

CLASS XII

SAMPLE PAPER

ACCOUNTANCY

M.M. 80

Time :- 3 hrs.

(Accounting for not-for-profit organizations, partnership firms and companies)

1. What is meant by dissolution of firm? 1.
2. How will you treat the sale of fixed assets at loss while preparing income and expenditure account. 1.
3. Pass journal entry at the time of issue when debentures are issued at premium but redeem at premium. 1.
4. Give the average period in months the charging interest on drawing for the same amount withdrawn at the end of each quarter. And accounts are closed after 9 months (i.e. 30th September) 1.
5. X:Y:Z are partners profit sharing ratio in the ratio 2:2:1, now they want to change their ratio which is equal. Goodwill of the firm's is Rs. 6,000. Pass journal entry. 1.
6. Calculate what amount will be posted to income and expenditure account for the year ending 31st march 2007

Expenses paid during the year 2006-07	32,300	
Prepaid expenses on 1 st April 2006	800	
Outstanding expenses on 1 st April, 2006	3,000	
Prepaid expenses on 31 st March, 2007	1,000	
Outstanding expenses on 31 st March, 2007	1,200	3.
7. Mona Ltd. acquired assets of Rs 50 lakhs and took over creditors of Rs. 5 lakhs from Ramesh enterprises. Mona Ltd. Issued 8% debentures of Rs. 100 each at a premium of 25% as purchase consideration. Record necessary journal entries in the books of Mona Ltd. 3.
8. Pass the necessary journal entries at the time of dissolution of the firm:-
 - a. Realization expense amounting to Rs. 5,000 was paid by Anil, one of the partners.

- b. Realisation expense Rs. 4,000 born by Tanmay , personally.
- c. Amit , a partner was appointed to realize the assets , at a cost of Rs. 4,000. The actual amount of realization amounted to Rs. 3,000.

3.

9. X and Y are partners with the capital contribution of Rs. 80,000 and Rs. 60,000 respectively. Their partnership deed discloses the following .

- i) Profit sharing ratio 3:2.
- ii) Interest on capital is agreed at 5% p.a.
- iii) Y Is allowed a salary of Rs. 6,000 p.a. which has not been drawn.

Profits during the year 2010 prior to calculation of interest on capital but after changing Y's salary amounted to Rs. 24,000. A provision of 5 of this amount is to be made of commission to the manager. Prepare profit and loss Appopriation Account.

4.

10. A) Goodwill is to be calculated at two years purchase of the average of the last 3 years profit. The profit for the first year was Rs. 12,000, second year twice the profit of first year and third year one and half of the profit of the second year. Calculate the value of goodwill.

- b) A firm earns 16,200 as its annual profits, the rate of the normal profit being 10%. The assets of the firm amounted to Rs. 1,50,000. The value of the goodwill is Rs. 45,000. Find the value of outsider's liabilities.

(2+2=4)

11. Premlata Ltd. Issued 10,000 shares of Rs. 10,000 of Rs.100 each payable Rs. 20 per share on application, Rs. 30 per share on allotment and balance in two equal calls. The application and allotment money were duly received . On first call , all members pay their dues except one member holding 200 shares , while another member holding 500 shares paid for the balance due in full. Final call was not made.

Give journal entries and prepare cash book.

4.

12. A. on 1.1.2010, X Ltd. Issued Rs. 5,00,000, 8% debentures of 100 each , redeemable after 10 years . Debenture holders were given the option to get their debenture redeemed at any time after years at Rs. 105 per debenture. At the end of four years 20%, debenture holders exercised their option and got their debentures redeemed. Pass necessary journal entries at the time of redemption of debentures.

B) on 29 Feb. 2012 , Rakesh Ltd. Converted its Rs.1,00,000 , 9% debentures issued at a premium of 10% into 8% preference shares of 500 each issued at a premium of 20%. Pass necessary journal entries on the redemption of debenture.

(3+3=6)

13. Prepare income and expenditure account and balance sheet for the year ended December 31st , 2006 from the following Receipt and payment account and balance sheet of cultural club:- 6.

Receipt and payment account for the year ending December 31, 2006

Receipt	Amount	Payment	Amount
Opening cash balance	12,000	Furniture	4,000
Subscription		Telephone expenses	800
2005 2,000		Salary	
2006 22,000	24,000	2005	1,000
Entrance fees	2800	2006	4,000
Locker rent	1000	Newspapers	700
life membership fee	1200	sundry expenses	1,000
government grant	11,000	defence bonds	18,000
		land	20,000
		closing cash balance	2,500

Balance sheet for the year ending December 31, 2005

Liabilities	Amount	Assets	Amount
Advance locker rent	200	Cash in hand	12,000
subscription received in	1000	Outstanding subscription	3,000
advanced	2000	Building	35,000
Outstanding salary	10,000		
loan	36,800		
Capital fund	50,000		50,000

14. Anil , jatin and Ramesh were sharing profit in the ratio of 2:1:1. Their balance sheet as at 31.12.2009 stood as follows:-

liabilities	Amount	Assets	Amount
Creditors	24,400	Cash	1,00,000

Bank loan	10,000	Debtors 20,000	
P&L A/C	18,000	Less:- prov: 1,600	18,400
B/P	2,000	Stock	10,000
Anil's capital	50,000	Land and building	20,000
Jain's Capital	40,000	Investment	14,000
Ramesh's Capital	40,000	Goodwill	22,000

Ramesh died on 16 June 2010 . The following adjustments were agreed upon :-

- A) Building is appreciated by Rs. 2,000.
- B) Investment is valued at 10% less than the book value.
- C) All debtors (expect 20% which are considered as doubtful) were good.
- D) Stock is increased by 10 %.
- E) Goodwill is valued at 2 years purchase of the average profits of the past five years.
- F) Ramesh's share of profit to the date of death be calculated on the basis of the profit of the preceding four years. Profits for the years 2005,2006, 2007 and 2008 were Rs. 26,000 , Rs. 22,000 , Rs.20,000 and Rs. 24,000 respectively.

Prepare Revaluation Account , Partners capital , Ramesh's executors' account and balance sheet immediately after Ramesh's death assuming that Rs. 18,425 be paid immediately to his executors and balance to be left to the Ramesh's executors' account.

6.

15. Himanshu Ltd. Invited application for 20,000 shares of Rs. 10 each at a premium of rs. 2 per share. The share were payable as follows :-

On Application Rs. 2

On allotment Rs. 5 (including premium)

On first call Rs. 2

On second call Rs. Balance

Application were received for 30,000 shares and allotment on prorata basis was made to the application of 24,000 shares. Applications for remaining shares were refunded.

Gaurav a holder of 800 shares failed to pay the allotment and call money. Kapil a holder of 1200 shares failed to pay the two calls and these shares were forfeited after the final call and reissued at Rs.8 per share fully paid.

Pass the necessary journal entries by showing the working clearly. 8.

Or

Sangeeta Ltd. Invited application for issuing 60,000 shares of Rs. 10 each at 10% Discount. The amount was payable as follows:-

Application 2 per share.

Allotment 3 per share

On first and final call balance

Applications were received for 92,000 shares. Allotment was made on the following basis :-

To applicants for 40,000 shares – full

To applicants for 50,000 shares – 40%

To applicants for 2,000 shares – nil

X applied for 1,000 shares failed to pay allotment money and call money. And his shares were forfeited after final call. Out of this 50% shares were reissued @ 8, fully paid up.

Pass journal entries in the books of sangeeta Ltd.

16. A and B were in partnership sharing profit and losses in the ratio of 1:4 . on 31st march 2010, their balance sheet stood as follow :-

Liabilities	Amount	Assets	Amount
B/P	8,000	Cash	7,000
Employees provident fund	2,000	Sundry debtors 16,000	
General reserve	5,000	Less :- provision 1,000	15,000
Capital :-		Land	23,000
A 20,000		Furniture	40,000

B 50,000	70,000		
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On 1st April 2010, C was admitted to the partnership on the following terms :-

- C was entitled to 2/7 share in profits.
- C will introduce Rs. 40,000 as his capital and pay Rs. 20,000 to the partners as premium privately.
- The book value of furniture would be decreased by 10,000.
- 20% of the reserve is to remain as provision for doubtful debts.

You are required to prepare Revaluation account, partners' capital accounts & balance sheet of new firm.

Or

A, B and C were partners in a firm whose balance sheet as on 31st March 2012 was as follows:-

Liabilities	Amount	Assets	Amount
Creditors	7,096	Cash	6496
general reserve	3,000	debtors	9000
Capitals :-		Stock	10,600
A	8,000	furniture	2,000
B	6,000		
C	4,000		
	28096		28.096

B retired on that date and in this connection it was decided to make the following adjustments:-

- To reduce stock and furniture by 5% and 10% respectively.
- To provide for doubtful debts at 5% on debtors.
- Rent outstanding (not provided for as yet) was Rs. 260. Goodwill was valued at Rs. 4,200. A and C decided not to show goodwill in the books.
- New ratio of A and C is 5:3.
- To bring in sufficient cash to pay off B immediately and to leave a balance of Rs. 1,000 in the bank. B was paid off.

Give journal entries to record the above and draft the balance sheet of the new firm 8.

Part: - B (Analysis of financial statement)

17. Name two parties who may be interested in analysis of financial statement.

1.

18. How will you treat “redemption of debenture “while preparing cash flow statement as per AS-3 (revised).

1.

19. Classify the following activities as (a) operating activities , (b) investing activities and (c) financing activities.

(i) Dividend paid by financial enterprises.

(ii) Dividend received by other than financial enterprises.

1.

20. From the following information compute dividend per share:-

(i) Profit before tax Rs. 12,00,000

(ii) Tax Rate 50%

(iii) Equity share (50,000 shares of Rs. 100 each)

(iv) 20% of the profit is retained by the company and remaining is distributed as dividend.3

21. Prepare a common size income statement from the following income statement and give suitable comment.

4.

Particulars	2000	2001	Particulars	2000	2001
To cost of goods sold	2,20,000	3,35,000	By net sales	2,50,000	3,50,000
To gross profits	30,000	25,000			
To salaries	12,000	13,000	By gross profits	30,000	25,000
To administration exp.	1,000	500			
To advertisement exp.	5,000	1000			
To net profit	12,000	10,500			

22. From the following particulars , calculate (A) cash flow from operating activities , (b) investing activities and (c) financing activities.

Particulars	31-3-2009	31-3-2010
Machinery	30,000	35,000
Proposed dividend	2,000	2,500
general reserve	10,000	15,000
provision for taxation	7,000	8,000
provision for depreciation on machinery	30,000	35,000
Outstanding exp.	5,000	3,000
Share capital	2,50,000	2,90,000
Goodwill	20,000	10,000
Investment (long term)	2,00,000	3,00,000
Debtors	40,000	35,000
Investment (short term)	15,000	18,000
cash	20,000	22,000

Additional information:-

A part of the machinery costing Rs. 12,000 having book value of Rs. 9,000 was sold for Rs. 12,000 during 2009-2010.

6.

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