

ACCOUNTANCY (055)  
CLASS - XII Gen (2014-15)

**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'**

1. *Sadhu, Sant and Sanyasi are partners in a firm and do not have a partnership agreement. Sadhu had given a loan of Rs. 10,000 to the firm and expects an interest @ 10% for the loan. The other partners do not agree to this. Should Teena be given interest at the desired rate? Give reason.* (1)
2. X, Y & Z are partners. Y retires and the new profit sharing ratio is 2 : 1. Calculate the gaining ratio of X & Z. (1)
3. State any two reasons for Dissolution of a Firm. (1)
4. When is 'Revaluation Account' prepared? (1)
5. State at least one way in which the amount of Securities Premium can be used by the Company. (1)
6. What is meant by 'Over Subscription'? (1)
7. When is 'Debenture Redemption Reserve' created? (1)
8. A, B and C are partners in a firm. When the Accounts were closed on 31<sup>st</sup> March, 2012, it was found that Interest on Capital was allowed @ 4% instead of 6% p.a. The capitals of partners were: A Rs.1,00,000 B Rs.80,000 C Rs.60,000 (3)  
Give the necessary adjusting entry with proper workings.
9. On 1<sup>st</sup> January, 2009 R Ltd has Rs. 25,00,000 as Debenture Redemption Reserve. The company has to redeem its 12% Debentures at the end of 2009 worth Rs.90,00,000. Pass journal entries to record the redemption of debentures. (3)
10. Pass necessary journal entries of 'Issue of debentures' for the following:
  - (i) S Ltd issued 150, 15% Debentures of Rs 100 each at a discount of 10% redeemable at a premium of 10%.

- (ii) J Ltd issued 600, 9% Debentures of Rs. 100 each at a premium of Rs 10 per Debenture, redeemable at par.

11. Anand and Sonu were childhood friends and colleagues in a company who were thinking of starting something of their own someday. On 1<sup>st</sup> Jan, 2011 they thought of starting a stationery depot for the financially backward children of their area.

They also admitted Manoj a differently abled educated youth who was unemployed as a partner of their firm without any capital contribution. Sonu also approached Rohit Kaul from Jammu, who was also eager to start something of this sort having lot of funds at his disposal, and persuaded him to join them.

The following terms were agreed upon:

- i) Anand, Sonu and Rohit will contribute 30,000; 50,000 and 4,00,000 respectively as capital.
- ii) Profit will be shared equally.
- iii) Interest on capital will be allowed @ 5% p.a.

The Profits of the firm for the year ended 31<sup>st</sup> Dec 2011 were 50,000.

- a) Identify any two values which according to you motivated them to start the partnership firm. (2)
- b) Prepare Profit & Loss Appropriation Account of the firm for the year ending 31<sup>st</sup> Dec 2011. (2)

12. Archana, Bindu and Chaitali were partners sharing profits in the ratio of 3:2:1. Their Balance Sheet as on 1<sup>st</sup> April 2010 was:

Liabilities		Amount	Assets		Amount
Creditors		20,000	Cash		20,000
General Reserve		30,000	Debtors		18,000
Capitals:			Stock		60,000
Archana	1,00,000		Furniture		52,000
Bindu	70,000		Land & Building		1,40,000
Chaitali	70,000	2,40,000			
		<b>2,90,000</b>			<b>2,90,000</b>

Bindu Died on the above date and the executors were paid in the following manner:

- a) Bindu's Share of Goodwill was Rs. 6,000;
  - b) A provision for doubtful debts @ 5% was to be made on debtors;
  - c) Land & Building were to be depreciated by 5% and Stock was valued at Rs. 61,900.
- Pass necessary journal entries for the above transactions on Bindu's Death. (4)

13. R Ltd. purchased a running business from P Ltd for a sum of Rs. 12,00,000 payable by issue of equity shares of Rs. 10 each at a premium of Rs. 2 per share.

The Assets and liabilities were following:

Plant	4,00,000
Furniture	2,00,000
Building	4,00,000
Stock	3,00,000
Sundry Creditors	1,00,000

Record necessary Journal entries in the books of R Ltd. (4)

14. Dhyey Ltd. forfeited 1,500 shares of Rs. 10 each at a premium of Rs. 2 each due to non-payment of First call of Rs. 3. The final call of Rs. 2 is not yet made. Out of these 900 shares were re-issued at Rs. 6, Rs. 8 called up.  
Pass journal entries to record the above transactions. (4)

15. X, Y and Z were partners in a firm. Their capitals were Rs.1,00,000; Rs.2,00,000 and Rs.2,50,000. Their agreement provided the following:  
(i) The profit sharing ratio will be 1:2:2  
(ii) X is being guaranteed a share of Profit Rs.50,000  
(iii) Y will be allowed a salary of Rs.12,000 p.a.  
(iv) Interest on capital will be allowed @ 12% p.a.  
The interest on drawings were Rs.500, Rs.600, and Rs. 800 for X,Y and Z. The firm earned a profit of Rs.2,88,900 during the year.  
Prepare profit & loss appropriation account and show the workings. (6)

16. L, M and N were partners sharing profits and losses in the ratio of 5:3:2. On 31<sup>st</sup> Dec 2011 their Balance Sheet was as under:

Liabilities		Amount	Assets		Amount
Capitals:			Property		1,20,000
L	1,50,000		Patents		30,000
M	1,25,000		Machinery		1,50,000
N	<u>75,000</u>	3,50,000	Stock		1,90,000
Workmen's Compensation			Bank		40,000
Fund		30,000			
Creditors		1,50,000			
		<b>5,30,000</b>			<b>5,30,000</b>

N retired on 31<sup>st</sup> March 2012 and it was agreed that:

- (i) Goodwill of the firm is to be valued at Rs.1,75,000.  
(ii) Machinery be valued at Rs.1,40,000; Patents at Rs.40,000 and Property at Rs.1,50,000 on this date.  
(iii) For the purpose of calculating N's share in the profits of 2012, the profits should be taken to have accrued on the same scale as in 2011, which was Rs.60,000.

Prepare N's Capital Account and Revaluation Account.

17. Riya and Priya are partners, who share profit in the ratio of 3:2. Following is the Balance sheet as on March 31, 2007.

Liabilities	Amount	Assets	Amount
Riya's Capital	32,500	Cash at Bank	40,500
Priya's Capital	11,500	Stock	7,500
Sundry Creditors	48,000	Debtors	21,500
Reserve Fund	13,500	Less: PDD	500
		Fixed Assets	36,500
	<b>1,05,500</b>		<b>1,05,500</b>

The firm was dissolved on March 31, 2007.

Close the books of the firm with the following:

- Debtors realized at a discount of 10%
- Stock realized at Rs. 7,000
- Fixed assets realized at Rs. 40,000
- Realisation expenses of Rs. 1,500 paid by Riya
- Creditors were paid 10% less. Prepare necessary accounts. (8)

OR

A & B are partners sharing in the ratio 3:2 and their Balance Sheet is as follows:

Liabilities	Amount	Assets	Amount
Creditors Bills	3600	Cash	1000
Payable General	2000	Debtors	3400
Reserve Capital	2400	Stock	2400
A		Machinery	4200
B	15000	Building	20000
	8000		
	<b>31000</b>		<b>31000</b>

The other terms of agreement on C's admission were as follows:

C will bring Rs. 10000 as Goodwill and Rs15000 as Capital.

- Building will be valued at Rs. 18500 and Machinery at Rs. 5000.
- A provision of 5% will be credited on Debtors for Bad Debts.

Capital Accounts of A and B will be adjusted as per C's Capital his profit sharing ratio is  $\frac{1}{4}$  in the new firm. Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of A,B & C. (8)

18. Creative Ltd issued Rs.10,00,000 divided into Rs.10 shares at a premium @ 20% per share, payable as under:

On Application	Rs.3 per share
On Allotment	Rs.5 per share(including premium)
On First and Final Call	Balance

Over payments on application were to be applied towards sums due on allotment. Where no allotment was made, money was to be refunded in full.

The issue was oversubscribed to the extent of 1,20,000 shares. Applicants for 10,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants.

All the money due was duly received.

(a) Which value has been affected by rejecting the applications of the applicants who had been sent letters of regret? Suggest a better alternative for the same.

(b) Give Journal Entries to record the above transactions in the books of the company. (8)

**OR**

R Ltd invited application for issuing 70,000 shares of Rs.10 each at par. The amount was payable as follows:

On Application	Rs.2 per share
On Allotment	Rs.3 per share
On First & Final Call	Rs.5 per share

Applications were received for 97,000 shares. Allotment was made on the following

- basis:
- (i) To applicants for 45,000 shares – Full
  - (ii) To applicants for 50,000 shares – 50%
  - (iii) To applicants for 2,000 shares – nil.

All the money due were received in full except for 300 shares on which First & Final Call money was in arrears.

(a) Which value has been affected by the rejection of application of category (iii) applicants? suggest a better alternative for the same.

(b) Pass journal entries in the books of R ltd to record the above transactions. (8)

**PART ' B '**

19. X Ltd has a Current Ratio of 2:1. If the money is collected from debtors, will the ratio increase or decrease or will not change? (1)
20. Payment of dividend to shareholders is what type of activity? (1)
21. Interest received by a Financing company will result in inflow, outflow or no flow. (1)

22. List the items which are shown under the heading, "Non-Current Assets" in the Balance sheet of a company as per provisions of Schedule VI, of the Companies Act 1956.(3)

23. Prepare a Comparative Income Statement with the following information:

<b>Particulars</b>	<b>2010</b>	<b>2011</b>
Net Sales	20,00,000	25,00,000
Cost of Goods Sold	60% of Sales	60% of Sales
Indirect Expenses	10% of Gross Profit	
Income Tax	50% of Net Profit before Tax	(4)

24. Find the value of Opening Stock when Closing Stock is 15,000 more than Opening Stock. Stock Turnover Ratio is 6 times and cost of goods sold is 3,00,000. (4)

25. From the following summarized balance sheet of a company, calculate cash flow from operating activities:

<b>Particulars</b>	<b>31-3-2010</b>	<b>31-3-2011</b>
<b>I. Equity and Liabilities</b>		
<b>Shareholder's Funds</b>		
Equity Share Capital	1,00,000	1,00,000
Reserves and Surplus	30,000	60,000
<b>Non-Current Liabilities</b>		
Debentures	60,000	80,000
<b>Current Liabilities</b>		
Creditors	30,000	35,000
Bills Payable	30,000	10,000
Other Current Liabilities	40,000	45,000
<b>Total</b>	<b>2,90,000</b>	<b>3,30,000</b>
<b>II Assets</b>		
<b>Non-Current Assets: Fixed Assets</b>	1,50,000	1,90,000
<b>Non-Current Investments</b>	40,000	30,000
<b>Current Assets:</b>		
Stock	40,000	55,000
Debtors	40,000	45,000
Cash	20,000	10,000
<b>Total</b>	<b>2,90,000</b>	<b>3,30,000</b>

Additional Information:

- (i) Depreciation charged during the year amounted to Rs.22,000.
- (ii) Dividend paid during the year amounted to Rs.12,000.