

# CLASS XII

## GUESS PAPER

### ACCOUNTACY

Time Allowed – 3 Hrs

Max. Marks – 80

General Instructions:-

1. This question paper contains two parts A and B
2. All questions are compulsory
3. Marks are mentioned against the question

**'Part A'**

**Accounting for Not for Profit Organisations, Partnership Firms and Companies**

1. State any two factors affecting the goodwill of a partnership firm. (1)
2. When does partnership firm needs to value his goodwill? State any two circumstances. (1)
3. A Cricket Club received Rs. 5,000 as donation for tournament. State the nature of this receipt. (1)
4. State the maximum rate of discount at which shares can be issued as per section 79 of the Companies Act, 1956. (1)
5. Give any two circum stances in which the fixed capitals of partners may change. (1)
6. Subscriptions received during the year ended December 31, 2010, by XYZ club were as under:  
2009.....60,000  
2010.....1,20,000  
2011.....20,000  
The club has 500 members each paying @ Rs. 250 as annual subscription. Subscription outstanding as on December 31, 2009 were Rs. 72,000. The club has received subscription of 5 members in advance in 2009 for 2010. Calculate the amount of the subscriptions to be shown as income in Income and Expenditure account for the year ended March 31, 2010 and show the relevant data in the Balance Sheet on March 31, 2009 and 2010. (3)
7. As per company Act 1956, State the use of Security premium. (3)

8. SD Ltd. forfeited 20 share of Rs. 10 each (Rs. 7 called up), issued at a discount of 10% to Neetu on which she had paid Rs. 2 per share. Out of these, 18 shares were reissued to Meetu as Rs. 7 called up for Rs. 6 Per share. Give journal entries to record the forfeiture and reissue of shares. (3)
9. Priyanka, Preeti and Puspa are partners sharing profits in the ratio of 3:2:1. Their fixed capitals are: Priyanka Rs. 1,20,000; Preeti Rs. 90,000 and Puspa Rs. 60,000. And their drawings during the year were Rs. 60,000, Rs. 45,000 and Rs. 30,000. For the year 2007-08, interest on drawings debited to them @ 6% p.a. instead of 5% p.a. Record adjustment entry. (4)
10. A and B sharing profits and losses in the ratio of 3:1. They admit C as new partner for 1/5th share who pays Rs. 30,000 as capital. They decided to share profits in future in the ratio of 3:1:1. The goodwill of the firm is to be based on 3 years' purchase of the average of 4 years' profits, which were Rs. 15,000, Rs. 12,000, Rs. 18,000, and Rs. 19,000. C was unable to bring cash for his goodwill share. If goodwill appears in the books of firm at Rs. 40,000. Give journal entries for treatment of goodwill (4)
11. RK Ltd issued Rs. 5,00,000, 7% debentures of 50 each. Pass necessary journal entries in the books of company for the issue of debentures when debentures were
- Issued at 4% premium, redeemable at 5% premium
  - Issued at par, redeemable at 8% premium
- (4)
12. Following is the Receipt and Payment Account of Indian Sports Club, prepared Income and Expenditure Account for the year ended December 31, 2008:

**Receipt and Payment Account**  
**For the year ending December 31, 2008**

Receipts	Amount	Payments	Amount
----------	--------	----------	--------

Balance b/d	7,890	Salary	11,000
Subscription	52,000	Electricity charges	5,500
Life membership fee	2,200	Billiard table	17,500
Entrance fee	3,200	office expenses	4,100
Tournament fund	26,000	Printing & stationery	2,300
Locker rent	1,250	Tournament expenses	18,500
Sale of old sports goods (Costing Rs. 2,200)	2,500	Repair of ground	2,000
Sale of old newspaper	750	Furniture purchased	7,700
Legacy	37,500	Sports equipments	12,000
		Cash in hand	12,690
		Cash at bank	10,000
		Fixed deposit (On 1.10.08 for @ 10%)	30,000
	1,33,290		1,33,290

#### Additional Information:

Subscription outstanding was on December 31, 2007 Rs. 1,200 and Rs. 3,200 on December 31, 2008. Locker rent outstanding on December 31, 2008 Rs. 250. Salary outstanding on December 31, 2008 was Rs. 1,000.

On January 1, 2008, club has Building Rs. 36,000, furniture Rs. 12,000. Sports equipments Rs. 17,500. Depreciation charged on these items @ 10% (including purchase). (6)

#### 13. Pass necessary journal entries for redemption of debentures .

- (a). G Ltd had 8,00,000 9% debentures due for redemption. The company had balance of ` 2,00,000 in its debentures Redemption Reserve Account.
- (b). X Ltd redeemed 2,000, 10% debentures of ` 100 each by purchasing in the open market for immediate cancellation at `92 a debenture
- (c). B Ltd Redeemed 2,500, 13% Debentures of `100 each by converting them in to equity shares of `10 each at premium of 25% (6)

#### 14. You are given the Balance Sheet of X, Y and Z who are partners sharing profits in the ratio of 2:2:1, as on 31<sup>st</sup> march 2008:

Liabilities	Amount	Assets	Amounts
Creditors	40,000	Goodwill	30,000
Reserve	150,000	Fixed Assets	60,000
Capitals:		Stock	10,000
X 30,000		Sundry Debtors	20,000
Y 25,000		Cash at Bank	1,40,000
Z 15,000	70,000		
	2,60,000		2,60,000

Y died on 15<sup>th</sup> June 2008. According to the deed, his legal representatives were entitled to:-

- (i). Balance in capital account.  
(ii). Share of goodwill valued on the basis of thrice of the average of the past 4 years' profits.  
(iii). Share in profits upto the date of death on the basis of average profits for the past 4 years. Interest on Capital A/C @ 12% p.a.  
(iv). Profits for the years ending on 31<sup>st</sup> March of 2004, 2005, 2006, 2007 and 2008 respectively were Rs. 20000, Rs. 15000, Rs. 17000, Rs. 19000 and Rs. 13000.

Y's legal representatives were to be paid the amount due. X and Z continued as partners by taking over Y's share equally. Prepare Y's executors account. (6)

15. X, Y and Z were partners in firm sharing profits and losses in the ratio of 3:2:1 respectively.

Liabilities	Amount	Assets	Amounts
Sundry Creditors	1,00,000	Land and Buildings	5,00,000
Profit and loss account	3,00,000	Furniture	1,50,000
Capitals: X	3,00,000	Stock	2,00,000
Y	2,00,000	Sundry Debtors	1,25,000
Z	1,00,000	Cash at Bank	25,000
	10,00,000		10,00,000

M is to admit for 1/6th as a partner on the following terms:

- (i) M will bring Rs. 1,50,000 as capital and Rs. 1,20,000 as premium for goodwill. Half of goodwill will be withdrawn by the partners.  
(ii) The claim of a creditor for Rs. 23,000 is paid as Rs. 20,000.  
(iii) Land and Building increased to Rs. 5,60,000. furniture depreciated to 80%.  
(iv) Stock valued at Rs. 1,60,000 and bad debts Rs. 5,000.  
(v) 50% of the general reserve is withdrawn by the partners.

Prepare Revaluation account, partner's capital and Balance Sheet of the new firm. (8)

Or

Ram, Shyam and Mohan were sharing profits and losses in proportion to their capitals. Their Balance Sheet as at 31st December, 2007 was as follows:

Liabilities	Rs.	Assets	Rs.
Sundry creditors	43,200	Machinery	96000
Capitals:		Building	2,00,000
Ram	1,60,000	Stock	36000
Shyam	1,20,000	Debtors	40000
Mohan	80,000	Less: Provision	800
		Bank	32000
	4,03,200		4,03,200

Shyam decided to retire due to old age. They agreed to the following adjustments in the books of accounts to decide Shyam's share:

- (i) Out of the insurance premium paid, Rs. 6,000 to be treated as Unexpired insurance premium.
  - (ii) Machinery depreciated to 80%. Building is appreciated to 120%.
  - (iii) The provision for bad and doubtful debts to be increased to 5% on debtors.
  - (iv) Goodwill of the firm is to be valued at Rs. 72,000.
  - (v) Capital of the new firm is fixed at Rs. 3,60,000.
- Prepare necessary ledger accounts and the Balance Sheet of the new firm.

**16.** Y Ltd. invited applications for issuing 200000 equity shares of Rs. 10 each. The amount was payable as follows:

On Application	Rs. 2
On Allotment	Rs. 5
On first and final call	Rs. 3

Applications for 400000 shares were received and the allotment was made as follows:

Category	Shares Applied for	Shares Allotted
I	50000	40000
II	100000	30000
III	250000	130000

All the shares were allotted on Pro-Rata basis and excess application money was adjusted towards sum due on allotment.

Sonu, who belonged to category I and to whom 600 shares were allotted, failed to pay the allotment money. His shares were forfeited immediately after allotment was not received. Monu, who belonged to category III and who had applied for 250 shares, failed to pay the final call money. His shares were forfeited after the final call. The forfeited shares were re-issued at a discount of 10% fully paid up. Pass necessary journal entries. **(8)**

**OR**

H Limited issued a prospectus inviting applications for 2000 shares of Rs. 10 each at a premium of 20% per share payable as follows:

On application	Rs. 2
On allotment	Rs. 5 (including premium)
On first call	Rs. 3
On final call	balance

Applications were received for 3000 shares and pro-rata allotment made on the application for 2400 shares. Money overpaid on application was employed on account of sum due on allotment.

Ram, to whom 40 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call his shares were forfeited. Laxman, who applied for 72 shares failed to pay the two calls, and his shares were forfeited after the second call.

Of the shares forfeited, 80 shares were sold to Krishna credited as fully paid for Rs. 11 per shares, the whole of Ram's shares being included. Show Journal entries.

### **Part -B** **Financial Statement Analysis**

17. Under which heading of Balance Sheet as per Schedule VI, Securities premium and Live Stock will be shown? (1)
18. If the Current Ratio is 2:1, state whether 'Cash collected from Debtors' would Improve, reduce or not change the ratio. State with reason. (1)
19. Classify the following into Operating Activities, Financing Activities and Investing Activities (i) Interest paid on debentures by a financial enterprise. (ii). Interest received on the Investment. (1)
20. A company had a liquid ratio of 1.5 and current ratio of 2 and inventory turnover ratio 6 times. It has total current assets of Rs. 8,00,000 in the year 2008. Find out annual sales if goods are sold at 25% profit on cost. (3)
21. Calculate any two of the following ratios from the given information:
  - (i) Operating Ratio
  - (ii) Stock Turnover Ratio
  - (iii) Proprietary ratio

**Information:-** Net sales Rs. 3,75,000; cost of Goods sold Rs. 108,500; Administrative Expenses 42,000; selling expenses Rs. 47,500; Share capital Rs. 8,00,000; Reserves Rs. 3,50,000; Long term loans Rs. 8,20,000; Fixed assets (net) Rs. 4,62,000; Investments Rs. 2,42,500; debtors Rs. 72,000; Opening stock Rs. 2,00,000; Closing stock Rs. 2,20,000 and Bank Balance Rs. 3,15,000. (2+2)
22. from the following data, prepare statement of profits in Comparative form.

Particular	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2008
------------	------------------------------	------------------------------

Sales	50,00,000	45,00,000
Gross Profit	26%	46%
Office & Administrative Expenses	9,90,000	9,40,000
Income Tax Rate	50%	50%

(4)

23. from the following Balance Sheets, prepare a Cash Flow statement as per AS-3

#### BALANCE SHEET

Liabilities	2007	2008	Assets	2007	2008
Share Capital	11,000	15,000	Cash in Hand	8,300	10,380
Sundry Creditors	4,200	2,700	Sundry Debtors	3,600	3,450
Profit and Loss A/C	600	780	Stock	2,400	2,700
			Land And Building	1,500	1,950
	15,800	18,480		15,800	18,480

Additional Information:- Dividend of Rs. 2,500 was paid during the year 2008.

(6)

OR

From the following particulars, calculate the cash flow from operating activities

Particulars	31.3.2008	31.3.2007
Profit and Loss Account	35,000	30,000
General reserve	15,000	10,000
Provision for Depreciation on Plant	35,000	30,000
Outstanding expenses	3,000	5,000
Goodwill	10,000	20,000
Sundry debtors	35,000	40,000

An item of Plant costing Rs. 20,000 having book value of Rs. 14,000 was sold for Rs. 18,000 during 2007-08