

# AISSCE – 2011

## Class XII

### Accountancy

Time Allowed: 3 Hrs.

Maximum Marks : 80

General Instructions:

- 1) All questions are compulsory.
- 2) All parts of questions should be attempted at one place.

#### PART A : NON PROFIT ORGANISATIONS, PARTNERSHIP AND COMPANY ACCOUNTS

- 1) What do you mean by 'Fund Based Accounting'? 1
- 2) State any two items that appears in the Debit side of Partner's Current Account when the capital is Fixed. 1
- 3) Chantu and Bantu are partners in a firm sharing profit and loss in the ratio of 5:3. Rohit is admitted for 1/4 share in the profit which he acquires in the ratio of 3:2 from them. Ascertain the new ratio of the partners. 1
- 4) What is the purpose of preparing Realisation A/c? 1
- 5) What is meant by 'Minimum Subscription'? 1
- 6) Calculate the amount of Salaries to be debited in Income & Expenditure A/c for year ending 31/03/09 on the basis of followings: 3

Paid for Salaries in 2008-09 - Rs.105,000		
	<u>31/03/08</u>	<u>31/03/09</u>
Prepaid Salaries (Rs.)	1,200	1,500
Outstanding Salaries (Rs.)	1,900	700

- 7) Chetan Ltd. took a loan of Rs.200,000 from bank and deposited 2,500, 9% Debentures of Rs.100 each, as collateral security. Journalise and show the relevant postings in the company's Balance Sheet. 3
- 8) Future Company Ltd. issued 30,000 shares of Rs.10 each. Payments on these shares is to be made in the following manner :-

On Application	Rs.3	(01 <sup>st</sup> Jan.'2009)
On Allotment	Rs.3	(01 <sup>st</sup> April'2009)
On 1 <sup>st</sup> & Final Call	Rs.4	(01 <sup>st</sup> June'2009)

Gopu, to whom 200 shares were allotted, failed to pay the 1<sup>st</sup> & Final Call money on the due date. However, he had paid unpaid call money on 31<sup>st</sup> August'2009 with the interest @6% p.a.  
Calculate the amount of 'Interest on Calls in Arrear' on Gopu's shares. 3

- 9) Sun, Moon and Star were partners in a firm sharing profits in 2:2:1 ratio. The firm closes its books on 31<sup>st</sup> March every year. Sun died three months after the last accounts were prepared. On that date, the Goodwill of the firm was valued at Rs.90,000. On the death of a partner, his share of profit in the year of death, was to be calculated on the basis of the average profits of the last four years. The profits of last four years were:

Year ended 31/03/2008	Rs.2,00,000
,, ,, 31/03/2007	Rs.1,80,000
,, ,, 31/03/2006	Rs.2,10,000

- „ „ 31/03/2005 Rs.1,70,000 (Loss)  
 Pass necessary journal entries for the treatment of Goodwill and Sun's share of profit on his death.  
 Show the workings clearly. 4
- 10) P and Q are partners in a firm sharing profits in the ratio of 7:3. Their fixed capitals were as P Rs.9,00,000 and Q Rs.4,00,000. The partnership deed provided for the followings:  
 a) Interest on capital @ 9% per annum.  
 b) P's salary Rs.50,000 per year and Q's salary Rs.3,000 per month.  
 The profit for the year ended 31/03/09 was Rs.2,78,000, which was distributed between them without providing for the above items. Pass the adjustment entry. 4
- 11) Ajit Ltd. forfeited 300 shares of Rs.10 each (Rs.7 called up), issued at a discount of 10% on which Rs.2 per share has been paid for application. Out of these, 250 shares were reissued as Rs.8 called up for Rs.6 per share. Journalise for forfeiture and reissue of shares. 4
- 12) a) A company issued 10,000, 12% Debentures of Rs.100 each at premium of 5% redeemable at a premium of 10%. Pass necessary journal entries for the issue of debentures and redemption of debentures.  
 b) 1,000, 14% Debentures of Rs.100 each issued at a discount of 5% and redeemable at par after 4 years were converted into 10% Preference Shares of Rs.100 each issued at discount of 5% before maturity. Journalise. 3+3
- 13) Pass necessary journal entries for the following transactions at the time of dissolution of the firm. The firm has three partners X, Y and Z who were sharing equally.  
 a) Loan of Rs.10,000 advanced by a partner, Y, to the firm, was refunded.  
 b) X, a partner, takes over an unrecorded asset (Typewriter) at Rs.300.  
 c) Undistributed balance (Debit) of profit and loss Account Rs.30,000.  
 d) The assets of the firm realised Rs.1,25,000.  
 e) Y who undertakes to carry out the dissolution proceedings is paid Rs.2,000 for the same.  
 f) Creditors paid Rs.28,000 in full settlement of their account of Rs.30,000. 6
- 14) From the following information, and Receipt and Payment Account of Jain Society, prepare Income and Expenditure Account for the year ending 31<sup>st</sup> march 2008 and Balance Sheet as on that date.

Receipts	Amount	Payments	Amount
To Balance b/d	12,600	By Salaries	4,100
To Subscription	16,000	By Rent	1,200
To sale of Investment	3,600	By Stationery	500
To Sale of old furniture (Book value Rs.400)	300	By Defence Bond	6,000
To Donation	2,500	By Furniture purchased	800
		By Balance c/d	22,400
	35,000		35,000

Additional information:

- a) Subscription of Rs.2,400 is outstanding and Advance for next year Rs.1,200 as on 31<sup>st</sup> March 2008.  
 b) Donation received during the year is for construction of Temple  
 c) Furniture and Investment as on 1<sup>st</sup> April 2007 was Rs.10,000 and Rs.35,000 respectively. 6

- 15) Golden Ltd. invited applications for 100,000 Equity Shares of Rs.10 each. The shares were issued at a premium of Rs.5 per share. The amount was payable as follows:-

Application & Allotment – Rs.8 per share (including premium Rs.3)  
 Balance including premium on the First & Final Call.

Applications for 145,000 shares were received. Applications for 5,000 shares were rejected and pro-rata allotment was made to the remaining applicants on the following basis :-

- a) Applicants for 80,000 shares were allotted 60,000 shares; and
- b) Applicants for 60,000 shares were allotted 40,000 shares.

Rajan, who belonged to the first category and was allotted 300 shares, failed to pay the first call money. Suman, who belonged to the second category and was allotted 200 shares, also failed to pay first call the money, their shares were forfeited. The forfeited shares were reissued @ Rs.9 per share, fully paid-up.

Prepare Cash book and pass necessary Journal entries.

OR

K limited has been registered with an authorized capital of Rs.2,00,000 divided into 2,000 shares of Rs.100 each of which 1,000 shares were offered for public subscription at a premium of Rs.5 share, payable as under:

On Application	10
On Allotment	25 (including premium)
On First, call	40
On Second & Final call	Balance

Applications were received for 1,800 shares, of which applications for 300 shares were rejected outright, the rest of applications were allotted 1,000 shares on pro-rata basis. Excess Application money were transferred to allotment.

All the money were duly received except from Sundar, holder of 100 shares, who failed to pay allotment and first call money. His shares were later forfeited and reissued to Shyam at Rs.60 per share, Rs.70 paid up. Final call has not been made. Pass necessary journal entries in the books of K limited.

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- 16) A and B are partners sharing Profit and loss in ratio of 5:3. On March 31<sup>st</sup> 2009 their Balance Sheet was as follows:

Liabilities		Amounts	Assets		Amounts
Capital			Cash		18,000
A	36,000		Bills Receivable		14,000
B	<u>44,000</u>	80,000	Stock		44,000
Creditors		64,000	Debtors		42,000
Bills Payable		22,000	Machinery		42,000
General Reserve		14,000	Investment		20,000
		<u>180,000</u>			<u>180,000</u>

They decided to admit C into the partnership on the following terms

- i. Machinery is to be depreciated by 10%
- ii. Stock is revalued at Rs.60,000.
- iii. Investments are taken over by B at Rs.18,000.
- iv. Outstanding rent is Rs.1,000.
- v. C is to bring Rs.6,000 as Goodwill and sufficient capital for 2/5<sup>th</sup> share in total capital of the firm.

Prepare Revaluation A/c, Partners Capital A/c and Balance Sheet of the new firm.

OR

Following is the Balance Sheet of X , Y, and Z as on 31<sup>st</sup> March 2009 who were sharing profit and loss in the ratio of their Capitals:

Liabilities	Amount	Assets	Amount
Creditors	40,000	Cash	
Bills Payable	12,000	Debtors	36,000
Provision for doubtful debt	6,000	Stock	
General Reserve	24,000	Furniture	50,000
Capital Account		Machinery	
X	80,000		36,000
Y	80,000		60,000
Z	40,000		1,00,000
	2,82,000		2,82,000

Y retires on the above date on the following terms:

- Provision for doubtful debts to be raised to Rs.8,000.
- Outstanding claim for damages of Rs.2,200 is to be provided.
- Creditors be reduced by Rs.12,000
- Goodwill of the firm is valued at Rs.40,000.

After the retirement of Y the entire capital of the firm was fixed at Rs.2,50,000 and partners decided to maintain it in their new profit sharing ratio of 3:2.

Prepare Revaluation A/c, Partners' Capital A/c and Balance Sheet of X and Y.

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## PART B : ANALYSIS OF FINANCIAL STATEMENTS

- What do you mean by 'Liquidity Ratios'. 1
- How do we treat 'payment of dividend' while preparing Cash Flow Statement? 1
- What do you mean by 'Cash Equivalents'? 1
- Discuss the advantages of Analysis of financial Statements. 3
- Prepare a Common Size Income Statement from the following information: 4

	2008	2009
Net Sales	100,000	130,000
Cost of goods sold	40% of net sales	50% of net sales
Operating Expenses	15,000	14,000
Income Tax	50%	50%

- Current Ratio of a company is 2.5:1, Working capital is Rs.60,000. Calculate the amount of current assets and current liabilities.
  - COGS Rs.3,00,000, Inventory Turnover Ratio is 6 times. Stock at the beginning is 1.5 times more than the Stock at the end. Calculate the opening stock and closing stock. 2+2
- From the following Balance Sheet of S Ltd., prepare the Cash Flow Statement

Liabilities	2004	2003	Assets	2004	2003
Capital	2,00,000	1,60,000	Land & Building	1,50,000	
Profit & loss A/c	60,000	30,000	Plant & Machinery	80,000	1,00,000
Creditors	50,000	40,000	Stock	60,000	
Loan	40,000	30,000	Debtors	50,000	60,000
			Cash	10,000	30,000
					60,000
					10,000
	3,50,000	2,60,000		3,50,000	2,60,000

Additional Information:

- a) Depreciation provided during the year on plant amounted to Rs.10,000.  
A plant costing Rs.8,000 (accumulated depreciation thereon Rs.1,200) was sold for Rs.7,000.
- b) Depreciation on Land & Building amounted to Rs.15,000.

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