



# St. Xavier's Sr. Sec. School

Delhi-54

Pre-Board Examination 2016  
Std. 12  
18-01-2016

## ACCOUNTANCY

Set 2

Max. Marks : 80  
Time : 3 hrs.

### Part -A (Partnership Firms and Company Accounts)

1. S,T and W share profits in the ratio of 5:4:3. W retires and the new ratio is 5:3. If W is given Rs. 6,000 as goodwill, what will be the journal entry? 1
2. Write one distinction between Revaluation Account and Realisation Account. 1
3. What journal entry is passed to transfer 5% of profits (Rs. 3,00,000) to General Reserve? 1
4. List any one difference between Average profits and Super Profits. 1
5. What is meant by Employees Stock Option Plan? 1
6. What is the nature of Interest on Debentures? 1
7. A, B and C have been sharing profits in the ratio of 2:2:1 respectively. C wants that he should be given equal share in profits with A and B and he further wants that the change in the profits sharing ratio should come into effect retrospectively for the last three years. A and B have no objection to this. The profit for last three years were, Rs. 52,000, Rs. 44,200 and Rs. 51,610. Show the adjustment of profit for the last three years by means of Journal entry. 3
8. X Limited took over assets of Rs. 5,60,000 and trade payables of Rs. 80,000 from Y limited. X Limited issued 8% debentures of Rs. 20 each at a premium of 20% as purchase consideration to Y Limited.  
Calculate the amount of purchase consideration, number of debentures issued by X Limited and pass the necessary Journal Entries in the books of X Limited from the above mentioned informations. 3
9. Prakash Ltd. had issued Rs. 5,00,000, 7% Debentures of Rs. 100 each redeemable at a premium of 6% on 31<sup>st</sup> March, 2015. Assume that required investment was made in 10% Government Securities on April 30 of the financial year in which redemption is due. Debentures were redeemed on the due date.  
Pass journal entries for Redemption of Debentures. 3
10. A, B and C are sharing profits in the ratio of 3:2:1. B dies on 1<sup>st</sup> September, 2012 and on the day of B's death Goodwill is valued at Rs. 60,000. A and C decided to share future profits in the ratio of 3:2.  
In order to arrange funds to make payment to B's Executors, the firm took a loan from PNB @ 18%p.a. and full payment was made to B's executors. You are required to:  
(i) Identify the value involved in taking loan from the bank.  
(ii) Pass Journal Entry for the treatment of goodwill. 2,2



# St. Xavier's Sr. Sec. School

Delhi-54

11. Victoria Ltd. was formed with a nominal share capital of Rs. 50,00,000 divided into 50,000 shares of Rs. 100 each. The Company offers 30,000 shares to the public payable Rs. 30 per share on Application, Rs. 30 per share on Allotment and the balance on the first and the final call. Applications were received for 28,000 shares. All money payable on allotment was duly received, except on 500 shares held by X. First and Final Call was not made by the Company. How would you show the 'share capital' in the Balance Sheet of Shivpriya Ltd.? Also prepare notes to accounts for the same. 3
12. Aruna and Barkha are partners in a firm sharing profits in the ratio of 7:5. On April 1, 2010 they admit Chandrika as a new partner for  $\frac{1}{6}$ <sup>th</sup> share. The new ratio will be 13:7:4. Chandrika contributed the following assets towards her capital and for her share of goodwill: Stock Rs. 60,000; Debtors Rs. 80,000; Land Rs. 2,00,000; Plant and Machinery Rs. 1,20,000. On the date of admission of Chandrika, the goodwill of the firm was valued at Rs. 7,50,000. Record necessary journal entries in the books of the firm on Chandrika's admission and prepare Chandrika's capital account. 4
13. a) Give journal entries for forfeiture and re-issue of shares:  
Denzel Ltd. forfeited 3,000 shares of Rs. 10 each, Rs. 7 called up, issued at a premium of 20% (to be paid at the time of allotment) for non-payment of a first call of Rs. 2 per share. Out of these, 1,800 shares were re-issued as Rs. 7 paid up for Rs. 4 per share.
- b) Which value has been affected by forfeiting above mentioned 3,000 shares just after first call. Suggest a better alternative. 4,2
14. A, B and C were partners in a firm having capitals of Rs. 60,000; Rs. 60,000 and Rs. 80,000 respectively. Their Current Account balances were A: Rs. 10,000; B: Rs. 5,000 and C : Rs. 2,000(Dr.). According to the partnership deed the partners were entitled to interest on capital @5%p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p.a. The profits were to be divided as follows:
- a) The first Rs. 20,000 in proportion to their capitals.  
b) Next Rs. 30,000 in the ratio of 5:3:2.  
c) Remaining profits to be shared equally.
- The firm made a profit of Rs. 156,000 before charging any of the above items. Prepare the Profit & Loss Appropriation Account and pass necessary journal entry for the apportionment of profit. 6
15. A, B and C are partners sharing profits and losses in the ratio of 2:2:1. They agreed to dissolve the firm. The Balance Sheet of the firm at that date was as follows:



# St. Xavier's Sr. Sec. School

Delhi-54

Liabilities		Rs.	Assets		Rs.
Bank Overdraft		4,000	Debtors		40,000
Creditors		30,000	Stock		50,000
B/P		6,000	Furniture		2,000
B's Wife Loan		10,000	Fixed Assets		49,000
Capitals: A		70,000	Prepaid Expenses		1,000
B		70,000	Profit & Loss A/c		40,000
			C's Capital		8000
		1,90,000			1,90,000

- Assets realized as follows: Stock Rs. 32,000; Fixed Assets Rs. 45,000 and full amount was received from Debtors.
  - A agreed to take over furniture at Rs. 1,600 and also agrees to make the payment of B/P.
  - B agreed to discharge his wife's loan.
  - There was an unrecorded asset of Rs. 10,000, which was taken over by C at Rs. 7,000.
  - A B/R for Rs. 5,000 was received from a customer Mohan and the bill was discounted from the bank. Mohan became insolvent and 60 paise per rupee has been received from his estate.
  - Creditors were paid at a discount of Rs. 1,500.
- Prepare Realisation Account and Capital Accounts. 6

16. Mehra Ltd. invited applications for 12,000 shares of Rs. 100 each to be issued at a premium of 10% payable as follows:

On Application	Rs. 25
On Allotment	Rs. 40
On First & Final Call	Rs.35

Applications were received for 10,000 shares and all of these were accepted. All the money due was received except the first and final call on 100 shares which were forfeited. 60 of these forfeited shares were reissued @Rs. 90 per share credited as fully paid.

You are required to:

- Pass the necessary journal entries.
- Show the Share Capital in the Balance Sheet of the company.

(OR)

White Ltd. invited applications for issuing 10,00,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share. The amount was payable as follows:

On Application	Rs. 5 (including premium)
On Allotment	Rs. 4
On First and Final call	Rs. 3

Applications for 15,00,000 shares were received. Applications for 3,00,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Excess application money was utilized towards sums due on allotment. Sudha who had applied for 24,000 shares failed to pay the allotment and call money. Her shares were forfeited. Out of the forfeited



# St. Xavier's Sr. Sec. School

Delhi-54

shares 10,000 shares were re-issued for Rs. 8 per share fully paid up. Pass necessary journal entries in the books of White Ltd. 8

17. A and B share the profits of a business in the ratio of 5:3. They admit C into the firm for a 1/4<sup>th</sup> share in the profits to be contributed equally by A and B. On the date of admission of C, the Balance Sheet of the firm was as follows:

Liabilities	Rs.	Assets	Rs.
A's Capital	3,00,000	Machinery	2,60,000
B's Capital	2,00,000	Furniture	1,60,000
Workmen's Compensation Fund	40,000	Stock	1,20,000
Creditors	1,40,000	Debtors	80,000
		Bank	60,000
	6,80,000		6,80,000

From the Information given below, Complete Revaluation Account, Partners Capital Accounts and the new Balance Sheet of A, B and C.

### REVALUATION ACCOUNT

Particulars	Rs.	Particulars	Rs.
To stock A/C	—	By Furniture A/C	—
To profit transferred to Capital A/Cs			
A	—		
B	—		
	60,000		—

### CAPITAL ACCOUNTS

Particulars	A	B	C	Particulars	A	B	C
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
To Bal. c/d	—	—	—	By	—	—	—
				By	—	—	—
				By Revaluation A/C	25,00	—	—
				By Bank A/C	0	—	—
				By premium for Goodwill A/C	40,00	—	—
					0	—	—
	—	—	—		—	—	2,50,000





# St. Xavier's Sr. Sec. School

Delhi-54

## BALANCE SHEET (After Admission)

Liabilities	Rs.	Assets	Rs.
Creditors	—	Bank	—
Capitals:		Debtors	—
A	—	Stock	—
B	—	Furniture	—
C	—	Machinery	—
	—		—

(OR)

A, B and C partners sharing profits and losses equally. Their Balance Sheet as at 31<sup>st</sup> March, 2014 stood as follows:

Liabilities	Rs.	Assets	Rs.
A's Capital	2,50,000	Building	2,00,000
B's Capital	2,00,000	Plant and Machinery	1,00,000
C's Capital	1,50,000	Patent and Copyrights	1,50,000
Creditors	1,40,000	Stock	1,25,000
General Reserve	60,000	Debtors	1,50,000
		Bank	75,000
	8,00,000		8,00,000

From April 1<sup>st</sup> 2014, the partners decide to share profits and losses in the ratio of 3:2:1 and for the purpose the following revised value of assets were agreed upon: Building Rs. 2,75,000; Plant and Machinery Rs. 90,000; Patents and Copyrights Rs. 1,32,500; Stock Rs. 2,00,000; Prepaid Insurance Rs. 5,000 and Debtors Rs. 1,42,500. Goodwill of the firm was valued at Rs. 60,000.

Partners decide not to distribute the reserves. Also, they decide not to record the revised value of assets in the books of Accounts.

You are required to prepare:

- Partner's capital accounts.
- Balance Sheet of the re-constituted firm. (show your workings clearly) 8

### Part – B (Financial Statement Analysis)

- What is meant by Cash Equivalents? 1
- Cash Flow from Operating Activities + Cash Flow from Investing Activities + Cash Flow from Financing Activities = ..... 1



# St. Xavier's Sr. Sec. School

Delhi-54

20. Name the sub-headings under which Non-Current Liabilities shall be classified in a Company's Balance Sheet. 4
21. From the following information, prepare a comparative statement of profit & loss: 4

Particulars	31.3.2012	31.3.2011
	Rs.	Rs.
Revenue from operations	5,00,000	4,00,000
Expenses	4,00,000	2,40,000
Other Incomes	30,000	20,000
Income Tax	70,000	60,000

22. From the following compute current ratio: 4

S. No.	Items	Amount	S. No.	Items	Amount
1.	Total Assets	1,00,000	3.	Non-Current Liabilities	20,000
2.	Shareholder's Funds	60,000	4.	Non-Current Assets	50,000

23. From the following balance sheets of Ali Ltd., find out cash from operating activities only:

Particulars	Note no.	31-03-2012	31-3-2011
<b>I. EQUITY AND LIABILITIES :</b>			
1. Shareholder's Funds :			
(a) Equity share capital		35,000	30,000
(b) Reserve and surplus	1	22,000	3,500
2. Non-Current Liabilities :			
(a) Long-Term Borrowing	2	25,000	21,000
3. Current Liabilities :			
(a) Trade Payables		12,500	8,500
Total		94,500	63,000
<b>II. ASSETS :</b>			
1. Non-Current Assets :			
(a) Fixed Assets :			
(i) Tangible Assets		41,000	32,000
(ii) Intangible Assets		8,000	10,000
(b) Non-Current Investments	3	8,000	3,000
2. Current Assets :			
(a) Inventory		24,500	6,000
(b) Cash & Cash Equivalents		13,000	12,000
Total		94,500	63,000



# St. Xavier's Sr. Sec. School

Delhi-54

## Notes to Accounts:

	2012	2011
i)	Reserve & Surplus :	
General Reserve	15,000	10,000
Balance of statement of profit & loss	<u>7,000</u>	<u>(6,500)</u>
	<u>22,000</u>	<u>3,500</u>
ii)	Long term Borrowing :	
10% Debentures	<u>25,000</u>	<u>21,000</u>
iii)	Tangible Assets :	
Machinery	54,000	41,000
Less: Provision for Depreciation	<u>(13,000)</u>	<u>(9,000)</u>
	<u>41,000</u>	<u>32,000</u>

## Additional information:

- Debentures were issued on 31-3-2012.
- Non-Current Investments were purchased on 31-3-2012. Rate of interest on investments is 10% p.a.

6

-X-X-X-X-X-X-