

GUESS PAPER FOR BOARD EXAMINATION

2014-15

ACCOUNTANCY (055)

CLASS XII

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions

- (i) This question paper contains two parts **A and B**.
- (ii) Part A is **compulsory** for all the candidates.
- (iii) Part B has two options – *Financial Statement Analysis and Computerised Accounting*
- (iv) Attempt **only one option** of Part B
- (v) All parts of the questions should be attempted at one place.

PART A

(Accounting for Partnership Firms and Companies)

1. Which of the following statement is true: /
 - a) B and C purchased jointly a plot of land. B and C will be called as partners.
 - b) A, B and C desire that D should not participate in the conduct of the business of the firm. They can prevent D.
 - c) The restricted number of partners for a partnership carrying on banking business is 10 and 20 in case of other kinds of business.
 - d) It is necessary to have partnership agreement in writing.

2. A, B and C are partners sharing profits 5:3:2 ratio. Admitted A's son D for 1/8 shares which he acquired entirely from his father A. Calculate their new profit sharing ratio. /

3. P and Q share profits and losses in 5:3. On dissolution of their firm after various assets (other than cash) and third party liabilities have been transferred to Realisation Account. What journal entry would be passed for 'Q took over part of the stock at Rs 6,400 (being 20% less than the book value)' /
 - a) Debit Realisation A/c and Credit Q's Capital A/c by ₹ 6,400
 - b) Debit Q's Capital A/c and Credit Realisation A/c by ₹ 6,400
 - c) Debit Q's Capital A/c and Credit Realisation A/c by ₹ 8,000
 - d) Purchase Debit Realisation A/c and Credit Q's Capital A/c by ₹ 8,000

4. A ltd. forfeited 1,000 equity shares of ₹ 20 each issued at a discount of 10 % for the non-payment of the final call of ₹ 2 per share. Calculate the amount credited to the 'Discount on issue of share A/c'. /

5. Which of the following capital is not shown in the company's balance sheet. /
 - a. Authorized capital
 - b. Issued and subscribed capital
 - c. Called up and paid up capital
 - d. Reserve capital

6. Give the average period in months for charging interest on drawings for the same amount withdrawn in the beginning of each quarter. 1
7. Sanjay Ltd. made an issue of 2,000, 15% debenture of ₹ 100 each. Of these debentures of the face value of ₹ 50,000 are to be redeemed annually commencing from 2006, either by drawing at par or by purchases in the open market at the company's option. During 2006, the company purchased for cancellation ₹ 40,000 debentures at ₹ 95 and ₹ 10,000 debentures at ₹ 98. The expenses of Purchases amounted to ₹ 500. 3
Make necessary journal entries to be passed in 2006
8. Arul, Babu and Caran were partners sharing profits and losses in the ratio of 3:2:1. Their Capitals as on 31/3/2009 was 30,000; 20,000 and 10,000 respectively. 3
During the middle of the year they had withdrawn ₹10,000 each. The partners were given Interest on Capital @6% p.a. and were charged Interest on drawings @ 2%. The Net Profit before the above adjustments was ₹ 21, 300. Babu was guaranteed a minimum amount of ₹ 8,000 as share of profit every year by Arul and Caran. Show how the profits would be distributed amongst the partners for the year ended 31/03/2010
9. ACC Ltd registered with 50,000 shares, issued 30,000 shares of ₹ 10 each at a premium of 10 % payable as ₹ 3 on application; ₹ 3 on allotment including premium; ₹ 3 on first call and ₹ 2 on final call. All the shares were subscribed, allotted and both the calls were made. 3
A shareholder of 400 shares did not pay final call money while another shareholder of 500 shares paid the entire amount due on allotment.
Show the following:
a) Share Capital in the Balance Sheet of the Company as per revised Schedule VI Part I of the Companies Act , 1956
b) Also Prepare 'Notes to the Accounts' for the same.
10. SONY Ltd took over the following Assets and Liabilities of Maxworth Ltd. 3
Building—10,00,000; Book debts —6,00,000; Stock---- 3,50,000; Payables—2,00,000; at an agreed consideration of ₹20,00,000, which was discharged as follows:-
40% by a Bank draft
50% by issue of 9% Debentures of ₹100 each at a 25% premium
And the balance by a bill of exchange.
Give the journal entries in the books of SONY Ltd.
11. a) A and B are partners in a firm sharing profits and losses in the ratio of 4:3. C is admitted for 1/5th share. After C's admission the A and B decided to share equally in future. C brings in ₹ 3,00,000 for his capital and ₹ 1,40,000 for his share of goodwill. Pass the necessary journal entry on C's admission. 4
b) X, Y and Z were partners sharing profits in the ratio of 2/6, 1/2 and 1/6. X retires and surrenders 2/3 of his share in favour of Y and remaining in favour of Z. Calculate the gaining ratio and the New Ratio.
12. Reeta and Salma are partner with capital ₹ 1,00,000 and ₹ 80,000 respectively. The net profit of the firm for the year ending 31st March, 2014 amounted to ₹ 1,05,625 before considering the following adjustments: 4
i) Reeta advanced loan to firm amounting to ₹ 50,000 on 1st October 2013.
ii) Interest on capital is @ 5% p.a. and interest on drawing is ₹ 500 for Reeta and ₹ 375 for Salma.
iii) Drawing of Reeta is ₹ 20,000 and Salma is ₹ 15,000
iv) Reeta was allowed a commission @ 3 % on conducting sales ₹ 4,00,000
v) Salma was allowed commission @ 5 % on distributable profit after charging all commission.
vi) It was decided to keep 10% of the net divisible profit as 'Reserve for the donation to Non- Government Organisation', which is engaged in cleaning of the area under 'Swachch Bharat Abhiyan'.
Prepare the Profit and Loss Appropriation Account for the year ending 31st March 2014 and also indicate any one value the firm has adopted.

13. A, B and C who are partners sharing profits in the ratio of 2:2:1. Their Balance Sheet as on 31st March 2014 was as follows: 6

Balance Sheet as on 31st March 2014

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	18,000	Cash in Hand	30,000
General Reserve	50,000	Debtors	40,000
Capital A/c		Stock	20,000
A 36,000		Fixed Assets	1,20,000
B 1,36,000		Goodwill	60,000
C 30,000	2,02,000		
	2,70,000		2,70,000

On 15th June 2014 while on his way to the business site, B met with an accident and died on the spot. According to the Deed, his legal representatives were entitled for:

- i) Balance in the Capital Account
- ii) Share of goodwill which was to be valued for the firm on the basis of thrice the average of past 4 years profits.
- iii) Share in profit upto the date of death on the basis of average profits for the past 4 years.
- iv) Interest on capital @ 12 % p.a. to be provided
- v) Profits for the years ending on 31st March 2011, 2012 , 2013 and 2014 respectively were ₹ 15,000, ₹17,000, ₹ 19,000 and ₹ 13,000
- vi) B's Legal representatives were paid the amount due in kind a plot of land valued ₹1,00,000 and the balance in case through cheque.
- vii) A and C continued as partners by taking over B share equally.

Prepare B's Capital Account and B's Executors Account. Identify the value involved by the firm.

14. a) A limited company forfeited 4,000 shares of ₹ 10 each of Ravi, who had applied for 6,000 shares on account of non-payment of the allotment money ₹ 3 + ₹ 2.5 (premium) and the first call ₹ 2. Only ₹ 4 per share was received with application. Out of these 3,000 shares were reissued to Rakesh for ₹ 9 per share fully paid up. Journalise 6
- b) Pass the journal entry on issue of debentures in the books of X Ltd.
Issued ₹ 1,00,000, 12 % Debentures at a discount of 5 % but redeemed at premium of 6%.

15. X and Y were partners sharing profit in the ratio of 3:2. In spite of the repeated reminders by the government authorities they kept dumping hazardous waste material into the nearby river. The court ordered for the dissolution of their partnership firm on 31st March 2014. Their balance sheet as at 31st March 2014 was as follows: 6

Balance Sheet

Liabilities	₹	Assets	₹
Mrs. X's Loan	20,000	Cash	40,000
Creditors	1,00,000	Debtors 1,84,000	
C's Loan	80,000	Less Provision 4,000	1,80,000
General Reserve	30,000	Inventory	1,20,000
Capitals:	50,000	Furniture	60,000
X 3,60,000	6,00,000	Building	3,80,000
Y 2,40,000			
	7,80,000		7,80,000

On the above the firm dissolved under the following terms:

- i) X was appointed to realise the assets and pay off the liabilities. He had to bear the realisation expenses for which he was paid ₹ 3,000
- ii) A Motor Bike (which was bought out of firm's money) was not shown in the books of the firm. It was taken over by Y for ₹ 10,000
- iii) X agreed to pay his wife's loan along with the interest of ₹ 1,000
- iv) The Creditors were due on an average basis of one month after the date of dissolution but they were paid immediately at a discount of ₹ 500
- v) Inventory was taken over by X at 10 % less.
- vi) Furniture was taken over by Y at 10 % more.
- vii) The Building realised at ₹50,000 more.
- viii) The Realisation expenses amounted to ₹ 1,000

Prepare Realisation Account and identify the value being conveyed in the question

16. Harish and Neeraj are partners in a firm sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31st March 2014 was as follows:

Balance Sheet as on 31st March 2014

Liabilities	₹	Assets	₹
Capital A/c	2,00,000	Goodwill	30,000
Harish 1,50,000		Patents	10,000
Neeraj 50,000		Land and Building	60,000
General Reserve	60,000	Plant and Machinery	50,000
Workmen's Compensation Reserve	16,000	Stock	60,000
Creditors	21,000	Debtors 30,000	27,000
		Less Provision for DD 3,000	
		Cash in Hand	60,000
	2,97,000		2,97,000

Kamal was admitted as a partner for 1/5th share of profit on the following terms:

- i. The New profit sharing ratio will be 5:3:2
- ii. Kamal will bring proportionate capital for share of profit
- iii. Kamal was unable to bring ₹12,000 as his share of goodwill in cash
- iv. A claim of Workmen's Compensation for ₹ 1,000 be provided
- v. Debtors were all good and no provision is required
- vi. Patents were written off by 60 %
- vii. Outstanding bills for repairs of ₹ 3000 will be provided for.
- viii. Land and Building was valued at ₹ 70,000 and Plant & Machinery was reduced by ₹ 5,000

Prepare Revaluation Account, Partners Capital Account and the Balance Sheet of the new firm.

OR

Rajan, Babban and Aman are partners sharing profits in the ratio 2:2:1. Rajan decided to retire from the firm on 31st March 2014. The Balance Sheet stood as under:

Balance Sheet as on 31st March 2014

Liabilities	₹	Assets	₹
Capital A/c		Goodwill	15,000
Rajan 80,000		Freehold Premises	40,000
Babban 60,400		Machinery	49,000
Aman 60,000	2,00,400	Furniture	60,000
General Reserve	10,000	Stock	30,000
Bills Payable	12,000	Debtors 24,000	21,000
Creditors	38,000	Less Provision for Bad Debts 3,000	

	Cash in Hand	45,400
2,60,400		2,60,400

The other terms agreed were:

- Freehold premises and stock are to be appreciated by 10 %.
- Machinery and Furniture are to be depreciated by 10% and 6 % respectively.
- Bad debts reserve is to be increased to ₹ 4,000 and provision for discount be created at 2.5%
- Goodwill is valued at ₹ 20,000 on retirement of Rajan from the firm.
- The continuing partners have decided to adjust their capitals in the new profit sharing ratio 3:2 after retirement of Rajan, surplus/ deficit, if any, in their capital accounts to be adjusted through current account.

Prepare Revaluation Account, Partners Capital Account and draw the Balance Sheet of reconstituted firm.

17. Gaurav Ltd. has been registered with an authorized capital of ₹ 50,00,000 divided into 50,000 shares of ₹100 each. Out of which, 30,000 shares were offered for public subscription at a premium of ₹ 10 per share, payable on application ₹ 30 per share, on allotment ₹ 50 per share (including premium), on first call ₹ 20 per share and balance on final call. 8

Applications were received for 60,000 shares and allotment was made as follows : —

- To the applicants of 20,000 shares : 10,000 shares
- To the applicants of 30,000 shares : 20,000 shares
- Remaining applications were rejected.

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

Karan who had applied 1,500 shares in group (ii) failed to pay allotment and calls money and his share were forfeited. Out of forfeited, 600 shares were reissued at ₹ 80 per share as fully paid.

Give Journal entries in the books of company.

OR

Bajaj Limited invited application for issuing 8,000 shares of ₹ 100 each at 10% discount. The amount was payable as follows:

On Application ₹ 40 per share; On Allotment ₹ 20 per share and the balance amount on first and final call.

Applications were received for 9,200 shares and allotment was made on *pro-rata* basis to the applicants for 9,000 shares, the remaining applications were refused. Money overpaid on applications was utilized towards sums due on allotment.

Anita to whom 200 shares were allotted on *pro-rata* basis did not pay allotment and call money and Sunita who had applied for 270 shares failed to pay call money. The directors decided to forfeit the shares of Anita and later on out of these 150 shares were reissued @ ₹ 70 per share.

Pass journal entries in the books of company to record the above transactions.

PART B (FINANCIAL STATEMENTS ANALYSIS)

18. Which of the following will result in inflow of cash or cash equivalents- 1
- Issue of debentures to the vendors for a purchase of machinery
 - Cash withdrawn from bank
 - Issue of Debenture
 - Declaration of final dividend
19. Under which type of activity will you classify 'Commission and Royalty Received' while preparing Cash Flow Statement. 1
20. a) Give the heading under which the following items will be shown in a company's Balance sheet: 4
- Goodwill.

- (ii) Loose Tools
- (iii) Live Stock
- (iv) Unclaimed Dividend

b) Briefly explain why are Top Managers and creditors interested in analysing Financial Statements?

21. (i) A business has a Current ratio of 3:1 and Quick ratio of 1.2:1. If the working capital is ₹1,80,000, calculate Current assets and Inventory. 4

(ii) From the given information, calculate Inventory turnover ratio.

Revenue from operations ₹ 2,00,000; Gross profit 25% on cost; Inventory in the beginning is 1/3 of the Inventory at the end which was 30% of sales.

22. From the following Statement of Profit and Loss of Star Ltd., for the years ended 31st March 2011 and 2012, prepare a comparative Statement of Profit or Loss.

Particulars	2011(₹)	2012(₹)
Revenue from Operations	16,00,000	20,00,000
Employee Benefits Expenses	8,00,000	10,00,000
Other expenses	2,00,000	1,00,000
Tax Rate	40%	40%

23. From the following Balance Sheets of A.C.F Ltd as at 31st March 2012 and 31st March 2013, prepare a Cash Flow Statement. 6

Balance Sheets of A.C.F Ltd as at 31st March 2012 and 31st March 2013

Particulars	Note No	31 st March, 2012(₹)	31 st March, 2013(₹)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Equity Share Capital		5,00,000	7,00,000
(b) Reserves and Surplus		2,00,000	3,50,000
2. Non-Current Liabilities			
Bank Loan		1,00,000	50,000
3. Current Liabilities			
(a) Trade Payables		55,000	52,000
(b) Short term Provisions	1	80,000	1,20,000
		9,35,000	12,72,000
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets			
Equipment		5,00,000	5,00,000
Patents		1,00,000	95,000
(b) Non-current Investments		-	1,00,000
2. Current Assets			
(a) Debtors		80,000	1,47,000
(b) Inventory		55,000	1,30,000
(c) Cash and Cash Equivalents		2,00,000	3,00,000
		9,35,000	12,72,000

Notes:

Particulars	31 st March 2012	31 st March 2013
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1.Short term Provisions		
Proposed Dividend	50,000	70,000
Provision for Tax	30,000	50,000
	80,000	1,20,000

Additional Information:

During the year equipment costing ₹ 1,00,000 was purchased. Loss on sale of equipment amount to ₹ 12,000. During the year ₹ 18,000 was charged for the depreciation on equipment.

PART B

(Computerised Accounting)

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|-----|---|---|
| 18. | What is a super group? | 1 |
| 19. | List any four basic systems of Computerised Accounting System. | 1 |
| 20. | What is import and Export of data ? | 4 |
| 21. | What is meant by Internal checks? | 4 |
| 22. | What are the essentials of a good reporting system? | 4 |
| 23. | A factory owner purchases a new machine that costs ₹ 8,00,000 and has a useful life for 10 years, with Salvage value of ₹ 80,000. Indicate the formula to be used in an Excel Worksheet to calculate depreciation under the Diminishing Balance Method. Also, using the formula, calculate the depreciation to be provided for a day, a month and a year. | 6 |