**Guess paper - 2015**
**Subject – Accountancy**
**Class – XII**

**Time: 3 hours** **M.M. 80**

## ***General Instructions*** :–

*i. ) Please check that this question paper contains 5 printed pages.*
*ii. ) Please check that this question paper contains 25 questions.*
*iii. ) All parts of questions should be attempted at one place.*
*iv. ) Please write down the serial number of the question before attempting it.*
*v. ) All questions are compulsory.*

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**1.** List any two points from accounting point of view which must be incorporated in a partnership deed. [ 1 ]

**2.** A and B are partners in a firm with equal share in profit and capital being contributed equally. They have a Partnership Deed which does not specify charging interest on drawings. B has excess drawings of Rs. 1,00,000. A is of the view that the firm should change interest on excess drawings @ 10%., being the rate of interest for borrowings from the firm. B objects to it on the ground that the Partnership Deed does not provide for it. Thus, no interest was charged on excess drawings. What value has been ignored in this case? [ 1 ]

**3.** Define Goodwill? [ 1 ]

**4.** If a partner withdrew Rs. 4,000 at the beginning of the every alternative month than calculate interest on drawings @ 12% p.a. at the end of the year. [ 1 ]

**5.** State any two condition due to a partnership can be dissolved. [ 1 ]

**6.** X, Y and Z are partners sharing profit in the ratio of 3:2:1. Z retired from the firm and surrendered his share in favour of X. Calculate New profit ratio. [ 1 ]

**7.** Explain difference between Realisation A/c and Revaluation A/c on the basis of purpose. [ 1 ]

**8.** What is the nature of Realisation A/c? [ 1 ]

**9.** What do you mean by Reserve Capital? [ 1 ]

**10.** What is meant by Participating Preference Shares? [ 1 ]

**11.** A, B and C entered into partnership on 1st April, 2011 to share profits and losses in the ratio of 5:3:2. B and C guaranteed that A's share of profits, after charging interest on capital @ 10% p.a. would not be less than Rs. 64,000 in any year. [ 3 ]

The capitals were provided as follows: A—Rs. 2,00,000, B—Rs 1,50,000 and C—Rs. 50,000. The profits for the year ended 31st March, 2012 amounted to 1,40,000 before providing for interest on capital.

**12.** I, A and S are partners in a firm. After division of the profits for the year ended [ 3 ]

31st March, 2013 their fixed capitals were I Rs.90,000, A Rs. 60,000 and S Rs. 50,000. The profits was distributed without providing for the following adjustments :–

*i )* A and S were entitled to a Salary of Rs.10,000 and Rs. 5,000 per annum respectively.

*ii )* Interest on Capital was to be allowed @ 10% per annum.

Pass an adjustment entry for the above.

**13.** A, B and C are partners sharing profit 5:3:2 respectively. It is provided under the partnership deed that on the death of any partner his share of goodwill is to be valued at 1/5th of the net profit credited to his account during the last 3 completed years and share in profit up to the date of death is to be calculated on the basis of last year's profit. C died on 1st May, 2013. The firm's profit for the last 3 years were :- in 2012 Rs. 3,00,000, in 2012 Rs. 60,000(loss) and in 2011 Rs. 3,60,000. Give Journal entries. **[ 3 ]**

Pass Journal entries for the following transactions on dissolution in the books of the firm, where A and B were sharing profits and losses in the ratio of 3:2, assuming that assets and third party liabilities have been transferred to Realisation A/c. **[ 3 ]**

i) A's loan of Rs. 20,000 was settled at Rs. 18,000.

ii) Realisation expenses paid by the firm amounted to Rs. 8,000 out of which 20% is to be borne by A

iii) Rakesh, a creditor, to whom Rs. 80,000 were due, took over a Machine of Rs. 50,000 at Rs.
60,000 and balance was paid in cash.

A partnership firm has earned profits or losses during the last three years 2012 Rs. 1,00,000, 2011 Rs. 30,000 (loss) and 2010 Rs.50,000. The Average Capital employed of the firm is
Rs. 2,00,000. A fair return on capital in the market is 10%. Calculate the value of goodwill on the basis of 2 years purchase of super profit and capitalisation of Average profit. Remuneration of the partners is estimated to be Rs. 10,000 p.a. which was treated as charge on profit. Assets and Liabilites of the firm were Rs. 4,50,000 and Rs. 2,00,000. **[ 4 ]**

X,Y and Z are partners sharing profits and losses in the ratio of 2:2:1. They decide to share future profits and losses equally with effect from 1st April, 2013. General Reserve and Advertisement Suspense A/c are appeared in books at Rs. 90,000 and Rs. 1,20,000 respectively. Their profit on revaluation at the time of change in ratio was Rs. 60,000. They decide not to distribute Advertisement Suspense. Give journal entries in the books of firm without opening Revaluation A/c. **[ 4 ]**

A, B and C were partners in a firm sharing profits in the ratio of 7:2:1. They admitted D as a new partner for $^{1}/_{7}$th share in profit and decided to share future profit equally. D **[ 4 ]** brought in Cash Rs. 2,00,000; Stock Rs. 30,000 and Machinery of Rs. 50,000 for his share in capital and goodwill. Goodwill A/c is already appeared in books at Rs. 80,000 but at the time of admission it is valued at Rs. 3,50,000. Give Journal entries.

From the follwing information calculate new profit ratio after admission of parnter-: [ 4 ]

(i) X and Y are partner sharing profit or losses in the ratio of 3:2. They admit Z who acquired 2/5th of his share from X and 3/20 from Y. Calculate new profit sharing ratio.

(ii) A , B and C are parnters sharing profit or losses in the ratio of 5:4;1. The admit D for 1/5th share. Calcualte new ratio if B share remain same.

I, P and S were partners sharing profits in the ratio of 5:3:2 respectively. I retired on 31st March, 2013. On that date the capitals of I, P and S stood at Rs. 50,000; Rs. 40,000 and Rs. 30,000. General Reserve of Rs. 20,000 and Bank Balance of Rs. 10,000 were also apeeared in books. I was to be paid through cash brought in by P and S in such a way as to make their capitals proportionate to their new profit sharing ratio which was to be P 2/5th and S 3/5th. Calculate the amount of cash to be paid or to be brought in by the continuing partners if goodwill was valued at Rs. 60,000 at the time of retirement. [ 4]

X Ltd. was registered with an authorized capital of Rs. 50,00,000 divided into equity shares of Rs. 10 each. The company offered for public subscription 4,00,000 shares. Public applied for 3,80,000 shares and allotment was made to all the applicants. All the calls were made and were duly received except the final call of Rs. 3 per share on 1000 shares. [4 ]

Show how the Share Capital will be shown in the Balance Sheet of the company. Also prepare notes to accounts for the same.

A, B and C are partners in a firm. Their respective capitals on 1st January, 2012 were Rs. 5,00,000, Rs. 3,00,000 and Rs. 2.00,000. [ 6 ]

The terms of partnership are as follows : –

i) Interest on capital is to be allowed @ 10% p.a.
ii) Interest on drawing is to be charged @ 6% p.a.
iii) A and B are to get a monthly salary of Rs. 2,000 and Rs. 3,000 respectively.
iv) A is entitled to get 5% commission on net profit after charing such commission.
v) B is entitled to get 10% commission on profit after charging (i), (iii) and (iv) but before charging (ii).
iv) 1/5th of the profit after charging (i) to (vi) will be transferred to Reserve.
vii) Profit is to be shared up to 30,000 equally and above that in their capital ratio.

The profit for the year ended 31st December, 2012 after charging A's salary but before charging other provisions amounted to Rs. 1,86,000. A withdrew Rs. 5,000 at the mid of the every quarter, B withdrew Rs. 10,000 at the end of the each half year and C withdrew Rs. 2,000 at the beginning of the every month.

Prepare Profit and loss Appropriation Account.

A, B and C are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet on 31st December, 2012 was as follows: [6]

| Liabilities | Rs. | Assets | Rs. |
|---|---|---|---|
| Account Payable | 30,000 | Cash at Bank | 30,000 |
| Provision for Doubtful Debts | 10,000 | Debtors | 50,000 |
| Employees Provident Fund | 15,000 | Stock | 40,000 |
| Reserve Fund | 50,000 | Investments | 30,000 |
| Capital | | Plant & Machinery | 50,000 |
| A 50,000 | | Goodwill | 20,000 |
| B 40,000 | | Advertisement Expenditure A/c | 10,000 |
| C 45,000 | 1,35,000 | | |
| | **2,30,000** | | **2,30,000** |

A died on 31st March, 2012. The Partnership Deed provided for the following on the death of a partner:

(i) Goodwill of the firm was to be valued at 2 years purchase of the average profits of last three years. The profits for the years ended on 31st December 2012, 31st December, 2011 and 31st December, 2010 were Rs. 60,000; Rs. 90,000 and Rs. 30,000 respectively.

(ii) A's share of profit till the date of his death was to be calculated on the basis of the last year's profit.

(iii) Interest on Capital was to be allowed @ 10% p.a.

(iv) Provision for doubtful debts is not require now.

(v) Depreciate Plant and Machinery by 20% and stock is to be valued at Rs. 30,000.

(vi) A sum of Rs. 20,000 was paid immediately to A's Executors.

Prepare A's Capital Account and A's Executor's Account.

G Ltd. has been registered with an authorized capital of Rs. 50,00,000 divided into 50,000 shares of Rs.100 each. Out of which, 40,000 shares were offered for public subscription at a premium of Rs. 10 per share, payable on application Rs. 30 per share, on allotment (on May 1, 2012) Rs. 50 per share (including premium), on first call(on July 1, 2012) Rs. 20 per share and balance on final call(on November 1, 2012). [6]

Applications were received for 80,000 shares and allotment was made as follows : —

i) To the applicants of 40,000 shares : 20,000 shares

ii) To the applicants of 30,000 shares : 20,000 shares

iii) Remaining applications were rejected.

Excess amount paid on application is to be adjusted against amount due on allotment and calls.

Kamal who had applied 1,500 shares in group (ii) failed to pay allotment and first call money however he paid all these arrear with final call. Interest on calls in arrear is to be charged.

Give Journal entries in the books of company and Identify the valued which was igonred by rejecting the applications in group (iii).

X and Y are partners in a firm. They share profits and losses in the ratio of 3:2. Their Balance Sheet as on 31st March, 2012 was as under : – [8 ]

| Liabilities | Rs | Assets | | Rs |
|---|---|---|---|---|
| Creditors | 20,000 | Cash | | 10,000 |
| Bills Payable | 15,000 | Debtors | 13,000 | |
| General Reserve | 20,000 | Less: Provision | 3,000 | 10,000 |
| Workmen compensation fund | 5,000 | Stock | | 20,000 |
| Capital | | Furniture | | 30,000 |
| X 25,000 | | Machinery | | 40,000 |
| Y 55,000 | 80,000 | Goodwill | | 10,000 |
| | | Profit and Loss A/c | | 20,000 |
| | **1,40,000** | | | **1,40,000** |

On 1st April, 2012 Z is admitted as a new partner who just completed his MBA and searching for job for one fifth share in profit on following condition:

i) Z will bring in Rs. 20,000 as his capital and 1/4th of his share of goodwill in cash.
ii) Stock was undervalued by 20% and Machinery is to be depreciated to 90%.
iii) The liability regarding workmen compensation determined at Rs. 6,000.
iv) Furniture is to be valued at 20% less and Provision for Bad Debts is to be maintained at 10%.
v) Creditors of Rs. 2,300 are not likely to be claimed and hence should be written back.
vi) Goodwill of the firm is valued at Rs. 1,00,000.
vii) The capitals of the partners to be adjusted on the basis of Z's capital.

Prepare Revaluation A/c, Partners' Capitals Accounts and Balance Sheet after admission of Z and Identify the value involve in this.

**OR**

A and B are partner sharing profit 3:2. Their Balance Sheet on 31st December, 2012was as follows:

| Liabilities | Rs | Assets | Rs |
|---|---|---|---|
| Creditors | 25,000 | Cash | 75,000 |
| Bills Payable | 3,000 | Debtors | 50,000 |
| General Reserve | 20,000 | Stock | 40,000 |
| Invesments fluctuation fund | 12,000 | Investments | 1,00,000 |
| Capital | | Machinery | 1,70,000 |
| A 1,60,000 | | Goodwill | 15,000 |
| B 1,40,000 | | Profit and Loss A/c | 10,000 |
| | 3,00,000 | | |

| | | | |
|---|---|---|---|
| | 4,60,000 | | 4,60,000 |

C is admitted into partnership who is a physically handicapped person on the following terms on 1st January, 2010.

(i) *The new profit sharing ratio will be 5:3:2.*
(ii) *C brings Rs 25,000 in cash out of his share in goodwill.*
(iii) *Provision for bad debts should be maintained at 10% .*
(iv) *Stock is overvalued by 25%. Investments are to be appreciated by 20% and Machinery is to be depreciated by 20%.*
(v) *The liability regarding workmen compensation is determined at Rs.6,000.*
(vi) *Goodwill of the firm is valued at Rs 1,50,000.*
(vii) *Z will brings proportionate capital.*

Prepare Revaluation A/c, Partners' capital accounts and Balance Sheet after admissi and identify the value involve in this.

A, B and C were partners in a firm sharing profits in the ratio of 5:3:2. Their Balance Sheet on 31st December, 2012 was as follows : – [8 ]

**Balance Sheet**

| Liabilities | (Rs.) | Assets | (Rs.) |
|---|---|---|---|
| Creditors | 20,000 | Cash at Bank | 40,000 |
| Mrs A's Loan | 30,000 | Debtors 56,000 | |
| B's Loan | 40,000 | Less: Provision 6,000 | 50,000 |
| Investments Fluctuation Fund | 20,000 | Stock | 60,000 |
| Reserve Fund | 40,000 | Investments | 50,000 |
| Capital : | | Furniture | 30,000 |
| | | Business Premises | 1,00,000 |
| | | Goodwill | 20,000 |
| | 2,00,000 | | |
| | **3,50,000** | | **3,50,000** |

Partners agreed to dissolve the firm on that date on following terms : –

i) A agreed to take half of the Furniture at 10% less.
ii) Debtors of Rs. 36,000 were taken by B at Rs. 30,000.
iii) Investments of Rs 10,000 were taken by a creditor at Rs. 15,000.
iv) Amount realized from Business Premises at 20% more, remaining Debtors realized at

full, Stock at Rs. 30,000, remaining Investments at Rs. 50,000 and remaining Furniture at Rs.10,000.

v) A Bill Receivable for Rs. 10,000 under discount was dishonored as the acceptor became insolvent and only 20 paise in rupee realised from him.

vi) Realisation expenses were Rs. 4,000.

Prepare Realisation Account, Partners Capitals Accounts and Bank Account.

**OR**

P, Q and R are partners sharing profits and losses in the ratio of 2:2:1. Their respective capitals are in their profit sharing proportions. On 1st January, 2010, the total capital of the firm and the balance of General Reserve are Rs. 2,00,000 and Rs. 50,000. During the year 2010, the firm made a profit of Rs. 1,00,000 and in 2011 loss of Rs. 30,000. According to partnership deed Interest on Capital is allowed @ 10% and Salary to P and Q of Rs. 20,000 and 10,000 p.a. Their drawings during these two years were Rs. 10,000 per year each partner.

On 31st December, 2011 their creditors were Rs. 1,00,000 and cash at bank Rs. 20,000. On this date, they decided to dissolve the firm. The assets realised Rs. 3,00,000 and realisation expenses were Rs. 5,000.

Prepare Realisation Account, Partners' Capital Accounts and Bank Account.