

**THE AARYANS**  
**SUMMATIVE ASSESSMENT - I**  
**SUBJECT- ACCOUNTANCY (055)**  
**CLASS XII**

**TIME: 3 HOURS**

**MAX MARKS: 80**

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**GENERAL INSTRUCTIONS:**

- This question paper contains 10 printed pages.
  - Attempt all part of the question together.
  - Show workings clearly, wherever necessary.
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**PART A**  
**(Partnership and Not for Profit Organisation)**

- Q1** A and B are partners sharing profits equally. On 1<sup>st</sup> January, 2014 A advanced ₹50,000 as loan to the firm while B introduced ₹50,000 as further capital. Both desired interest on loan and further capital @10%, being market rate. Do you agree assuming there is no partnership deed. **1**
- Q2** X and Y are partners in a firm. They decided to admit their manager, Z as a partner who has served the firm for the last ten years. They offered to give him 1/5<sup>th</sup> share in the profit. His amount of deposit ₹30,000 was considered as his capital. They do not wish that he should contribute any amount of goodwill. Identify the values involved in the above decision of the firm. **1**
- Q3** Calculate the interest on drawings of Sh. Ganesh @9%p.a. for the year ended 31<sup>st</sup> March, 2016, if he withdrew ₹18,000 during the middle of each quarter. **1**
- Q4** Give the journal entry to distribute “ workmen compensation reserve “ of ₹70,000 at the time of retirement of Neeti when there is a claim of Rs 25,000 against it. The firm has 3 partners Raveena, Neeti and Rajat. **1**
- Q5** Laxman and Dilip are partners sharing profits and losses in the ratio of 3:2. Niladiri is admitted as a new partner. Laxman sacrificed 1/6<sup>th</sup> of his share and Dilip sacrificed 1/8<sup>th</sup> **1**

from his share. Calculate the new profit sharing ratio.

- Q6** X and Y are partners Y wants to admit his son K into business. Can K become the partner of the firm? Give reason. **1**
- Q7** X and Y are partners in a wholesale firm sharing profits in the ratio 4:3. They admit Z, their commission agent as a partner giving him  $\frac{1}{4}$ <sup>th</sup> share of profit. X and Y decided to share equally in future. Z bought ₹30,000 as capital and ₹14,000 for premium in cash. Pass necessary journal entries to record the above. **3**
- Q8** A, B and C are partners in a firm with a fixed capital of ₹1,00,000; ₹75,000 and ₹50,000 respectively. Their profit sharing ratio in 2012 was 3:2:1 but in 2013 the ratio was their ratio of capital. On 1<sup>st</sup> January 2014 they found that interest on capital @10% p.a. has been ignored. Pass the journal entry to make the above adjustments. **3**
- Q9** Rishi is a partner in a firm. He withdrew following amounts during the year ended on 31<sup>st</sup> March 2014. **3**
- | Date         | Amount |
|--------------|--------|
| May 1        | 12,000 |
| July 31      | 6,000  |
| September 30 | 9,000  |
| November 30  | 12,000 |
| January 1    | 8,000  |
| March 31     | 7,000  |
- Interest on Drawings is to be charged @ 9% p.a. Calculate interest on drawings and pass necessary Journal Entry.
- Q10** Aastha, Nitya and Ananya are partners sharing profits and losses in the ratio of 5:1:4. The firm is engaged in manufacturing of textile and set up their factory in a village and adopt labour intensive technique (instead of machines). Their Balance sheet as at 31<sup>st</sup> March 2016 was as follows: **3**

Liabilities	₹	Assets	₹
Creditors	78,000	Cash	50,000
Reserves	97,000	Debtors	63,000
Capital Accounts:		Less: Provisions for	
Aastha		(2,000)	1,32,000
3,00,000		Doubtful debts	45,000
Nitya	3,00,000	Stock	2,00,000
Ananya	8,00,000	Furniture and Fixture	4,50,000
<u>2,00,000</u>		Machinery	35,000
		Building	
		Profit and loss A/c	
	9,75,000		9,75,000

The partners agreed that from 1<sup>st</sup> April, 2016 they will share profits and losses in the ratio of 2:6:2. They agreed that:

- i. Stock is to be valued at 15% less.
- ii. Provision for doubtful debts was increased by ₹1,500.
- iii. Furniture is depreciated by 20% and Machinery by 5%.
- iv. Building is valued at ₹4,78,000.
- v. Goodwill is valued at ₹42,300 but it was not to be appear in the books.

Pass the necessary journal entries to give effect to the above stated agreement without opening Revaluation Account and also Identify the values highlighted in the above case.

**Q11** A and B are partners sharing profits in the ratio 3:2. Interest on capital is allowed @ 10% p.a. and charged on drawings at the same rate. Fill up the missing figures in the following accounts:

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**PROFIT AND LOSS APPROPRIATION ACCOUNT**  
For the year ending 31<sup>st</sup> March, 2015

Dr.		Cr.	
Particulars	`	Particulars	`
To Salary to B	--	By Profit & Loss A/c	--
To	--	By Interest on drawings	
To Profit transferred to:		A           2,500	--
—	<u>1,20,000</u>	B <u>1,500</u>	
—	---		
			<u>2,84,000</u>

Dr.		Partner's Capital Accounts		Cr.	
Particulars	A	B	Particulars	A	B
To	--	--	By	--	--

Dr.		Partner's Current Account		Cr.	
Particulars	A	B	Particulars	A	B
To	--	--	By Balance b/d	16,000	22,000
To	--	--	By	--	--
To	--	--	By Interest on Capital	80,000	60,000
			By	--	--

**Q12**

A, B and C were the partners in a firm sharing profits in the ratio of 4:3:3. The firm was dissolved on 28-2-2015. After transfer of assets and external liabilities to Realisation account, the following transactions took place:

- (a) K, a creditor, to whom `6,000 were due to be paid, accepted office equipment at `4,000 and the balance was paid to him in cash.
- (b) L, a creditor, to whom `16,000 was due to be paid, took over machinery at `20,000. Balance was paid by him in cash.

- (c) An unrecorded liability of the firm ₹7,800 was paid by A.  
 (d) The loss on dissolution was ₹10,000.

Pass necessary journal entries for the above transactions in the books of the firm. (4)

- Q13** (a) A and B are partners sharing profits in the ratio of 5:4. They admit C for  $\frac{1}{3}$ <sup>rd</sup> share, which he acquires in equal proportion from both. Find new profit-sharing ratio and sacrificing ratio. 6  
 (b) Arjun; Bhim and Nakul are partners sharing profits and losses in the ratio of 14:5:6 respectively. Bhim retires and surrenders his  $\frac{5}{25}$ <sup>th</sup> share in favour of Arjun. The goodwill of the firm is valued at 2 years' purchase of super profits based on average profits of last 3 years. The profits for the last 3 years are ₹50,000, ₹55,000 and ₹60,000 respectively. The normal profits for the similar firm are ₹30,000. Goodwill already appears in the books of the firm at ₹75,000. The profit for the first year after Bhim's retirement was ₹1,00,000.

- Q14** Akhil, Nikhil and Sunil were partners sharing profits and losses equally. Following was their Balance Sheet as at 31<sup>st</sup> March, 2011: 6

Liabilities	₹	Assets	₹
Trade Creditors	40,000	Buildings	2,00,000
General Reserve	45,000	Plant and Machinery	80,000
Capitals:		Stock	35,000
Akhil	1,95,000	Debtors	80,000
Nikhil	1,20,000	Cash at bank	85,000
Sunil	80,000		
	<b>4,80,000</b>		<b>4,80,000</b>

Sunil died on 1<sup>st</sup> August, 2011. The partnership deed provided that the executive of the deceased partner was entitled to:

- (a) Balance of partner's capital account and his share of accumulated reserves.  
 (b) Share of goodwill calculated on the basis of three times the average profits of the last four years. Goodwill account not to be raised in the books.  
 (c) Share of profit from the closure of last accounting year till the date of death on the basis of the profit of the preceding completed year before death.  
 (d) Interest on deceased's capital @6% p.a.

₹50,000 to be paid to deceased's executor immediately and the balance to be kept in his loan account.

Profits and losses of the preceding years ending 31<sup>st</sup> March were: 2008 -

₹80,000 profit; 2009 – 1,00,000 loss; 2010 – 1,20,000 profit and 2011 – 1,80,000 profit.  
Pass the necessary journal entries .

- Q15** a) Ajay, Binay and Chetan were partners sharing profits in the ratio of 3:3:2. The partnership provide for the following” **3+3**
- (a) Salary of ₹ 2,000 per quarter to Ajay and Binay.
  - (b) Chetan was entitled to a commission of ₹ 8,000
  - (c) Binay was guaranteed a profit of ₹ 50,000 p.a.

The profit of the firm for the year ended 31<sup>st</sup> March, 2015 was ₹ 1,50,000 which was distributed among Ajay, Binay and Chetan in ratio of 2:2:1 without taking into consideration of the Provisions of partnership Deed. Pass necessary rectifying entry for the above adjustments in the books of the firm. Show your working clearly.

b) What rules we follow in the absence of partnership deed?

- Q16** Following is the account of Sohan’s Executor’s prepared on the death of Sohan on 30-06-2012. Rs 17,400 is due to be paid to Sohan’s executors, out of which Rs 1,400 is paid immediately. Rest of the amount is to be paid in four unequal annual installments starting from 30-06-2013 along with interest @ 6% per annum. The accounting year ends on 31-03 every year. **8**

Dr			Sohan's Executors A/c			Cr		
Date	Particulars	✓	Date	Particulars	✓			
1-07-12	To Bank A/c	1,400	30-06-12	By Sohan's Capital A/c	17,400			
31-03-13	To Balance c/d	16,720	31-03-13	By Interest A/c	720			
		18,120			18,120			
30-6-13	To bank A/c	6,960	1-4-13	By Balance b/d	16,720			
31-3-14	To balance c/d	_____	30-6-13	By Interest A/c	_____			
		_____	31-3-14	By Interest A/c	_____			
		_____			_____			
30-6-14	To Bank A/c	_____	1-4-14	By Balance b/d	_____			
31-3-15	To balance c/d	_____	30-6-14	By Interest A/c	150			
		_____	31-3-15	By Interest A/c	270			
		_____			_____			
30-6-15	To Bank A/c	4,360	1-4-15	By balance b/d	_____			
31-3-16	To balance c/d	_____	30-6-15	By Interest A/c	_____			
		_____	31-3-16	By Interest A/c	_____			
		_____			_____			
30-6-16	To Bank A/c	_____	1-4-16	By balance b/d	_____			
		_____	30-6-16	By interest A/c	_____			
		2,120			2,120			

OR

A, B and C shared profits in proportion to their capitals stood as follows as at 31<sup>st</sup> March, 2016:

Liabilities			Assets		
Sundry Creditors		60,000	Cash		81,000
Workmen Compensation Reserve		45,000	Sundry Debtors		
			90,000		
Capital Accounts:			Less: Provision		84,000
			6,000		
A	4,50,000		Stock		1,50,000
B	3,60,000		Fixed Assets		8,70,000
C	2,70,000	10,80,000			
		11,85,000			11,85,000

B retired on 1<sup>st</sup> April, 2016 and A and C purchase his share for Rs.33,000 and Rs.27,000 respectively. New profit sharing ratio of A and C is 3:2.

Fill in the missing information/figures in the following Ledger accounts and Balance Sheet.

Revaluation A/c

Particulars		Particulars	
To Stock A/c	.....	By Fixed Assets A/c	1,82,000
To Profit trfd to:	.....	By .....	.....
A's Capital	.....		
B's Capital	.....		
C's Capital	.....		
	.....		.....

Capital A/cs



Particulars	A	B		Particulars	A	B	C
To .....	.....			By Balance b/d	.....	.....	.....
To B's Loan				By ..... (Profit)	.....	.....	.....
To Balance c/d	.....			By .....	.....	.....	.....
				By .....		.....	
				By .....		.....	
	.....				.....	.....	.....

#### Balance Sheet (after retirement)

Liabilities.	\	Assets	\
Creditors	.....	Cash	81,000
Capitals A .....		Debtors	85,000
C .....	.....	Stock	1,35,000
B's Loan	.....	Fixed Assets	.....
Claim for Workmen Comp.	9,000		
	.....		.....

A and C decide to open a charitable educational institute for poor children. Identify the value involved.

**Q17** X and Y were partners in a firm sharing profits in the ratio of 2:1. Their Balance Sheet as on at 31<sup>st</sup> March, 2014 was as follows:

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#### BALANCE SHEET OF X AND Y as at 31<sup>st</sup> March, 2014

Liabilities	₹	Assets	₹
Sundry Creditors	59,000	Cash	18,250
Capital A/cs:		Debtors	15,000
X	27,000	Less: Provision for	
Y	<u>18,000</u>	Doubtful Debts	<u>250</u>
	45,000	Stock	32,000
		Land & Building	30,000
		Profit and Loss Account	9,000
	<u>1,04,000</u>		<u>1,04,000</u>

Z was admitted to the partnership with effect from 1<sup>st</sup> April, 2014 on the following terms:

- (i) He will bring ₹15,000 as his capital for one-fourth share and pay ₹6,000 for goodwill, half of which was to be withdrawn by X and Y.
- (ii) There is likely to be a claim against the firm for damages, a provision of ₹1,500 was to be made for the same.
- (iii) A bill for ₹1,300 for electric charges has been omitted, now it is to be provided for.
- (iv) A provision for 5% on Debtors was to be created for doubtful debts.
- (v) Included in Sundry Creditors was an item of ₹1,200 which was not to be paid and, therefore, had to be written back.

After making the above adjustments, the Capital Accounts of X and Y were to be adjusted on the basis of Z's capital. Actual cash was to be brought in or to be paid off as the case may be.

Prepare Revaluation Account, Capital Accounts of the partners and the Balance Sheet of the new firm.

**Or**

Following is the Balance Sheet of Aruna, Karuna and Varuna as at 31<sup>st</sup> March, 2014, who have agreed to share profits and losses in proportion of their capitals.

**BALANCE SHEET OF ARUNA, KARUNA AND VARUNA**

as at 31<sup>st</sup> March, 2014

Liabilities		Assets	
Capital A/cs:		Land and Building	2,00,000
Aruna	2,00,000	Machinery	3,00,000
Karuna	3,00,000	Closing Stock	1,00,000
Varuna	<u>2,00,000</u>	Sundry Debtors	1,10,000
General Reserve	35,000	Less: Provision for	
Workmen Compensation	15,000	Doubtful Debts	<u>10,000</u>
Fund		Cash at Bank	1,00,000
Sundry Creditors	<u>50,000</u>		
	<u>8,00,000</u>		<u>8,00,000</u>

On 31<sup>st</sup> March, 2014 Aruna desired to retire from the firm and the remaining partners decided to carry on the business. It was agreed to revalue the assets and reassess the liabilities on the following basis:

- Land and Building to be appreciated by 30%.
- Machinery be depreciated by 20%
- There were bad debts of `17,000.
- The claim on account of workmen compensation was estimated at `8,000.
- Goodwill of the firm was valued at `1,40,000 and Aruna's share of Goodwill be adjusted against the Capital Accounts of the continuing partners Karuna and Varuna who have decided to share future profits in the ratio of 4:3 respectively.
- Capital of the new firm in total will be the same as before the retirement of Aruna and will be in the new profit-sharing ratio of the continuing partners.
- Amount due to Aruna be settled by paying `50,000 in cash and the balance by transferring to her Loan Account which will be paid later on.

Prepare Revaluation Account, Capital Accounts of partners and Balance Sheet of the firm after Aruna's retirement.

- Q18** What is the nature of Receipts and Payments Account? **1**
- Q19** Name the term used for showing excess of income over expenditure of Not-For-Profit Organisation? **1**
- Q20** How are the following dealt with while preparing the final accounts of a Manu Smirti Foundation? **2+2**

Particulars	Dr. (₹)	Cr. (₹)
Match Fund	.....	8,00,000
Match Fund Investments	7,20,000	.....
Match Fund Cash In Hand	35,000	.....
Interest on Match Fund Investments	.....	28,800
Match Expenses	55,000	

(b) State the steps in preparing Income & Expenditure Account and Balance Sheet from Receipts and Payments Account and additional information?

- Q21** From the following information, Prepare Receipts and Payments Account of Manu Smiriti Foundation, Meerut, for the year ended 31<sup>st</sup> March, 2018 4

Particulars	₹
Cash in hand	74,000
Cash at bank	1,00,000
Donation Received	5,000
Subscription Received by Cheque	4,000
Telephone bill paid	1,000
Salaries paid	50,000
Electricity and water bill paid	20,000
Honorarium to Lecturer (Paid by Cheque)	32,000
Purchase of Computer paid (Paid by Cheque)	56,000
Advanced to Petty Cashier	400
Purchased Furniture	2,000

- Q22** How will you deal with the following items while preparing the Income and Expenditure Account for the year ending on March 31, 2013: 4

Particulars	As at 31-03-2012	As at 31-03-2013
Stock of sports Materials	2,800	15,200
Creditors for Sports Material	70,800	90,100
Advance to Suppliers of sports Materials	5,200	7,800
Outstanding of sports Material	20,200	30,800

Amount of Sports Material paid during the year 2012-2013 ` 2,10,000

- Q23.** From the following particulars of Rotary Club, Meerut and the information given under, prepare Income and Expenditure Account for the year ended 31<sup>st</sup> December, 2018 and a Balance Sheet as at that date: 6

**Receipts and Payments Account of Rotary Club, Meerut  
As at 31<sup>st</sup> December, 2018**

Receipts	₹	Payments	₹
To Balance		By Crockery Purchased	2,650
Cash in hand	3,520	By Maintenance Charges	6,820
Cash at bank	27,380	By Match Expenses	13,240
6% Fixed Deposit	30,000	By Salaries	11,000
To Membership Subscription	40,000	By conveyance	820
(including ₹ 6,000 for 2017)		By Upkeep of Ground	4,240
To Entrance Fees	2,750	By Postage Stamps	1,050
To donation	50,10	By Purchase of Cricket Goods	9,720
To Interest on Fixed Deposit	900	By Sundry Expenses	2,000
To Tournament Fund	20,000	By Investments	5,700
To Sale of Crockery (Book Value	2,000	By Tournament Expenses	18,800
₹ 1,200)		By Balance:	
		Cash in hand	2,200
		Cash at bank	23,320
		6% Fixed Deposit	30,000
	1,31,560		1,31,560

**Additional Information:**

1.) Monthly Salary ₹ 1,000

2.) Value of unused postage stamps on 31<sup>st</sup> December, 2017: ₹ 750; on 31<sup>st</sup> December 2018: ₹ 900

3.) Stock of Cricket equipment is as follows: 31<sup>st</sup> December, 2017 ₹ 3,210; 31<sup>st</sup> December 2018 ₹ 2,800.

4.) Arrears of Membership Subscription: 2017 ₹ 6,600; 2018 ₹ 8,000