



# St. Xavier's Sr. Sec. School

Delhi-54

Pre Board Examination 2016-17  
Std. 12  
16-01-2017

Set 2

Max. Marks : 80  
Time : 3 hrs.

## ACCOUNTANCY

### **PART – A** (Partnership Firms and Companies)

1. A, B and C are partners decided that no interest on drawings is to be charged to any partner. But after one year C wants that interest on drawings should be charged to every partner. State how C can do this. (1 Mark)
2. Why should a new partner contribute towards Goodwill on his admission? (1 Mark)
3. Give one point of distinction between Authorised Capital and Issued Capital. (1 Mark)
4. On firm's dissolution, what entry will be made on realisation of goodwill which was shown in Balance Sheet? (1 Mark)
5. A and B who shared profit in the ratio 2:1 admit C as a partner for  $\frac{1}{5}$ th share in profit, which he acquires from A and B in the ratio 1:2. What will be the new profit sharing ratio? (1 Mark)
6. From how much amount 'Debenture Redemption Reserve' will be created in case of redemption of debenture by conversion. (1 Mark)
7. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 2:1:2. Their fixed capitals were Rs.3,00,000/-, Rs.1,00,000/- and Rs.2,00,000/- respectively. Interest on capital for the year ending 31<sup>st</sup> March, 2012 was credited to them @ 9% p.a. instead of 10% p.a. The profit for the year before charging interest was Rs. 2,50,000/-. Prepare necessary adjustment entry. (3 Marks)
8. Mehra Co. Ltd. Purchased assets of Rs. 5,00,000/- and took over liabilities of Rs. 90,000/- at an agreed value of Rs. 3,80,000/-. Mehra Co. Ltd. Issued debentures of Rs. 100/- each at 5% discount in full satisfaction of the purchase price. Give journal entries in the books of Mehra Co. Ltd. (3 Marks)
9. Samson Ltd. had a balance of Rs. 22,00,000/- in its Statement of Profit and Loss. Instead of declaring a dividend it decided to redeem its Rs. 20,00,000/- 9% debentures at a premium of 10% out of profits on 31<sup>st</sup> March, 2015. The Company invested the required amount in fixed deposit in a bank on 30<sup>th</sup> April, 2014 earning interest @ 6% p.a. Tax was deducted on interest earned @ 10% p.a. by the bank. Pass the necessary Journal entries in the books of the company for the redemption of debentures. (3 Marks)
10. a) A, B and C are partners producing electronic goods and sharing profits and losses in the ratio of 2:3:4. They decided to share future profits and losses in the ratio of 4:3:2. They also decided to record the effect of the following



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without affecting their book values:

	<b>Rs.</b>
General Reserve.	1,60,000
Profit & loss A/c.	80,000
Advertisement Suspense A/c.	60,000

You are required to give the necessary single journal entry.

- b) New electronic waste management and handling rules were implemented across the Country on May 1, 2012. The new laws make it mandatory for producers of electronic goods to set up a mechanism for collection and disposal of e-waste. Hence, the partners decided to spend 1% of their revenues for this purpose. Identify two values which motivated them to make such a decision. (4 Marks)

11. A and B are partners sharing profits in the ratio of 5:3. They in the admit C into the firm for  $\frac{3}{10}$ <sup>th</sup> profit which he takes  $\frac{2}{10}$ <sup>th</sup> from A and  $\frac{1}{10}$ <sup>th</sup> from B and brings a part of his share of premium for goodwill in Cash. Goodwill account does not appear in the books of A and B. Fill in the missing information in the following journal entries and compute the new ratio of A, B and C. (4 Marks)

Date	Particulars	L.F	Dr. (Rs)	Cr. (Rs)
	Bank A/c <span style="float: right;">Dr.</span>			
	To premium for Goodwill A/c ( )			
	<hr/>			
	Premium for Goodwill A/c <span style="float: right;">Dr.</span>		30,000	
	C;s Current A/c <span style="float: right;">Dr.</span>		82,500	
	To ----- A/c			
	To ----- A/c			
	( )			

12. Ajanta Ltd. offered 4,00,000 shares to public for subscription. Applications were received for 7,00,000 shares and pro-rata allotment was made to the applicants. Shakshi applied for 3,500 shares and Vandana was allotted 1,600 shares. On the basis of above information, calculate:
- How many applications have been rejected altogether?
  - What is pro-rata ratio?
  - How many shares were allotted to Shakshi?
  - How many shares were applied by Vandana?
- (3 Marks)
13. a) Yamaha Ltd. issued 15,000 Preference shares of Rs. 100/- each at a premium of 5%. Payments were made as --- Rs. 25/- on Application; Rs. 35/- on allotment (including premium) and Rs. 45/- on First and Final Call. The Application for 14,000 shares were received and all were accepted. All the money was duly received except the first and final call on 600 shares. Show the



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'Share Capital' in the Balance Sheet of the Company. Also prepare notes to Accounts for the same. (5 Marks)

- b) Ratan steel Ltd. decided that 5% jobs in the Company will be reserved for the children of the Company's employees. State the value involved in such decision. (1 Mark)

14. X and Y are partners sharing profits and losses in the ratio of 3:2. They agree to take Z into partnership for 1/-3<sup>rd</sup> share. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows.:

	Rs.
Year ending on 31 <sup>st</sup> March 2009	50,000 (Profit)
Year ending on 31 <sup>st</sup> March 2010	1,20,000 (Profit)
Year ending on 31 <sup>st</sup> March 2011	1,80,000 (Profit)
Year ending on 31 <sup>st</sup> March 2012	70,000 (Loss)

On 1<sup>st</sup> April 2011, a Motor bike costing Rs. 50,000/- was purchased and debited to travelling expense account, on which depreciation is to be charged @20% p.a. calculate the value of goodwill. (6 Marks)

15. On 31<sup>st</sup> March, 2016, Balance Sheet of X, Y and Z who were sharing profits in the ratio of 3:2:1, were as under.

Liabilities		Rs.	Assets		Rs.
Sundry Creditors		1,40,000	Buildings		5,00,000
Employee's Compensation Reserve		30,000	Stock		2,00,000
Capitals :			Debtors		1,60,000
X	4,00,000		Bank Balance		25,000
Y	2,50,000		Y's Loan		40,000
Z	<u>1,50,000</u>	8,00,000	Advertisement Suspense A/c		45,000
		9,70,000			9,70,000

Y died on 30<sup>th</sup> June 2016, and X and Z decided to share future profits in the ratio of 3:2. The partnership deed provides that:

- i) Y's share of profit or loss till the date of his death was to be calculated on the basis of sales. Sales for the year ended 31<sup>st</sup> March, 2016 amounted to Rs.8,00,000/- and that from 1<sup>st</sup> April to 30<sup>th</sup> June 2016 to Rs. 2,40,000/-.
- ii) Goodwill of the firm will be calculated on the basis of total profits of the last two years.
- iii) Profits of the last three years were Rs. 1,80,000/-, Rs. 1,60,000/- and Rs. 2,00,000/-.
- iv) Interest on loan given by the firm to a partner will be charged at the rate of 10% p.a.
- v) Interest on Capital will be allowed at 6% p.a. Y had withdrawn Rs. 20,000 /- to the date of his death. Prepare Partner's Capital Accounts. (6 Marks)



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16. Moonlight Ltd. invited applications for issuing 8,00,000 shares of Rs. 10/- each at Rs.17/- per share payable as follows:
- |                          |                                     |
|--------------------------|-------------------------------------|
| On Application           | Rs. 6/- (including premium Rs. 4/-) |
| On Allotment             | Rs. 5/- (including premium Rs. 3/-) |
| On First and final Call. | Rs. 6/-                             |

Applications were received for 12,00,000 shares and pro-rata allotment was made to all applicants as follows:

- Applicants for 7,00,000 shares were allotted 5,00,000 shares, and
- Applicants for 5,00,000 shares were allotted 3,00,000 shares.

P, who belonged to the first category and was allotted 2,500 shares failed to pay the allotment and call money.

Q, who belonged to the second category and who applied for 2,000 shares failed to pay the call money. Their shares were forfeited and 3,000 of the forfeited shares were re-issued @ Rs. 9/- per share as fully paid. Re-issued shares included whole of P's shares.

Prepare Cash Book and Journal entries.

(OR)

Z Ltd. invited applications for issuing 75,000 equity shares of Rs. 100/- each at a premium of Rs. 30/- per share. The amount was payable as follows:

- |                              |  |
|------------------------------|--|
| On Application and allotment | -- Rs. 85/- per share (including premium). |
| On First and Final Call      | -- the Balance Amount.                     |

Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sums due on first and final call. The calls were made. A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares are forfeited. All the forfeited shares were re-issued at Rs. 150/- per share fully paid up.

Pass necessary journal entries for the above transactions in the books of Z Ltd. (8 Marks)

17. The balance sheet of A, B and C sharing profits in the ratio of 3:4:2 stood as follows on the date of dissolution :

Liabilities	Rs	Assets	Rs
Creditors	40,000	Machinery	75,000
Workmen's Compensation Reserve	45,000	Computer	8,000
Investment Fluctuation Reserve	5,000	Furniture	50,000
Mrs. A's Loan	25,000	Investments	60,000
Mrs. B's Loan	20,000	Stock-in-Trade	1,20,000
A's Capital A/c	2,00,000	C's Capital A/c	20,000
B's Capital A/c	1,20,000	Profit & Loss Account	90,000
		Cash	10,000
		Bank	22,000
	4,55,000		4,55,000

The following information is given to you:

- A promised to pay Mrs. A's Loan and took stock in trade at Rs. 1,00,000/-.
- B took half the investments at Rs. 35,000/- and remaining investments were





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realised at 120%.

- iii) C took over machinery at Rs. 50,000/- for cash.
  - iv) Rs. 60,000/- had to be paid for Workmen's Compensation.
  - v) Creditors amounting to Rs. 8,000/- were given furniture of the book value of Rs. 20,000/- in full settlement. Remaining Creditors were paid at a discount of 10%.
  - vi) Remaining furniture was sold at 30% of the book value.
  - vii) A was allowed a remuneration of Rs. 10,000 to carry out dissolution work and he agreed to bear all expenses of realisation which amounted to Rs. 15,000/- and were paid by him.
- Prepare necessary accounts. (8 Marks)

(OR)

Annu and Mannu are partners sharing profits in the ratio of 3:2. The Balance Sheet as at 31<sup>st</sup> March 2009 was as follows:

### BALANCE SHEET OF ANNU AND MANNU

as at 31<sup>st</sup> March, 2009

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	56,000	Cash in Hand	77,000
General Reserve	10,000	Debtors	42,000
Investment Fluctuation Fund	4,000	Less : Provision for doubtful debts	<u>7,000</u>
Capitals :			35,000
Annu: 1,19,000		Investments (Market price Rs. 19,000)	21,000
Mannu : <u>1,12,000</u>	2,31,000	Building	98,000
		Plant and Machinery	70,000
	<u>3,01,000</u>		<u>3,01,000</u>

Sonu was admitted on that date for 1/4<sup>th</sup> share of profit on the following terms:

- i) Sonu will bring Rs. 56,000/- as his share capital.
  - ii) Goodwill of the firm is valued at Rs. 84,000/- and Sonu will bring his share of Goodwill in cash.
  - iii) Plant and Machinery is appreciated by 20%.
  - iv) All debtors are good.
  - v) There is a liability of Rs. 9,800/- included in Sundry Creditors, which is not likely to arise.
  - vi) New Profit sharing ratio will be 2:1:1
  - vii) Capitals of Annu and Mannu will be adjusted on the basis of Sonu's share of capital and any excess or deficiency will be made good by withdrawing or bringing in cash by the concerned partners as the case may be.
- Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm.



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## PART B (Analysis of Financial Statements)

18. State whether the payment of cash to Trade Payables will result in inflow, outflow or no flow of cash. (1 Mark)
19. Dividend paid by a trading or a manufacturing company is classified under which kind of activity while preparing Cash Flow Statement. (1 Mark)
20. Give the major headings under which the following items will be shown in a Company's Balance Sheet as per Schedule III Part I of Companies Act, 2013.
- |  |                        |
|--|------------------------|
| i) Trade Payables;                     | ii) Provision for Tax; |
| iii) Discount on Issue of Shares;      | iv) Loose Tools;       |
| v) Interest accrued on investments and | vi) Goodwill.          |
- (4 Marks)
21. Fill in the missing figures in the following Common Size Balance Sheet: (4 Marks)

### COMMON SIZE BALANCE SHEET as at 31<sup>st</sup> March, 2015 and 2016

Particulars	Note No	Absolute Amounts		Percentage of Balance Sheet Total	
		2015	2016	2015	2016
<b>I. EQUITY AND LIABILITIES :</b>		Rs	Rs.	%	%
(1) Shareholder's Funds					
(a) Share Capital		12,00,000	20,00,000	30	40
(b) Reserves & Surplus		4,00,000	10,00,000	---	---
(2) Non-Current Liabilities		---	---	45	25
(3) Current Liabilities		---	---	---	---
		-----	-----	100	100
<b>II. ASSETS :</b>					
(1) Non- Current Assets		---	---	60	70
(2) Current Assets		---	---	---	---
		-----	-----	100	100

22. From the following calculate Return on Investment (or Return on Capital Employed).

S.No	Items	Amount
1.	Share Capital	12,00,000
2.	Reserves and Surplus	3,00,000
3.	8% Long Term borrowings	5,00,000
4.	Current Liabilities	2,00,000
5.	Net Fixed Assets	16,00,000
6.	Non current Trade Investments	2,00,000
7.	Current Assets	4,00,000

Net Profit before Tax Rs. 2,00,000/-.

(4 Marks)



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23. Following are the Balance Sheet of Pawan Ltd. as at 31.3.2016 and 31.3.2015 :

	Particulars	Note No	31.3.2016	31.3.2015
I.	<b>EQUITY AND LIABILITIES :</b>		Rs.	Rs.
	1. Shareholder's Funds:			
	(a) Share Capital		7,00,000	4,00,000
	(b) Reserve & Surplus.	1	(3,20,000)	(50,000)
	<b>2. Non-current Liabilities :</b>			
	(a) Long-term Borrowings	2	4,00,000	2,00,000
	<b>3. Current Liabilities</b>			
	(a) Trade Payables		1,50,000	1,10,000
	(b) Other Current Liabilities	3	20,000	10,000
			<u>9,50,000</u>	<u>6,70,000</u>
	TOTAL			
II.	<b>ASSETS :</b>			
	<b>1. Non-Current Assets :</b>		5,00,000	3,00,000
	(a) Fixed Tangible Assets		1,40,000	2,00,000
	(b) Non-current Investments			
	<b>2. Current Assets :</b>		1,00,000	50,000
	(a) Inventory		1,70,000	1,00,000
	(b) Trade Receivables		40,000	20,000
	(c) Cash & Cash Equivalents		<u>9,50,000</u>	<u>6,70,000</u>

Notes : i)	Reserve & Surplus : Profit & Loss Balance.	31.3.2016 <u>(3,20,000)</u>	31.3.2015 <u>(50,000)</u>
ii)	Long-Term Borrowings 9% Debentures	<u>4,00,000</u>	<u>2,00,000</u>
iii)	Other Current Liabilities Outstanding Expenses.	<u>20,000</u>	<u>10,000</u>

**Additional Information :**

Included in the fixed tangible assets was a piece of machinery costing Rs. 70,000/- on which depreciation charges was Rs. 40,000/- and it was sold for Rs. 30,000/-. During the year Rs. 1,40,000/- depreciation was charged on fixed tangible assets.

Prepare a cash Flow Statement.

(6 Marks)

-X-X-X-X-X-