

CLASS XII

SAMPLE PAPER

ACCOUNTANCY

PART - A

- Q1.** Give any two points of distinction between 'fixed capital' and fluctuating capital'. (1)
- Q2.** Can securities premium be utilized for the purpose of purchase of fixed assets? (1)
- Q3.** List the occasions on which a partnership is reconstituted. (1)
- Q4.** How Legacy is accounted in the accounts Not-for-profit organization? (1)
- Q5.** What do you understand by super profit? (1)
- Q6.** Give necessary journal entries in each of the following alternative cases:
- A 12% Debenture issued at Rs. 100 repayable at Rs. 110
 - A 12% Debenture issued at Rs. 110 repayable at Rs. 105.
 - A 12% Debenture issued at Rs. 110 repayable at Rs. 100.
- Note : The face value of each debenture is Rs. 100 and pass only issue of debenture entries. (3)
- Q7.** Calculate what amount will be posted to Income and Expenditure Account for the year ending on 31st December, 2008.
- | | 01.01.2008
Rs. | 31.12.2008
Rs. |
|------------------------------|-------------------|-------------------|
| Stock of Stationery | 600 | 100 |
| Creditors for Stationery | 400 | 260 |
| Advances paid for Stationery | 40 | 60 |
- Amount paid for stationery during the year 2008 Rs. 2,160 (3)
- Q8.** Ram, Kumar and Krishna sharing profits equally have capitals Rs. 60, 000, Rs. 45, 000 and Rs. 30, 000 respectively. For the year 2003, interest was credited to them at 6% instead of 5%. Give adjusting journal entry. (4)
- Q9.** Rani Ltd. Issued 4, 00,000, 8% Debentures of Rs. 100 each redeemable at premium of 10%. Accounting to the terms of redemption the company redeemed 25% of the debentures by converting them into shares of Rs. 50 each issued at a premium of 60%. (4)
- Q10.** Pass necessary journal entries for the following transactions at the time dissolution:
- Expenses on realization Rs. 500 paid by Mr. JJ, a partner.
 - Unrecorded typewriter worth Rs. 400 was taken over by Mr. X, a partner.

(c) Mohan, one of the partners of the firm, was asked to look into the dissolution of the firm for which he was allowed a commission of Rs. 2,500.

(d) Realisation expenses paid Rs. 300. (4)

Q11. Jaya Ltd. Forfeited 200 shares of Rs. 10 each (Rs. 8 called up) for non-payment of a final call of Rs. 3 per share. Out of these 50 shares were re-issued at Rs. 7 as Rs. 8 paid up. Journalise. (4)

Q. 12. (A) White Ltd., purchased for assets of Rs. 8,40,000 and took over liabilities of RS. 80,000 at an agreed value of Rs. 7,20,000 from Black Ltd. White limited issued debentures of 1,000 each at a premium of Rs. 200 per debenture in full settlement of the purchase price. Give entries in the books of white limited (3)

(B) Black Ltd., issued 3,000, 8% Debentures of Rs. 100 each at par redeemable after 5 years by converting them into equity shares of Rs. 10 each at a premium of 20%. You are required to show Journal entries at the time of redemption of debentures. (3)

Q13. R and S are partners sharing profits in the ration of 2 : 1. Their balance sheet as on 31-12-2009 was as follows:

Liabilities	Rs.	Assets	Rs.
Capitals :		Plant & machinery	15,000
R	20,000	Furniture & Fittings	12,000
S	10,000	Stock	2,400
Sundry creditors	5,500	Investment	5,600
Workmen Compensation Fund	2,000	Cash in hand	4,000
General reserves	1,500		
	39,000		39,000

T is admitted for $2/3^{\text{rd}}$ shares in future profits. For this purpose following adjustments are agreed upon :

T will bring Rs. 30,000 as his capital and Rs. 3,000 as his share for premium (goodwill). Claim on account of Workmen's Compensation is Rs. 1,000. Market value of the investment is Rs. 6,000.

Prepare Revaluation a/c, Partners Capital a/c and Bank a/c. (6)

Q13. A and B are partners sharing profits in the ratio 2 : 1 their balance sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	6,000	Land and building	40,000
General reserve	10,500	Debtors	15,000
Profit & loss	4,500	Stock	10,000
Capitals;		Bills receivable	5,000

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A	30,000	Cash in hand	6,000
B	15,000	Goodwill	3,500
C	15,000	Advertisement Suspense a/c	1,500
	66,000		66,000

On the above date the firm was dissolved. Mr. A paid the creditors at a discount of 10%. Assets realized : Land and Building 110% ; Debtors Rs. 14,800; Stock 10% less; Bills Receivable was taken over by Mr. B at book value. Expenses of realization paid by Mr. C were Rs. 1,000.

Prepare realization a/c, capital a/c and cash book. (6)

Q14. From the following Receipts & Payments Account of the Lakshmi Cricket Club and from the information supplied, prepare income and expenditure Account for the year ended 31 December:

Receipts	Rs.	Payments	Rs.
To Balance c/d	700	By Salaries	2,800
To Subscriptions:		By General Expenses	600
2007 500		By Rent (for 11 month)	1,100
2008 2,000		By Telephone	400
2009 <u>400</u>	2,900	By Books	1,000
To Rent received from the use of the hall	1,400	By Electric charges	400
To Profit from Entertainment	800	By News paper	400
To Sale of news paper	200	By Balance c/d	300
To Life membership fees	1,000		
	7,000		7,000

Additional information:

(i) The club has 50 members each paying an annual subscription of Rs. 50. Subscriptions outstanding on 31st December, 2007 were to the value of Rs. 600.

(ii) On the 31st December, 2008 salaries outstanding amounted to Rs. 200. Salaries paid in 2008 included Rs. 600 for the year 2007. (6)

Q15. A, B & C were carrying on partnership business sharing in the ratio of 3 : 1 : 1 respectively. On 31st Dec. 2009, their balance sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Capitals :		Land and building	40,000

A	45,000	Stocks	35,000
B	30,000	Bills receivable	15,000
C	30,000	Debtors	20,000
Bank Loan	25,000	Furniture	29,000
General reserve	40,000	Cash in hand	36,000
Creditors	8,000	Preliminary expenses	1,500
Provision for bad debts	1,500	Goodwill	3,000
	1,79,500		1,79,500

On the above mentioned date A retired on the following terms:

- The new profits sharing ratio will be equal.
- The goodwill of the firm valued at Rs. 25,000.
- The land and building was appreciated by 15%.
- There was unrecorded furniture worth Rs. 2,000.
- The provision for bad debts to be increased to Rs. 1,800.

Mr. A was to be paid Rs. 25,000 in cash and the balance was to be transferred to his Loan account.

Prepare revaluation a/c, Capital a/c and balance sheet of the new firm of B and C. **8**

OR

D, S and P were partners' sharing profits in the ratio of 2:2:1. Their Balance sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	57,000	Land and building	1,78,600
General reserves	15,000	Stock	16,000
Profit & loss	60,000	Investments	47,600
Employee provident fund	15,000	Book Debts Rs. 5,500	
		Less : Provision 500	5,000
Capitals;		Plant and machinery	55,000
D	75,000	Furniture	3,700
S	50,000	Cash at bank	6,100
P	50,000	Goodwill	10,000
	3,22,000		3,22,000

The firm was dissolved and the assets and liabilities were realized as under:

- Land and building was realized Rs. 2,00,000.
- Stock was taken over by S for Rs. 18,000.
- Investments were taken over by D for Rs. 45,500.
- Plant and machinery and furniture were realized at the book value.
- Book-debts were realized at book value.
- Creditors were paid for Rs 55,900 in full settlement.

Realization expenses for Rs.1,000 were also paid. Prepare realization a/c, capital a/c and cashbook. **8**

Q. 16. Money Ltd. offered 50,000 equity shares of Rs. 10 each at a discount of 10% Payable as follows: Rs. 2 On application, Rs. 3 on allotment, Rs. 2 on first call and Rs. 2 final call.

Applications were received for 1,25,000 shares.

Allotments were made on the following basis:

- i) To refuse allotment to the applicants for 15,000 shares. (Group A)
- ii) To applicants for 50,000 shares – 30,000 shares. (Group B)
- iii) The remaining applicants were allotted 20,000 shares. (Group C)

All excess application money adjusted towards sums due on allotment and call, if any.

The shares were fully called and paid-up except Mrs. Jayashri to whom 600 shares were allotted (Group B) failed to pay allotment and calls money. His shares were forfeiture and reissued at Rs. 8 per share fully paid up. Pass necessary journal entries. (8)

Or

Gold Ltd. invited applications for 50,000 equity shares of Rs. 10 each issued at a premium of 20%. The amount was payable as under:

- On application—Rs. 2
- On allotment--- Rs. 4 (including premium)
- Balance on first and final call.

The issue was over-subscribed by 40%. Pro-rata allotment was made to all applications. Excess money received on application was adjusted towards sums due on allotment. Mr. Silver who had applied for 1400 shares failed to pay allotment and calls money. Her shares were accordingly forfeited. 50% of forfeited shares were re-issued for Rs. 4,000 as fully paid up.

Pass necessary journal entries in the books of Jayashri Ltd. (8)

PART-B: Analysis of financial statement

Q17. S Ltd. has a current ratio of 4:1. According to the management it should be maintained at 2:1. Mention any two choices to do so? (1)

Q18. For calculating 'Cash Flow from Investing Activities' from a given figure of Net Profit earned during a year, how would you deal with increase in Goodwill and decrease in Land.

Q19. How would you disclose the items in the balance sheet of a limited company?

- (i) Preliminary expenses (ii) Loose tools. (1)

Q20. Raja Limited has current ratio of 2.5 : 1. If its stock is Rs. 40,000 and total current liabilities are 75,000. Find out its quick ratio. (3)

Q21. From the following data, calculate (a) Operating ratio (b) Debt-Equity ratio.

Sales	Rs. 33,000
Cost of sales	Rs. 20,000

Operating expenses	Rs 2,000	
Sales Return	Rs. 3,000	
Paid-up Share Capital	Rs. 15,000	
Debenture	Rs. 7,500	(2+2)

Q22. From the following information, prepare comparative income statement:

Particulars	31.12.2004	31.12.2005
Sales	2,80,000	3,20,000
Gross profit	20% on cost	25% on sales
Other income	2,10,000	2,45,000
Indirect expenses	45,000	40,000
Interest	3000	4000
Tax	20%	

(4)

Q23. Prepare cash flow statement from the following balance sheet as on December 31 2009:

Liabilities	2008 Rs.	2009 Rs.	Asset	2008 Rs.	2009 Rs.
Share capital	25,000	35,000	Land & Building	12,000	15,000
Debentures	15,000	6,000	Furniture	5,000	8,000
Creditors	10,000	12,000	Cash in hand	21,000	26,000
Profit & Loss a/c	24,000	42,000	Debtors	10,000	14,000
Bills payable	1,000	3,000	Bills receivable	20,000	30,000
General reserves	5,000	7,000	Good will	12,000	10,000
Provision for taxation	10,000	5,000	Discount on issue of debentures a/c	10,000	7,000
	90,000	1,10,000		90,000	1,10,000

During the year depreciation on Land and building was Rs. 1000.

During the year provision for taxation was Rs. 6,000.

(6)