CLASS XII
SAMPLE PAPER
ACCOUNTANCY

Time Allowed - 3 Hrs. ***Max. Marks – 80***

General Instructions:

1. This question paper contains three parts A, B and C.

2. Part A is compulsory for all.

3. Attempt only one part of the remaining parts B and C.

4. All parts of questions should be attempted at one place.

PART – A

(Not for Profit Organizations, Partnership Firms and Company Accounts)

Q1. How is sale of an old asset treated in case of not for profit organization? (1)

Q2. If a partnership deed is absent, how are the profits and losses of the firm are divided among the partners? (1)

Q3. What is meant by reconstitution of a partnership firm? (1)

Q4. Name the methods for calculating deceased partners share of profits. (1)

Q5. What is meant by simple or naked debentures? (1)

Q6. From the following extracts of Receipt Payment Account and additional information Compute the amount of income from subscription and show as how they would appear in the income and expenditure account for the year ending 31st March 2007 and the balance sheet as on that date.

RECEIPT AND PAYMENT ACCOUNT

FOR THE YEAR ENDING 31ST MARCH 2007

Receipts	Amount(Rs.)	Payments	Amount(Rs.)
Subscriptions: 2005-06 =7,000 2006-07=30,000 2007-08= 5,000	42,000		

Additional information:

1) Subscription outstanding on 31st March 2006 was Rs.8,5000

2) Total subscription outstanding as on 31st March 2007 18,500

3) Subscription received in advance as on 31st March 2006 Rs.4,000 (3)

Q.7 Ashish ltd. Purchased a machinery from Heera Traders valuing Rs. 4,00,000 at 10% Trade discount in consideration they paid half the amount through Bank draft and remaining half by issue of Equity share of Rs. 10 each at 10% discount. Pass necessary Journal entries in the books of Asheesh Ltd. (3)

Q.8 Can a company reissue shares at a discount? If Yes, to what extent? (3)

Q9. Pinki,Dipti and Kuku are partners sharing profits and losses in the ratio of 5:4:1.Kaku is given a guarantee that his share of profits in any given year should not be less than Rs.5,000.Defficiency ,if any, would be borne by Pinky and Dipti equally. Profit for the year amounted to Rs.4, 00,000.Record necessary journal entries in the books of the firm showing distribution of profit. 4

Q10. Sadhu, Pratap and Sneha are partners sharing in a firm sharing profits in the ratio of 3:3:2.They decided to share profits equally with effect from 1st April 2003.On the date the profit and loss account showed the credit balance of Rs.29, 000.Instead of closing the Profit and Loss account it was decided to record and adjustment entry reflecting the change in the profit sharing ratio. You are required to record the necessary journal entries to give effect to the same. 4

Q11. A company forfeited 1,300 shares of Rs.10 each issued at a discount of 10% on which application money of Rs.3 per share was paid and balance remain unpaid .These shares were reissued at Rs.9 per share as fully paid up. Pass journal entries on forfeiture and reissue of share. 4

Q12. (a)P Ltd. Issued 10,000 debentures of Rs.100 each at a discount of 10 % on the condition that the same will be redeemed at a premium of 10% after two years Pass necessary journal entries for the issue and redemption of these debentures after expiry of two years.

(b)500 12%Debentures of Rs.100 each were converted into 15% Debentures of Rs.100 each issued at a discount of 20%.Pass necessary journal entries. 6

Q13. The following is the Receipts and Payments account of the City club for the year ended 31st December, 2006

Receipts	Rs.	Payments	Rs.
To Bal. b/d		By Affiliation fee	1,000
To Subscriptions		By Furniture (July 1st)	3,000
2005 500		By sports expenses	2500
2006 15,000			
2007 1000		By sundry expenses	15200
To Life membership fee	16,500	By balance c/d	14000
To sale of scraps	12,000		
To interest on sports fund investment	200		
	2000		
	35700		35700

The club has 1600 members each paying an annual subscription of Rs. 10. Subscriptions of Rs. 450 are still in arrears for 2006. Life membership fees are to be transferred to capital fund. Sports expenses are to be met out of the sports fund. On January 2006 the club assets and liabilities includes furniture Rs. 2000, sports fund and 10% sports fund investment at Rs 30000 each. Provide depreciation on furniture @ 20 % p.a. and prepare income and expenditure account for the year ended 31st December 2006 and a Balance Sheet as on that date. 6

Q.14 A, B and C are partners sharing profits in the ratio of 5:3:2. The total capital of the firm was Rs. 400000 held by them in their profit sharing ratio. B died on 1st July 2006 and he is entitled to receive the following items:

I. A salary of Rs. 8000 p.m.
II. His share of goodwill which is to be valued at two years purchase of average profit of last three years
III. His share of profits up to the date of death which is to be calculated on the basis of average profit of last two years.
IV. Interest on capital is allowed @ 5% p.a. but no interest on drawings is to be charged. Amount withdrawn by him up to the date of death is Rs. 15000. the profit for the last three years were as follows: 2007 – Rs. 425000; 2006 – Rs 325000; 2005 - Rs. 300000.A and C shares future profits in the ratio of 3:2. Accounting year ends on December, 31st every year. Prepare B's capital account. 6

Q.15 KBC Ltd. was floated with a capital consisting of 20000 equity shares of Rs. 100 each. It offered 10000 shares of Rs. 100 each at a discount of 5% payable as follows: Rs 30 on application; Rs 35 on allotment; Rs. 30 on first and final call.

Applications were received for 20000 shares. The allotment was made as follows:- Applications for 15000 shares were allotted 10000 shares remaining applications were refused allotment. Money over paid on application was utilized towards some due on allotment. All the money due on shares was duly received. Pass necessary journal entries. 8

Q.16 A and B are partners in a firm sharing profits in the ratio of 2:1. C is admitted into the firm with 1/4th share in profit he will bring Rs. 30000 as his capital. Capital of A and B are to be adjusted in their new profit sharing ratio. The balance sheet of A and B as on 31st March 2008 was as follows:- 8

Balance Sheet

Liabilities	Amount	Assets	Amount
Creditors	8000	Cash in Hand	2000
Bills Payable	4000	Cash at Bank	10000
General Reserve	6000	Sundry Debtors	8000
Capital Accounts:		Stock in Hand	10000

A	50000		Furniture	5000
B	32000	82000	Machinery	25000
			Building	40000
		100000		100000

Other terms of agreement are as follows:-

a) C will bring in Rs. 12000 as his share of goodwill.
b) Building was valued at Rs. 45000 and machinery at Rs. 23000.
c) A provision for bad debts is to be created @ 6% on debtors.
d) The capital accounts of A and B are to be adjusted by opening current account. Prepare revaluation account, Partners capital account and a new Balance Sheet after admission.

PART – B

(Analysis of Financial Statements)

Q.17 What is the impact of cash collected from debtors on quick ratio of 1:1. 1

Q.18 How are the various activities classified according to accounting standard 3 (revised) while preparing the cash flow statement. 1

Q.19 What is meant by non cash items under cash flow statement? 1

Q.20 Briefly explain why the creditors and employees are interested in analysis of financial statements. 3

Q.21 The Profit and loss account of Himani and company for the year ended 31st March 2007 and 2008 are as follows: 4

Himani & Company

Profit and Loss Account

Particulars	2007	2008
Net Sales	422300	402000
Cost of goods Sold	371000	369000

Gross Profit	51300	33000
Operating Expenses	22700	19900
Net Profit	28600	13100
Income Tax 50% on Net Profit	50%	50%

Compare the percentage changes from 2007 to 2008.

Q.22 Calculate any two of the following ratios on the basis of information given below: 4

1. Liquid Ratio
2. Proprietor Ratio
3. Operating Ratio

Sales	Rs. 3,40,000;
Cost of Goods Sold	Rs 1,20,000
Selling Expenses	Rs. 80,000
Administrative Expenses	Rs 40,000
Current assets	Rs 1,50,000
Current Liabilities	Rs 1,05,000
Closing stock	Rs 10,000
Fixed Assets	Rs 2,80,000
Equity Share Capital	Rs. 2,75,000
General Reserve	Rs 2,00,000

Q.23 The Balance Sheet of Lemon limited are presented below : 6

Balance Sheet of Lemon Limited

As at 31 Dec 2006 And 07

Particulars	2006 (Rs.	2007 (Rs)

Fixed Assets	7,80,000	9,75,000
Less: Accumulated Depreciation	(3,00,000)	(2,40,000)
Stock in hand	78,000	93,000
Accounts receivable	85,000	1,02,000
Cash in Hand	47,000	95,000
Total	**6,90,000**	**10,25,000**
Equity Share Capital	3,00,000	5,00,000
Reserve and surplus	1,18,000	3,74,000
10% Debentures	2,00,000	1,00,000
Debenture Redemption premium	20,000	10,000,
Accounts payable	38,000	32,000,
Outstanding Expenses	14,000	9,000
Total	**6,90,000**	**10,25,000**

Additional information:

a) Cash Dividend paid 45,000
b) The equipment purchased for cash Rs 4,00,000
c) Old piece of machinery was sold for Rs 45,000 at a loss of Rs 20.000
d) Equity Share Capital was issued for cash at par
e) Debenture were redeemed at a premium of 10 %
f) Calculate Cash Flow from operating, Investing and Financing activities.

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