

PRE-BOARD EXAMINATION II (2019-'20)
ACCOUNTANCY (055)

CLASS: XII

Max. Marks: 80
Time: 3 Hours

General Instructions:

1. This question paper contains two parts-Part A and Part B.
 2. Both the parts are compulsory.
 3. All parts of a question should be attempted at one place.
-

PART A

(Accounting for Not-for-Profit Organizations, Partnership Firms and Companies)

1. On the basis of the information given below, calculate the amount of stationery to be debited to the Income and Expenditure Account of Good Health Sports Club for the year ended 31st March, 2018: **1**

| Particulars | 1.04.2017(Rs.) | 31.03.2018(Rs) |
|--------------------------|----------------|----------------|
| Stock of Stationery | 8,000 | 6,000 |
| Creditors for Stationery | 9,000 | 11,000 |

Stationery purchased during the year ended 31.03.2018 was Rs.47,000.

2. Interest payable on the capitals of the partners is charged to: **1**
- (a) Profit & Loss Account; (b) Profit & Loss Adjustment Account; (c) Realization Account;
(d) Profit & Loss Appropriation Account.
3. ----- is the excess of actual profit over the normal profit. **1**
4. X and Y shared profits and losses in the ratio of 3:2. With effect from 1st April, 2019, they agreed to share profits equally. Goodwill of the firm was valued at Rs. 60,000. The necessary single adjustment entry will be: **1**
- (a) Dr. Y's Capital A/c and Cr. X's Capital A/c with Rs. 6,000;
(b) Dr. X's Capital A/c and Cr. Y's Capital A/c with Rs. 6,000;
(c) Dr. X's Capital A/c and Cr. Y's Capital A/c with Rs. 600;
(d) Dr. Y's Capital A/c and Cr. X's Capital A/c with Rs. 600

- 5.**New partner can be admitted into partnership: **1**
- (a) with the consent of any one partner;
 - (b)with the consent of majority of partners;
 - (c) with the consent of all partners;
 - (d) with the consent of 2/3rd of old partners.
- 6.**At the time of retirement or death of a partner, goodwill appearing in the books of the firm is written-off among-----partners in their-----ratio. **1**
- 7.**On the death of a partner, his legal representatives are entitled to the profit: **1**
- (a) For the full year;
 - (b) From the date of death till the finalization of accounts;
 - (c) Beginning of the financial year up to the date of death;
 - (d) None of the above.
- 8.**Which of the following is not the mode of dissolution of the firm? **1**
- (a) By mutual agreement;
 - (b) On happening of an event;
 - (c) Dissolution by Court;
 - (d) Retirement of a partner.
- 9.**The firm paid realization expenses of Rs.10,000 on behalf of Nadh, a partner with whom it was agreed at Rs.25,000.Realisation expenses came to Rs.35,000.Realization Account will be debited by: **1**
- (a) Rs.10,000; (b) Rs.35,000;(c) Rs.25,000;(d) Rs.70,000.
- 10.**A company issued 50,000 shares of Rs.10 each for subscription.It receives applications for 40,000 shares.It is a case of where ----- is not received. **1**
- 11.**Mohar Ltd. forfeited 160 shares of Rs.10 each on which the holder had paid only the application money of Rs.2 per share.Out of these,40 shares were reissued to Gautham as fully paid for Rs.9 per share.The gain on reissue is: **1**
- (a) Rs.320; (b) Rs.160; (c) Rs.40;(d) None of these.
- 12.** An entry may or may not be passed in the Books of Account for Debentures issued as----- **1**
- 13.**Discount or Loss on Issue of Debentures is written off from: **1**
- (a) Securities Premium Reserve; (b) Securities Premium Reserve (if exists) and thereafter from Statement of Profit and Loss.

14. From the following Receipts and Payments Account and additional information, compute income from the subscriptions for the year ended 31st March, 2019 and show it in the Final Accounts of the Club: **3**

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st, March, 2019

| Receipts | Rs. | Payments | Rs. |
|------------------|----------|----------|-----|
| To Subscriptions | 1,00,000 | | |

Additional Information:

| | As at 31.03.2018 (Rs.) | As at 31.03.2019 (Rs.) |
|----------------------------------|---------------------------|---------------------------|
| Subscription Outstanding | 20,000 | 40,000 |
| Subscription received in advance | 30,000 | 20,000 |

15. On 1st April, 2018, a firm had assets of Rs. 3,00,000 including cash of Rs. 5,000. The Partner's Capital Accounts showed a balance of Rs. 2,00,000 and the Reserve constituted the rest. If the normal rate of return is 10% and the goodwill of the firm is valued at Rs. 2,00,000 at four year's purchase of super profit, find the average profit of the firm. **3**

OR

Ram and Naren are partners in a firm. Their capitals as on 1st April, 2018 were Rs. 2,50,000 and Rs. 1,50,000 respectively. They share profits equally. On 1st July, 2018, they decided that their capitals should be Rs. 2,00,000 each. The necessary adjustment in the capitals were made by introducing or withdrawing capital. Interest on capital is allowed @ 8% p.a. Compute interest on capital for both the partners for the year ended 31st March, 2019. **3**

16. X, Y and Z are partners sharing profits and losses in the ratio of 5:3:2. They decide to share future profits in the ratio of 2:3:5 with effect from 1st April, 2019. Following items appear in the Balance Sheet as at 31st March, 2019:

| | Rs. |
|---------------------------------|--------|
| General Reserve | 75,000 |
| Advertisement Suspense A/c (Dr) | 50,000 |
| Workmen Compensation Reserve | 12,500 |
| Profit and Loss Account (Cr) | 37,500 |

Pass necessary Journal entries.

4

17. A, B and C are in partnership sharing profits and losses in the ratio of 5:4:1 respectively. Two new partners D and E are admitted. Profits are to be shared in the ratio of 3:4:2:2:1 respectively. D is to pay Rs.30,000 for his share of goodwill but E is unable to pay for goodwill. Both the new partners introduced Rs.40,000 each as their capital.

Pass necessary Journal entries.

4

18. X, Y and Z were in partnership sharing profits and losses equally. Z retired from the firm. After adjustments. His Capital account shows a credit balance of Rs.1,00,000 as on 1st April, 2016. Z is to be paid in two equal instalments of Rs.37,500 each including interest @10% p.a. on the outstanding balance of each year and the balance including interest in the third year.

Prepare Z's Loan Account till he is paid the amount due to him.

4

19. From the following Receipts and Payments Account of Friends Club for the year ended 31st March, 2019, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

6

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019

Dr.

Cr.

| Particulars | Rs. | Particulars | Rs. |
|------------------------------------|-----------------|-----------------------|-----------------|
| To Balance b/d (cash in hand) | 1,41,300 | By rent and taxes | 86,100 |
| To Entrance fees | 55,200 | By salaries | 1,09,000 |
| To Subscriptions | 2,20,000 | By Electricity Charge | 6,200 |
| To General donations | 56,100 | By General expenses | 12,500 |
| To Legacy donation | 50,000 | By Books | 31,200 |
| To Interest | 4,100 | By Office expense | 45,000 |
| To Surplus from cultural programe. | 8,200 | By Investments | 1,40,000 |
| | | By Balance C/d: | |
| | | Cash at Bank | 61,900 |
| | | Cash in hand | 43,000 |
| | 5,34,900 | | 5,34,900 |

Additional Information:

- (i) In the beginning of the year, the club had Books of Rs.3,00,000 and Furniture of Rs 58,000.
- (ii) Subscriptions in Arrears on 1st April,2018 were Rs.6,000 and Rs.7,000 on 31st March,2019.
- (iii)Rs.18,000 was due by way of rent in the beginning as well as at the end of the year.
- (iv)Write off Rs.5,000 from furniture and Rs.30,000 from Books.

20. Max Ltd. has issued 20,000:9% Debentures of Rs.100 each of which half the amount is due for redemption on 31st March,2015.The company has in its Debenture Redemption Reserve Account a balance of Rs.5,00,000.Record necessary Journal Entries at the time of redemption of debentures.

6

OR

On 1st April,2015,K.K Ltd. issued 8,000,9% Debentures of Rs.1,000 each at a discount of 6%,redeemable at a premium of 5% after three years.The company closes its books on 31st March,every year.Interest on 9% Debentures is payable on 30th September and 31st March,every year.The rate of tax deducted at source is 10%.

Pass necessary Journal entries for the issue of debentures and debenture interest for the year ended 31st March,2016.

21.Sahaj and Nimish are partners in a firm.They share profits and losses in the ratio of 2:1.Since both of them are specially abled,sometimes they find it difficult to run the business on their own.Therefore,they admitted Gauri into partnership for 1/3rd share.She brought her share of goodwill in cash and proportionate capital.At the time of Gauri's admission, the Balance Sheet of Sahaj and Nimish was as under:

| Liabilities | Rs. | Assets | Rs. |
|---------------------------|-----------------|-----------|-----------------|
| Capital A/cs: | | Machinery | 1,20,000 |
| Sahaj 1,20,000 | | Furniture | 80,000 |
| Nimish 80,000 | 2,00,000 | Stock | 50,000 |
| General Reserve | 30,000 | Debtors | 30,000 |
| Creditors | 30,000 | Cash | 20,000 |
| Employees' Provident Fund | 40,000 | | |
| | 3,00,000 | | 3,00,000 |

It was decided to:

- (i) Reduce the value of furniture by Rs.5,000;
- (ii) Depreciate furniture by 10% and appreciate machinery by 5%.
- (iii) Rs.3,000 of the debtors proved bad.A provision of 5% was to be created on debtors for doubtful debts.
- (iv) Goodwill of the firm was valued at Rs.45,000.

Prepare Revaluation Account,Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

6

OR

X,Y and Z were partners in a firm with profit –sharing ratio of 1/2,1/3 and 1/6 respectively.

The Balance Sheet of the firm as at 31st March,2019 was as follows:

| Liabilities | Rs. | Assets | Rs. |
|------------------------|------------------|-----------------------|------------------|
| Trade Creditors | 2,10,000 | Cash at Bank | 57,500 |
| Workmen | | Debtors 4,00,000 | |
| Compensation Reserve | 1,20,000 | Less: | |
| Employees' Provident | 60,000 | Provision For | |
| Fund | | Doubtful debts 20,000 | 3,80,000 |
| Investment Fluctuation | 60,000 | Stock | 3,76,500 |
| Reserve. | | Investments(Market | 1,50,000 |
| Capital A/cs: | | Value Rs.1,76,000) | |
| X 6,80,000 | | Patents | 1,00,000 |
| Y 3,20,000 | | Machinery | 5,00,000 |
| Z 2,10,000 | 12,10,000 | Advertisement | 36,000 |
| | | Expenditure | 60,000 |
| | | Goodwill | |
| | 16,60,000 | | 16,60,000 |

Z retired on 1st April,2019 on the following terms:

- (i) Goodwill of the firm is valued at Rs.3,00,000;
- (ii) Value of Patents to be reduced by 20% and that of machinery to 90%;

- (iii) Provision for Doubtful Debts is to be raised to 6%;
- (iv) Liability for Workmen Compensation to the extent of Rs.60,000 is to be created;
- (v) Z took the Investments at market value;
- (vi) Amount due to Z is to be settled on the following basis:
50% on retirement,50% of the balance within one year and the balance by a bill of exchange(without interest) at 3 months.

Journalize for the treatment of Goodwill, and show Revaluation Account, Partners' Capital Accounts and the Balance Sheet of X and Y after Z's retirement.

22.AB Ltd. invited applications for 1,00,000 Equity shares of Rs.10 each,payable as Rs.2 on application,Rs.3 on allotment and the balance on first and final call.Applications were received for Rs.3,00,000 shares and the shares were allotted on a prorata basis.The excess application money was to be adjusted against allotment money only.M, a shareholder,who had applied for 3,000 shares, failed to pay the call money and his shares were accordingly forfeited and reissued @ Rs.8 per share as fully paid-up. Pass necessary Journal entries. **8**

OR

On 1st April,2018,Welfare Ltd.took over assets of Rs.4,50,000 and liabilities of Rs.60,000 of Himalayan Ltd.for the purchase consideration of Rs.4,40,000.It paid the purchase consideration by issuing 8% Debentures of Rs.100 each at 10% premium.On the same date it issued another 3,000,8% Debentures of Rs.100 each at a discount of 10%,redeemable at a premium of 5% after 5 years.According to the terms of issue Rs.30 is payable on application and the balance on the allotment of debentures. Journalize the above in the books of Welfare Ltd.

PART B

(ANALYSIS OF FINANCIAL STATEMENTS)

- 23.**Mining rights are **1**
- (i)Tangible Fixed Assets.(ii) Intangible Fixed Assets.(iii) Intangible Assets Under Development.
 - (iv) Capital Work-in-Progress.
- 24.**Financial Statement Analysis ignores price level changes.It is its----- **1**

- 25.-----establishes the number of times amount invested in trade receivables is turned over in a year in relation to Revenue from Operations. **1**
- 26.Liquidity Ratios measure -----solvency of the enterprises. **1**
- 27.A transaction which involving a decrease in both Current Ratio and Quick ratio is **1**
- (i) Sale of Non-Current Assets for cash;
- (ii) Sale of stock –in –trade at loss;
- (iii) Cash payment of a current liability;
- (iv)Purchase of Stock in trade on credit.
- 28.If Revenue from Operations is Rs.1,60,000 and Gross Profit is Rs.40,000, Gross Profit Ratio will be: **1**
- (i) 30%; (ii) 25%; (iii) 40%; (iv) 50%.
- 29.Purchase of securities by a non-finance company is----- **1**
- 30.From the following information, calculate:
- (i) Operating Ratio,(ii) Quick Ratio,and (iii) Working Capital Turnover Ratio.
- Information;Equity Share Capital Rs.1,00,000; 12% Preference Share Capital Rs.80,000; 12%Debentures Rs.60,000; General Reserve Rs.40,000; Revenue from Operations Rs.3,00,000;Opening Inventory Rs.10,000;Purchases Rs.1,20,000;Wages Rs.30,000; Closing Inventory Rs.30,000;Selling & Distribution Expense Rs.10,000;Quick Assets Rs.2,00,000 and Current Liabilities Rs.1,20,000. **3**

OR

Under which major sub-heads and sub-heads the following items will be placed in the Balance Sheet of a company as per revised Schedule VI,Part I of the Companies Act,1956(Schedule III,Part I of the Companies Act,2013)?

- (i) Accrued Incomes;
- (ii) Loose Tools;
- (iii) Provision for Employees Benefits;
- (iv) Unpaid dividend;
- (v) Short-term Loans;
- (vi) Long-term Loans.

31. From the following Statement of Profit and Loss of Star Ltd. for the year ended 31st March, 2012 and 2011, prepare Common Size Statement of Profit and Loss:

4

| Particulars | 31.03.2012(Rs) | 31.03.2011(Rs) |
|----------------------------|----------------|----------------|
| Revenue from Operations | 20,00,000 | 16,00,000 |
| Employees Benefit Expenses | 10,00,000 | 8,00,000 |
| Other Expenses | 1,00,000 | 2,00,000 |

OR

Prepare Comparative Statement of Profit and Loss from the following:

| Particulars | 31.03.2019(Rs) | 31.03.2018(Rs) |
|--|----------------|----------------|
| Revenue from Operations | 5,00,000 | 3,20,000 |
| Purchase of Stock-in-Trade | 4,50,000 | 2,50,000 |
| Change in inventories of Stock-in-Trade | 50,000 | 50,000 |
| Other Expenses(% of Revenue from Operations or Cost of Goods Sold) | 8% | 10% |
| Tax | 30% | 30% |

32. Following is the Balance Sheet of Kaustub Ltd.as at 31st March,2018:

BALANCE SHEET as at 31.03.2018

| Particulars | Note No. | 31.03.2018 (Rs) | 31.03.2017 (Rs.) |
|-----------------------------------|----------|--------------------|---------------------|
| I.EQUITY & LIABILITIES | | | |
| 1.Shareholders'Funds | | | |
| (a) Share Capital | | 10,00,000 | 8,00,000 |
| (b) Reserves and Surplus | 1 | 4,00,000 | (1,00,000) |
| 2.Non-Current Liabilities | | | |
| Long –term Borrowings | 2 | 9,00,000 | 10,00,000 |
| 3.Current Liabilities | | | |
| (a) Short-term Borrowings | 3 | 3,00,000 | 1,00,000 |
| (b)Short-term Provisions | 4 | 1,40,000 | 1,80,000 |
| Total | | 27,40,000 | 19,80,000 |
| II ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets: | | | |
| (i) Tangible Assets | 5 | 20,60,000 | 14,40,000 |
| (ii) In tangible Assets | 6 | 40,000 | 60,000 |
| (b) Non-Current I vestments | | 2,00,000 | 1,50,000 |
| 2. Current Assets | | | |
| (a) Current Investments | | 1,00,000 | 1,20,000 |
| (b) Inventories | 7 | 2,14,000 | 90,000 |
| (c) Cash and Cash Equivalentents | | 1,80,000 | 1,20,000 |
| Total | | 27,40,000 | 19,80,000 |

Notes to Accounts

| Particulars | 31.03.2018(Rs) | 31.03.2017(Rs) |
|--|----------------|----------------|
| 1.Reserves and Surplus | | |
| Surplus i.e. Balance in Statement of Profit & Loss | 4,00,000 | (1,00,000) |
| 2.Long-term Borrowings | | |
| 12% Debentures | 9,00,000 | 10,00,000 |
| 3.Short-term Borrowings | | |
| Bank Overdraft | 3,00,000 | 1,00,000 |
| 4.Short-term Provisions | | |
| Provision for Tax | 1,40,000 | 1,80,000 |
| 5.Tangible Assets | | |
| Machinery | 24,06,000 | 16,42,000 |
| Less: Accumulated Depreciation | (4,00,000) | (2,02,000) |
| | 20,06,000 | 14,40,000 |
| 6.Intangible Assets | | |
| Goodwill | 40,000 | 60,000 |
| 7.Inventories | | |
| Stock-in-Trade | 2,14,000 | 90,000 |

Additional Information:

(i) 12% Debentures were redeemed on 31st March, 2018.

(ii) Tax Rs. 1,40,000 was paid during the year.

Prepare Cash Flow Statement.

6