

XII - ACCOUNTANCY**CBSE 2011 Delhi**

Time allowed : 3 hrs.

Max. Marks : 80

General Instruction :

1. This questions paper contains three parts A and B.
2. All parts are compulsory for all.
3. All parts of questions should be attempt at one place.

PART-A**NOT FOR PROFIT ORGANISATIONS, PARTNERSHIP FIRMS AND COMPANY ACCOUNTS**

1. What is the basis for preparing an Income and Expenditure Account in the case of Not-for-Profit Organizations. **1**
2. Distinguish between Fixed and Fluctuating Capital Accounts. **1**
3. State the two main rights that a newly admitted partner acquires in the firm. **1**
4. How does the market situation affect the value of goodwill of a firm ? **1**
5. Pass the necessary Journal entry when 10,000 debentures of ₹ 100 each are issued as collateral security against a Bank Loan of ₹ 8,00,000. **1**
6. From the following information of a club show the amounts of mach expenses and match fund in the Financial Statements of the Club for the years ended on 31st March, 2009 and March 2010.

Details	Amount ₹	
Match expenses (paid during the year 2009-10)	30,000	
Match fund (as on 31-3-2009)	17,000	
Donation for Mach Fund (Received during the year 2009-10)	9,000	
Proceeds from the sale of match tickets (Received during the year 2009 - 2010)	3,000	3

7. Y Ltd. purchased furniture costing ₹ 1,35,000 from A.B. Ltd. The payment was made by issue of Equity Shares of ₹ 10 each at a discount of ₹ 1 per share. Pass necessary journal entries in the books of Y Ltd. **3**
8. X Ltd. redeemed 100, 6% Debentures of ₹ 100 each by converting them into Equity Shares of ₹ 100 each. The 6% Debentures were redeemable at 10% premium for which the Equity Shares were issued at 25% premium. Pass the necessary journal entries for the redemption of above mentioned debentures in the books of X Ltd. **3**
9. A and B are partens in a firm sharing profits and losses in the ratio of 3 : 2. The following was the Balance Sheet aof the firm as on 31-3-2010.

Liabilities	₹	Assets	₹
Capital :		Sundry Assets	80,000
A	60,000		
B	20,000		
	80,000		80,000

The profits ₹ 30,000 for the year ended 31-3-2010 were divided between the partners without allowing interest on capital @ 12% p.a. and salary to A @ ₹ 1,000 per month. During the year A withdrew ₹ 10,000 and B ₹ 20,000.

Pass the necessary adjustment journal entry and show your working clearly. **4**

10. A business has earned average profits of ₹ 1,00,000 during the last few years and the normal rate of return in similar buiness is 10%. Find out the value of goodwill by
 - (i) Capitalisation of super-profit method and
 - (ii) Super profit method if the goodwill is valued at 3 years purchase of super profit.

The assets of the business were ₹ 10,00,000 and its external liabilities ₹ 1,80,000. **4**

11. Pass the necessary journal entries for the issue and redemption of Debentures in the following cases :
- 10,000, 10% Debentures of ₹ 120 each issued at 5% premium, repayable at par.
 - 20,000, 9% Debentures of ₹ 200 each issued at 20% premium, repayable at 30% premium. **4**
12. From the following item of Receipts & Payments A/c of Young Ladies Club, prepare an Income and Expenditure Account for the year ended 31-3-2010.

Salaries paid	50,000
Lighting and Heating	5,000
Printing and Stationery (including ₹ 500 for the previous year)	3,500
Subscriptions received (including ₹ 2,000 received in advance and ₹ 5,000 for the previous year)	40,000
Net proceeds of Refreshment Room	45,000
Miscellaneous expenses	16,000
Interest paid on Loan for half year	1,200
Rent and Rates (including ₹ 1,000 prepaid)	7,500
Locker rent received	4,500

Additional information :

- Subscriptions in arrears on 31-3-2010 were ₹ 8,000 and Half year's interest on loan was also outstanding. **6**
13. Pass the necessary Journal entries for the following transactions on the dissolution of the firm of P and Q after the various assets (other than cash) and outside liabilities have been transferred to Realisation Account.
- Bank Loan ₹ 12,000 was paid.
 - Stock worth ₹ 16,000 was taken over by partner Q.
 - Partner P paid a creditor ₹ 4,000.
 - An asset not appearing in the books of accounts realised ₹ 1,200.
 - Expenses of realisation ₹ 2,000 were paid by partner Q.
 - Profit on realisation ₹ 36,000 was distributed between P and Q in 5 : 4 ratio. **6**
14. On 1st April, 2008 a company made an issued of ₹ 2,00,000, 6% Debenture of ₹ 100 each, repayable at a premium of 10%. The terms of issue provided for the redemption of 400 debentures every year starting from the end of 31-3-2010 either by purchase from the open market or by draw of lots at the company's option. On 31-3-2010, the company purchased for cancellation 300 Debentures at 95% and 100 Debentures at 90%. Pass the necessary Journal entries for the issue and redemption of debentures assuming that the company had already created the Debenture Redemption Reserve A/c by the required amount. **6**
15. X Ltd. issued 40,000 Equity Shares of ₹ 10 each at a premium of ₹ 2.50 per share. The amount was payable as follows :
- | | | |
|----------------|---|--------------------------------------|
| On application | – | ₹ 2 per share |
| On allotment | – | ₹ 4.50 per share (including premium) |
| and on call | – | ₹ 6 per share |
- Owing to heavy subscription the allotment was made on pro-rata basis as follows :
- Applicants for 20,000 shares were allotted 10,000 shares.
 - Applicants for 56,000 shares were allotted 14,000 shares.
 - Applicants for 48,000 shares were allotted 16,000 shares.
- It was decided that excess amount received on applications would be utilized on allotment and the surplus would be refunded.
- Ram, to whom 1,000 shares were allotted, who belong to category (a), failed to pay allotment money. His shares were forfeited after the call.
- Pass the necessary journal entries in the books of X Ltd. for the above transactions. **8**

OR

Give Journal entries to record the following transactions of forfeiture and re-issue of shares and open share forfeited account in the books of the respective companies.

- C Ltd. forfeited 1000 shares of ₹ 100 each issued at a discount of 8% on these shares the first call of ₹ 30 per share was not received and the final call of ₹ 20 per share was not received and the final call of ₹ 20 per share was yet to be called. These shares were subsequently re-issued at ₹ 70 per share ₹ 80 paid up.
- L Ltd forfeited 470 Equity Shares of ₹ 10 each issued at a premium of ₹ 5 per share for non-payment of allotment money of ₹ 8 per share (including share premium ₹ 5 per share) and the final call of ₹ 5 per share. Out of these 60 Equity Shares were subsequently re-issued at ₹ 14 per share.

16. M, N and O were partners in a firm sharing profits and losses equally. Their Balance Sheet as on 31-12-2009 was as follows :

Liabilities		₹	Assets		₹
Capitals :			Plant and Machinery		60,000
M	70,000		Stock		30,000
N	70,000		Sundry Debtors		95,000
O	<u>70,000</u>	2,10,000	Cash at Bank		40,000
General Reserve		30,000	Cash in Hand		35,000
Creditors		20,000			
		<u>2,60,000</u>			<u>2,60,000</u>

N died on 14th March, 2010. According to the Partnership Deed, executors of the deceased partner are entitled to :

- Balance of partner's capital account.
- Interest on Capital @ 5% p.a.
- Share of goodwill calculated on the basis of twice the average of past three year's profits and
- Share of profits from the closure of the last accounting year till the date of death on the basis of twice the average of three completed year's profits before death.

Profits for 2007, 2008 and 2009 were ₹ 80,000; ₹ 90,000; ₹ 1,00,000 respectively. Show the working for deceased partner's share of goodwill and profits till the date of his death. Pass the necessary journal entries and prepare N's Capital Account to be rendered to his executors. 8

OR

On 31-3-2010 the Balance Sheet of W and R who shared profits in 3 : 2 ratio was as follows :

Liabilities		₹	Assets		₹
Creditors		20,000	Cash		5,000
Profit & Loss A/c		15,000	Sundry Debtors	20,000	
Capital Accounts :			Less : Provision	<u>700</u>	19,300
W	40,000		Stock		25,000
R	<u>30,000</u>	70,000	Plant & Machinery		35,000
			Patents		20,700
		<u>1,05,000</u>			<u>1,05,000</u>

On this date B was admitted as a partner on the following conditions :

- 'B' will get 4/15th share of profits.
- 'B' had to bring ₹ 30,000 as his capital to which amount other partners capitals shall have to be adjusted.
- He would pay cash for his share of goodwill which would be based on 2½ years purchase of average profits of past 4 years.
- The assets would be revalued as under :
Sundry Debtors at book value less 5% provision for bad debts. Stock at ₹ 20,000, Plant and Machinery at ₹ 40,000.
- The profits of the firm for the year 2007, 2008 and 2009 were ₹ 20,000; ₹ 14,000 and ₹ 17,000 respectively. Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the new firm.

PART-B
ANALYSIS OF FINANCIAL STATEMENTS

17. What is meant by 'Common Size Statement' ? 1
18. Give the meaning of 'Cash Flow'. 1
19. State with reason whether deposit of cash into Bank will result into inflow, outflow or notflow of cash. 1
20. List the items which are shown under the heading current liabilities and provisions as per Schedule VI Part I of the Companies' Act, 1956. 3
21. Prepare a Comparative Income Statement from the following information :

	2009	2010
	^	^
Sales	10,00,000	12,50,000
Cost of Goods Sold	5,00,000	6,50,000
Carriage Inwards	30,000	50,000
Operating Expenses	50,000	60,000
Income Tax	50%	50%

22. On the basis of the following information, calculate :

- (i) Debt-Equity Ratio and
(ii) Working Capital Turnover Ratio

Information :

Net Sales	60,00,000
Cost of Goods Sold	45,00,000
Other Current Assets	11,00,000
Current Liabilities	4,00,000
Paid up share capital	6,00,000
6% Debentures	3,00,000
9% Loan	1,00,000
Debentures Redemption Reserve	2,00,000
Closing Stock	1,00,000

23. From the following Balance Sheet of Vijaya Ltd. as on 31-3-2009 and 31-3-2010 prepare a Cash Flow Statement.

Liabilities	31-3-2009	31-3-2010	Assets	31-3-2009	31-3-2010
	^	^		^	^
Share Capital	45,000	65,000	Fixed Assets	46,700	83,000
General Reserve	15,000	27,500	Stock	11,000	13,000
Profit & Loss A/c	10,000	15,000	Debtors	18,000	19,500
Trade Creditors	8,700	11,000	Cash	2,000	2,500
			Preliminary Expenses	1,000	500
	78,700	1,18,500		78,700	1,18,500

Additional Information :

- (i) Depreciation on Fixed Assets for the year 2009-2010 was ^ 14,700.
(ii) An interim dividend ^ 7,000 has been paid to the shareholders during the year. 6