 250 shares were reissued @ Rs.12 per share, fully paid-up. Share Issue Expenses amounted to Rs.300 which were written-off against Securities Premium. Journalise in the books of Bajaj Ltd.

Or

Reliable Ltd issued a prospectus inviting applications for 20,000 Equity shares of Rs.20 each at a premium of Rs.3 per share payable as follows:

Application Rs.5; Allotment Rs.8 (including premium); First Call Rs.6; Second call Rs.4.

Applications were received for 25,000 shares and allotment was made pro rata to applicants of 24,000 shares, applications for remaining shares being refused. Money overpaid on application was used on account of sums due on allotment.

Anil, to whom 100 shares were allotted, could not pay allotment money and on his subsequent failure to pay the First call, his shares were forfeited after the First Call.

Rina, who had applied for 60 shares, failed to pay the two calls and his shares were also forfeited after Second Call. Of the shares forfeited, 120 shares were sold as fully paid at Rs.19 per share (all of Anil's shares being included). Pass the Journal entries in the books of the company to record the above transactions.

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- 18) Pankaj & Rahul were partners sharing in ratio of 7:3. They were unable to earn good profit. They decided to admit one such partner in firm who is having better experience and calibre for such a business. They approached to Sheetal to join their firm, she agreed. The following is Balance Sheet on 31/12/13:

| Liabilities | Amt(Rs.) | Assets | Amt(Rs.) |
|---------------------------|----------|-------------------|----------|
| Pankaj's Capital A/c | 84,000 | Cash | 2,800 |
| Rahul's Capital A/c | 56,000 | Prepaid Rent | 25,000 |
| Employees Provident Fund | 40,000 | Debtors 20,500 | |
| Workmen Compensation Fund | 7,000 | - Provision - 300 | 20,200 |
| Creditors | 66,000 | Stock | 26,000 |
| Bank Overdraft | 10,000 | Investments | 24,000 |
| | | Plant | 70,000 |
| | | Buildings | 95,000 |
| | 2,63,000 | | 2,63,000 |

Sheetal was admitted with effect from 01/01/14 with 1/4th share in profits on these terms :-

- Sheetal will bring in proportionate capital and his share of goodwill.
- Buildings are to be appreciated by Rs.13,000 and Plant to be depreciated to Rs.33,000.
- The provision on Debtors is to be raised to Rs.1,000.
- The Goodwill of the firm has been valued at Rs.30,000 but no Goodwill is to appear in the books.
- Half of the Investments are to be taken over by Pankaj and Rahul in their profit sharing ratio and remaining valued at Rs.8,000.

Prepare Revaluation A/c, Partners' Capital A/c, and Balance Sheet of the new firm. Identify the value being conveyed in the question.

Or

Aman, Bimal and Chaman were partners in the ratio of 3:1:1. On 31st December, 2012, they decided to dissolve their firm. On that date their Balance-Sheet was as under.

| Liabilities | Rs. | Assets | Rs. |
|------------------|--------|--------------------------|--------|
| Sundry Creditors | 10,800 | Cash at Bank | 5,760 |
| Bank Loan | 2,700 | Debtors 43,560 | |
| Capital Accounts | | Less: Provisions - 2,160 | 41,400 |
| Aman 49,500 | | Stock | 14,040 |
| Bimal 18,000 | | Computer | 1,800 |
| Chaman 12,600 | 80,100 | Investments | 30,600 |
| | 93,600 | | 93,600 |

Following terms were decided:

- Bimal is to take over all the stock at Rs.12,600 and some of the investments at Rs.12,960 (being 10% less than the book value).
- Chaman is to take over the remaining investments at 90% of the book value less Rs.180 as discount.
- Computer proved to be valueless and the debtors amounting to Rs.36,000 were taken over by Aman at Rs.32,400. The creditors of Rs.10,800 to be paid by Aman at 10% discount.
- Chaman assume the responsibility for the payment of Bank loan together with accrued interest of Rs.50 which has not been recorded in the books.
- A liability of Rs.1,080 for damage was also discharged by Aman at this value.
- The expenses of dissolution were Rs.850.
- The remaining debtors were sold to a debt collecting agency for 50% of the book value.

You are required to prepare necessary accounts to close the books of accounts.

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Part B – Financial statement Analysis

- 19) What do you mean by ‘Cash Equivalents’? 1
- 20) ‘Purchase of Goodwill’ is classified under which type of activity in case of Cash Flow Statement? 1
- 21) Current Ratio of a company is 2.1 : 1. What will be impact of ‘Raising a long term loan’ on its Current Ratio? 1
- 22) Under what heads and sub-heads the following items will appear in the Balance Sheet of a company as per revised Schedule VI, Part-I of Companies Act 1956. 3
- (i) 10% Debentures (ii) Calls in Advance (iii) Goodwill
- 23) Calculate any two of the following: 2 + 2 = 4
- a) From the following ascertain Debt Equity Ratio:
Equity Share Capital Rs.2,00,000, General Reserve Rs.1,60,000, 10% Debentures Rs.1,50,000,
Current Liabilities Rs.1,00,000, Preliminary Expenses Rs.10,000.
- b) Calculate Inventory Turnover Ratio from the following information:
Sales Rs.5,00,000; Gross Loss 20%; Opening Stock Rs.40,000; Purchases Rs.6,10,000.
- c) Cash Sales Rs.2,00,000; Indirect Expenses Rs.20,000. Gross Profit Ratio 25%. Credit Sales were 90% of the Total Sales. Calculate its Net Profit Ratio.
- 24) From the following statement of Profit and Loss of Sudhakar Ltd., for the years ended 31st March 2012 and 2013, prepare a Common Size Income Statement. 4
- Interest on Investments @ Rs.30,000 each year.

| Particulars | Note No. | 2012 (Rs.) | 2013 (Rs.) |
|---------------------------|----------|------------|------------|
| Revenue from Operations | | 25,00,000 | 28,00,000 |
| Cost of material consumed | | 8,00,000 | 9,00,000 |
| Other Expenses | | 8,50,000 | 10,00,000 |

- 25) You are required to prepare Cash Flow Statement from the following information: 6
- | | |
|---|--------|
| | Rs. |
| (i) Income Tax paid during the year | 800 |
| (ii) Plant Purchased | 20,000 |
| (iii) Goodwill written off during the year | 10,000 |
| (iv) Debentures redeemed on 1 st Feb. 2012 | 12,000 |

BALANCE SHEET

as at 31st March, 2012 and 2011

| Particulars | Note No. | 31. 3. 2012 | 31. 3. 2011 |
|-------------|----------|-------------|-------------|
| | | | |

| I. EQUITY AND LIABILITIES | | Rs. | Rs. |
|-------------------------------------|----------|------------------------|------------------------|
| 1. Shareholder's Funds | | | |
| (a) Share Capital | | 1,48,000 | 1,40,000 |
| (b) Reserve & Surplus | | 21,120 | 20,080 |
| 2. Non-Current Liabilities : | | | |
| (a) Long-term Borrowings | 1 | 12,000 | 24,000 |
| 3. Current Liabilities: | | | |
| (a) Trade Payables | | 23,680 | 20,720 |
| (b) Short term Provision | 2 | <u>1,600</u> | <u>1,400</u> |
| Total | | <u>2,06,400</u> | <u>2,06,200</u> |
| II. ASSETS: | | | |
| 1. Non-Current Assets: | | | |
| (a) Fixed Assets: | | | |
| (i) Tangible Assets | | 60,000 | 40,000 |
| (ii) Intangible Assets | | 10,000 | 20,000 |
| 2. Current Assets: | | | |
| (a) Inventory | | 85,400 | 98,400 |
| (b) Trade Receivables | | 35,400 | 29,800 |
| (c) Cash & Cash Equivalents | | 15,600 | 18,000 |
| Total | | 2,06,400 | 2,06,200 |

31. 3. 2012

31. 3. 2011

Rs.

Rs.

Notes: (1) Long-term Borrowings :

12% Debentures

12,000

24,000

(2) Short-term Provision :

Provision for Taxation

1,600

1,400

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