

Pre-Board I Examination, 2019-20  
Accountancy(055)  
Class – XII

Max. Marks: 80  
Time Allowed: 3 Hours

Date:

General Instructions:

1. This Paper contains two parts A and B
2. There are 32 Questions in this paper.
3. Question no.1 to 16 and 25 to 28 are MCQ.
4. All parts of a question should be attempted at one place.
5. Show your working note clearly.

**Part A**

**Accounting for Not- for Profit Organisations, Partnership Firms and Companies**

1. How much amount will be shown in Balance Sheet if Sports Fund ₹1,00,000 (Opening Balance) ; Interest on sports Fund Investments ₹ 5,000 ; Tournament expenses were ₹ 20,000 ; Sports Fund Investments ₹ 80,000? **1**
2. On the death of the partner his legal representatives are entitled to the profit- a) For full year  
b) From the date of death till the finalization of accounts  
c) Beginning of the financial year up to the death  
d) None of the above **1**
3. All the partners want to dissolve the firm. Y, Partner, demands that his loan of ₹2,00,000 be paid before payment of capitals of the partner but X, another partner, demands that capitals be paid before payment of Y's Loan. Who is correct? **1**
4. AB & Co. has 50 partner It wants to admit a new partner. Can it do so?  
a) Yes  
b) No  
c) Yes, if all the partners agree  
d) None of these **1**

5. If date of drawings is not given, for how many months would interest on drawings be charged? **1**
6. Total assets of a firm including fictitious assets of ₹5,000 are ₹85,000. Liabilities of the firm are ₹30,000. Normal rate of return is 10 % and the average profit of the firm is ₹8,000. Calculate goodwill as per capitalization of super profit. **17.** X and Y are equal partners in a firm. Their capital accounts show credit balances of ₹1,80,000 and ₹1,20,000 respectively. A new partner Z is admitted with 1/5<sup>th</sup> share in profits. He brings ₹1,40,000 for his capital. Calculate Z's share of goodwill on the basis of his capital. **1**
8. X, Y and Z are partners, sharing profits in the ratio of 2:2:1, Y died on 30<sup>th</sup> June, 2019 and profit for the accounting year 2018-19 was ₹36,000. How much share of profit will be credited to Y, for the period 1<sup>st</sup> April, 2019 to 30<sup>th</sup> June, 2019? **1**
9. A, B and C are sharing profits and losses in the ratio of 4:3:2, decide to admit D as a

new partner with effect from 1<sup>st</sup> April 2019. An extract of their Balance Sheet as at 31<sup>st</sup> march, 2019 is-

Liabilities	Amount(₹)	Assets	Amount(₹)
Investment fluctuation reserve	18,000	Investment(at cost)	2,00,000

Show the accounting treatment of investment fluctuation reserve if the market value of investment is ₹1,91,000. **1**

10. Complete the following statement:  
Unrecorded Liability paid at the time of dissolution of the firm is to be debited to\_\_\_\_\_. **1**
11. State True or False.  
The amount due to retiring partner is always settled in cash. **1**
12. Fast Internet Ltd. issued 10,000, 7 % debentures of ₹100 each at a discount of ₹6 on 1<sup>st</sup> October, 2018. These debentures are redeemable at a premium of ₹4. Interest for the year ended 31<sup>st</sup> march, 2019 will be- a) ₹ 65,800

b) ₹  
32,900

c) ₹  
70,000

d) ₹  
35,000

1

13. Fill in the blank- Shares issued to promoters in lieu of their services are categorized as shares issued for\_\_\_\_\_.

1

14. Fill in the blank. 1

Endowment fund is\_\_\_\_\_ fund.

15. Anmol Ratan Ltd. is to redeem 10,000, 8 % Debentures of ₹100 each at a premium of

₹10 out of profit. Amount that should be invested in Debenture Redemption

Investment is- a) ₹ 1,50,000

b) ₹ 1,65,000

c) ₹ 3,15,000

d) None of these 1

16. Fill in the blank.

A company issued 50,000 shares of ₹10 each for subscription. It receives applications for 40,000 shares. It cannot issue shares as it has not received \_\_\_\_\_.

1

17. Calculate what amount will be posted to Income & Expenditure A/c for the year ending 31<sup>st</sup> March, 2015:

₹

a) Stock of stationery on 1 <sup>st</sup> April, 2014	7,000
b) Creditors for stationery on 1 <sup>st</sup> April, 2014	4,000
c) Advance paid for stationery carried forward on 1 <sup>st</sup> April 2014	6,000
d) Stock of stationery on 31 <sup>st</sup> March, 2015	3,000
e) Creditors for stationery on 31 <sup>st</sup> March, 2015	8,000
f) Advance paid for stationery On 31 <sup>st</sup> March, 2015	1,500
g) Amount paid for stationery during 2014-15	42,000

4

OR

Distinguish between Receipts and Payment A/c and Cash Book on the basis of: a)

Basis

b) Period

c) Institutions

d) Part of double entry system

18. From the following particulars taken from the Cash Book of a health club, prepare a Receipts and Payments Account.

Particulars	Amount(₹)
<b>Opening balance:</b>	
Cash in Hand	5,000
Cash at Bank	25,000
Subscriptions	1,65,000
Donations	35,000
Investment Purchased	80,000
Rent Paid	20,000
General Expenses	21,500
Postage and stationery	2,000
Courier charges	1,000
Sundry Expenses	2,500
Closing Cash in Hand	12,000

4

19. Star Textiles Ltd. purchased assets of Modern Textiles as under:

Land and Buildings of ₹25,00,000 at ₹40,00,000; Plant and Machinery of ₹10,00,000 for ₹7,50,000 and Furniture of ₹3,00,000 for ₹1,00,000 for purchase consideration of ₹45,00,000. Star Textiles Ltd. paid ₹3,00,000 in cash and remaining by issue of 9 %

Preference shares of ₹500 each at a premium of 5 %. Record necessary entries in the books of Star Textiles Ltd.

4

20. Gajendra Ltd. had a balance of ₹22,00,000 in its Statement of Profit and Loss. Instead of declaring a dividend it was decided to redeem its ₹20,00,000, 9 % debentures at a premium of 10 % out of profits on 31<sup>st</sup> March, 2015. Pass the necessary Journal entries in the books of the company for the redemption of debentures. 4

OR

A Ltd. company issued debentures of ₹75,000 which were issued as follows: -

- |  |                  |
|--|------------------|
| i. For cash at 90 %                              | ₹50,000(Nominal) |
| ii. For creditor for ₹20,000                     |                  |
| Capital expenditure in satisfaction of his claim | ₹25,000(Nominal) |

The debentures are redeemable at the end of 10 years at par. Pass Journal entries for issue.

21. Iqbal and Kapoor are in partnership sharing profits and losses in 3:2. Kapoor died three months after the date of last Balance Sheet. According to the partnership deed, his legal heir is entitled to the following: -
- |   |  |   |
|---|--|---|
| i. His capital as per the last Balance Sheet, | ii. Interest on above capital @ 3 % p.a. till the date of death. | iii. His share of profit till the date of death calculated on the basis of last year's profits. |
|---|--|---|

His drawings are to bear interest at an average rate of 2% on the amount irrespective of the period. The net profits for the last three years, after charging insurance premium, were ₹20,000, ₹25,000 and ₹30,000 respectively. Kapoor's capital as per Balance Sheet was ₹40,000 and his drawings till the date of death were ₹5,000. Pass

Journal entries and prepare Kapoor's capital A/c.

6

22. Pass the necessary journal entries for the following transactions on the dissolution of the firm of X and Y after the various assets (Other than cash) and outside liabilities have been transferred to Realisation A/c: -
- |   |  |   |
|---|--|---|
| i. The firm had borrowed ₹50,000 from partner Y and he took over investments valued at ₹60,000 in full payment of his loan. | ii. A creditor for ₹40,000 accepted a motor bike at ₹15,000 and balance paid to him by cheque. | iii. A B/R of ₹60,000 discounted with the bank is dishonoured |
|---|--|---|

as drawee was declared insolvent and 40 % is received from him. iv. 500 shares of a company acquired at a cost of ₹10,000 had been written off from the books. These are now valued at ₹15 per share, and were divided between the partners in 2:3.

v. Realisation expenses paid ₹10,000.

vi. Advertisement expenditure written off ₹15,000. **6**

OR

Ram and Shyam were partners in a firm sharing profits in the ratio of 2:3. On 31.1.2005 Their Balance Sheet was as follows:

Liabilities	Amount(₹)	Assets	Amount(₹)
Creditors	2,60,000	Land and Building	4,80,000
Bills Payable	1,40,000	Machinery	2,60,000
Ram's Capital	3,00,000	Goodwill	40,000
Shyam's Capital	3,00,000	Stock	1,00,000
		Debtors	80,000
		Cash	40,000
	<hr/>		<hr/>
	10,00,000		10,00,000

On the above date the firm was dissolved. Ram paid the creditors at a discount of 10% and Shyam paid bills payable in full. Assets realised: Land and Building 20% less; Machinery ₹1,40,000; Stock 25% less; Debtors ₹50,000. Expenses of realisation paid by Shyam were ₹7,000. Prepare Realisation Account.

23. A and B were partners in the firm sharing profit in the ratio of 3:2 on 1-4-2018 there balance sheet was as for:

BALANCE SHEET AS AT 1-4-18

Liabilities	Amount	Assets	Amount (₹)
Creditors	17,000	Cash	6,000
General reserve	4,000	Debtors	15,000
Workmen compensation fund	9,000	Investment	20,000
Investment fluctuation fund		Plant	14,000
Provision for bad debts	11,000	Land and building	38,000
Capitals:			
A     30000	2,000		
B     20000			
	0,000		
	<u>93,000</u>		<u>93000</u>

On the above date Vaishali was admitted for  $\frac{1}{4}$ th share in the profits of the firm on the following terms: -

- Vaishali will bring ₹20,000 for her capital and ₹4,000 for her share of goodwill premium.
- All debtors were considered good.
- The market value of investments was ₹15,000.
- There was a liability of ₹6,000 for workmen compensation.
- Capital accounts of A and B are to be adjusted on the basis of Vaishali's capital by opening current accounts. Prepare Revaluation Account and Partners' Capital Accounts and Balance Sheet after admission of new partner.

OR

The Balance Sheet of Vinod, Mohan and Rohan on 31-3-2007 was as follows:

Liabilities	Amount(₹)	Assets	Amount(₹)
Creditors	1,00,000	Cash	4,000
Vinod's Capital	1,60,000	Debtors	96,000
Mohan's Capital	1,60,000	Motor Car	1,08,000
Rohan's Capital	1,20,000	Plant and Machinery	1,12,000
		Land and Building	1,60,000
		Profit and Loss A/c	60,000
	5,40,000		5,40,000

The following terms were agreed upon for Vinod's retirement:

- (a) Goodwill to be valued at ₹84,000 and not to be shown in the books after Vinod's retirement.
- (b) Land and Buildings to be appreciated by ₹40,000.
- (c) Plant and machinery to be reduced to ₹92,000
- (d) Provision for doubtful debts to be created at 5% on debtors
- (e) Create a provision of ₹2,800 for discount for creditors
- (f) The sum payable to Vinod to be brought in by Mohan and Rohan in such a manner that their capitals are in proportion to the profit sharing ratio. Prepare Revaluation Account, Partners capital account and Balance Sheet.

24. Moti Ltd. invited application for 10,00,000 equity shares of ₹10 each at a premium of ₹ 2 per share. The amount was payable as follows:

	₹
On Application	5 (including premium)
On Allotment	4
On First and Final call	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 sum due on allotment. Giri who had applied for 24,000 shares failed to pay allotment and call money. His shares were forfeited. Out



of the forfeited shares, 10,000 shares were reissued for ₹8 per share fully paid up. Pass 8 necessary journal entries in the books of Moti Ltd.

OR

Vinod Limited made an issue of 1,00,000 Equity shares of ₹10 each at a premium of 30% payable as follows:

On application ₹3.50; On allotment ₹6.50 and Balance on 1st & final call.

Applications were received for 2,00,000 Equity Shares and the directors made prorata allotment. Kumar who had applied for 1,600 shares, did not pay the allotment and final call money. With the result his shares were forfeited. Later on 60% of the forfeited shares were reissued at ₹8 per share fully paid up.

Pass necessary journal entries.

### Part B

#### Analysis of Financial Statements

25. Current Ratio is 2:1. On the sale of fixed assets (Book value ₹20,000) for ₹18,000, 1 state whether the current ratio will improve, decrease or not alter.
26. State the interest of tax authorities in the analysis of financial statements. 1
27. Angel Ltd., a stock broker, purchased 5,000 shares of Tata housing Ltd. It is- a)  
Operating activity  
b) Investing activity  
c) Financing activity  
d) None of these 1
28. While preparing Cash Flow statement, match the following activities: - a) Purchase of Machinery  
a. Financing activity  
b) Interest paid by Non- financing company b. operating activity  
c) Goodwill written off c. Investing activity 1
- 29 From the following information, calculate interest coverage ratio:
- |                                   |           |      |
|-----------------------------------|-----------|------|
| Net profit after interest and tax | ₹1,20,000 |      |
| Rate of income tax                | 50 %      |      |
| 15 % Debentures                   | ₹1,00,000 | 12 % |
| Mortgage Loan                     | ₹1,00,000 |      |

OR

Net profit after Interest and Tax ₹45,000; Shareholder's funds ₹5,00,000; 15 % Long-Term Debt ₹1,00,000, Tax paid- ₹45,000. Calculate Return on Investment . **3**

- 30.** Under which major headings and sub-headings the following items will be shown in balance sheet of a company as per schedule III of the companies Act, 2013?
- Bank overdraft
  - Calls in advance
  - Trade marks **3**

- 31** Fill in the missing figures in the following Common Size Statement of Profit & Loss:

Common Size Statement of Profit & Loss

For the year ended 31<sup>st</sup> March, 2019

Particulars	Note No.	Absolute amounts(₹)	Percentage of revenue from operations (%)
I. Revenue from operations		?	?
II. Other Income		60,000	?
III. Total Revenue (I + II)		?	?
IV. Less: Expenses:			
Cost of Material Consumed		?	50
Other expenses		2,10,000	14
Total Expenses		?	?
Profit before Tax (III-IV)		?	?
Less: Tax		?	?
Profit after Tax		?	16
		?	

			?
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**OR**

**4**

Prepare a comparative Balance sheet of KJ Ltd. from the following information:

Particulars	Note No.	31.3.2017 (₹)	31.2.2016 (₹)
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<b>I. Equity and liabilities:</b>			
(A) Shareholder's Funds		8,00,000	4,00,000
(B) Non- Current Liabilities		5,00,000	2,00,000
(C) Current liabilities		3,00,000	2,00,000
		<u>16,00,000</u>	<u>8,00,000</u>
<b>II. ASSETS:</b>			
(A) Non- Current liabilities		10,00,000	5,00,000
(B) Current Assets		6,00,000	3,00,000
		<u>16,00,000</u>	<u>8,00,000</u>

**32** Following are the Balance Sheets of Krishtec Limited for the year ended 31st March

2011 and 2012:

Particulars	31-3-2012 (₹)	31-3-2011 (₹)
<b>I. Equity and Liabilities</b>		
<b>(1) Shareholders Funds</b>		
(a) Share Capital	12,00,000	8,00,000
(b) Reserves & Surplus (Statement of P/L)	3,50,000	4,00,000
<b>(2) Non-current Liabilities:</b>		
Long term borrowings	4,40,000	3,50,000
<b>(3) Current Liabilities:</b>		
Trade Payables	60,000	50,000
Total	<u>20,50,000</u>	<u>16,00,000</u>

<b>II. Assets</b>		
<b>(1) Non-current Assets:</b>	12,00,000	9,00,000
(a) Fixed Assets:		
(i) Tangible Assets	2,00,000	1,00,000
<b>(2) Current Assets:</b>	3,10,000	2,30,000
(a) Inventories		
(b) Trade Receivables		
(c) Cash and Cash	3,40,000	3,70,000
Equivalents		
Total	20,50,000	16,00,000

Prepare a Cash Flow Statement after taking into account the following adjustment:

- 6 (a) The Company paid interest ₹36,000 on its long term borrowings.  
 (b) Depreciation charged on tangible fixed assets was ₹1,20,000.

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