CBSEGuess Sample Paper 2015
CLASS – XII
SUBJECT – ACCOUNTANCY (055)

Time Allowed – 3 Hours **Maximum Marks – 80**

PART – A

ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

1. A, B and C were partners sharing profits in the ratio of 2:2:1. On 1-4-2014, they decided to admit D for $1/6^{th}$ share in profits and on the same date, B retires from the firm. On that date General Reserve of Rs. 14,700 appeared in the Balance Sheet. Give necessary journal entry. **1**

2. What is the average period in months for charging interest on Drawings for the same amount withdrawn at the end of each quarter?
(a) 5.5 Months (b) 4.5 Months (c) 6 Months (d) 7.5 Months **1**

3. Shankar Ltd. proposed to issue 10,000 equity shares of Rs. 10 each at a premium of 20%. The minimum amount of application money to be collected per share:
(a) Rs. 2 (b) Rs. 5 (c) Rs. 3 (d) Rs. 12 **1**

4. Can a partner be exempted from sharing the losses in the firm? If yes, then under what circumstances? **1**

5. What does negative super profit indicate? **1**

6. What is Reserve Capital? **1**

7. Rohan and Sohan are partners sharing profits in the ratio of 3:2. They admit Mohan into the firm on 1-4-2014 for $3/8^{th}$ share. He brings Rs. 2,400 as his share of goodwill in cash. On the same date Sohan died. According to Sohan's will, the executor should donate his share to 'National Blind School'. New profit sharing ratio of Rohan and Mohan is 5:3. Goodwill A/c does not appear in the books of Rohan and Mohan.
(a) Pass journal entries.
(b) Identify the value involved.

(c) Show yours' working clearly. **3**

8. Harish Ltd. issued 20,000 fully paid up equity shares of Rs. 100 each for the purchase of the following assets and liabilities from Hema Ltd. – Machinery Rs. 7,00,000; Debtors Rs. 2,50,000; Building Rs. 11,50,000; B/P Rs. 2,50,000. Pass necessary journal entries. **3**

9. Vinod Ltd. has issued 20,000 9% debentures of Rs. 100 each of which half of the amount is due for redemption on 31-3-2008. The company has in its Debentures Redemption Reserve Account a balance of Rs. 4,40,000. Record the necessary entries as on 31-3-2008. **3**

10. 500 shares of Rs. 10 each, issued at a premium of Re. 1 per share, on which Rs. 8 (including premium) was called and Rs. 6 (including premium) was paid, have been forfeited by the company. 400 of these shares were re-issued as fully paid for Rs. 7. Journalise. **3**

11. Nandan, John and Rosa were partners sharing profits in the ratio of 4:3:2. On 1-4-2014 John retires from the firm. On the same date Nandu admits into the partnership. Nanadan, Rosa and nandu decided to share future profits in the ratio of 1:1:1. The capital accounts of Nandan, John and Rosa after all adjustments (but before adjustment of goodwill) showed a balance of Rs. 43,000; Rs. 91,000 and Rs. 80,500 respectively. The total amount to be paid to John was Rs. 95,500. Nandan, Rosa and Nandu decided to provide hearing aids and spectacles to the needy people.

(a) Pass necessary journal entries in the books of the firm for the above transactions.
(b) Identify the value involved in it.
(c) Show yours' working clearly. **4**

12. Riya and Jiya are partners in a firm. They decided to dissolve the firm. Pass necessary journal entries for the following after various assets and liabilities have been transferred to realisation account:

(a) There was stock of Rs. 90,000. Riya took over 50% of the stock at 50% by paying cash and remaining stock was realised at 20% loss.
(b) Out of the total debtors of Rs. 17,000; debtors of Rs. 2,000 turned out bad; one debtor of Rs. 5,000 became insolvent and 40% is received from him and full recovery is made from the remaining debtors.
(c) The workmen compensation reserve appeared in the books of Rs. 10,000. A claim of Rs. 8,000 was valued against it and was paid.
(d) Jiya's loan to the firm was Rs. 10,000. She accepted Rs. 9,500 in full settlement. **4**

13. **(a)** A firm earns a profit of Rs. 40,000 per year. In the same business 10% return is generally expected. The total assets of the firm are Rs. 3,00,000. The value of outsiders' liabilities is Rs. 40,000. Find the value of goodwill.

(b) X and Y are partners in a firm sharing profits and losses in the ratio of 3:2 with capitals of Rs. 10,00,000 and Rs. 5,00,000 respectively. As per the partnership deed, they are to be allowed interest on capital @ 8% p.a. The profit for the year ended 31st March, 2014 before providing for interest on capital amounted to Rs. 45,000. Show the distribution of profit. **6**

14. A and B are partners sharing profits in the ratio of 3:2. Their combined capital as on 1-4-2013 was Rs. 80,000. Interest on capital is agreed @ 6% p.a. During 2013-14, the profits of the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,500. A provision of 5% of the profits is to be made in respect of manager's commission. Fill in missing figures in the following accounts – **6**

Profit and Loss Account for the year ending 31st March 2014

Particulars	Rs.	Particulars	Rs.
To manager's commission	750	By Net Profit	----
To profit transferred to P&L Appropriation A/c	-----		
	-----		-----

Profit and Loss Appropriation Account for the year ending 31st March 2014

Particulars	Rs.	Particulars	Rs.
To Interest on capital:		By P&L A/c	----
A's Capital 3,000			
B's Capital 1,800	4,800		
To Salary:			
B's Capital	-----		
To Profit transferred to:			
A's Capital -----			
B's Capital -----	----		
	-----		-----

Partners' Capital Accounts

Particulars	A	B	Particulars	A	B
To balance c/d	----	----	By balance b/d	----	----
			By interest on capital	----	----
			By ----------		----
			By P&L Appropriation A/c	----	----
	----	----		----	----

15. Mother Ltd. forfeited 100 equity shares of Rs. 10 each issued at a discount of 10% for non payment of first call of Rs. 2 per share and the final call of Rs. 3 per share on 31st March 1995. 50 forfeited shares were reissued as fully paid for Rs. 8 per share and balance of the shares was reissued on 30th June 1995 at Rs. 7 per share.
Give journal entries to record forfeiture and reissue of shares. **6**

16. A and B were partners sharing profits and losses in the ratio of 7:3. On 1st April, 2013 they admitted C as a new partner for ¼ share in the profits of the firm. C brought Rs. 4,00,000 as his capital and Rs. 20,000 as his share of goodwill in cash. The balance sheet of A and B as on 1st April 2013 was follows:

Liabilities	Rs.	Assets	Rs.
Capitals:		Land and	2,50,000
A 8,00,000		Machinery	3,50,000
B 3,50,000	11,50,000	Investments	2,00,000
General Reserve	60,000	(Market Value Rs. 1,80,000)	
Workmen Compensation Reserve	80,000	Debtors 2,20,000	
Investment Fluctuation Reserve	60,000	Less: Provision 20,000	2,00,000
Creditors	1,50,000	Stock	3,50,000
		Cash	1,50,000
	15,00,000		**15,00,000**

It was agreed that:
(i) The value of Land and Building will be appreciated by 20%.
(ii) The value of Machinery will be depreciated by 10%.
(iii) The liability of workmen compensation was determined at Rs. 50,000.
(iv) Capitals of A and B will be adjusted on the basis of C's capital and actual cash to be brought in or to be paid off as the case may be.

Prepare Revaluation A/c, Partner's Capital Accounts and the Balance Sheet of the new firm. **8**

Or

A, B and C were equal partners. Their Balance Sheet as at 31st March 2008 was as under:

Liabilities	Rs.	Assets	Rs.
Capitals:		Bank	20,000
A 60,000		Stock	20,000
B 40,000		Furniture	28,000
C 32,000	1,32,000	Debtors 45,000	
General Reserve	30,000	Less: Prov. 5,000	40,000
P&L A/c	6,000	Land and Building	1,20,000
B/P	20,000		
Creditors	40,000		
	2,28,000		**2,28,000**

B retired on 1st April, 2008. A and C decided to continue the business sharing profits in the ratio of 3:2. Following terms were agreed:

(a) Goodwill of the firm was valued at Rs. 57,600.
(b) Provision for bad and doubtful debts to be maintained at 10% on debtors.
(c) Land and building to be increased to Rs. 1,32,000.
(d) Furniture to be reduced by Rs. 8,000.
(e) Rent outstanding was Rs. 1,500.

Remaining partners decided to bring sufficient cash in the business to pay off B and to maintain a bank balance of Rs. 24,800. They also decided to readjust their capitals as per their new profit sharing ratio.

Prepare necessary ledger accounts and balance sheet.

17. On October 1, 2008 SAI Ltd. offered 1,00,000 shares of Rs. 10 each payable as follows:

On application	Rs. 3 per share
On allotment (November 1, 2008)	Rs. 2 per share
On First Call (December 1, 2008)	Rs. 3 per share
On Second & Final Call (one month after first call)	Rs. 2 per share

Applications were received for 1,25,000 shares on October 15, 2008. Applications for 1,20,000 shares were allotted 1,00,000 shares and the remaining applications were rejected.

Give journal entries assuming that all amounts have been received and the company maintains a combined account for application and allotment. **8**

Or

Vijay Ltd. invited applications for issuing 80,000 equity shares of Rs. 10 each at a discount of 10%. The amount was payable as follows:

On application Rs. 4 per share
On allotment Rs. 3 per share
On first and final call Rs. 2 per share

Applications were received for 90,000 shares. Applications for 5,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments received on application was adjusted towards sums due on allotment.

All calls were made and were duly received except the allotment and call money on 1,600 shares allotted to Neeraj. These shares were forfeited and the forfeited shares were re-issued for Rs. 14,200 as fully paid up.

Pass necessary journal entries in the books of the company.

Part – B

FINANCIAL STATEMENT ANALYSIS

18. An example of cash flow from operating activity is:

(a) Purchase of own debentures (b) sale of fixed assets (c) interest paid on term-deposits by a bank (d) Issue of Equity share capital **1**

19. When does a cash flow arise? **1**

20. **(a)** Under what headings will you show the following items in the Balance Sheet of a Company:
(i) Bank Overdraft
(ii) Marketable Securities
(iii) Calls in Advance
(iv) Work in Progress
(b) Give any two limitations of Financial Statement Analysis. **4**

21. From the following Balance Sheet of Sun Ltd. as at 31st March 2014, Prepare a Common Size Balance Sheet: **4**

Sun Ltd.
Balance Sheet as at 31st March 2012

Particulars	**Note No.**	**31-3-2014**
I. EQUITY AND LIABILITIES:		
1. Shareholders' Funds		
(a) Share Capital		30,00,000
(b) Reserve & Surplus		4,00,000
2. Non-Current Liabilities		
(a) Long-term Borrowings		10,00,000
3. Current Liabilities		
(a) Trade Payable		6,00,000
TOTAL		**50,00,000**
II. ASSETS:		
1. Non-Current Assets:		
(a) Fixed Assets		
(i) Tangible Assets		30,00,000
(ii) Intangible Assets		6,00,000
2. Current Assets:		
(a) Inventories		10,00,000
(b) Cash and Cash Equivalents		4,00,000
TOTAL		**50,00,000**

22. Calculate Working Capital Turnover Ratio from the following:

Revenue from Operations	Rs. 12,00,000
Current Assets	Rs. 5,00,000
Total Assets	Rs. 8,00,000
Non-Current Liabilities	Rs. 4,00,000

Shareholders' Funds Rs. 2,00,000 4

23. From the following Balance Sheets of X Ltd., you are required to prepare Cash Flow Statement:

Particulars	Note No.	31-3-2015	31-3-2014
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds			
(a) Share Capital		8,00,000	6,75,000
(b) Reserve & Surplus		1,70,000	91,000
2. Current Liabilities			
(a) Short-term Borrowings	1	88,000	66,000
(b) Trade Payable		1,00,000	70,000
(c) Short-term Provisions	2	34,000	26,000
TOTAL		**11,92,000**	**9,28,000**
II. ASSETS:			
1. Non-Current Assets:			
(a) Fixed Assets			
(i) Tangible Assets	3	3,75,000	5,00,000
2. Current Assets:			
(a) Inventory		4,00,000	2,50,000
(b) Trade Receivables		3,82,000	1,55,000
(c) Cash and Cash Equivalents		10,000	3,000
(d) Other Current Assets		25,000	20,000
TOTAL		**11,92,000**	**9,28,000**

Notes to Accounts:	31-3-2015	31-3-2014
1. Short-term Borrowings:		
Bank over draft	88,000	66,000
2. Short-term Provisions:		
Provision for Tax	34,000	26,000
3. Tangible Assets:		
Land	1,50,000	2,00,000
Plant	2,25,000	3,00,000
	3,75,000	5,00,000

Additional Information:

(i) Interim dividend paid during the year Rs. 60,000.

(ii) Land was sold at a profit of Rs. 30,000.

(iii) Plant costing Rs. 20,000 was sold during the year at a loss of Rs. 8,000. 6

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