

**Sample Paper – 2014**  
**Class – XII**  
**Subject –ACCOUNTANCY**

TIME:3HRS

M.M:80

**Part –A**

1. List any one difference between Profit & loss Appropriation Account and Profit & Loss Adjustment Account. 1
2. State the ways to prepare capital accounts of Partners. 1
3. State any two effects of retirement of a partner. 1
4. Give one difference between Reserve capital and Capital reserve . 1
5. Can Securities Premium be utilised to redeem preference shares at premium.? 1
6. X Ltd. incorporated on 1<sup>st</sup> April 2013 started business with a capital of ` 1crore. On 1<sup>st</sup> Oct.2013 the company wants to issue 1,00,000 shares of ` 10 each at a discount of 10%. Would the Companies Act permit X Ltd. for these issue of shares? 1
7. What is meant by ‘Convertible Debentures’ ? 1
8. A,B,C and D were partners in a firm manufacturing Plastic Polythene which was banned by the government and hence they shifted to the manufacturing of paper bags and were sharing profits in 4:3:3:2 ratio. Their respective fixed capitals were `80,000, `1,20,000, `1,60,000 and `1,20,000. The partnership deed provided for:  
(i) Interest on Capital @9%p.a (ii)Interest on Drawings @10%p.a
- During the year ended 31.03.2013, the drawings of the Partners were A ` 40,000; B ` 50,000; C ` 30,000, D ` 20,000 . After the preparation of final accounts for the year ended 31.03.2013 it was discovered that interest on capital and Drawings was not taken into consideration. Pass the necessary adjusting journal entry and value highlighted. 3
9. X ltd. took over the Assets of ` 7,00,000 and Creditors of ` 80,000 of Y Ltd. for a sum of ` 6,00,000 payable 10% by a cheque and the balance by issue of fully paid 12% Debentures of ` 100 each at a discount of 10% . Journalise. 3
10. X ltd. had ` 6,00,000 , 15% debentures of ` 100 each issued at a discount of 10% and redeemable at a premium of 5 % . The company converted 25 % of these into Equity Shares of ` 10 each issued at a Premium of 25 % and the balance by converting into 12% Debentures of ` 10 each at a discount of 10%. Pass the necessary journal entries at the time of Redemption. 3
11. A,B and C were partners sharing profits and losses in the ratio of 3:2:1 . They decided that C would retire and new ratio of A and B will be 2:1. Goodwill of the firm was valued at ` 6,00,000 .Goodwill already appears in the books at ` 4,50,000. The profits for the first year of the firm was valued at ` 1,20,000. Give the necessary Journal Entries to record Goodwill and to distribute profits. 4
12. A,B and C were partners sharing profits and losses in the ratio of 4:3:2 respectively. B retired on 31<sup>st</sup> March ,2013 when the capitals of A,B & C before the necessary adjustments stood at ` 21,950, ` 11,400 & ` 11,650 respectively. Firm’s Goodwill ` 21,600, Loss on Revaluation of

Assets & Liabilities ₹2,700. General Reserve ₹6,300. The Cash and Bank Balance on 31<sup>st</sup> March, 2013 amounted to ₹18,600. B was to be paid through cash brought in by A and C in such a way as to make their capitals proportionate to their new profit sharing ratio of 5:3. Calculate the amount of cash to be paid off or to be brought in by the continuing partners assuming that a minimum Cash & Bank Balance of ₹10,000 was to be maintained and pass the necessary Journal entries. 4

13. X Ltd. forfeited 200 shares of Mr. Renoo for non payment of first and final call of ₹2 each. These shares were of ₹10 each issued at a discount of ₹1 each. Out of these 150 shares were reissued @ ₹7 per share fully paid up. Journalise. 4

14. X Ltd. was formed with a capital of ₹70,00,000 divided into 7,00,000 equity shares of ₹10 each. The company allotted 10,000 equity shares of ₹10 each as fully paid to the signatories to the memorandum of Association for consideration received in cash and offered 5,50,000 equity shares of ₹10 each as ₹5 on application, ₹2.50 on allotment and balance when required. The Company received applications of 5,50,000 shares. All the money was received. Prepare an extract of Balance Sheet as per Revised Schedule VI Part-I of the Companies Act 1956 disclosing the above information along with notes of Accounts. 4

15. A, B and C are partners. They decided to dissolve the firm. Pass the necessary Journal entries for the following after the various assets (other than cash & Bank) and outside liabilities have been transferred to Realisation account:

- a. There were total debtors of ₹76,000. A provision for doubtful Debts also stood in the books at ₹6,000. All debtors are good and amount paid.
- b. A agreed to pay off his wife's loan of ₹7,000 at a discount of 5%
- c. Total loan payable was ₹70,000 was settled at ₹64,000
- d. Partner loan of B was ₹10,000 was paid at ₹8,500
- e. A contingent Liability of ₹4,000 was duly paid
- f. The firm had a debit balance of ₹27,000 in the Profit & Loss Account on the date of dissolution. 6

16. A, B and C were partners sharing profits and losses in the ratio of 5:3:2. On 31<sup>st</sup> December, 2012 their Balance Sheet was as follows:

Liabilities	₹	Assets	₹
Sundry Creditors	6,000	Goodwill	5,000
Employees' Provident Fund	3,000	Patents	26,000
Investment Fluctuation Reserve	3,500	Machinery	31,200
Workmen compensation Reserve	3,500	Investments	3,000
Capitals: A	67,500	Stock	10,000
B	47,500	Sundry Debtors	10,500
C	37,000	Loan to C	6,300
		Cash at Bank	1,000
		Advertisement Expenditure	75,000
	1,68,000		1,68,000

C dies from 1<sup>st</sup> May, 2013 and A and B decide to share future profits losses in the ratio of 3:5. C has withdrawn ₹5,000 during 2013. It was agreed that

- (a) Goodwill be valued at 2-1/2 years purchase of average of four completed years' profits which were: 2010 ` 1,01,000; 2011 ` 14,000; 2012 ` 16,000.
  - (b) C's share of profits from the closure of last accounting year till date of death to be calculated on the basis of the average of three completed years' profits before death.
  - (c) Patents undervalued by ` 7,000, Machinery overvalued by ` 6,000.
  - (d) Investments be sold out for ` 4,100 and a sum of ` 5,600 be paid to c's executors immediately. The remainder to be paid in four Equal Half-Yearly instalments with interest @ 10%p.a
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17. Tara Ltd. invited applications for issuing 1,00,000 shares of ` 10 each issued at a discount of ` 1 per share payable as follows:

Application ` 3 per share, Allotment ` 3 per share, Balance in two equal calls.

Applications were received for 2,20,000 shares. Applications for 20,000 shares were rejected and money refunded to them. Applicants of 50,000 shares were allotted in full and balance were allotted on pro-rata basis. Application money in excess of allotment was also refunded for these shares. A shareholder having 500 shares was failed to pay first call and his shares were forfeited and another share holder B having 400 shares was failed to pay two calls. His shares were forfeited after second and final call. 600 shares were reissued (including whole of B) @ ` 8 per share. Journalise these transactions in the books of Tara Ltd.

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18. The Balance Sheet of A and B who shares profits and Losses in the ratio of 3:2, at 31<sup>st</sup> March 2013 was as follows:

Liabilities	`	Assets	`
Creditors	18,000	Cash at Bank	10,000
Workmen's compensation Fund	12,000	Debtors 65,000	
General Reserve	30,000	Less: provision 5,000	60,000
Capitals		Stock	30,000
A	84,000	Investment	50,000
B	56,000	Patents	10,000
		Goodwill	40,000
	2,00,000		2,00,000

They decided to admit Miss C for 1/4<sup>th</sup> share on the following terms:

- a. New Profit sharing ratio of all partners will be 6:9:5. C brings in ` 40,000 as capital.
  - b. Goodwill of the firm is to be valued at 40,000.
  - c. Patents were overvalued by ` 8,500 and stock is to be raised by ` 1,000. The creditors will forego a claim of ` 1,000.
  - d. Capitals of the partners were to be made in profit sharing ratio the required adjustments to be made through Current Accounts.
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**Part –B**

19. What is meant by the term 'Cash Equivalents' as per AS-3? 1

20. Classify the following into Operating, Investing and Financing Activities:

a. Interest paid                      b. Income received from rent (manufacturing concern)                      1

21. Where will you show interest received on calls in arrears in cash flow statement. 1

22. Under what heads and sub-heads the following items will appear in the Balance Sheet of the Company as per revised Schedule VI part -1 Of Companies Act, 1956.

a. Reserve for Doubtful Debts, b. Licenses and Franchise c. Proposed Dividend .                      3

23. Current Ratio 4.5, Quick Ratio 3:1. Inventory ₹72,000 Cash ₹4,000, Gross Profit @ 33 1/3% on cost was ₹1,00,000, cash Sales being 33-1/3% of Credit Sales; Debtors turnover Ratio 3 Times. In current Assets there was no assets other than stock, Debtors and cash. Calculate the opening Debtors.                      4

24. From the following information, Prepare Comparative Statement of Profit & Loss:

	31-03-2013	31-03-2012
Revenue from operations (% of other income)	250%	250%
Other income	2,40,000	2,00,000
Cost of Materials consumed (% of operating revenues)	55%	60%
Other Expenses (% of material Consumed)	20%	10%
Tax rate	30%	30%

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**25. Balance sheet**

Particulars	Notes	31.03.2013	31.03.2012
<b>I. EQUALITY AND LIABILITIES</b>			
(1) Shareholders Funds			
(a) Share Capital	1	7,50,000	7,50,000
(b) Reserves and Surplus	2	3,10,000	(20,000)
(2) Non- Current Liabilities (8% Debentures)		2,60,000	1,50,000
(3) Current Liabilities			
Short-term Borrowings (8% Bank Loan)		40,000	50,000
Trade Payables		1,05,000	1,00,000
Other current Liabilities (Bank Overdraft)		15,000	10,000
Short Term Provisions (Provision for tax)		50,000	40,000
<b>Total</b>		<b>15,30,000</b>	<b>10,80,000</b>
<b>II. ASSETS</b>			
(1) Non-Current assets			
Tangible Fixed Assets		8,60,000	6,20,000
Intangible Assets (Goodwill)		15,000	20,000
Non- Current investments		1,25,000	80,000
Other Non Current Assets (Preliminary Exp.)			20,000
2. Current Assets			
Current Investments		5,000	15,000
Cash & Cash Equivalents		1,30,000	25,000

Other Current Assets		3,95,000	3,00,000
Total		<b>15,30,000</b>	<b>10,80,000</b>

Additional Information:

A piece of Machinery costing ` 60,000 on which depreciation charged was `20,000 was sold for `20,000. Depreciation provided on fixed Assets ` 60,000. Income tax paid during the year was ` 35,000. Prepare Cash Flow Statement.

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