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SUBJECT : ACCOUNTANCY  
SUB.CODE:055

TIME : 3 HOURS  
MAX. MARKS : 80

Name : \_\_\_\_\_ Roll No. : \_\_\_\_\_

**General Instructions:**

- Please check that question paper contains **10** printed pages and **23** questions.
- This question paper contains two parts: A and B.
- Part A is compulsory for all the candidates.
- Part B has two options – Analysis of Financial Statements and Computerized Accounting.
- Attempt only one option of Part B.
- All parts of the questions should be attempted at one place.
- Please write the serial number of the question before attempting it.

**PART A**

**(Accounting for Not for Profit Organisations, Partnership Firms and Companies)**

1. State the conditions under which the capital account is affected if the partner's capital is fixed. (1)
2. X and Y are partners sharing profit in the ratio of 3:2. They admitted Z as a new partner for 1/5th share in profit. He receives 1/3 of his share from X and rest from Y. Calculate New profit sharing ratio.. (1)

Or

A and B are partners with capitals of ` 30,000 each. They admit C as a partner with 1/4th share in the profits of the firm. C brings ` 48,000 as his share of capital. The profit and loss account showed a credit balance of ` 24,000 as on the date of admission of C. What would be the amount of firms' goodwill on that date ?

3. Are subscriptions in arrears at the beginning of a period a debit or credit balance (1)

Or

How is Life membership fee treated in Not for profit organisations. Give Reason.

4. P,Q and R are partners sharing profits equally. They decided that R will get 1/5th share of profits. On the day of change, firms goodwill is valued at ` 3, 00,000. Make necessary journal entry. (1)
5. X, Y and Z are sharing profits and losses in the ratio of 5:3:2, The firm is dissolved on 31st March 2018 and an extract of their balance sheet is as follows: (1)

Liabilities	Rs.	Assets	Rs.
Workmen Compensation Reserve	50,000		

Pass the journal entries to show the accounting treatment if the liability was ascertained for workmen compensation at Rs. 52,000.

6. Explain "Employees Stock Option Scheme". (1)

Or

Pass a journal entry to show the writing off the loss on issue of debentures.

7. A, B and C are partners sharing profit 2:2:1. Their respective capitals on 1st January, 2014 were ₹ 7,00,000, ₹ 5,00,000 and ₹ 8,00,000. Interest on Capital is allowed @ 10% p.a. and B and C also entitled to get an annual salary of ₹ 30,000 and ₹ 20,000 respectively. Pass journal entries in the books of firm if profit earned by firm during the year was ₹ 1,00,000. (3)
8. X Ltd forfeited 5,000 shares of ₹ 100 which were issued to Rohit at a premium of 20% who failed to pay First Call money ₹ 30 (excluding premium). Final Call of ₹ 20 yet to be made. Out of these 3,000 shares were reissued at ₹ 70 as fully paid up. Journalise? (3)
9. K Ltd took over the following Assets and Liabilities of Maxworth Ltd. (3)  
 Building ₹ 10,00,000; Book debts ₹ 6,00,000; Stock ₹ 3,50,000; Payables ₹ 2,00,000; at an agreed consideration of ₹ 20,00,000, which was discharged as follows:-  
 40% by a Bank draft  
 50% by issue of 9% Debentures of ₹ 100 each at a 25% premium  
 And the balance by a bill of exchange.  
 Give the journal entries in the books of K Ltd.

OR

**Complete the following:**

Sr./ Date	Particulars	Amount Dr. ₹	Amount Cr. ₹
1.	Sundry Assets A/c Dr ..... A/c Dr To Sundry Creditors A/c To ..... A/c (Being business of Rohit & Co. purchased for a consideration of ₹ 20,00,000)	18,00,000 .....	2,00,000 .....
2.	..... A/c Dr ..... A/c Dr To 8% Debentures A/c (Being paid to Rohit & Co. by issue of ---- 8% Debentures of ₹ 150 each at a discount of ₹ 50 per debenture)	..... .....	.....

10. On the basis of following information, show the following: (3)

- amount of medicines to be shown in Income and Expenditure Account for the year ended 31st March 2018
- amount to be shown in Balance Sheet prepared on 31-03-2018

Stock of Medicines on 01-04-2017	5,000
Stock of Medicines on 31-03-2018	10,000
Payment for purchase of Medicines during the year	50,000
Due to Suppliers of Medicines on 01-04-2017	3,000
Due to Suppliers of Medicines on 31-03-2018	1,000
Advance paid to suppliers (01-04-2017)	5,000
Advance paid to suppliers (31-03-2018)	8,000

11. X, Y and Z entered into partnership on 1<sup>st</sup> April, 2014 to share profits and losses in the ratio of 5:3:2. X and Y guaranteed that Z's share of profits, after charging interest on capital @ 10% p.a. would not be less than 54,000 in any year. (4)

The capitals were provided as follows: X—` 4,00,000, Y—Rs 3,00,000 and Z—` 1,00,000. The profits for the year ended 31<sup>st</sup> March, 2015 amounted to 3,20,000 before providing for interest on capital.

Show the Profit and Loss Appropriation Account.

12. A, B and C were partners sharing profit in the ratio of 2:2:1. Their capitals on 31<sup>st</sup> December, 2012 were Rs. 60,000, Rs. 50,000 and Rs. 40,000 respectively. C died on 31<sup>st</sup> March, 2013 and you are required to prepare an account to be rendered to his executors, taking the following facts into account: (4)

- Capital accounts are credited at 12% p.a.
- C had withdrawn Rs. 5,000 at the beginning of the every month till the date of death and interest on drawings is to be charged at 6% p.a.
- C's share in current year profit is to be calculated on the basis of average profit of the last 3 years which were Rs. 90,000, Rs. 10,000(loss) and Rs. 40,000 respectively.
- C is entitled to be credited annual salary of Rs. 30,000

13. From the following Receipts and Payments Account and other information, prepare Income and Expenditure Account for the year ended on 31<sup>st</sup> December, 2018: – (6)

**Receipts and Payments Account**  
For the year ended 31<sup>st</sup> December, 2018

Receipts	Amount	Payments	Amount
To Balance b/d	10,000	By Salaries	18,000
To Subscription		By Purchase of Sports material	8,000
2017	4,000	By General Expenses	4,000
2018	62,000	By Rent	12,000
2019	7,000	By Electricity	3,000
To Sale of old Furniture ( ` 3000)	5,000	By Postage	1,000
To Rent of hall received	3,500	By Office Expenses	15,000
To Profit from entertainment	1,000	By Furniture	10,000
To Donation for Building	5,000	By Balance c/d	27,000
To Sale of news papers	500		
	<b>98,000</b>		<b>98,000</b>

**Additional Information:**

- a) Club has 500 members each paying annual subscriptions of ` 150. Subscriptions outstanding on 31st December 2017 were ` 6,000
- b) On 31st December 2017 club owned Furniture ` 30,000 and Sports material ` 20,000.
- c) Furniture was sold on 1st January 2018 and while the new purchase was made on 01 July 2018 and it is subject to be depreciated @ 10 % p.a.
- d) Rent has been paid uniformly throughout the year and has been paid only for 8 months.

**Prepare Income and Expenditure Account.**



?

?

Or

Pass the necessary Journal Entries for the following cases:

- Dissolution Expenses were ₹ 10,000; ₹ 3,000 were to be borne by firm and the balance by a partner Ajay. The expenses were met by Ajay.
- Dissolution Expenses were ₹ 10,000; ₹ 3,000 were to be borne by firm and the balance by a partner Aman. The expenses were met by firm.
- 'Nitin' a partner, was appointed to look after the process of dissolution for which he was allowed a remuneration of ₹ 9,000. Nitin agreed to bear the dissolution expenses. Actual dissolution expenses ; ₹ 4,000 were paid by the firm.
- 'Ajay' a partner took over 40 % of the stock at a discount of 20 %, remaining stock was sold of 25 % on Sales ( Book value of stock given in the balance sheet before dissolution was ₹ 5,00,000)
- There was a contingent liability of ₹ 40,000 in respect of bills discounted but not matured. All the discounted bill were honoured but an acceptor of a bill of ₹ 8,000 became insolvent and fifty paise in a rupee was received. The liability of the firm on account of this bill discounted and dishonoured has not so far been recorded.
- Partner 'Vijay' has given a loan to the firm amounting to ₹ 20,000 and on dissolution Vijay was paid ₹ 18,000 by the another partner 'Ajay' in full settlement.

15. A, B & C were partners in a firm sharing profits & losses in the ratio of 3 : 2 : 1. On March 31, 2017, their Balance Sheet was as follows :

(6)

### Balance Sheet

Liabilities	₹	Asset	₹
Creditors	27000	Fixed Assets	1,80,000
General Reserve	18000	Current Assets	35,000
Employees Provident Fund	50000		
Capital A/cs:			
A 50,000	120000		
B 40,000			

C 30,000

215000

215000

From April 1, 2017, they decided to share future profits equally. For this purpose the followings were agreed upon:

(i) Goodwill of the firm was valued at ` 3,00,000.

(ii) Fixed Assets will be depreciated by 10%.

(iii) Capitals of the partners will be in proportion to their new profit sharing ratio. For this purpose, Current Accounts will be opened.

Pass necessary Journal entries for the above transactions in the books of the firm.

- 16.** Shalabh Ltd. has been registered with an authorised capital of ` 10,00,000 divided into 1,00,000 shares of ` 10 each. Out of which, 60,000 shares were offered for public subscription at a premium of ` 2 per share, payable on application ` 3 per share, on allotment ` 5 per share (including premium), on first call ` 2 per share and balance on final call. **(8)**

The issue was oversubscribed to the extent of 1,20,000 shares and allotment was made as follows : —

- i) To the applicants of 60,000 shares : 20,000 shares
- ii) To the applicants of 50,000 shares : 40,000 share
- iii) Remaining applications were rejected.

Excess amount paid on application is to be adjusted against amount due on allotment and calls.

Shubham who had applied 2000 shares in group (ii) failed to pay allotment and calls money and his shares were also forfeited. Out of forfeited, 1000 shares were reissued at ` 8 per share as fully paid.

Give Journal entries in the books of company.

Or

Yashika Ltd. issued 40,000 shares of ` 100 each , payable on application 20%, on allotment 30%, first call 20% and balance on final call. Applications were received for 50,000 shares. Applications for 15,000 shares were allotted only 10,000 shares. Applications for 5,000 shares were rejected.

Aashish to whom 1000 shares were allotted (on pro-rata basis) paid only applications money and his shares were forfeited immediately after first call. Keshav who had applied for 3000 shares (on pro-rata basis), paid the entire due amount with first call money. Half of Aashish's forfeited shares were reissued to Mridul for ` 60 per share as ` 80 called up. The final call was yet to be made. Give Journal entries for above transactions.

- 17.** R and S are partners sharing profits and losses in the ratio of 3:2. The Balance Sheet on 31<sup>st</sup> December, 2015 was as follows : — **(8)**

<i>Liabilities</i>	(₹)	<i>Assets</i>	(₹)
Creditors	20,000	Cash at Bank	35,000
General Reserve	10,000	Debtors 35,000	
Profit and Loss A/c	30,000	Less Provision : <u>3,000</u>	32,000
Capital A/c		Stock	23,000
R 1,50,000		Furniture	80,000
S 50,000	2,00,000	Building	60,000
-		Goodwill	20,000
		Trademark	10,000
	<b>2,60,000</b>		<b>2,60,000</b>

They admit T into partnership with effect from 1<sup>st</sup> January, 2015 on the following conditions : –

- T brings Cash ` 40,000, Stock ` 20,000 and Furniture of ` 10,000 for Capital and Goodwill.
- T acquired 1/5 share in the profit, which he receives from A and B in the ratio of 3:7.
- Goodwill of the firm is valued at ` 1,50,000.
- Provision for doubtful debts is to be maintained at 10%.
- Stock was overvalued by 15%.
- Building is to be depreciated by 10% and Furniture is to be depreciated to 95%.
- Provide ` 6,000 for Outstanding Salary.
- Capital of the firm will be adjusted on the basis of T's Capital.

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

OR

On 31<sup>st</sup> December, 2015 the Balance Sheet of M/s R, S and T sharing profits and losses in proportion to their capitals stood as follows : –

<i>Liabilities</i>	(₹)	<i>Assets</i>	(₹)
Bills payable	10,000	Cash at Bank	15,000
Creditors	25,000	Debtors 35,000	
Workmen Compensation Fund	10,000	Less : Provision <u>5,000</u>	30,000
Reserve Fund	15,000	Stock	20,000
Capital :		Furniture	40,000
R 50,000		Building	50,000



S	30,000		Profit & Loss A/c	5,000
T	20,000	1,00,000		
		<b>1,60,000</b>		<b>1,60,000</b>

- S retired on 1<sup>st</sup> January, 2016 on following conditions :
  - Creditors of ` 10,000 are settled at ` 8,000.
  - Building is to be appreciated to 150% and furniture is to be depreciated by 20%.
  - Provision for bad debts is to be maintained at 10%.
  - A provision for ` 10,000 be made in respect of an outstanding bill for repair.
  - Goodwill of the firm is valued at ` 1,00,000,
  - The liability regarding workmen compensation is determined at ` 6,000.
  - S was to be paid through cash, brought in by R and T, in such a way as to make their capitals
- Prepare Revaluation Account, Partners Capital Accounts and Balance Sheet after retirement

## PART – B

### (Financial Statement Analysis)

- State any two limitation of Cash Flow Statement. (1)
- Cash credit decreased from ` 1,45,000 in 2014-15 to ` 1,00,000 in 2015-16. What will be its treatment while preparing cash flow statement for the year ended 31.03.2016. (1)
- Under what sub-heads the following items will appear in the Balance Sheet of a company (4)
  - Loan repayable on demand
  - Cheques in hand
  - work in progress
  - Security deposit for Electricity
  - Shares option outstanding account
  - Provision for Employees Benefits
  - Tax Reserve
  - Unclaimed Dividend
- Preeti Ltd has furnished the following information: (2+2)

Net Profit before interest and tax	` 4,00,000
Rate of Tax	30%
10% Debentures	` 10,00,000

The interest coverage ratio acceptable in the same type of business is 5 times. Hence the management decided to redeem some of the debentures so that the interest coverage ratio of the company would be 5 times.

Calculate the interest coverage ratio of the company before redeeming the debentures.

Calculate the amount of debentures to be redeemed.

Where will you show the interest on debentures in the Statement of P&L?

Or

From the following information calculate Opening Stock:

Stock Turnover Ratio 5 times; Working Capital Turnover Ratio 4 times; Current Ratio 2.5:1; Current Liabilities ` 6,00,000; Gross Profit Ratio 20%; Opening Stock is 3 times more than the Closing Stock.

22. Prepare a Comparative Balance Sheet with the help of the following information :-

(4)

<b>Particulars</b>	<b>Note No</b>	<b>31.3.2018</b>	<b>31.3.2017</b>
<b>I. EQUITY AND LIABILITIES:</b>			
<b>(1) Shareholder's Funds:</b>			
a) Equity Share Capital		4,50,000	4,00,000
b) Preference Share Capital		1,50,000	2,00,000
c) Reserves and Surplus		80,000	50,000
<b>(2) Non- Current Liabilities:</b>			
Long Term Borrowings:		2,00,000	1,50,000
<b>(3) Current Liabilities</b>			
a) Creditors		20,000	40,000
b) Short Term Provision		1,00,000	60,000
<b>TOTAL</b>		10,00,000	9,00,000
<b>II. ASSETS:</b>			
<b>(1) Non-Current Assets</b>			
a) Fixed Assets		6,60,000	5,50,000
<b>(2) Current Assets</b>			
a) Inventories		1,20,000	90,000
b) Trade Receivables		1,50,000	1,20,000
c) Cash and Cash Equivalents		70,000	1,40,000
<b>TOTAL</b>		10,00,000	9,00,000

Or

Prepare a Common-size Income Statement with the help of the following information :-

<b>Particulars</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
Revenue from Operations	20,00,000	15,00,000

Changes in Inventories	4,00,000	40 % of Total Revenue
Other Income	40 % of Revenue	5,00,000
Income Tax	20%	30%

23. From the following Balance Sheets, prepare Cash Flow Statement : –

Particulars	Note No.	Mar-31 2017(₹)	Mar-31 2016(₹)
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds:</b>			
(a) Share Capital		16,00,000	15,00,000
(b) Reserves and Surplus	1	3,30,000	2,60,000
<b>2. Non-current Liabilities:</b>			
(a) Long-term borrowings	2	5,00,000	3,00,000
<b>3. Current Liabilities:</b>			
Trade Payables		2,60,000	2,00,000
Short Term Borrowings	3	2,00,000	2,60,000
Short Term Provision	4	1,10,000	80,000
<b>Total</b>		<b>30,00,000</b>	<b>26,00,000</b>
<b>II ASSETS</b>			
<b>1. Non-current Assets:</b>			
(a) Fixed Assets			
(i) Tangible	5	16,00,000	16,00,000
(ii) Intangible	6	4,00,000	3,00,000
<b>2. Current Assets:</b>			
(a) Inventories		2,50,000	5,00,000

(b) Trade Receivables		4,00,000	1,50,000
(c) Cash and Cash Equivalents		4,50,000	50,000
<b>Total</b>		<b>31,00,000</b>	<b>26,00,000</b>

Particulars	Note No.	March 31, 2017(₹)	March 31, 2016(₹)
<b>1. Reserves and Surplus</b>	1		
Balance in Profit & Loss Statement		90,000	60,000
General Reserve		2,40,000	2,00,000
<b>TOTAL</b>		3,30,000	2,60,000
<b>2. Long-term borrowings</b>	2		
12% Debentures		5,00,000	3,00,000
<b>3. Short Term Borrowings</b>	3		
Bank Overdraft		2,00,000	2,60,000
<b>4. Short Term Provisions</b>	4		
Provision for Tax		70,000	30,000
Provision for Doubtful Debts		40,000	50,000
		1,10,000	80,000
<b>5. Tangible Assets</b>	5		
Machinery		22,00,000	20,00,000
Accumulated Depreciation		6,00,000	4,00,000
<b>TOTAL</b>		16,00,000	16,00,000
<b>6. Intangible Assets</b>			
Goodwill	6	4,00,000	3,00,000

Prepare a CashFlow Statement after taking into account the following adjustment:

- a. During the year a piece of machinery costing ₹ 2,00,000 on which accumulated depreciation was ₹

50,000, was sold for ₹ 1,80,000.

- b. Provision for Tax made during the year ₹ 60,000.
- c. Dividends of ₹ 50,000 were paid during the year.
- d. The Debentures were issued on 31.03.2016

**PART – B (Not to be attempted)**  
*(Computerised Accounting)*

- 18. What is a super group? (1)
- 19. What is the difference between software and hardware (1)
- 20. What is import and Export of data ? (3)
- 21. What is meant by Internal checks? (4)
- 22. What are the essentials of a good reporting system? (4)
- 23. A factory owner purchases a new machine that costs ₹ 8,00,000 and has a useful life for 10 years, with Salvage value of ₹ 80,000. Indicate the formula to be used in an Excel Worksheet to calculate depreciation under the Diminishing Balance Method. Also, using the formula, calculate the depreciation to be provided for a day, a month and a year. (6)