

CLASS XII

GUESS PAPER

ACCOUNTANCY

Time allowed: 3 Hours

Maximum Marks: 80

General Instructions:

- i. Answer all the questions.
- ii. Each question carries marks indicated against it.
- iii. Answers to theory questions to be brief and to the point.
- iv. Use of calculator not allowed.
- v. Without narration journal entry will treated as incomplete.
- vi. Show working notes clearly wherever necessary.

ACCOUNTING FOR NOT FOR PROFIT ORGANISATION, PARTNERSHIP FIRMS AND COMPANIES

1	Give two main sources of income of not- for – profit organizations.	1
2	Write two items of credit side of current accounts.	1
3	How the goodwill is valued under the capitalization of Average Profits method?	1
4	A and B who shared profits in the ratio of 3:1 admit C as a new partner for 1/4 th share in profits, which he acquires equally from the old partners. What will be the new profit sharing ratio?	1
5	A, B, and C are partners sharing profits in the ratio of 5:2:1. If the new ratio on the retirement of C is 5:2, what will be the gaining ratio?	1
6	Calculate the value of opening stock of stationery in the year 2008 1- Stock of stationery on 31st December 2008 Rs 6,236. 2- Creditors of stationery on 1st January 2008 Rs 5,896. 3- Creditors of stationery on 31st December 2008 Rs 9,461. 4- Advance paid for stationery on 1st January 2008 Rs 9,189. 5- Advance paid for stationery on 31st December 2008 Rs 3,180. 6- Amount paid for stationery during the year 2008 is Rs 99,873. 7- Stationery consumed during the year 2008 is Rs 1,11,777	3

7	<p>X Ltd forfeited 1,000 shares of Rs 10 each issued at 10% premium to Shyam (Rs 9 called up) on which he did not pay Rs 3 of allotment (including premium) and first call of Rs 2. Out of these, 600 shares were re-issued to Ram as fully paid up for Rs 8 per share and 200 shares to Kumar as fully paid up @ Rs 13 at different intervals of time.</p> <p>Give journal entries for forfeiture and reissue of shares.</p>	3									
8	<p>Abhay limited company has issued 20,000, 14% Debentures of Rs 100 each at 10% Discount and repayable at 20% premium after 5 years. Prepare journal entry regarding issue of debentures.</p>	3									
9	<p>A and B are partners sharing profits and losses in the ratio of 4:1. They admit Shyam into partnership for 1/6th share for which he pays Rs 3,00,000 as capital and Rs 80,000 for goodwill. A, B and Shyam decide to share future profits in the ratio of 3:2:1. Give the necessary journal entries.</p>	4									
10	<p>X and Y were partners in a firm sharing profit in the ratio of 3:2. On 1-1-2001 their fixed capitals were Rs 3,00,000 and Rs 2,50,000 respectively. On 1-7-2001 they decided that their total capital (fixed) should be Rs 6,00,000 in their profit sharing ratio. Accordingly, they introduced extra capital or withdraw excess capital. The partnership deed provided for the following:</p> <p>(1) Interest on capital @ 12% p.a. (2) Interest on drawing 18% p.a. (3) A monthly salary of Rs 2,000 to X and a monthly salary of Rs 1,500 to Y. The drawings of X and Y during the year were as follows :-</p> <table border="1" data-bbox="210 1122 1485 1290"> <thead> <tr> <th>DATE</th> <th>X (Rs)</th> <th>Y(Rs)</th> </tr> </thead> <tbody> <tr> <td>JUNE 30</td> <td>20,000</td> <td>15,000</td> </tr> <tr> <td>SEPTEMBER 30</td> <td>20,000</td> <td>25,000</td> </tr> </tbody> </table> <p>During the year ended 31st December, 2001 the firm earned a net profit of Rs 1,50,000. 10% of this profit was to be transferred to General Reserve.</p> <p>You are required to prepare :-</p> <ol style="list-style-type: none"> 1- Profit and Loss Appropriation Account. 2- Partner's capital account. And 3- Partner's current account. 	DATE	X (Rs)	Y(Rs)	JUNE 30	20,000	15,000	SEPTEMBER 30	20,000	25,000	4
DATE	X (Rs)	Y(Rs)									
JUNE 30	20,000	15,000									
SEPTEMBER 30	20,000	25,000									
11	<p>a Jay limited company has issued 20,000, 14% Debentures of Rs 100 each at par and repayable at 20% premium after 5 years. At the time of redemption debentures were converted into Equity shares of Rs 10 each at 40% discount. Prepare journal entry regarding conversion of debentures.</p>										
	<p>b Reno ltd purchased its own 300, 9% debentures of Rs 100 each at Rs 95 for immediate cancellation. The expenses (brokerage) paid at the time of purchase amounted to Rs 200. Pass necessary journal entries.</p>	4									
12	<p>Marinara motor company issued 21,000, 11% Debentures of Rs 100 each on March 31, 2002 at 10% discount and redeemable at a premium of 15% on 30th June, 2009. The Board of Directors decided to transfer the required amount to Debenture Redemption Reserve in three equal annual installments starting with March 31, 2007. Record necessary journal entries</p>	6									

regarding issue and redemption of debentures. Ignore entries relating to writing off loss on issue of debentures and interest paid thereon.

13 From the following receipts and payment Account and additional information relating to Vijay sports club, Mumbai, prepare Income and Expenditure Account for the year ended December 31st, 1985 and Balance Sheet as on that date.

Receipts		Amount	Payments		Amount
To balance b/d			By crockery purchased		265
Cash		352	By maintenance		682
Bank		2,738	By match expenses		1,324
Fixed deposit at 6% p.a		3,000	By salaries		1,100
To membership subscription (including Rs 600 for 1984)		4,000	By conveyance		82
To entrance fees		300	By upkeep of lawn		424
To donation		500	By postage stamps		105
To interest on fixed deposit		90	By sports material		972
To tournament fund		2,000	By sundry expenses		200
To sale of crockery (book value Rs 120)		200	By investment		570
			By tournament expenses		1,880
			By balance c/d		
			Cash		244
			Bank		2,332
			Fixed deposit at 6% p.a		3,000
		13,180			13,180

INFORMATION:-

1	Half of the entrance fees and 40% of the donations are to be capitalized.	
2	Monthly salary is Rs 100.	
3	The value of unused postage stamps is as follows:	31st Dec.,1984, Rs 80
		31st Dec.,1985, Rs 100
4	Stock of sports material is as follows:	31st Dec.,1984, Rs 320
		31st Dec.,1985, Rs 280
5	Arrear of membership subscription:	31st Dec.,1984, Rs 660
		31st Dec.,1985, Rs 800
6	Creditors of sports material as follows	31st Dec.,1984, Rs 195
		31st Dec.,1985, Rs 150

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14 A, B and C were partners in a firm sharing profits in the ratio of 5:3:2, on 31st March, 2005 their Balance Sheet was as under:

Liabilities	Amount	Assets	Amount
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Creditors	17,000	Building	20,000
Reserves	25,000	Machinery	30,000
Profit and loss A/C	40,000	Stock	10,000
Capital Account		Patents	8,000
A- 30,000		Goodwill	15,000
B- 25,000		Debtors	25,000
C- <u>15,000</u>	70,000	Cash	44,000
	1,52,000		1,52,000

C died of 31st December, 2005. it was agreed between his executors and the remaining partners that :

1. Goodwill be valued at 2 years purchase of the average profits of the previous five years, which were 2001: Rs 15,000; 2002: Rs 13,000; 2003: Rs 12,000; 2004: Rs 15,000; and 2005: Rs 20,000.
2. Patents be valued at Rs 12,000; Machinery at Rs 40,000; Building at Rs 23,000.
3. Profit for the year 2005-2006 to be taken as having accrued at the same rate as the previous year.
4. Create 5% provision on debtors for bad and doubtful debts.
5. Interest on capital to be provided at 10% p.a.
6. There is outstanding repair bill found for Rs 8,500 during revaluation.
7. A sum of Rs 10,000 paid to his executor's immediately.
8. A creditor for Rs 1,000 is not traceable for a number of years and the amount is to be written back.

Prepare C's capital account and his executor's account at the time of death.

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15 A and B are partner's sharing profits and losses in the ratio of 3:2. On 31st March, 1995, their Balance Sheet was as follows :-

Liabilities	Amount	Assets	Amount
Capital Accounts:-		Goodwill	5,000
A	60,000	Plant and Machinery	65,000
B	50,000	Furniture	15,000
General Reserves	10,000	Investments	20,000
Creditors	50,000	Stock	20,000
		Debtors	30,000
		Cash in hand	15,000
	1,70,000		1,70,000

C was admitted on the following terms :-

- A- C is to bring capital Rs 40,000 and goodwill Rs 15,000.
- B- Partners agreed to share the future profits in the ratio of 5:3:2.
- C- Investments will be appreciated by 20% and furniture depreciated by 10%.
- D- One customer who owed the firm Rs 8,000 becomes insolvent and nothing could be realized from him.
- E- A creditor for Rs 2,000 is not traceable for a number of years and the amount is to be written back.
- F- Outstanding bills for repairs Rs 4,000 will be provided for.
- G- Interest accrued on investments Rs 12,000.
- H- That after making the above adjustments, the capital accounts of old partners be adjusted on the basis of the proportion of C's capital to his share in business, i.e, by opening necessary **current accounts** as the case may be.

Prepare the revaluation account, partner's capital account and balance sheet of the new firm.

OR

Naved and Javed are partners. Their balance sheet on 31st December 2008 is as follows

Liabilities	Amount	Assets	Amount
Capital :- Naved	1,80,000	Cash	97,800
Javed	2,20,000	Debtors	40,000
Workmen's compensation fund	1,24,000	Less-provision	<u>1,800</u>
Investment fluctuation fund	36,000	Machinery	30,000
Bills payable	12,000	Investment	2,00,000
Creditors		Building	1,90,000

		15,000	Profit and loss A/C	31,000	
		5,87,000		5,87,000	
	<p>They admit Sajid as a new partner and the new ratio among them will be 3:2:1.</p> <ol style="list-style-type: none"> 1- Sajid brings Rs 1,00,000 as capital and his share of goodwill in cash. 2- Goodwill of the firm is valued at Rs 60,000. 3- Investment is valued at Rs 2,20,000 and building at Rs 1,54,000. 4- Machinery is valued at Rs 40,000 and taken over by old partners. 5- The liability of worker's compensation is about 20,000 only. 6- Create 10% provision for bad and doubtful debts and 5% discount on debtors and creditors. <p>That after making the above adjustments, the capital accounts of old partners be adjusted on the basis of the proportion of Sajid's capital to his share in business, i.e, actual cash to be brought in by the old partners as the case may be. Prepare the revaluation account, partner's capital account and balance sheet of the new firm.</p>				8
16	<p>MAHINDRA Ltd invited applications for issuing 50,000 shares of Rs 10 each at 30% premium per share payable as follows:-</p> <p>On Application Rs 2 per share On Allotment Rs 6 per share (including premium Rs 3) On First call Rs 3 per share On Final call Rs 2 per share.</p> <p>Applications were received for 80,000 shares and pro rata allotment was made as follows: -</p> <p>Category A: - Applicants for 40,000 shares were allotted 30,000 shares. Category B: - Applicants for 30,000 shares were allotted 20,000 shares. Category C: - Applicants for 10,000 shares were rejected.</p> <p>Money overpaid on application was applied towards sums due on allotment and calls. Mr Vivek the owner of 900 shares related to category A not paid the allotment and calls. Mr Watson the owner of 400 shares related to category B not paid the allotment and calls. The shares of Vivek and Watson were forfeited after the final call and all the shares of Vivek are reissued for Rs 10,500 fully paid up. Prepare journal entries in the books of the company to record the above transactions.</p>				
	OR				
	<p>Samsung Ltd invited applications for issuing 50,000 shares of Rs 10 each at 10% discount per share payable as follows:-</p> <p>On Application Rs 3 per share On Allotment Rs 2 per share On First call Rs 2 per share On Final call Rs 2 per share.</p> <p>Applications were received for 1,20,000 shares and pro rata allotment was made as follows:</p> <p>Category A: - Applicants for 70,000 shares were allotted 20,000 shares. Category B: - Applicants for 40,000 shares were allotted 30,000 shares. Category C: - Applicants for 10,000 shares were rejected.</p> <p>Money overpaid on application was applied towards sums due on allotment and calls. Mr Watson the owner of 900 shares not paid allotment and both the calls.</p>				

His shares were forfeited after the final call and only 600 shares were reissued @ Rs 7 per share fully paid up.
Prepare journal entries in the books of the company to record the above transactions.

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ANALYSIS OF FINANCIAL STATEMENTS

- 17** List any two items that can be shown under the heading 'MISCELLANEOUS EXPENDITURE' in a company's Balance Sheet. **1**
- 18** Give two examples of cash flow from financing activity. **1**
- 19** State whether the payments of cash to creditors will result in inflow, outflow or no flow of cash. **1**
- 20** Prepare a comparative income statement of Nokia Ltd, with the help of the following information:-

	31-3-2000	31-3-2001
	Rs	Rs
SALES	5,00,000	8,00,000
COST OF GOODS SOLD	3,00,000	5,00,000
PURCHASES	40,000	20,000
CARRIAGE INWARD	4,000	6,000
INDIRECT EXPENSES	30,000	40,000
INCOME TAX	30%	50%

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- 21** Following is the balance sheet of LG Electronics Ltd for the year 1998 and 1999

Liabilities	1998	1999	Assets	1998	1999
Share capital	3,19,000	4,26,000	Building	4,19,000	3,09,000
Profit and loss	2,16,000	1,17,000	Furniture	1,76,000	2,40,000
11% Debentures	1,14,000	2,19,000	Debtors	90,000	2,14,000
Bills Payable	59,000	45,000	Cash at Bank	70,000	38,000
Creditors	61,000	45,000	Stock	65,000	79,000
Unclaimed Dividend	81,000	48,000	Preliminary Expenses	30,000	20,000
	8,50,000	9,00,000		8,50,000	9,00,000

Calculate:-

- 1- Liquidity ratio for the year 1998.
- 2- Any two Solvency ratios for the year 1999.

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- 22** Following is the balance sheet of SONY Electronics Ltd for the year 2010. From the following information prepare Balance Sheet according to the Horizontal form as per Schedule VI of the companies Act 1956.

Liabilities	2010	Assets	2010
Share capital	6,00,000	Machinery	8,00,000
General Reserve	7,00,000	Building	3,00,000
11% Debentures	3,00,000	Furniture	1,00,000
Creditors	84,000	Sundry Debtors	4,50,000
Bills Payable	3,28,000	Stock in Trade	2,55,000
Outstanding Expenses	8,000	Cash at Bank	95,000
		Preliminary Expenses	20,000
	20,20,000		20,20,000

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- 23** Prepare a cash flow statement from the following information :-

Liabilities	1998	1999	Assets	1998	1999
Equity shares	2,50,000	3,50,000	Goodwill	1,00,000	90,000
Profit and Loss	1,10,000	1,50,000	Machinery	2,65,000	3,85,000
12% Debentures	1,50,000	1,00,000	Furniture	1,00,000	60,000
Creditors	70,000	95,000	Stock	50,000	80,000
Bills Payable	70,000	10,000	Debtors	1,60,000	1,10,000
Provision for taxation	80,000	95,000	Bills Receivable	25,000	45,000
			Cash at Bank	18,000	20,000
			Share Discount	12,000	10,000
	7,30,000	8,00,000		7,30,000	8,00,000

- INFORMATION (1) Depreciation charged on machinery is Rs 1,45,000.
 (2) Depreciation charged on furniture is Rs 15,000.
 (3) Tax paid Rs 88,000 during the year.

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