

Guess Paper – 2014
Class – XII
Subject – ACCOUNTANCY

Time: 3 hrs.

Total Marks: 80

- I) General instructions;-
- II) This question paper contains two parts A and B.
- III) All parts of the questions should be attempted at one place.
- IV) Marks are indicated against each question
- V) Use of calculator is not permitted.
- VI) Please check that this question paper contains 5 printed pages and 25 questions.
- VII) Please write down the serial number of the question before attempting it.

PART A (Accounting for partnership and companies)

- Q1 What is partnership deed? **1**
- Q2 Mention any purposes for which the securities premium can be utilized u/s 78. **1**
- Q3 State one right acquired by a newly admitted partner. **1**
- Q4 What do you mean by issue of debentures as collateral securities? **1**
- Q5 What do you understand by over-subscription of shares? **1**
- Q6 What journal entry will you pass when an asset is given away to any of the firm's creditor towards partial payment of dues? **1**
- Q7 Explain the term "calls in arrears"? **1**
- Q8 JS Limited issued 2,00,000, 8% Debentures of Rs. 100 each redeemable at par. According to the terms of redemption the company redeemed 25% of the debentures by converting them into shares of Rs. 50 each issued at a premium of 60%. Journalise. **3**
- Q9 A and B are partners in a firm. Their capital accounts stood at Rs. 30,000 and Rs. 15,000 respectively on 1st January, 2013. As per the provisions of the deed:
(i) B was to be allowed a remuneration of Rs. 5,000 p.a.,
(ii) Interest @ 5% p.a. was to be provided on capital,
(iii) Profits were to be divided in the ratio of 2:1.
Ignoring the above terms, net profit of Rs. 64,000 for the year ended 31st December, 2013 was divided among the two partners equally. Pass the necessary adjusting entry to rectify the error. Show your working clearly. **3**
- Q10 Jaya Ltd. took over the assets and liabilities of Jothi Ltd. Rs. 27,00,000 and Rs. 13,00,000 respectively and agreed to pay purchase consideration of Rs. 15,00,000. It's fully paid up 12% Debentures of Rs. 50 each at premium of Rs. 25 per debenture and redeemable at a premium of **3**

Rs. 5 per debenture. Pass necessary journal entries in the books of Jaya Ltd.

- Q11 ABC Ltd. forfeited 400 shares of Rs. 100 each, Rs. 80 called up held by Mr. Bee for non-payment of second call money of Rs. 30 per share. These shares were re-issued to Mr. Sea for Rs. 48,000 as fully paid up. Give necessary journal entries relating to forfeiture and reissue of shares. **4**
- Q12 Pass the journal entries for the following at the time dissolution of a firm: **4**
- Realisation expenses amounted to Rs. 5,000. The firm had agreed with a partner to reimburse him upto Rs. 2,300.
 - An asset not appearing in the books of accounts realized Rs. 5400.
 - Partners Loan was paid Rs. 4,000.
 - Partner Mr. PQR paid a creditor Rs. 600.
- Q13 (A) Jenny and Smita are partners in a firm sharing profits in the ration of 3:2. They admit Zoya as a new partner. Jenny surrenders $\frac{1}{4}$ th of her share and Smita sacrifice $\frac{1}{5}$ th from her share in favour of Zoya. (a) Calculate the new profit sharing ratio. **2**
- (b) **What value is highlighted in the above problem?** **1**
- (B) Make Journal entries for the following on admission of a partner: **1**
- Unrecorded investment worth Rs. 2000. **1**
- Q14 What are the provisions relating to issue of shares at discount according to section 79 of companies' Act 1956? **4**
- Q15 On 31st March, 2013 the Balance Sheet of A, B and C showed as under: **6**

Liabilities	Rs.	Assets	Rs.
Sundry creditors	20,000	Buildings	26,000
Reserve fund	30,000	Investments	5,000
Capitals ;		Debtors	15,000
A	15,000	Bills receivable	6,000
B	10,000	Stock	12,000
C	15,000	Cash	26,000
	90,000		90,000

The partnership deed provides that the profit be shared in 2 : 2 : 1. B died on July 1, 2013. The Partnership deed provides that in the event of death of a partner, his executors be entitled to be paid out:

- The capital of his credit at the date of last balance sheet.
- Interest on capital @ 12%p.a.
- His proportion of reserves at the date of last balance sheet
- His proportion of profits to the date of death based on the average profits of the last three completed years and
- By way of goodwill his proportion of the total profits for the three preceding years.

Profit for 2010-2011, 2011-2012 and 2012-2013 were Rs. 13,000, Rs. 12,500 Rs. 10,500 respectively. B's executors were paid Rs. 15,000 immediately and the balance transferred to Executors' Loan Account. Prepare B's Capital Account and his Executor's Account.

- Q16** Saa, Re and Ga started a partnership firm on April 1, 2006. They contributed Rs, 5,00,000, Rs. 4,00,000 and Rs. 3,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3:2:1. **6**
 The partnership provides that Saa is to be paid a salary of Rs. 10,000 per month and Ree a commission of Rs. 50,000. It also provides that interest on capital be allowed @6% p.a. The drawings for the year were Sa Rs. 60,000, Ree Rs. 40,000 and Gaa Rs. 20,000. Interest on drawings was charged as Rs. 2,700 on Saa's drawings, Rs. 1,800 on Ree drawings and Rs. 900 on Saa's drawings. The net amount of profit as per Profit and Loss Account for the year 2006-07 was Rs. 3,56,600.
 (i) Prepare profit and loss appropriation account
 (ii) Show capital accounts of the partners.

- Q17** Curran & Kushal are partners in a firm sharing profits in the ration of 2: 1. They decided to admit Neena as a new partner. In future profits will be shared equally. The Balance sheet of Curran & Kushal as at April 1, 2003 and the terms of admission are given below: **8**

Balance Sheet of Curran & Kushal

Liabilities	Rs.	Assets	Rs.
Capitals :		Plant & machinery	90,000
Curran	1,30,000	Furniture & Fittings	60,000
Kushal	1,30,000	Stock	30,400
Sundry Creditors	16,000	Sundry debtors	23,600
Bank o/d	5,000	Cash in hand	77,000
	2,81,000		2,81,000

- a) Capital of the firm was fixed at Rs. 9, 00,000 to be contribution by partners in the profit sharing ratio. The difference will be adjusted in cash.
 b) Neena was to bring her share of capital and goodwill in cash. Good will of the firm is to be valued on the basis of two year's purchase of super profit. The average net profit expected in future by the firm is Rs. 90, 000 per year. The normal rate of return on capital in similar business is 10%. Calculate Goodwill. Prepare partners Capital Account and Balance Sheet.

OR

S & B are partners sharing profits in the ratio 3: 2. Their balance sheet as follows;

Liabilities	Rs.	Assets	Rs.
Creditors	20,000	Fixed assets	80,000
General reserve	20,000	Debtors	20,000
Bills payable	5,000	Cash	12,000
Capitals;		Stock	3,000
S	45,000	Profit and loss a/c	5,000
B	30,000		
	1,20,000		1,20,000

The firm was dissolved and the assets and liabilities were realized as under,

Fixed assets were realized Rs. 90,000 and stock was taken over by B at book value and creditors were paid for Rs 19,000 in full settlement.

Realization expenses for Rs. 1,000 paid by S. Prepare realization a/c, capital a/c and cash book.

Q18 Shree Ltd. invited applications for 24,000 equity shares of Rs. 100 each issued at a premium of 20%. The amount was payable as under :

On application—Rs. 40

On allotment--- 50 (including premium) and

Balance on First and Final call.

Applications were received for 29,000 shares and allotment was made as under:

Groups:

- A) Applicants of 2000 shares s were rejected.
- B) Applicants of 10,000 shares were allotted in full and
- C) Remaining applicants were allotted shares on pro-rata basis.

Excess money received on application was adjusted towards sums due on allotment. Jothi (Group C) to whom 1,400 were allotted failed to pay allotment money. Her shares were accordingly forfeited.

- a) **What value do you find affected?**
- b) **Suggest the different alternatives to allot the shares.**
- c) Pass necessary journal entries in the books of Shree Ltd.

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OR

Coastal Packers Ltd. issued for public subscription 50,000 equity shares of the value of Rs. 20 each at the discount of 5% payable as follows: Rs. 4 on application, Rs. 6 on allotment, Rs. 4 on first call, Rs. 5 on final call. The company received application for 1,15,000 shares . The allotment was done as follows:

Groups:

- A. Applicants of 15,000 shares were refunded the application money.
- B. Applicants of 60,000 shares were allotted 30,000 shares
- C. Remaining applicants were allotted 20,000 shares

The excess application money to be adjusted allotment and call if any.

Mohan, A share holder who had applied for 3000 shares (Group B) failed to pay the allotment money and both calls. Mr. Rahim a holder (Group C) who was allotted 1000 paid the calls money along with allotment money.

- a) **What value do you find affected?**
- b) **Suggest the different alternatives to allot the shares.**

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c) Pass necessary journal entries in the books of Coastal Packers Ltd.

PART –B (Analysis of financial statements)

- Q19 When interest is received considered as Financing Activity? **1**
- Q20 Under which activity purchase of goodwill is shown. **1**
- Q21 How will you deal with Preliminary Expenses while preparing balance sheet of a company as per revised schedule VI of the Companies’ Act 1956? **1**
- Q22 Explain any three limitations of financial statement analysis? **3**
- Q23 From the following information, prepare a common-Size income statement: **4**

Particulars	2013 Amount(Rs)
Sales	8,00,000
Cost material consumed	1/4 th of sales
Employees expenses	80,000
Other expenses	8,000
Interest received	80,000
Rate of Income tax	30%

- Q24 A firm had a quick ratio of 2 : 1 and Inventory Turnover Ratio 6 times. It has current liabilities of Rs. 2,00,000 and inventories are 50% of liquid assets in the year 2013. Find out annual sales if goods are sold at 25% Profit on Cost. **4**

Q25 Prepare cash flow statement from the following balance sheets of December 31 2012 and 2013: 6

Liabilities	2012 Rs.	2013 Rs.
Equity and Liabilities		
Share holder's Funds:		
Share capital	600000	800000
Profit & Loss A/c	80000	140000
Reserve fund	200000	300000
Non-Current Liabilities:		
10%Debentures	30000	12000
Current Liabilities:		
Bills Payable	100000	160000
Creditors	60000	80000
Short-Term Provisions:		
Provision for Taxation	60000	100000
Total	1130000	1592000
Assets	2012 Rs.	2013 Rs.
Fixed Assets	750000	1000000
10%Investments	100000	240000
Debtors	130000	210000
Bank	130000	132000
Goodwill	10000	5000
Non-Current assets (discount on issue of debentures)	10000	5000
Total	1130000	1592000

Additional information:

Depreciation on fixed assets Rs. 28,000 and a part of fixed assets book value Rs. 18,000 was sold for Rs. 22,000. Provision for taxation during the year was Rs. 70,000.

Paper Submitted by:

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