

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

**Time:3 Hrs**

**M.M:80**

- 1.State any two circumstances when there is a need to revalue Goodwill. 1
- 2.X,Y and Z who are presently sharing profits and losses in the ratio of 5:3:2,decide to share future profits & losses in the ratio of 2:3:5. Give journal entry to distribute 'Workmen Compensation Reserve' of ` 60,000 at the time of change in profit sharing, when there is no claim against it. 1
- 3.Give the journal entry to distribute 'Investment Fluctuation Reserve' of `4,000 at the time of admission of W, when investments(market value `19,000) appear at `20,000. The firm has three partners X,Y and Z. 1
- 4.Why is it Necessary to revalue Assets and Liabilities at the time of retirement of a partner? 1
- 5.Give any one point of differences between Reserve Capital and Capital Reserve. 1
- 6.State with reason whether Securities Premium be used as working Capital. 1
- 7.State any two differences between a Share and a Debenture. 1
- 8.A,B and C shared profits in the ratio of 3:2:1.The profits of the last three years were `1,40,000,`84,000 and ` 1,06,000 respectively. These profits were by mistake, shared equally for all the three years. It is now decided to correct the error. Pass the necessary adjusting Journal Entry. 3
- 9.X ltd purchased Machinery for ` 5,50,000 from Y Ltd.. in cash and the balance was paid by issue of 9% Debentures of ` 10 each at a premium of 10% redeemable after three years. Journalise for X Ltd. 3
- 10.X Ltd. took over the Assets of `6,00,000 and Liabilities of ` 70,000 was settled by issue of 8% preference shares of `10 each at a discount of 5% Journalise. 3

11. A and B were partners in a firm sharing profits in the ratio of 4:1. On 1<sup>st</sup> April 2013 they admitted C as a new partner for 1/3<sup>rd</sup> share in the profits of the firm. They fixed the new profit sharing ratio as 4:2:3.

On the date of admission, the P/L A/c showed a Balance of ₹32,000(Dr) and a General Reserve of ₹1,00,000. C is to bring ₹60,000 as a premium for his share of goodwill. Pass the necessary Journal Entries. 4

12. X, Y and Z are partners in a firm sharing profits in the ratio of 3:2:1. X retires from the firm. Y and Z agree that the capital of the new firm shall be fixed at ₹2,10,000 in the in the profit-sharing ratio. The capital accounts of Y and Z after all adjustments on the date of retirement showed a balance of ₹1,45,000 and ₹63,000 respectively. State the amount of actual cash to be brought in or to be paid to the partners. Pass the necessary journal entries. 4

13. X Ltd. forfeited 500 equity shares of ₹100 each for the non-payment of First call of ₹20 per share and second and final call of ₹25 per share. these shares were later on reissued @ ₹60 per share . journalise. 4

14. X Ltd. had an authorised capital of ₹4,00,000 divided into equity shares of ₹10 each. The company offered for subscription ₹200,000 shares. The issue was fully subscribed. The amount payable on application was ₹2 per share. ₹4 was payable on allotment and balance on first and final call. A shareholder holding 200 shares failed to pay the allotment. His shares were forfeited. The company did not make the final call. Show hoe the 'Share Capital' will be shown in the company's Balance Sheet. Also prepare Notes to Accounts for the same. 4

15. A, b and C were partners in a firm having capitals of ₹60,000 , ₹60,000 and ₹80,000 respectively. Their Current Account balances were A: ₹10,000, B; ₹5,000 and C; ₹2,000(Dr.) According to the Partnership Deed, the partners were entitled to interest on capital @5% p.a. C being the working partner was also entitled to a salary of ₹6,000 p.a. The profits were to be divided as :

(i) The first ₹20,000 in proportion to their capitals.

(ii) Next ₹30,000 in the ratio of 5:3:2

(iii) Remaining Profits to be shared Equally.

The firm made a profit of ₹1,56,000 before charging any of the above items. Prepare the Profit and loss Appropriation Account . 6

16. Pass necessary journal entries at the time of dissolution of firm assuming that assets and external liabilities are transferred to Realisation Account:

- (i) Creditor of ₹ 60,000 accepted Office Equipment at ₹ 40,000 and balance paid in cash.
- (ii) An unrecorded liability of the firm ₹ 70,000 paid in cash
- (iii) The dissolution expenses paid by firm ₹ 5,000
- (iv) A partner had given a loan to the firm ₹ 30,000 which is being paid in addition to capital
- (v) An investment of ₹ 60,000 was taken over by partner B for ₹ 45,000
- (vi) Employees Provident Fund paid at ₹ 30,000 6

17. X Ltd. issued 50,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows:

₹ 3 on application, ₹ 6 on allotment (including Premium) and ₹ 3 on call.

Applications were received for 75,000 shares and a pro-rata allotment was made as follows:

To the applicants of 40,000 shares, 30,000 shares were issued and for the rest 20,000 shares were issued. All money due was received except the allotment and call money from Ramesh who had applied for 1,200 shares (out of the group of 40,000 shares) All his shares were forfeited. The forfeited shares were reissued for ₹ 7 per share fully paid-up. Pass the necessary journal entries. Identify the value being highlighted in this case. 6

18. A, B and C are the partners in a trading firm. The firm has a fixed total capital of ₹ 60,000 held equally by all the partners. Under the Partnership Deed the partners were entitled to:

- (i) A and B to salary of ₹ 1,800 and ₹ 1,600 per month respectively.
- (ii) In the event of the death of a partner, Goodwill was to be valued at 2 years' purchase of the average profits of the last 3 years.
- (iii) Profit up to the date of death based on the profits of the previous year.
- (iv) Partners were to be charged interest on drawings at 5% p.a. and allowed interest on capitals at 6% p.a.

B died on 1<sup>st</sup> January, 2013. His drawings to the date of death were ₹ 2,000 and the interest thereon was ₹ 60. The profits for the last three years were : ₹ 21,200, ₹ 3,200 (Dr) and ₹ 9,000 respectively.

Prepare B,s Capital Account to calculate the amount to be paid to his executors.

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**Part B**

19.Purchase of Shares/Debentures of other companies for Cash by a Trading Company is classified under which kind of activity while preparing a Cash Flow Statement? 1

20.Mention the net amount of 'Source' or 'Use' of cash when Fixed asset(having book value of ` 15,000) is sold at a loss of `5,000. 1

21.State the interest of bankers and Lenders in the Financial Statements Analysis. 1

22.How will you disclose the following items while preparing the Balance Sheet of a Company?

Unclaimed Dividend, Computer Software, Share Issue Expenses 3

23.X Ltd. has a Current Ratio of 4.5:1 and a Quick Ratio of 3:1. If its Inventory is ` 72,000,Find out its Total Current Assets and Total Current Liabilities. 4

24.Prepare Common Size Statement of Profit& Loss from the following information: 4

Particulars	31-03-2013	31-03-2012
Revenue From operations	15,00,000	10,00,000
Other Income	1,80,000	2,00,000
Employee Benefits Expense	9,00,000	5,00,000
Other Expenses	1,50,000	1,00,000
Tax Rate	30%	30%

25.From the following Information's Calculate Net Cash Flow from Operating Activities and Investing Activities:

Particulars	31-03-2012	31-03-2013
Profit and loss A/c	1,00,000	4,00,000
Provision for Tax	30,000	30,000
Trade Payables	40,000	1,50,000
Current Assets(Inventories& Trade Receivables)	4,60,000	5,20,000

Fixed assets	7,50,000	9,70,000
Accumulated Depreciation	1,80,000	2,40,000

Additional Information's : Plant costing ` 1,45,000 was sold at a loss of ` 40,000.

Depreciation amounting to ` 1,30,000 was provided during the Current year. Tax paid during the year was ` 30,000

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