ACCOUNTANCY (055)
CLASS XII

Time allowed: 3Hours **M.M – 80**

General Instructions:
1. This question paper contains Two parts A& B.
2. Both the parts are compulsory for all.
3. All parts of questions should be attempted at one place.
4. Marks are given at the end of each question.

Part – A
Partnership, Share Capital and Debentures

1. The partnership deed is silent on payment of salary to partners. Amita, a partner, claimed that since she managed the business, she should get a monthly salary of Rs. 10,000. Is she entitled for the salary ? Give reason [1]

2. Under what circumstance will the premium for goodwill paid by the incoming partner not be recorded in the books of accounts ? [1]

3. Name the asset that is not transferred to the debit side of Realisation account, but brings certain amount of cash against its disposal at the time of dissolution of the firm. [1]

4. What is meant by private placement of shares ? [1]

5. P, Q and R were partners in a firm sharing profits in the ratio of 5 : 4 : 3 respectively. Their capitals were Rs.50,000, Rs.40,000 and Rs. 30,000 respectively. State the ratio in which the goodwill of the firm, amounting to Rs. 6,00,000, will be adjusted in the capital accounts of the remaining partners on the retirement of Q. [1]

6. At what rate interest on calls-in-advance is paid by the company according to Table A of Companies Act, 1956 ? [1]

7. What is meant by Debenture? [1]

8. A business earned average profits of Rs. 6,00,000 during the last few years.The normal rate of profits in the similar type of business is 10%. The total value of assets and liabilities of the business were Rs. 22,00,000 and Rs.5,60,000 respectively. Calculate the value of goodwill of the firm by super profit method if the goodwill is valued at 2 ½ years purchase of super profits. [3]

9. Sargam Ltd. issued 1,00,000, 6% debentures of Rs. 10 each at a premium Rs. 2 per debenture on 1st April, 2012. The issue was fully subscribed. Interest will be paid at the end of each financial year. Pass necessary journal entries for the year 2012 – 13. [3]

10. Maharana Ltd's main business is manufacturing of tyres. The company is very particular about the observation of the provisions of the Companies Act and SEBI guidelines. On 1st April, 2010 the company issued Rs. 18,00,000, 8% debentures of Rs. 100 each. The debentures were redeemable at a premium of 5%. On 31st March, 2013, all the debentures were redeemed. Since the manufacturing of tyres results in air pollution, the company had installed a plant for its effective control.Pass necessary journal entries for the redemption of debentures. Also identify the value observed by Maharana Ltd. It is assumed that the company has adequate balance in Debenture Redemption Reserve Account. [3]

11. Raman, Ratan and Rajan were partners sharing profits in the ratio of 4 : 2 : 1 respectively. Following was their Balance Sheet as at 31st March, 2013 : [4]

Particulars	Amount	Particulars	Amount
Capitals:		Cash	14,000
Raman	60,000	Stock	30,000
Ratan	40,000	Debtors	22,000
Rajan	30,000	Building	40,000
Creditors	30,000	Plant	53,000
Bills Payable	4,000	Motor Van	26,000
General Reserve	21,000		
	1,85,000		1,85,000

On the above date Raman retired and following were agreed :

(i) The assets and liabilities were valued as : Stock Rs. 24,000, Debtors Rs. 21,000, Building Rs. 45,200, Plant Rs. 50,000 and Creditors Rs. 28,000.

(ii) Amount due to Raman will be transferred to Ramanǁs loan account.

Prepare Revaluation Account and Ramanǁs Capital Account.

12. A Ltd. purchased a running business from B Ltd. for a sum of Rs. 1,50,000 payable by issue of 10,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share and balance in cash. The assets and liabilities taken over were : [4]

Plant Rs. 40,000; Building Rs. 40,000; Debtors Rs. 30,000;
Stock Rs.50,000; Furniture Rs. 20,000; Creditors Rs. 20,000.

You are required to pass necessary journal entries for the above transactions in the books of A Ltd.

13. (a) Rohan and Mohan are partners in a firm sharing profits in the ratio of 5 : 3 respectively. They admit Bhim as a partner for 1/7 share in the profit. The new profit sharing ratio will be 4 : 2 : 1. Calculate the sacrificing ratio of Rohan and Mohan. [4]

(b) Amla and Kamla are partners in a firm sharing profits in the ratio of 4 : 1 respectively. They admitted Bimla as a new partner for 1/4 share in the profits, which she acquired wholly from Amla. Determine the new profit sharing ratio of the partners.

14. A Ltd. was registered with an authorised capital of Rs.10,00,000 divided into equity shares of Rs. 10 each. The company invited applications for the issue of 50,000 shares. Applications for 48,000 shares were received. All calls were made and were duly received except the final call of Rs. 2 per share on 1,000 shares. All these shares were forfeited and later on re-issued at Rs. 9,000 as fully paid. [4]

(i) Show how ―Share Capital will appear in the Balance Sheet of A Ltd. as per Schedule VI, Part I of the Companies Act, 1956.

(ii) Also prepare ―Notes to Accounts for the same.

15. A, B and C were partners in a firm. On 1st April, 2012 their capitals stood as Rs. 5,00,000; Rs. 2,50,000 and Rs. 2,50,000 respectively. As per provisions of the partnership deed : [6]
(i) C was entitled for a salary of Rs. 5,000 per month.
(ii) A was entitled for a commission of Rs. 80,000 p.a.
(iii) Partners were entitled to interest on capital @ 6% p.a
(iv) Partners will share profits in the ratio of capitals.
Net profit for the year ended 31.03.2013 was Rs. 3,00,000 which was distributed equally, without taking into consideration the above provisions. Showing your workings clearly, pass necessary adjustment entry for the above.

16. A, B and C are partners in a firm sharing profits in the ratio of 5 : 3 : 2 respectively. Their Balance Sheet as on 31st March, 2013 was as follows : [6]

Particulars	Amount	Particulars	Amount
Creditors	12,000	Cash	13,000
Reserves	10,000	Debtors	8,000
Capitals:		Stock	10,000
A	30,000	Machinery	30,000
B	20,000	Buildings	20,000
C	15,000	Patents	6,000
	87,000		87,000

On 1st October, 2013, due to illness B died. It was agreed between the firm and B's executors that the amount due to B will be used for construction of a community hall in the village. As per the agreement :
(i) Goodwill is to be valued at two years purchase of the average profits of previous five years, which were : 2009 Rs.10,000; 2010 Rs.13,000; 2011 Rs.12,000; 2012 Rs. 15,000 and 2013Rs. 20,000.
(ii) Patents were valued at Rs. 8,000; Machinery at Rs. 28,000 and Buildings at Rs. 30,000.
(iii) B's share of profit till the date of his death will be calculated on the basis of profit of the year 2013.
(iv) Interest on capital will be provided at 10% p.a.
(v) Amount due to B‖s executors will be transferred to Charity account.

(a) Prepare B's capital account to be presented to his executor and
(b) Identify any one value being highlighted in the question.

17. Alfa and Beta were partners in a firm. They were trading in artificial limbs. On 1st April, 2013 they admitted Gama, a good friend of Beta into the partnership. Gama lost his one hand in an accident and Alfa and Beta decided to give one artificial hand free of cost to Gama. The Balance Sheet of Alfa and Beta as at 31st March, 2013 was as follows : [8]

Particulars	Amount	Particulars	Amount
Provision for doubtful debts	40,000	Cash	1,00,000
Workmen's compensation fund	56,000	Debtors	8,00,000
Outstanding expenses	30,000	Stock	2,00,000
Creditors	3,00,000	Machinery	3,86,000
Capitals:		Profit and Loss A/c	40,000
Alfa	5,00,000		
Beta	6,00,000		
	15,26,000		15,26,000

Gama was admitted in the firm on the following terms :

(i) Gama will bring in Rs.4,00,000 as his share of capital, but he was unable to bring any amount for goodwill.
(ii) The new profit sharing ratio between Alfa, Beta and Gama will be 3 : 2 : 1.
(iii) Claim on account of workmen compensation was Rs.30,000.
(iv) To write off bad debts amounted to Rs.40,000.
(v) Creditors were paid Rs.20,000 more.
(vi) Outstanding expenses be brought down to Rs.12,000.
(vii) Rs.20,000 be provided for an unforeseen liability.
(viii) Goodwill of the firm was valued at Rs.1,80,000.
Prepare Revaluation Account, Capital Accounts of Partners and the opening Balance Sheet of the new firm. Also identify any one value which the partners wanted to communicate to the society.

OR

Ram and Shyam were partners in a firm sharing profits in the ratio of 2 : 3 respectively. They become old and no one was there to look after their business. Therefore, they decided to dissolve the business and donate the amount available to an NGO who are providing service for growing trees in urban areas to control pollution. On 31st January, 2014 their Balance Sheet was as follows :

Particulars	Amount	Particulars	Amount
Creditors	65,000	Land	1,20,000
Bills Payable	35,000	Machinery	65,000
Capitals:		Goodwill	10,000
Ram	75,000	Stock	25,000
Shyam	75,000	Debtors	20,000
		Cash	10,000
	2,50,000		2,50,000

Ram paid the creditors at a discount of 15% and Shyam paid Bills Payable in full. Assets realised as follows : Land at 20% less; Machinery at Rs.35,000; Stock at 25% less and Debtors at Rs.12,500. Expenses on realisation Rs.1,750 were paid by Shyam. Prepare Realisation Account, Partners‖ Capital Accounts and Bank Account. Also identify any one value which the partners communicated to the society.

18. (a) C Ltd. forfeited 1,000 shares of Rs.100, each issued at a discount of Rs.8 per share. On these shares the first call of Rs.30 per share was not received and final call of Rs. 20 per share was not made. Subsequently these shares were reissued at Rs. 70 per share Rs. 80 paid up.Pass necessary journal entries for the above transactions in the books of C Ltd. [8]
(b) L Ltd. forfeited 470 equity shares of Rs. 20 each issues at a premium of Rs. 3 per share for the non-payment of allotment money of Rs. 8 (including Premium Rs. 3) and first call of Rs. 5 per share. Final call of Rs. 5 per share was not made. Out of these 235 shares were reissued at Rs. 19 each fully paid. Pass necessary journal entries for the above transactions in the books of L Ltd.

OR

R Ltd. invited applications for issuing 10,000 equity shares of Rs. 100 each at a discount of Rs. 4 per share. The amount was payable as follows :

On application Rs.20 per share
On allotment Rs. 30 per share
On first and final call Rs.46 per share
Applications were received for 9,000 shares and allotment was made to all the applicants. All amounts due were received except the first and
final call on 400 shares. These shares were forfeited. Out of the forfeited shares, 300 shares were reissued at a payment of Rs. 27,000 fully paid up.
Pass necessary journal entries in the books of the company.

Part - B

19. State any one objective of analysis of financial statements. [1]

20. What is meant by Cash flow ? [1]

21. State with reason whether the issue of 9% debentures to a vendor for the purchase of machinery of Rs. 50,000 will result in inflow, outflow or no flow of cash while preparing Cash Flow Statement. [1]

22. State under which major headings the following items will be presented in the Balance Sheet of a company as per revised Schedule VI Part I of the Companies Act, 1956 : [3]
(i) Long Term borrowings (ii) Trade Payables
(iii) Provision for tax (iv) Securities Premium Reserve
(v) Patents (vi) Accrued Incomes

23. From following calculate the Gross Profit Ratio and Working Capital Turnover Ratio : [4]

Revenue from operations	30,00,000
Cost of Revenue from operations	20,00,000
Current Assets	6,00,000
Current Liabilities	2,00,000
Paid up share capital	5,00,000

24. Following information is extracted from the Statement of Profit and Loss for the years ended 31st March, 2012 and 2013. [4]

Particulars	Year 2013	Year 2012
Revenue from Operations	40,00,000	32,00,000
Employees Benefit Expenses	20,00,000	16,00,000
Other Expenses	2,00,000	4,00,000
Tax Rate	40%	40%

Prepare a Comparative Statement of Profit and Loss.

25. Prepare a Cash Flow Statement from the following Balance Sheet : [6]

Particulars	**Note No.**	**2013**	**2012**
I Equity and Liabilties			
1. Shareholders Funds			
(a) Share Capital		6,30,000	5,60,000
(b) Reserves and Surplus		3,08,000	1,82,000
2. Current Liabilities			

(a) Trade Payables		2,80,000	1,82,000
Total		12,18,000	9,24,000
II ASSETS			
1. Non-current Assets			
(a) Fixed Assets:			
(i) Tangible Assets (Machinery)		3,92,000	2,80,000
2. Current Assets:			
(a) Inventories		98,000	1,40,000
(b) Trade Receivables		6,30,000	4,20,000
(c) Cash and Cash Equivalents		98,000	84,000
Total		12,18,000	9,24,000

Notes to Accounts

Particulars	2013	2012
1 **Reserves and Surplus** Surplus (Balanace in Statement of P/L)	3,08,000	1,82,000

Additional Information:
(i) An old Machinery having book value of Rs.42,000 was sold for Rs.56,000.
(ii) Depreciation Provide on Machinery during the year was Rs.28,000.