Guess Paper – 2014
Class – XII
Subject – ACCOUNTANCY

General Instructions:

i) This *question paper is divided into three parts A, B & c.*
ii) *Part A is compulsory. You may select any one from Part B &C.*
iii) *Attempt all parts of a question at one place.*

PART: A

Accounting For Partnership Firms & Company Accounts

Q. No	Questions	Marks
1.	What is the average period in months for charging interest on drawings for the same amount withdrawn at the end of each quarter?	1
2.	P, Q and Rare partners in a firm sharing profit in the ratio 5:4:3. Their capitals were ₹40,000, ₹50,000 and ₹1, 00,000 respectively. State the ratio in which the goodwill of the firm ₹1,20,000 will be adjusted on retirement of R.	1
3.	State the reason of contributing for goodwill by a new partner at the time of his admission.	1
4.	Give journal entry for recording deceased partner's share in profit from the closure of last balance sheet till the date of his death.	1
5.	What is meant by "Sweat Equity Shares"?	1
6.	What is meant by issue of shares for consideration other than cash?	1
7.	What is the nature of interest on debenture?	1
8	A and B are partners sharing profits and losses in the ratio 3:2. They employed C as their manager on 1.1.2010, whom they paid a salary of ₹450 per month. C had deposited ₹12,000 on which interest is payable @ 9% per annum. At the end of the year 31.12.2010 after division of year's profit of ₹10,000, it was decided that C should be treated as a partner with effect from 1.1.2010 with $^{1}/_{6}$ share of profit, and his deposit being considered as capital carrying interest @6% per annum as it was already done for other partners. Record the necessary journal entry to give an effect to the above.	3
9.	Pass the journal entries relating to the issue of debentures for the following: (i)Issued ₹4,00,000, 9% Debentures of ₹100 each at a premium of 8% and redeemable at a premium of 10%. (ii)Issued ₹6,00,000, 9% Debentures of ₹100 each at par and redeemable at	3

	a premium of 10%. (iii)Issued ₹10,00,000, 9% Debentures of ₹100 each at a discount of 5% and redeemable at a premium of 10%.	
10.	A company resolved to utilize its profit to redeem ₹50,000 12% debentures at a premium of 5%, instead of declaring dividend to equity shareholders. They had Debenture Redemption Reserve of ₹38,000. Pass the entries in the books of the company. Identify the value ignored here by the Board of Directors.	3
11.	P,Q and R were partners in a firm sharing profits in the ratio 5:4:1. Their capitals were : P- ₹4,00,000; Q- ₹3,00,000 and R- ₹50,000. The firm closes its books on 31 March every year. On 30.06.2012 Q died. According to the deed the executor of a deceased partner was entitled to: (i)Interest on capital @10% p.a (ii)His share of goodwill, the goodwill of the firm was valued at ₹6,00,000. (iii)Q's share of profit till the date of death was based on previous year's profit of ₹3,00,000. (iv)The firm had an existing goodwill of ₹1,00,000. The executor of deceased partner was paid the entire amount due to him by cheque. Prepare Q's capital A/c and pass the journal entry for settlement of the due.	4
12.	A, B and C are partners sharing profit and losses in the ratio 14:5:6. B retires and surrenders $^1/_5$ of his share in favour of A. The goodwill of the firm is valued at 2 years purchase of super profit based on average profit of last 3 years. The average profit being ₹65,000. The normal profit being ₹60,000 for similar firm. The profit for the first year after B's retirement was ₹1,00,000. Pass the necessary journal entries to adjust goodwill and distribution of profit.	4
13.	Z Ltd purchased assets worth ₹95,000 from Y Ltd at an agreed price of ₹99,000. The payment to Y Ltd was made by issue of shares of ₹10 each. Pass the journal entries at the time of issue in the books of Z Ltd for the above transactions when: (i) Shares were issued at 10% premium, redeemable at par (ii) Shares were issued at 10% discount, redeemable at 5% premium.	4
14.	Escorts Ltd. has an authorised capital of ₹.4,00,000 of equity shares of ₹10 each. The company invited applications for 25,000 shares. The applications were undersubscribed by 4000 shares. All call were made and duly received except the final call of ₹3 per share on 3000 shares. The directors decided to forfeit 60% of these shares on which call final call money was not paid. Show how the share capital will appear on company's balance sheet.	4
15.	Asish, Ibrahim and Wilfred entered into partnership for selling sports equipment	6

	on 1st April 2011 and they decided to distribute some sports equipment to national level sports representative from that state. They divided the profit in the ratio 4:3:3. Asish and Ibrahim guaranteed Wilfred a share of profit after charging interest on capital @ 5% p.a, would not be less than ₹40,000 in any year as he is physically challenged. Any deficit arising out of it will be shared between Asish and Ibrahim equally. Asish gave a loan of ₹20,000 to the firm after 3 months of starting the business. Ibrahim is entitled for a commission @ 5% p.a after charging interest on capital. The capital contributions were Asish: ₹3,00,000, Ibrahim: ₹2,00,000 and Wilfred: ₹1,50,000.The net profit for the year ended 31st March 2012, as per Profit/loss A/c amounted to ₹1,60,000. (i)Prepare Profit & Loss Appropriation A/c for the year ended 31st March'2012. (ii)Identify two values in the above case.	
16.	A,B and C were partners sharing profit in the ratio 3:1:1. The Balance Sheet of the firm as on 31st Dec'2012, was as follows:	6

Liabilities	₹	Assets	₹
A's Capital	27,500	Sundry Assets	17,000
B's Capital	10,000	Debtors 24,200 -PBDD 1,200	23,200
C's capital	7,000	Stock	7800
Creditors	6,000	Furniture	1,000
Bank Loan	1,500	Cash	3,200
	52000		**52,000**

It was agreed that the firm be dissolved on the following terms:

(i)A to take over furniture at ₹800 and debtors amounting to ₹20,000 at ₹17,200 and creditors were to be paid by him at book value.

(ii)B to take over all the stocks at ₹7,000 and some sundry assets at ₹7,200 (being 10% less than the book value)

(iii)C to takeover remaining sundry assets at 90% of the book value and assume the responsibility to discharge the bank loan with an accrued interest of ₹300.

(iv)The expenses of Realisation were ₹200. The remaining debtors were bad.

Prepare necessary accounts to close the books of the firm.

17.	Som Ltd. invited applications for issuing 60,00 equity shares of ₹10 at a premium of ₹5 each. The amount was payable as follows: On application ₹7.5 (including premium of ₹2.5) On allotment ₹5 (including premium of ₹2.5) On first and final call the balance.	8

	Applications for 55,000 shares were received, allotment was made to all applicants. The company received all money due on allotment except K who was allotted 500 shares and his shares were immediately forfeited. Afterwards the first Final call was made. L to whom 300 shares were allotted failed to pay the installment and his shares were also forfeited. 300 shares of K and 200 shares of L were reissued to N for ₹7,500 fully paid up. Pass journal entries in the books of Som Ltd. **OR** Pass the journal entries in the books of Jain Ltd. in each of the following cases: (a) Forfeited 1,000 shares of ₹10 each issued at a premium of ₹ 3 per share for non-payment of first call of ₹ 6 (including ₹ 1 premium). The final call of ₹1 was not yet made. The forfeited shares were reissued as fully paid up for ₹ 7 per share. (b) Forfeited 600 equity shares of 10 each issued at 10% discount for non-payment of allotment money of ₹ 5 per share. The first and final call of ₹ 2 has not yet been made. 40% of the forfeited shares were reissued as fully paid up for a consideration of ₹2,000 . (c) Forfeited 1,000 shares of ₹10 each (called up ₹8) for the non-payment of allotment money of ₹5 per share (including the premium). Of these 800 shares were reissued at ₹7 per share as ₹8 called up.	
18.	X and Y are partners sharing profit in the ratio 7:3. Their Balance Sheet as at 31st Dec' 2013 was as follows:	8

Liabilities	₹	Assets	₹
X's Capital	50,000	Machinery	30,000
Y's Capital	40,000	Debtors 46,000 -PBDD 2,000	44,000
General Reserve	10,000	Stock	50,000
Creditors	40,000	Cash	36,000
Bank overdraft	20,000		
	1,60,000		**1,60,000**

On that date, they admitted Z as a new partner for $^1/_3$ share in profit on the following terms:

(i)Z will bring ₹30,000 as his capital and ₹10,000 as premium for goodwill.

(ii) 20% of General Reserve to be transferred to provision for doubtful debt.

(iii)There was an unrecorded cash sales of ₹8,000.

(iv)Both stock and machinery depreciated @40%.

(v)The capital account of X and Y will be adjusted on the basis of Z's capital, for this purpose cash will be brought in or paid off as the case may be.

Prepare Revaluation A/c, Partners' capital A/c and Balance Sheet of the reconstituted firm

OR

L, M and N are partners sharing profits as 50%, 30% and 20% respectively. On 31.3.2012, their Balance Sheet stood as follows:

Liabilities	₹	Assets	₹
Creditors	36,000	Building	82,000
WorkmenCompensation Reserve	10,000	Debtors 20,000 -PBDD 3,000	17,000
General Reserve	25,000	Plant/Machinery	31000
L's Capital	40,000	Cash	36,000
M's Capital	40,000	Stock	15,000
N's Capital	30,000		
	1,81,000		**1,81,000**

M retired on 31.03.2012 and the following arrangement was decided upon:
(i)L and N decide to share profits and losses equally, in the future.
(ii)Firm's goodwill was valued at ₹70,000.
(iii)The claim towards workmen's compensation is estimated at ₹.12, 000.
(iv)Provision for bad debts is to be at 10%.
(v)A Credit Purchase bill for ₹2,600 is yet to be accounted.
(vi)Balance due to M was transferred to his Loan A/c at an interest of 9% p.a.
(vii)L and N decide to adjust their Capital in their new PSR, based on the total capital after all adjustments, by bringing in or taking out cash.
Prepare: Revaluation A/c, Partners' Capital A/c, and Balance Sheet after M's retirement.

PART B:

Analysis of Financial Statements

19.	What is the impact of a 'purchase of a fixed asset' on a credit of 2 months on a current ratio of 2:1?	1
20.	Mention the net amount of source or use of cash if a discount of ₹1,000 was received on making a payment of ₹10,000.	1

21.	What will be the impact on cash flow from operating activities if stock is purchased from suppliers on credit?	1
22.	List any three items shown under the subheading "reserves and surplus" in Company's Balance sheet.	3
23.	From the following information calculate: (i) Gross Profit Ratio, (ii) Working Capital Turnover Ratio; (iii) Proprietary Ratio; (iv) Debt-Equity Ratio. Share Capital ₹8,00,000; Current Assets ₹5,00,000 Credit Sales ₹3,00,000; Cash sales – 75% of credit sales; 9%Debentures- ₹3,40,000; Current Liabilities- ₹2,90,000; Cost of goods sold ₹4,80,000; Fixed Assets- ₹8,60,000	4
24.	Prepare Common Size Balance Sheet from the following details	4

PARTICULARS	31.03.2013 ₹
Share capital	10,00,000
Profit/Loss A/c (Cr)	2,00,000
Trade Payables	1,00,000
10%Debenture	7,00,000
Land & Building	1,30,0000
Trademarks	5,00,000
Inventories	2,00,000

25.	Following are the Balance Sheets of Daylight Ltd, Prepare Cash Flow Statement for the year ended 31.03.2013.	6

Particulars	**31-3-2012**	**31-3-2013**

Particulars	₹	₹
1. EQUITY AND LIABILITIES :		
Shareholders' Funds:		
Share Capital	4,00,000	7,00,000
Reserve and Surplus	(50,000)	(3,20,000)
Non-Current Liabilities:		
10%Long-term Borrowings	2,00,000	4,00,000
Current Liabilities:		
Trade Payables	1,10,000	1,50,000
Outstanding Expenses	10,000	20,000
TOTAL	**6,70,000**	**9,50,000**
2. ASSETS:		
Non-Current Assets:		
Fixed Assets	3,00,000	5,00,000
10%Non-Current Investments	2,00,000	1,40,000
Current Assets:		
Inventory	50,000	1,00,000
Trade Receivables	1,00,000	1,70,000
Cash & Cash Equivalents	20,000	40,000
TOTAL	**6,70,000**	**9,50,000**

Additional Information: Included in the fixed assets was a piece of machinery costing ₹ 70,000 on which depreciation charged was ₹ 40,000 and it was sold for ₹ 30,000. During the year ₹ 1, 40,000 depreciation was charged on fixed assets.

Paper Submitted by:

Name BAGGA
Email pinubagga@yahoo.com
Phone No. 0096809236765