

Half-yearly Common Examination, December-2017

12th Std]

PART - III ACCOUNTANCY
(Maximum marks: 200)

Time Allowed : 3 Hours

- Instructions: (1). Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
(2). Use Black or Blue ink to write and underline and pencil to draw diagrams

Part - A

30 × 1 = 30

Note : Answer All the questions

I. Fill in the Blanks :

1. Gross profit is transferred to ----- account.
2. Interest on Drawings is debited in ----- account.
3. As per Trial Balance on 1.4.2008 Investments amounted to Rs. 2,00,000 Interest on investment is 10% per annum. Interest received Rs. 15,000 on 31.3.2009 Accrued interest on investments is -----.
4. ----- capital can be found by preparing a statement of affairs at the beginning of the year.
5. Credit purchase can be ascertained as the balancing figure in the -----.
6. Under Insurance Policy method, cash is paid by way of ----- every year.
7. The selling price of a fixed asset is Rs. 3,00,000. Loss on sale of the asset is Rs. 60,000. Its book value on the date of sale is -----.
8. Stock turnover ratio is otherwise called as -----.
9. Gross profit Rs. 50,000 ; Sales Rs. 5,50,000 ; Sales returns Rs. 50,000 Gross profit ratio is -----.
10. Closing balance of one month will be the ----- balance of the next month.
11. The debit balance of current account, will be shown in the ----- side of the balance sheet.
12. When the value of an asset increases, it results in -----.
13. Ganesh, Kumar and Sudhan share the profits in the proportion of 1/2, 1/3, 1/6 respectively. If Kumar retires, then the new profit sharing ratio is -----.
14. Nominal Capital is the capital mentioned in the ----- of the company.
15. A company issued 60,000 equity shares of Rs.10 each. The public subscribed 50,000 shares. Unsubscribed capital is Rs. -----.

II. Choose and write the correct answer.

16. All the items given in the adjustment will appear at ----- in the final accounts.
(a) Three places (b) Two places (c) One place
17. The trial balance as on 31.03.2015 shows sundry debtors Rs.3,06,000. Write off bad debts Rs.6,000. Provide 5% for bad and doubtful debts. The amount of provision for bad and doubtful debts is : (a) 15,000 (b) 15,300 (c) 18,000
18. Under the networth method, the basis for ascertaining the profit is :
(a) the difference between the capital on two dates
(b) the difference between the liabilities on two dates
(c) the difference between the gross assets on two dates
19. As on 1.4.2009 Sundry Debtors balance is Rs.30,000. At the end of the year Sundry Debtors balance is Rs.70,000. During the year cash received from the debtors is Rs.2,00,000 credit sales during the year is -----.
(a) Rs.1,00,000 (b) Rs.3,00,000 (c) Rs.2,40,000
20. The term depletion is used for :
(a) Intangible assets (b) Fixed assets (c) Natural resources
21. The cost of a Machinery is Rs.1,00,000. Depreciation is provided at 10% annually on the straight line method. The book value of the machinery at the end of second year is -----.
(a) Rs.80,000 (b) Rs.90,000 (c) Rs.81,000
22. Total Sales Rs.10,00,000 ; Gross profit Rs.2,80,000. Then cost of goods sold is -----.
(a) Rs.12,80,000 (b) Rs.7,20,000 (c) Rs.10,00,000
23. All activity ratios are expressed in terms of :
(a) Proportion (b) Times (c) Percentage
24. Cash budget deals with :
(a) Estimated cash receipts (b) Estimated cash payments
(c) Estimated cash receipts and Estimated cash payments
25. Interest on capital is calculated on the -----.
(a) Opening capital (b) Closing capital (c) Average capital
26. The old partners share all the accumulated profits and reserves in their -----.
(a) New profit sharing ratio (b) Old profit sharing ratio (c) Capital ratio
27. When the amount due to an outgoing partner is not paid immediately, then it is transferred to : (a) Capital A/c (b) Cash A/c (c) Loan A/c
28. According to Table A, interest charged on calls-in-arrears is -----.
(a) 4% (b) 5% (c) 6%
29. A public issue cannot be kept open for more than ----- days.
(a) 10 days (b) 3 days (c) 5 days

[P.T.O.]

30. Securities premium will appear in the ----- side of the Balance Sheet.
 (a) Asset (b) Liability (c) Asset and Liabilities

10 × 5 = 50

Part - B

- Note: i). Answer any ten questions
 ii). Answers to theory questions not exceed fifty words each

31. What is meant by adjusting entry?
 32. What is Conversion method?
 33. What is residual value?
 34. Explain current ratio.
 35. Define Budget.
 36. State the methods of Valuation of Goodwill.
 37. What is meant by calls-in-advance?
 38. Trial Balance as on 31.3.2010 shows Insurance Premium paid Rs.16,500.
 Adjustments : Prepaid Insurance Premium Rs.3,500.
 Pass adjusting entry and show how this item will appear in the final accounts.
 39. Find out the missing figure :
 Opening capital Rs.6,00,000 ; Additional capital Rs.30,000
 Closing capital Rs.5,60,000 ; Drawings ? Loss Rs.40,000
 40. A company purchased furniture for Rs.20,000. The useful life is 10 years. Its residual value is Rs. 2,000. Calculate the rate of depreciation under straight line method.
 41. From the following details find out creditors Turnover Ratio :

	Rs.
Credit Purchases	1,80,000
Opening Creditors	24,000
Closing Creditors	66,000

42. Goodwill is to be valued at three years purchase of four years average profits. The profits for the last four years of the firm were 2001 – Rs.22,000 ; 2002 – Rs.28,000 ; 2003 – Rs.26,000 ; 2004 – Rs.24,000 Calculate the amount of goodwill.
 43. John, Peter are partners sharing profits in the ratio of 3 : 2 respectively. They admit Siva as new partner. he acquires 1/5th of John's share and 2/5th of Peter's share. Calculate their New Profit Sharing Ratio.
 44. Maruthi Ltd., issued 45,000 shares of Rs.100 each at a discount of 10%. Give journal entry.

Part - C

5 × 12 = 60

- Note : i). Answer any Five questions including question No. 45 which is compulsory.
 ii). Answer to theory questions should not exceed 150 words each

45. (a) The Trial Balance shows on 31.3.2012, Sundry Debtors Rs.75,000.
 Adjustments :
 (i) Bad debts to be written off Rs.5,000
 (ii) Provide @ 5% provision for bad and doubtful debts and
 (iii) Provide @ 2% provision for discount on debtors.
 Pass entries and show how these items will appear in the final accounts. OR
 (b) Sindhu maintains books of accounts under single entry system. The following information were provided.

	31.3.2007 Rs.	31.3.2008 Rs.
Cash at Bank	75,000	50,000
Cash in hand	5,000	10,000
Stock	5,00,000	3,25,000
Sundry Debtors	2,00,000	4,00,000
Furniture	50,000	50,000
Machinery	4,00,000	4,00,000
Sundry Creditors	6,00,000	7,00,000

During the year he introduced Rs.1,00,000 as additional capital and withdrew Rs.10,000 per month for domestic purpose. Depreciate furniture and machinery by 10% per year.

Ascertain the profit (or) loss for the year ended 31.3.2008.

46. What are the causes of depreciation?
 47. Write notes on cash budget. Give four examples for cash receipts and give four examples for cash payments.
 48. Distinguish between sacrificing ratio and gaining ratio.
 49. Mohammad & Co., purchased a machinery for Rs.5,00,000 on 01.04.2014. They spent Rs.20,000 for installing the same. Depreciation is written off at 10% p.a. on Diminishing Balance Method. On 31.03.2017 the machinery was found to be unsuitable and sold for Rs.4,10,000.
 Prepare Machinery Account and Depreciation Account for three years assuming that the accounts are closed on 31st March every year.
 50. From the following information calculate current ratio, liquid ratio and Absolute liquid ratio.

	Rs.		Rs.
Cash in hand	30,000	Bills payable	13,000
Debtors	42,000	Creditors	47,000
Stock	45,000	Bank overdraft	30,000
Bills Receivable	18,000		

51. Akil, Mukhil Partners sharing the profits and losses in the equal ratio. Their capitals on 1.4.2007 were Rs.85,000 and Rs.65,000 respectively. Their drawings during the year were Rs.6,000 and Rs.4,000 respectively. Their partnership deed provided for the following:
The net profit for the year ended 31.3.2008 before making the following adjustments was Rs.30,000.
- Interest on capital @ 5% p.a.
 - Interest on drawings at 6% p.a. (Akil Rs.180 ; Mukhil Rs.120)
 - Akil and Mukhil to get a salary of Rs.5,000 each p.a.
- Show the Profit and Loss Appropriation Account and Capital accounts of the partners.
52. The directors of a company forfeited 1000 shares of Rs.10 each fully called up for non-payment of first call of Rs.2 per share and final call Rs.3 per share. 600 of these were subsequently reissued for Rs.8 per share fully paid up. Pass necessary Journal entries and show Forfeited Shares Account and Capital Reserve Account.

Part -D

3 × 20 = 60

- Note: Answer any three questions including Question No. 53 which is compulsory
53. (a) Thiru Sai Prabhu kept his books of under Single Entry System. From the following details prepare Trading, Profit and Loss Account for the year ended 31st March, 2012 and Balance Sheet as on that date :

Particulars	1.4.2011 Rs.	31.3.2012 Rs.
Sundry Creditors	38,000	44,250
Furniture	3,000	3,000
Cash	6,750	9,500
Sundry Debtors	63,000	88,000
Stock	25,500	13,000

Other details :	Rs.
Drawings	10,500
Discount Received	4,250
Discount Allowed	3,000
Cash received from Sundry Debtors	1,35,500
Cash paid to Sundry Creditors	1,13,000
Sales Returns	4,250
Purchases Returns	1,750
Wages	2,000
Trade Expenses	5,000
Sundry Expenses	2,250
Charge depreciation on furniture 5%	OR

- (b) Vinayagam and Kandan are partners sharing profits and losses in the ratio of 6 : 4. They admit Varadhan as partner with 1/3 share in profits.

Balance Sheet as on 31.12.2010

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	29,000	Cash	9,000
Bills Payable	6,000	Land and Building	25,000
Capitals :		Plant and Machinery	30,000
Vinayagam 50,000		Stock	15,000
Kandan 35,000	85,000	Sundry debtors 20,000	
General Reserve	16,000	Less : Provision for doubtful debts 1000	19,000
		Goodwill	10,000
		Profit and Loss A/c	28,000
	1,36,000		1,36,000

They admit Varadhan as a new partner on the following terms with effect from 1st January 2011.

- Varadhan shall bring Rs.25,000 as capital.
 - Goodwill of the firm was valued at Rs.26,000.
 - Land and Building be appreciated by 40%.
 - Depreciate Plant and Machinery by 10%.
 - The provision for doubtful debts was to be increased by Rs.800.
 - Write off from Sundry Creditors Rs.1000.
- Prepare Revaluation Account, Capital Accounts, Bank Account and the new Balance Sheet as on 1.1.2011 after the admission of Varadhan.

54. From the following Trial Balance of Tmt. Thulasi as on 31st March 2005, prepare Trading, Profit and Loss Account and Balance Sheet.

Debit balances	Rs.	Credit balances	Rs.
Drawings	10,000	Capital	90,000
Machinery	30,000	Commission received	3,000
Cash at bank	10,000	Sales	1,20,000
Cash in hand	5,000	Bank loan	40,000
Wages	10,000	Return outwards	5,000
Purchases	80,000	Sundry creditors	40,000
Stock (1-4-2004)	60,000	Discount received	4,000
Sundry debtors	40,000		
Plant	29,000		
Rent	4,000		
Interest on bank loan	500		
General expenses	12,000		
Salaries	7,500		
Return inwards	4,000		
	3,02,000		3,02,000

The following adjustments are to be made

- Closing stock Rs.80,000
 - Outstanding interest on bank loan Rs.400
 - Depreciate Machinery 10%
 - Provide for Interest on capital 6%
 - Provide for Interest on drawings 5%
55. From the following Profit and Loss A/c of Eswari Limited calculate the following ratios. (i) Gross profit ratio (ii) Net profit ratio (iii) Operating profit ratio (iv) Operating ratio

Dr. Trading, Profit and Loss A/c for the year ended 31.03.2002. Cr.

Particulars	Rs.	Particulars	Rs.
To opening stock	10,000	By sales	50,000
To purchases	36,000	By closing stock	16,000
To gross profit c/d	20,000		
	66,000		66,000
To Administrative expenses	2,000	By gross profit b/d	20,000
To selling expenses	8,000	By dividend	1,000
To interest	3,000	By profit on sales of investments	1,000
To net profit c/d	9,000		
	22,000		22,000

56. From the following information prepare cash budget for the months March, April and May 2009 :

Month	Credit purchases Rs.	Credit sales Rs.	Administrative and selling expenses Rs.
January	7,50,000	15,00,000	80,000
February	10,00,000	13,50,000	1,20,000
March	8,50,000	17,50,000	3,00,000
April	12,50,000	12,00,000	5,00,000
May	9,00,000	14,00,000	3,00,000

Additional informations :

- Estimated Cash Balance on 1.3.2009 is Rs.8,00,000
 - Period of credit allowed by suppliers 2 months
 - Period of credit allowed to customers 1 month
 - Expenses are paid in the same month
 - Sale of fixed asset Rs.2,50,000 in April
57. Shri. Guru Company Ltd., issued 40,000 Equity shares of Rs.100 each at a discount of 10%. The amount on shares were payable as follows :
- On Application Rs.30
 - On Allotment Rs.30 (with discount adjustment)
 - On First call Rs.20
 - On Second call Rs.10
- The company received applications for 40,000 shares. All these applications were allotted. All the money due on these shares were duly received.
Pass Journal Entries, prepare Bank Account, Share Capital A/c, Discount on issue of Shares Account and Balance Sheet.