

CBSE MOCK EXAMINATION 2015

Class – XII

Subject – Accountancy (055)

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. This question paper contains two parts A and B.
2. Part A is compulsory for all students.
3. Part B has two options – Financial Statement Analysis and Computerised Accounting.
4. Attempt only one option of part B.
5. All parts of the questions should be attempted at one place.

PART – A**ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES**

1. Which amount of share capital is shown in Balance Sheet under the head Shareholders' Funds?
(a) Authorised Capital (b) Issued Capital (c) Subscribed Capital (d) Paid up Capital **1**
2. Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of a new agreement is called
(a) Revaluation of Partnership
(b) Reconstitution of Partnership
(c) Realisation of Partnership
(d) None of the above **1**
3. A and B are partners in a firm sharing profits in the ratio of 3:2. Mrs. A has given a loan of ₹ 20,000 to the firm and the firm also took a loan of ₹ 10,000 from B. The firm was dissolved and its assets were realised for ₹ 25,000. State the order of payment of Mrs. A's Loan and B's Loan with reason, if there were no other creditors of the firm. **1**
4. A, B and C were partners sharing profits and losses equally. They admitted D into the partnership for $\frac{1}{5}$ share in profits and on the same date C retires from the firm. A, B and D decided to share profits in the ratio of 3:1:1. Goodwill of the firm valued at ₹ 60,000. Calculate B's Share of goodwill.
(a) ₹ 8,000 (b) ₹ 10,000 (c) ₹ 12,000 (d) ₹ 20,000 **1**
5. Give any one use of Securities Premium Reserve as per under section 78, which increase the wealth of shareholders. **1**

6. Why is that the Capital Account of a partner does not show a 'debit balance' inspite of regular and consistent losses year after year? **1**
7. From 1st April 2010, Hans Ltd. started business with a share capital of ₹ 10,00,000. On 1st October 2010, the company further wants to issue 10,000 shares of ₹ 100 each at a discount of 11%. Would the Indian Company Act permit Hans Ltd. for this issue of shares? Give three reasons in support of your answer. **3**
8. Anil and Sunil were partners sharing profits and losses in the ratio of 3:2. On 1-4-2014, Dinesh admits into the partnership for 1/5th share in profits and on the same date Anil retires from the firm. For this purpose, liabilities were revalued from ₹ 3,00,000 to ₹ 4,00,000. However, it was decided to show liabilities at their original values. The new profit sharing ratio of Sunil and Dinesh was 4:1. Sunil and Dinesh also decided to help flood affected victims of Uttra Khand and Jammu & Kashmir.
(a) Journalise.
(b) Identify the value followed and ignored in the above case. **3**
9. Ram, Shyam and Mohan are partners in a firm sharing profits and losses in the ratio of 2:1:2. Their Fixed Capitals were ₹ 3,00,000; ₹ 1,00,000 and ₹ 2,00,000 respectively. Interest on capital for the year ending 31st March 2014 was credited to them @ 9% p.a. instead of 10% p.a. The profit for the year before charging interest was ₹ 2,50,000. Pass necessary adjustment entry. **3**
10. Sagar Ltd. issued 20,000 Equity shares of ₹ 10 each. It received applications for 18,500 shares and allotment was made. It did not make final call of ₹ 2 per share. Ram holding 1,500 shares failed to pay first call of ₹ 3 each. Mohan failed to pay the first call on 1,000 shares and his shares were forfeited by the company. Show how share capital will appear in the Balance Sheet of the company as at 31st March 2014. **3**
11. Following is the Balance Sheet of Punita, Rashi and Seema who are sharing profits in the ratio of 2:1:2 as on 31st March, 2013.

Liabilities		₹	Assets		₹
Creditors		38,000	Building		2,40,000
Bills Payable		2,000	Stock		65,000
Capitals:			Debtors		30,000
Punita	1,44,000		Cash at Bank		5,000
Rashi	92,000		Profit & Loss A/c		60,000
Seema	<u>1,24,000</u>	3,60,000			
		4,00,000			4,00,000

Punita died on 30th September 2013. She had withdrawn ₹ 44,000 from her capital on 1st July 2013. According to the partnership deed, she was entitled to interest on capital @ 8% p.a. Her share of profit till the date of death was to be calculated on the basis of the average profits of the last three years. Goodwill was to be calculated on the basis of three times the average profits of the last four years. The profits for the years ended 2009-10, 2010-11 and 2011-12 were ₹ 30,000; ₹ 70,000 and ₹ 80,000 respectively.

Prepare Punita's account to be rendered to her executors. 4

12. Sharwan and Gautam are partners doing a dry Fruits business in Faridabad, sharing profits in the ratio 2:1 with capitals ₹ 3,00,000 and ₹ 4,00,000 respectively. Sharwan withdrew the following amounts during the year to pay household expenses –

1 st April	₹ 10,000
30 th June	₹ 7,000
1 st November	₹ 18,000
31 st December	₹ 3,000

Gautam withdrew ₹ 10,000 on the last day of June, September, December and March to pay premium of his personal life insurance policies.

Calculate interest on Drawings @ 6% p.a. 4

13. (a) PK and DK were partners sharing profits in the ratio of 5:4. They admit GK for 1/3rd share, which she acquires in equal proportion from both. Find out new profit sharing ratio and sacrificing ratio.

(b) A business has earned average profit of ₹ 4,00,000 during the last few years and the normal rate of return in similar business is 10%. Business have Assets of Rs. 48,00,000 and Liabilities Rs. 10,00,000. Find value of goodwill by

- (i) Super Profit Method if the goodwill is valued at 3 years' purchase of super profits, and
- (ii) Capitalisation of Super Profit Method. 6

14. (a) Y Ltd. issued 10,000; 10% Debentures of ₹ 100 each. Pass the necessary journal entries for issue of Debentures in the following cases:

- (i) When Debentures are issued at 10% Discount but redeemable at par.
- (ii) When Debentures are issued at 10% Discount but redeemable at 5% premium.

(b) Rawal Industries Ltd. purchased for cancellation its own 8,000; 9% Debentures of ₹ 200 each at ₹ 160 per debenture. Pass necessary journal entries. 6

15. A, B and C were in partnership sharing profits in proportion to their capitals. Their Balance Sheet as at 31-3-2014 was as follows:

Liabilities	₹	Assets	₹

Creditors	15,600	Building	1,00,000
Reserve	6,000	Machinery	48,000
A's Capital	90,000	Stock	18,000
B's Capital	60,000	Debtors	20,000
C's Capital	30,000	Less: Provision	<u>400</u>
		Cash	16,000
	2,01,600		2,01,600

On the above date B retired.

Goodwill of the firm be valued at ₹ 36,000 and be adjusted into the Capital Accounts of A and C who will share profits in future in the ratio of 3:2.

Fill in the missing information in the Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm after B's retirement.

REVALUATION ACCOUNT

Particulars	₹	Particulars	₹
To provision for doubtful debts	600	By Building	10,000
To -----	----	By -----	----
To -----	----	By -----	----
To profit transferred to:			
A's Capital	-----		
B's Capital	-----		
C's Capital	-----		
	-----		-----

CAPITAL ACCOUNTS

Particulars	A	B	C	Particulars	A	B	C
	₹	₹	₹		₹	₹	₹
To B's Cap. A/c	----		----	By Balance b/d	----	----	----
To Cash A/c		9,000		By -----	----	----	----
To B's Loan A/c		----		By -----	----	----	----
To Balance c/d	----		----	By A's Cap. A/c		----	
				By C's Cap. A/c		----	

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BALANCE SHEET
as at 31st March, 2014

Liabilities		₹	Assets		₹
Creditors		13,800	Cash		-----
Provision for Repairs		3,000	Debtors	20,000	
B's Loan		-----	Less: Provision	<u>1,000</u>	19,000
Capitals:			Stock		-----
A	-----		Machinery		40,800
C	<u>-----</u>	-----	Building		-----
			Prepaid Insurance		2,000
		-----			-----

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16. Pooja and Kashish are partners in a firm sharing profits in the ratio of 2:3 respectively. They admitted Tisha, an old employee as a partner for 1/2 share in the profits. Tisha will bring ₹ 5,00,000 for her capital and the capitals of Pooja and Kashish will be adjusted in the profit sharing ratio. For this Current Accounts will be opened. The Balance Sheet of the firm as at 31st March 2014 before Tisha admission was as follows:

Liabilities		₹	Assets		₹
Creditors		1,20,000	Building		1,10,000
Bills Payable		1,60,000	Machinery		3,10,000
General Reserve		80,000	Furniture		2,00,000
Capitals:			Debtors		2,00,000
Pooja	3,75,000		Cash in Hand		40,000
Kashish	<u>1,25,000</u>	5,00,000			
		8,60,000			8,60,000

The other terms of the agreement were as follows:

- (i) Tisha will bring ₹ 1,75,000 for her share of goodwill.
- (ii) Building will be revalued at ₹ 3,90,000 and machinery be depreciated by ₹ 70,000.
- (iii) Creditors proved at ₹ 1,24,000.
- (iv) A provision of 10% was to be made on debtors for doubtful debts out of General Reserve.

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

Or

A, B and C were partners sharing profits in the ratio of 3:1:1. Their Balance Sheet as on March 31 2014, the date on which they dissolved their firm, was as follows –

Liabilities		₹	Assets		₹
Creditors		6,000	Sundry Assets		17,000
Loan		1,500	Stock		7,800
Capital Accounts:			Debtors	24,200	
A	27,500		Less: Provision	<u>1,200</u>	23,000
B	10,000		Bills Receivable		1,000
C	<u>7,000</u>	44,500	Cash		3,200
		52,000			52,000

It was agreed that:

- A to take over Bills Receivable at ₹ 800; Debtors amounting to ₹ 20,000 at ₹ 17,200 and the creditors of ₹ 6,000 were to be paid by him at this figure.
- B is to take over all stock for ₹ 7,000 and some sundry assets at ₹ 7,200 (being 10% less than the book value).
- C is to take over remaining sundry assets at 90% of the book value and assume the responsibility of discharge of loan together with interest of ₹ 300.
- The expenses of realisation were ₹ 270.
- The remaining debtors were sold to a debt collecting agency at 50% of the book value.

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

8

17. Saijal Ltd. issued 30,000 shares of ₹ 10 each at 10% premium payable as –

- ₹ 2 on application payable on 1st June, 2014
- ₹ 4 on allotment payable on 1st September, 2014
- ₹ 3 on first call payable on 1st November, 2014
- ₹ 2 on second call payable on 1st January, 2015

Applications were received for 70,000 shares and allotment was made as under –

- Applicants of 20,000 shares allotted 10,000 shares.
- Applicants of 50,000 shares allotted 20,000 shares.

All money is duly received except Ram who applied for 5,000 shares under group (ii) failed to pay both the calls and Mohan who was allotted 500 shares under group (i) paid both the calls along with allotment. Pass necessary journal entries in the books of Saijal Ltd.

Or

Arshiya Ltd. invited applications for issuing 2,00,000 equity shares of ₹ 10 each at a discount of 10%. The amount was payable as follows:

On Application ₹ 2 per share

On Allotment ₹ 3 per share

On First and Final Call – balance amount

The issue was under subscribed to the extent of 20,000 shares. Shares were allotted to all the applicants. All calls were made and were duly received. 'A' who applied for 1,500 shares, failed to pay allotment and call money and 'B' to whom 1,200 shares were allotted paid the full amount due at the time of allotment. The shares on which allotment and call money was not received were forfeited by the company. The forfeited shares were reissued at ₹ 10 per share as fully paid up. Pass necessary journal entries in the books of Arshiya Ltd. for the above transactions. **8**

PART – B

ANALYSIS OF FINANCIAL STATEMENTS

- 18.** Which type of activity is 'Payment of cash to acquire shares of another company by a trading company':
 (a) Operating activity (b) Investing activity (c) Financing activity (d) None of these **1**
- 19.** State why non-cash transactions are ignored while preparing a Cash Flow Statement? **1**
- 20. (a)** Name the sub-heads under the head 'Non-Current Liabilities' in the Equity and Liabilities part of the Balance Sheet as per schedule VI of the companies Act 1956.
(b) State the significance of Analysis of Financial Statements to the 'Creditors' and 'Investors'. **4**
- 21. (a)** The Debt-Equity ratio of a company is 1:2. State with reason which of the following transactions would (i) increase (ii) decrease or (iii) not change the ratio:
 (1) Securities Premium Reserve used for issuing fully paid bonus shares.
 (2) Debentures converted into equity shares.
(b) From the following calculate Operating Ratio from the following information -
- | | |
|--------------------------------|------------|
| Cost of Revenue from operation | ₹ 70,000 |
| Revenue from operation | ₹ 1,50,000 |
| Operating Expenses | ₹ 20,000 |
- 4**
- 22.** Softouch Ltd. recognising the hard work and dedication put in by its workers in their work, decided to give its staff extra bonus equal to two months' salary. Following is the comparative Balance Sheet of the company for the years ended 31st March, 2013 and 31st March, 2014. You are to:

- (a) Calculate Debt to Equity Ratio for the two years.
 (b) Identify the two values which the company has communicated to the society. **4**

 Comparative Balance Sheet for the year ended 31st March 2014

Particulars	2012-13 ₹	2013-14 ₹	Absolute Change ₹	Percentage Change %
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds:				
(a) Share Capital	7,50,000	10,00,000	2,50,000	33.33
(b) Reserve & Surplus	2,50,000	3,00,000	50,000	20.00
2. Non-Current Liabilities:				
Long-term Borrowings	15,00,000	16,50,000	1,50,000	10.00
TOTAL	25,00,000	29,50,000	4,50,000	18.00
II. ASSETS				
1. Current Assets:				
(a) Cash & Cash Equivalents	5,00,000	6,00,000	1,00,000	20.00
(b) Other Current Assets	20,00,000	23,50,000	3,50,000	17.50
TOTAL	25,00,000	29,50,000	4,50,000	18.00

- 23.** Calculate Cash Flow from Operating Activities and Investing Activities from the following information:

Particulars	31-3-2014 (₹)	31-3-2013 (₹)
Balance in Statement of Profit and Loss	35,000	30,000
General Reserve	15,000	10,000
Provision for depreciation on Plant	35,000	30,000
Provision for Taxation	3,000	5,000
Goodwill	30,000	20,000
Trade Receivables	35,000	40,000
Plant	4,00,000	3,00,000
Patents	12,000	18,000

An item of Plant costing ₹ 20,000 was sold for ₹ 18,000 during 2013-14. Tax paid in advance during the year ₹ 4,000. Depreciation charged during the year amounted to ₹ 10000.

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Note – Solve this question paper within three hours and send your answer sheet through registered post by mentioning your email id or contact no. so that you may know that how much marks you obtained in this question paper. Sent your answer sheet at the following address:

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