

# CLASS XII SAMPLE PAPER ACCOUNTANCY

Max Time 3 Hrs.

MAX. MARKS :80

**General Instructions :—**

1. All questions are compulsory.
2. This question paper contains two part A & B.
3. Marks are indicate every question.
4. All parts of the questions should be attempted at one place.

**Part A**

1. A sports club sells and old Billiards Table, Whose Book value is Rs.17,000 for Rs. 15,500. Show how the transaction would be reflected in the Receipt & Payment A/c And Income & expense A/c. (1)
2. State any two provisions of the Partnership Act which would be applicable in the absences of a partnership deed. (1)
3. Anita and Tina are partners sharing as 5:3. They agree to admit Chetana their manager into partnership, Anita surrenders  $\frac{1}{4}$ <sup>th</sup> of her share and Tina surrenders  $\frac{1}{5}$ <sup>th</sup> of her share in favour of Chetana. Find the new profit sharing ratio.. (1)
4. What does paid up capital of company mean? (1)
5. For what purposes, the amount of Securities Premium can be utilised? (1)
6. P and S are partners sharing profits and losses in the ratio 3:2. Their books showed goodwill at Rs.20000. R is admitted with  $\frac{1}{5}$ <sup>th</sup> share which he acquires equally from P and S. R brings Rs.20000 as his capital and Rs.10000 as his share of goodwill. Profits at the end of the year were of the amount of Rs.100000. you are required to give journal entries to carry out the above arrangements. (4)
7. State the exception to creation of Debenture Redemption Reserve (DRR) as per SEBI's Guidelines. (3)
8. On the basis of following information, calculate the amount of stationery to be shown in Income and Expenditure Account for the year ended 31st March, 2007.

**Rs.**

Stock of stationery on 1.4.2006	50,000
Stock of stationery on 31.3.2007	40,000
Amount paid for stationery during the year	2,00,000
Creditors for stationery on 1.4.2006	20,000
Creditors for stationery on 31.3.2007	10,000

Advance for stationery on 31.3.2007	5,000
-------------------------------------	-------

**(3)**

9. Shubh Limited has the following balances appearing in its Balance Sheet :

Securities Premium	6,00,000
9% Debentures	1,00,00,000
Profit and Loss Appropriation A/c	30,00,000
Debenture Redemption reserve	45,00,000

The company decided to redeem its 9% Debentures at a premium of 10%. Record necessary entries at the time of redemption. **(4)**

10. X Ltd has 4,000, 9% Debenture of Rs. 100 each .issued at 2% Discount and redeemable at 5% Premium. Record necessary entries at the time of Issue and redemption. **(4)**

11. A, B and C are partners in a firm. They have omitted interest on capital @ 10% p.a. for three years ended 31st March, 2007. Their fixed capitals on which interest was to be calculated throughout were:

A	Rs. 1,00,000	
B	Rs. 80,000	
C	Rs. 70,000	<b>(3)</b>

12. (a) Z Ltd forfeited 200 shares of 10 each( 8 called up) issued at a discount of 10% to Kumar on which he had paid 2 per share. Out of this 180 shares were reissued at Rs. 7 per share to Urvesh fully paid up.

(b) K. Ltd purchased building costing Rs. 70,00,000 from Satyam Ltd. The company paid Rs.20,50,000 by cheque for the balance issued equity shares of Rs. 100 each in favour of Satyam Ltd. Pass necessary Journal entries in the books of K.Ltd for the purchase of building and making payment if shares are issued at (i) @ 10% Discount (ii) @ a premium of 25% **(3+3)**

13. From the following Receipts and Payments Account of Sonic Club and from the given additional information; prepare Income and Expenditure Account for the year ending 31st December, 2010 and the Balance Sheet as on that date:

Receipt	Rs.	Payment	Rs.
To Balance b/d	10,000	By Salary	15,000
To Subscription	52,000	By Billiards table	20,000
To Entrance Fees	5,000	By Office Expenses	6,000
To Tournament income	26,000	By Tournament Expenses	31,000
To sales of old Newspapers	1,000	By Sports Equipment	40,000
To legacy	37,000	By Balance c/d	19,000
	<b>1,31,000</b>		<b>1,31,000</b>

Other Information:

- (i) On 31/12/2010 subscription outstanding was Rs. 2,000 and on 31/12/2008 subscription outstanding was rs. 3,000. Salary outstanding on 31/12/2010 was rs. 1,500.
- (ii) On 01/01/2010 the club had a building Rs. 75,000, furniture Rs. 18,000 , 12% investment Rs. 30,000 and sports equipment of Rs. 30,000. Depreciation charged on this items including purchase was 10%. **(6)**

14. L,M and N were partners in the ratio of 4:3:3. Balance sheet as on 31/03/2009 was as follows:

I

Liabilities	Rs.	Assets	Rs.
Capital:		Building	1,70,000
L	1,05,000	Machinery	1,20,000
M	85,000	Stock	40,000
N	80,000	Debtors	45,000
Creditors	87,000	Cash	15,000
Workmen's compensation fund	33,000		
	<b>3,90,000</b>		<b>3,90,000</b>

M died on 30/06/2009. Under the partnership deed the executors of deceased partner were entitled to:

1. Amount standing to his capital A/c at the time of his Death.
2. Interest on capital @ 12% p.a.
3. His share of Goodwill. The Goodwill of firm is valued at Rs.2,70,000.
4. His share in the profit of the firm from closing of last financial year to the date of his death on the basis of last year profit which was Rs. 2,40,000
5. There was a joint life policy amounted to Rs.84,000 on which premium was debited to the P & L A/c. Policy amount was realise in full.

You are required to preper M's Capital A/c

**(6)**

15. Gautam Ltd invited application for 8000 Preference shares of 100 each at a discount of 6% payable as follows:

On application	30 per share
On allotment	40
On 1 <sup>st</sup> & final call	Balance

Application for 10000 shares were received out of which 1000 rejected & Pro rata allotment was made to remaining. Excess money received on application was adjusted towards sum due on allotment. Mr.

A who had applied for 450 shares failed to pay call money. His shares were forfeited & were reissued for 42000 as fully paid up to Mr. B. **(8)**

**OR**

Raj Ltd has been registered with an authorized capital of 3,00,000 divided into 3,000 shares. Company invited application for 2,000 shares at a premium of 5 per share payable as follows:

On application	10 per share
On allotment	45 ( including premium)
On 1 <sup>st</sup> & final	50

Application for 3,000 shares were received out of which 500 rejected & Pro rata allotment was made to remaining. Excess money received on application was adjusted towards sum due on allotment. Mr. A holding 100 shares failed to pay allotment . His shares were forfeited & were reissued to Mr. Vansh at 60 per share 70 paid up. **(8)**

16. A and B share profits of a business in the ratio of 3:2. They admit C into the firm for 1/5th share in the profits to be contributed equally by L & M. On the date of admission, the Balance Sheet of L&M is as follows :

Capital	Amount(Rs.)	Assets	Amount(Rs.)
A's Capital	10,000	Machinery	10,000
B's Capital	8,000	Debtors	12,000
Reserve fund	15,000	Less:provision	2,000
Workmen's compensation fund	5,000	Land and building	8,000
Creditor	12,000	Stock	12,000
		Cash	10,000
	<b>50,000</b>		<b>50,000</b>

**Terms of N's admission were as follows :**

- N will bring Rs. 10,000 as his share of goodwill.
- Value of Land and building would be increase to Rs. 18,000
- the value of stock to be reduced by Rs. 4,000
- Provision for doubtful debt to be increased by Rs. 2,000.
- Liability against workmen's compensation is determined at Rs. 2,000

C would bring further cash as would make his capital equal to 20% of the total capital of new firm, after the above adjustment are carried out.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of

the firm after admission of C. **(8)**

**OR**

The Balance Sheet of X, Y and Z who were sharing profits in the ratio of 5 : 3 : 2 as at March 31, 2007 :

Liabilities	Rs.	Assets	Rs.
X 's Capital A/c:	40,000	Cash at Bank	40,000
Y's Capital A/c	62,000	Debtors	1,00,000
Z's Capital	33,000	Stock	80,000
P & L A/c	85,000	Fixed Assets	60,000
Employee's Provident fund	10,000		
Creditors	50,000		
	<b>2,80,000</b>		<b>2,80,000</b>

X retired on 31/03/2009 and Y and Z decided to share profit in the ratio of 2:3 respectively. The other terms of retirement were as follows:

- (i) Goodwill of the firm is to be valued at Rs. 80,000
- (ii) Fixed assets are to be valued at Rs. 57,500.
- (iii) Make a provision for doubtful debts at %% on debtors.
- (iv) A liability for a claim, included in creditor for Rs. 10,000, is settled at Rs. 8,000.

The amount to be paid to X by Y and Z in such a way that their capitals are proportionate to their profit sharing ratio and a leave a balance of Rs. 15,000 in the Bank A/c

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the firm after retirement. **(8)**

### **PART B (ANALYSIS OF FINANCIAL STATEMENT)**

17. X Ltd. has a Debt Equity Ratio at 2 : 1. According to the management it should be maintained at 1:1. What are the two choices to do so? **(1)**

18. Mention the net amount of 'Source' or 'Use' of cash when a fixed asset (having book value of Rs. 15,000) is sold at a loss of Rs. 5,000. **(1)**

19. How payment of Interim Dividend by trading company is treated in Cash flow Statement? **(1)**

20. Calculate Return on Investment and Earning Per Share from the following information **(6)**

Equity Shares (30000 shares@ Rs 10 each)	3,00,000
--	----------

The existing liquid ratio stands at 1:1. A Contingent liability of Rs. 22,000 under dispute has to be paid immediately as per High Court Order

9% Preference Shares	4,00,000
Security Premium	30,000
General Reserve	10,000
10% Debentures	2,00,000
Current Assets(except stock of Rs. 40,000)	1,10,000
Operating Expenses	25,000
Cost of Goods Sold	30,000
Net Sales	2,20,000
Interest	20,000
Income Tax	50%
Creditors	70,000
Bills Payable	40,000

Show the effect of this order on Liquid Ratio and Current Ratio.

21. Prepare a Common Size Income Statement from the following information.

(4)

Particulars	20x1	20x2
Sales	400000	600000
Cost of Goods sold	60% of sales	70% of sales
Indirect Expenses	50% of Gross Profit	40% of Gross Profit
Income Tax	50% of Net Profit before tax	50% of Net profit before tax

22.

Balance sheets of ABC Ltd. As on 31.3.2008 & 31.3.2009 were as follows

Liabilities	31.3.2008	31.3.2009	Assets	31.3.2008	31.3.2009
Equity Capital	30,000	35,000	Goodwill	10,000	8,000

General res.	10,000	15,000	Machinery	31,000	44,000
P & L A/c	-	7,000	10% Bounds	13,000	28,000
10% Debenture	20,000	25,000	Stock	6,000	24,500
Provision for Depr.(machinery	9,000	13,000	Cash	12,000	13,000
Provision for Income tax	1,000	1,500	Disc. On debenture	500	-
Bills Payable	5,500	7500	P & L A/c	6,000	-
Proposed Dividend	3,000	3,500			
	<b>78,500</b>	<b>1,07,500</b>		<b>78,500</b>	<b>1,07,500</b>

A Piece of machinery costing Rs.12,000 (book value Rs. 5,000) was sold at 60% profit on book value.

Prepare Cash Flow Statement.

(7)