

Guess Paper – 2014
Class – XII
Subject – Accountancy

Time allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. This question paper contains two parts A, B.
2. Both Part A and B is compulsory for all candidates.

PART -A

{ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES}

- Q.1** If the partners' capitals are fixed, where will you record the drawings made by a partner? 1
- Q.2** State the ratio in which the partners share the undistributed loss appearing in the Balance Sheet, when there is a change in the profit sharing ratio amongst exiting partners? 1
- Q.3** Name the account which is opened to credit the share of profit of the deceased partner till the time of his death to his capital account. 1
- Q.4** Give the Journal entry to distribute 'Workmen Compensation Reserve' of capital of ₹90,000 at the time of retirement of Hetal when there is a claim of ₹ 30,000 against it. The firm has three partners Raghav, Hetal and Anuj. 1
- Q.5** At what rate can the company charge interest on 'calls-in-arrears', if it has not prepared its own Articles of Association? 1
- Q.6** What is meant by 'Reserve capital'? 1
- Q.7** What is meant by 'issue of debentures as collateral security'? 1
- Q.8** Nanak, Rishabh and Mayank are partners in a firm. They contributed ₹ 90,000 each as capital three years ago. At that time Mayank agreed to look after the business as Nanak and Rishabh were busy. The profits for the past three years were ₹ 60,000, ₹ 1,00,000 and ₹ 1,10,000 respectively.

While going through the books of accounts, Nanak noticed that the profit is distributed in 1:1:2 ratios. When he enquired from Mayank about this, Mayank answered that since he looked after the business he should get more profit. Nanak did not agree and it was decided to distribute equally retrospectively for the last three years.

(A) You are requested to make necessary correction in the books of accounts of the firm by passing an adjustment entry.

(B) Identify the value which is not being practiced by Mayank at the time of divisions of profits.

3

Q.9 Pass the necessary journal entries for the issue of 7% Debentures in the following cases:

(a) 200 Debentures of Rs. 150 each issued at 10% Premium redeemable at Rs. 200 Each.

(b) 200 Debentures of Rs. 200 each issued at a discount of 10% redeemable at par. 3

Q.10 Atlas Constructions Ltd. Has an outstanding balance of ₹ 57,000, 14% debentures of ₹ 100 each redeemable at a premium of 10%. According to the terms of redemption, the company redeemed 60% of the above debentures by converting them into shares of ₹ 100 each at a discount of 5%. Record the entries for redemption of debentures in the books of Atlas Constructions Ltd.

3

Q.11 Asin and Shreya are partners in a firm. They admit Ajay as a new partner with $\frac{1}{5}$ th share in profit of the firm. Ajay brings ₹5,00,000 as his capital. The value of the total assets of the firm ₹15,00,000 and outside liabilities were valued at ₹5,00,000 on that date. Give necessary journal entries for treatment of goodwill.

4

Q.12 Sandeep, Praveen and Tara are partners sharing profits in the ratio 3:2:1. On 1st April, 2012 Sandeep gave a notice to retire from the firm. Praveen and Tara decided to share future profits, in the ratio of 2:3. The capital accounts of Praveen and Tara after all adjustments showed in balance of ₹64,000 and ₹1,00,000 respectively. The total amount to be paid to Sandeep was ₹1,23,000. This amount was to be paid by Parveen and Tara in such a way that their capitals become proportions to their new profit sharing ratio.

Pass necessary Journal entries for the above transactions in the books of the Firm. Show your working clearly.

4

Q.13 Leela Ltd. Took over assets of ₹ 4,25,000 and liabilities of ₹35,000 from Veena Ltd. For the purchase consideration of ₹6,60,000. Leela Ltd. Paid the purchase consideration by issuing 10% debentures of ₹200 each at 10% premium.

Pass necessary Journal entries in the books of Leela Ltd. For the above transactions. 4

Q.14 The authorised capital of Sarang Ltd. is ₹ 1,20,00,000 divided into 12,00,000 shares of ₹10 each. Out of these, company issued 8,00,000 shares of ₹10 each at a premium of 20%. The amount per share was payable as follows:

On application --- ₹2

On allotment --- ₹6(including premium)

On first call --- ₹2

On final call --- Balance

Public applied for 7,80,000 shares. All the money was duly received.

Prepare an extract of Balance Sheet of Sarang 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

Q.15 Anil, Bimit and Dhruv are partners in a firm. On 1st April, 2011 the balance in their capital accounts stood at ₹ 4,00,000, ₹6,00,000 and ₹8,00,000 respectively. They shared profits in the proportion of 2:3:5. Partners are entitled to interest on capital @ 10% per annum and salary to Anil and Bimit @ ₹2,000 per month and ₹3,000 per quarter respectively as per the provisions of the partnership deed.

Dhruv's share of profit including interest on capital is guaranteed at not less than ₹40,000 p.a. Bimit's share of profit excluding interest on capital but including salary is guaranteed at not less than ₹70,000 p.a. Any deficiency arising on that account shall be met by Anil. The profit of the firm for the year ended 31st March, 2012 amounted to ₹4,00,000. Prepare profit and Loss appropriation account for the year ended 31st March, 2012.

6

Q.16 The balance sheet of Ranjana, Balram and Krishan who were sharing profit in the ratio of 4:3:3 as on 31st March, 2012 as follows:

Liabilities	(₹)	Assets	(₹)
General Reserve	15,000	Cash	48,000
Bills Payable	30,000	Stock	1,32,000
Loan	36,000	Investments	1,41,000
Capitals: Ranjana 1,80,000		Land and Building	1,80,000
Balram 1,50,000		Ranjana's loan	30,000
Krishan 1,20,000			
	<u>4,50,000</u>		
	<u>5,31,000</u>		<u>5,31,000</u>

Ranjana died on 31st May, 2012. The partnership deed provided for the following on the death of a partner:

- Goodwill of the firm was to be valued at two years purchase of average profits for the last three years which were ₹ 1,20,000.
- Ranjana's share of profit 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 ₹ 12,00,000 and that from 1st April to 31st May, 2012 ₹ 4,50,000. The profit for the year ended 31st March, 2012 was ₹ 3,00,000.
- Interest on Capital was to be provided @ 6% P.A.
- According to Ranjana's will, the executor should donate her share to 'Maitri Chayaan orphanage for girls'.

Prepare Ranjana's Capital Account to be rendered to her executor. Also identify the value being highlighted in the question.

6

Q.17 Sun India Ltd. Issued for public subscription 2,25,000 shares of the value of ₹10 each at a discount of 10% payable per share as follows:

₹2 on Application, ₹3 on allotment and ₹ 4 on call.

The company received applications for 4,50,000 shares. The allotment was done as under:

- Application of 45,000 shares were allotted 15,000 shares.
- Application of 2,10,000 shares were allotted 1,20,000 shares.
- Remaining applicants were allotted 90,000 shares.

After adjusting excess money in allotment the money was returned. Harit. A shareholder, who had applied for 10,500 shares of (group b) failed to pay allotment and call money. Rahul, another shareholder, who was allotted 9,000 shares, paid the call money along with the allotment. Rahul also belonged to (group b).

Pass necessary Journal entries to record the above transaction in the books of the company. Show your working notes clearly.

OR

Record the Journal entries for forfeiture and reissue in the following cases:

- X Ltd. Forfeited 60 shares of ₹ 10 each, called up on which the shareholder had paid applicants and allotment money of ₹5 per share. Out of these, 45 shares were re-issued to Naresh as ₹7 paid up for ₹8 per share.

- (b) Y Ltd. Forfeited 300 shares of ₹10 each, ₹8 called up, issued at a premium of ₹ 2 per share to 'R' for non-payment of allotment money of ₹5 per share including premium. Out of these, 210 shares were re-issued to Sanjay as ₹8 called up for ₹ 10 per share fully paid up.
- (c) Z Ltd. Forfeited 900 shares of ₹ 10 each issued at a premium of ₹ 3 per share to R for non-payment of first and final call of ₹3 per share. All the forfeited shares were reissued at ₹3 per share fully paid up.

8

Q. 18 Neerav and Madhur are partners in a firm. They share profits in the ration of 3:2. Since both of them are specially abled, sometimes they find it difficult to run the business on their own, Gopal, a common friend decides to help them. Therefore, they admit him into Partnership for 1/4th share in profits. He brings his share of goodwill in cash and proportionate capital. At that time of Gopal's admission, the balance Sheet of Neerav and Madhur was as under:

Liabilities	(₹)	Assests	(₹)
Creditors	56,000	Cash at bank	20,000
General Reserve	64,000	Debtors	1,30,000
Capitals:		Less: Reserve for Doubtful debts	10,000
Neerav	1,20,000		1,20,000
Madhur	<u>80,000</u>	Stock	60,000
	2,00,000	Investments	1,00,000
		Patents	20,000
	<u>3,20,000</u>		<u>3,20,000</u>

On 1st April, 2012 was admitted on the following terms:

- (a) The Goodwill of the firm was to be valued at ₹ 1,00,000.
- (b) The unaccounted accrued income of ₹ 1,000 was to be provided later.
- (c) The market value of Investments was ₹ 90,000.
- (d) Patents were to be undervalued by ₹ 10,000.

Prepare Revaluation Accounts, Partners' Capital Accounts and Balance Sheet of the reconstituted firm. Identify the value being conveyed in the question.

OR

Ajit, Brijesh and Chandni are partners sharing profits in the ratio 3:1:1 . In spite of repeated reminders by the authorities, they kept dumping hazardous material into a near by river. The

court ordered for the dissolution of their partnership firm on 31st March 2012. The financial position of the firm on that date was as follows: Balance Sheet as on 31st march,2012

Liabilities	(₹)	Assests	(₹)
Creditors	12,000	Cash	6,400
Loan	3,000	Debtors	48,400
Capitals:		Less: Provision for Doubtful debts	24,00
Ajit: 55,000		Stock	15,600
Brijesh: 20,000		Furniture	2,000
Chandni: <u>14,000</u>	89,000	Other Sundry Assets	34,000
	<u>1,04,000</u>		<u>1,04,000</u>

Additional Information:

- Ajit was to take over furniture at ₹1,600 and debtors amounting to ₹ 40,000 at ₹ 34,200; the Creditors of ₹ 12,000 were to be paid by him at this figure.
- Brijesh was to take over all the stock at ₹ 14,000 and some of the others Sundry Assests at ₹14,400 (being 10% less than book value).
- The expenses of dissolution were ₹ 540. The remaining debtors were sold to a debt collecting agency for 50% of book value.

Prepare Realisation Account, Partners' capital Accounts and cash accounts to close the books of the firm.

Identify the value being conveyed in the question.

8

PART B

Q.19 Under which type of activity will you classify 'Interim Dividend Paid on Equity Shares' while preparing Cash Flow Statement? 1

Q.20 State the objective of Preparing Cash Flow Statement. 1

Q.21 State any one limitation of Financial Statements Analysis. 1

Q.22 Under what heads and sub-heads will the following items appear in the balance sheet of a company as per revised Schedule VI part-I of the Companies Act 1956:

(a) Computer Software

(b) Stores and Spares

(c) Proposed Dividend

3

Q.23 (a) From the following information, compute 'Total Assets to Debt Ratio':

Shareholder's Funds ₹1,60,000; Total debt ₹3,60,000, current liabilities ₹40,000.

(b) The ratio of Current Assets (₹6,00,000) to current liabilities (₹4,00,000) is 1:5:1. The accountant of this firm is interested in maintaining a current ratio of 2:1 by paying some part of current Liabilities. Suggest the amount of current Liabilities which must pay for this purpose.

4

Q.24 From the following statement of profit and loss of Startrack Ltd., for the year ended 31st march, 2011 and 2012, prepare a 'Comparative Statement of Profit and Loss':

Particulars	Note no.	2011-12(₹)	2010-2011(₹)
Revenue from operations		60,00,000	36,00,000
Other income		36,00,000	27,00,000
Expenses		29,00,000	26,00,000

4

Q.25 Following are the Balance Sheet of Oriental Ltd. For the years ended 31st March, 2011 and 2012:

Particulars	Note No.	2011-12(₹)	2010-11(₹)
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I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital		5,00,000	4,00,000
(b) Reserves and surplus (profit and Loss Balance)	1	1,80,000	1,50,000
2. Non-Current Liabilities		4,00,000	3,00,000
(a) Long term borrowings			
3. Current Liabilities	2	<u>1,40,000</u>	<u>1,20,000</u>
(a) Trade Payables		<u>12,20,000</u>	<u>9,70,000</u>
Total			
II. Assests			
1. Non-current Assets			
(a) Fixed Assests	3	9,00,000	8,00,000
(i) Tangible Assets			
2. Current Assets		90,000	1,00,000
(a) Inventories		1,70,000	60,000
(b) Trade Receivables		<u>60,000</u>	<u>10,000</u>
(c) Cash and Cash Equivalents		<u>12,20,000</u>	<u>9,70,000</u>
Total			

Prepare a cash Flow Statement after making into account the following adjustments:
Depreciation charged on tangible fixed assets during year amounted to ₹3,00,000. 6

END

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