

Series: DMS/1

Code No. 67/2/2

Roll No.

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परीक्षार्थी कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें ।
Candidates must write the Code on the title page of the answer-book.

- Please check that this question paper contains **9** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains 23 questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 09.30 a.m. From 09.30 a.m. to 09.45 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

PRE BOARD – II, 2018 – 2019

Accountancy (055)

Grade: 12

Date: 20.01.2019

Time: 3 Hours

Max. Marks: 80

General Instructions:

- This question paper contains two parts A and B.*
- Both parts are compulsory.*
- All parts of the questions should be attempted at one place.*

PART – A

(Accounting for Partnership Firms and Companies)

1. What journal entry will be recorded for deceased partners share in profit from the closure of last balance – sheet till the date of his death? **1**
2. In the absence of any provision in the partnership deed, at what ratio is a working partner entitled for remuneration? **1**
3. Mohan and Sohan are partners in a firm. Their firm was dissolved on 1.1.2018. mohan was assigned the work of dissolution. For this work Mohan was to be paid Rs. 500, Mohan paid dissolution expenses of Rs. 400 from his own pocket. Will any journal entry be passes for Rs. 400 paid by Mohan? If yes, pass the entry. If no, given reason. **1**
4. X and Y are partners sharing profits in the ratio of 3:1. They admit Z as a partner. X **1**

surrenders $\frac{1}{3}$ rd of his share and Y surrenders $\frac{1}{4}$ th of his share in favour of Z. What will be the new profit sharing ratio?

- (a) 8:3:5 (b) 3:8:5 (c) 5:8:3 (d) 8:6:3

5. What is meant by Employees Stock Option Plan? **1**
6. D Ltd. invited applications for issuing 10,00,000 equity shares of Rs. 10 each. The public applied for 8,55,000 shares. Can the company proceed for the allotment of shares? Give reasons in support of your answer. **1**
7. Guru Ltd. invited applications for issuing 5,00,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share. Because of favourable market conditions the issue was over subscribed and applications for 15,00,000 shares were received. Suggest the alternatives available to the Board of Directors for the allotment of shares. **3**
8. Jan Dhan Bank, an All India Financial Institution, had 10,000, 12 % debentures of ₹ 100 each, outstanding as at 31st March, 2017. These debentures were due for redemption on 30th June, 2018. Pass necessary Journal Entries for redemption of debentures. Also, state the amount of Debenture Redemption Reserve to be created for the purpose of redemption. **3**
9. Amit and Ankur are partners sharing profits and losses in the ratio of 3:2 respectively. They admit Anshu as partner with $\frac{1}{6}$ th share in the profits of the firm. Amit personally guaranteed that Anshu's share of profit would not be less than Rs. 30,000 in any year. The net profit of the firm for the year ending 31st March 2018 was Rs. 90,000, Prepare Profit and Loss Appropriation A/c. **3**
10. How will be the following items dealt while preparing the Income and Expenditure Account for the year ending on 31st March, 2018 and a Balance Sheet as on that date? **3**

Particulars	1st April 2017 (Rs.)	31st March 2018 (Rs.)
Amount due to supplier of Sports Materials	1,50,000	97,500
Advance to supplier of Sports Materials	50,000	37,500
Stock of Sports Materials	1,05,000	25,000

During 2017 – 18, the payment made to the suppliers of Sports Materials was Rs. 5,40,000. Cash purchases 20% of credit purchases.

11. Bhavya and Sakshi are partners in a firm, sharing profits and losses in the ratio of 3:2. On 31st March, 2018 their Balance Sheet was as under: **4**

Balance Sheet of Bhavya and Sakshi
As at 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	13,800	Furniture	16,000
General Reserve	23,400	Land and Building	56,000
Investment Fluctuation Fund	20,000	Investments	30,000
Bhavya's Capital	50,000	Trade Receivables	18,500
Sakshi's Capital	40,000	Cash in Hand	26,700
	1,47,200		1,47,200

The partners have decided to change their profit sharing ratio to 1: 1 with immediate effect. For the purpose, they decided that:

- a. Investments to be valued at ₹ 25,000
- b. Goodwill of the firm valued at ₹ 48,000
- c. General Reserve not to be distributed between the partners.

You are required to pass necessary journal entries in the books of the firm. Show workings.

12. Dinesh, Alvin and Pramod are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as at March 31, 2018 was as follows: - 4

Balance Sheet of Dinesh, Alvin and Pramod
As at 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	50,000	Debtors	15,000
General Reserve	40,000	Fixed Assets	67,000
Bills Payable	10,000	Investments	40,000
Dinesh's Capital	30,000	Stock	25,500
Alvin's Capital	40,000	Cash in Hand	36,000
Pramod's Capital	30,000	Deferred Revenue Expenditure	14,000
		Dinesh's Loan Account	2,500
	2,00,000		2,00,000

Dinesh died on July 1, 2018, The executors of Dinesh are entitled to:-

- i. His share of goodwill. The total goodwill of the firm valued at ₹75,000.
 - ii. His share of profit up to his date of death on the basis of actual sales till date of death. Sales for the year ended March 31, 2018 was ₹ 12, 00,000 and profit for the same year was ₹ 2,00,000. Sales shows a growth trend of 20% and percentage of profit earning remains the same.
 - iii. Investments were sold at par. Half of the amount due to Dinesh was paid to his executors and for the balance, they accepted a Bills Payable. Prepare Dinesh's Capital account to be rendered to his executors.
13. Prepare Income and Expenditure Account from the following particulars of Youth Club, 6
for the year ended on 31st March,2018:

Receipts and Payments A/c
For the year ended on 31st March, 2018

Receipts	Amount Rs.	Payment	Amount Rs.
Balance b/d	32,500	Salaries	31,500
Subscription	63,300	Postage	1,250
2016 – 17: 1,500		Rent	9,000
2017 – 18: 60,000		Printing and Stationery	14,000
2018 – 19: 1,800		Sports Material	11,500
Donations (Billiards Table)	90,000	Miscellaneous Expenses	3,100
Entrance Fees	1,100	Furniture	20,000
Sale of old magazines	450	10% Investment (1.10.2017)	70,000
		Balance c/d	27,000
	1,87,350		1,87,350

Additional Information:

- i. Subscription outstanding as at March 31st 2018 ₹ 16,200

- ii. ₹ 1200 is still in arrears for the year 2016-17 for subscription
- iii. Value of sports material at the beginning and at the end of the year was ₹ 3,000 and ₹ 4,500 respectively.
- iv. Depreciation to be provided @ 10% p.a. on furniture.

14. Pradeep and Rajesh were partners in a firm sharing profits and losses in the ratio of 3:2. They decided to dissolve their partnership firm on 31st March, 2018. Pradeep was deputed to realize the assets and to pay off the liabilities. He was paid ₹ 500 as commission for his services. The financial position of the firm on 31st March, 2018 was as follows:

Balance Sheet as at 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Creditors	40,000	Building	60,000
Mrs. Pradeep's Loan	20,000	Investment	15,300
Rajesh's Loan	12,000	Debtors	17,000
Investment Fluctuation Fund	4,000	Less: Provision	2,000
Capitals:	42,000	Bills Receivable	18,700
Pradeep 42,000		Bank	3,000
Rajesh 42,000		Profit and Loss A/c	4,000
		Goodwill	2,000
	1,18,000		1,18,000

Following terms and conditions were agreed upon:

- i. Pradeep agreed to pay off his wife's loan.
- ii. Half of the debtor's realized ₹ 6,000 and remaining debtors were used to pay off 25% of the creditors.
- iii. Investment sold to Rajesh for ₹ 13,500
- iv. Building realized ₹ 76,000
- v. Remaining creditors were to be paid after two months, they were paid immediately at 10% p.a. discount
- vi. Bill receivables were settled at a loss of ₹700
- vii. Realization expenses amounted to ₹ 1,250

Prepare Realization Account.

15. Mudit, Sudhir and Uday are partners in a firm sharing profits in the ratio of 3:1:1. Their fixed capital balances are ₹ 4,00,000, ₹ 1,60,000 and ₹1,20,000 respectively. Net profit for the year ended 31st March, 2018 distributed amongst the partners was ₹1,00,000, without taking into account the following adjustments:
- a) Interest on capitals @ 2.5% p.a.;
 - b) Salary to Mudit ₹ 18,000 p.a. and commission to Uday ₹ 12,000
 - c) Mudit was allowed a commission of 6% of divisible profit after charging such commission.

Pass a rectifying journal entry in the books of the firm. Show workings clearly.

OR

The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:

- a) Alia and Chand were entitled to a salary of ₹ 1,500 each p.a.
- b) Bhanu was entitled for a commission of ₹ 4,000
- c) Bhanu and Chand had guaranteed a minimum profit of ₹ 35,000 p.a. to Alia any deficiency to borne equally by Bhanu and Chand.

Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.

16. Anshika Ltd. issued applications for 2,00,000 equity shares of ₹10 each, at a premium of ₹4 per share. The amount was payable as follows: 8

On application ₹ 6 (including ₹2 premium)

On allotment ₹ 7 (including ₹2 premium)

Balance on first and final call

Applications for 3,00,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Mehak to whom 400 shares were allotted, failed to pay allotment and call money. Khushboo who had applied for 300 shares failed to pay call money. These shares were forfeited after Final call. 400 of the forfeited shares (including all shares of Khushboo) were reissued @ ₹8 per share as fully paid up. Pass necessary journal entries in the books of Anshika Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.

OR

Khyati Ltd. issued a prospectus inviting applications for 80,000 equity shares of ₹10 each payable as follows:

₹2 on application

₹3 on allotment

₹2 on first call

₹3 on final call

Applications were received for 1,20,000 equity shares. It was decided to adjust the excess amount received on account of over subscription till allotment only.

Hence allotment was made as under:

(i) To applicants for 20,000 shares – in full

(ii) To applicants for 40,000 shares – 10,000 shares

(iii) To applicants for 60,000 shares – 50,000 shares

Allotment was made and all shareholders except Tammana, who had applied for 2,400 shares out of the group (iii), could not pay allotment money. Her shares were forfeited immediately, after allotment. Another shareholder Chaya, who was allotted 500 shares out of group (ii), failed to pay first call. 50% of Tamanna's shares were reissued to Satnaam as ₹ 7 paid up for payment of ₹ 9 per share.

Pass necessary journal entries in the books of Khyati Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.

17. Divya, Yasmin and Fatima are partners in a firm, sharing profits and losses in 11:7:2 respectively. The balance sheet of the firm as on 31st March 2018 was as follows: 8

Balance Sheet as at 31.03.2018

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	70,000	Factory Building	7,35,000

Public Deposits	1,19,000	Plant and Machinery	1,80,000
Reserve Fund	90,000	Furniture	2,60,000
Outstanding Expenses	10,000	Stock	1,45,000
Capital Accounts	13,10,000	Debtors	1,50,000
Divya 5,10,000		Less: Provision (30,000)	1,20,000
Yasmin 3,00,000		Cash at Bank	1,59,000
Fatima 5,00,000			
	15,99,000		15,99,000

On 1.4.2018, Aditya is admitted as a partner for one-fifth share in the profits with a capital of ₹4,50,000 and necessary amount for his share of goodwill on the following terms:

- Furniture of ₹2,40,000 were to be taken over Divya, Yasmin and Fatima equally.
- A creditor of ₹ 7,000 not recorded in books to be taken into account.
- Goodwill of the firm is to be valued at 2.5 years purchase of average profits. of last two years. The profit of the last three years were:
2015-16 ₹6,00,000; 2016-17 ₹2,00,000; 2017-18 ₹6,00,000
- At time of Aditya's admission Yasmin also brought in 50,000 as fresh capital
- Plant and Machinery is re-valued to ₹2,00,000 and expenses outstanding were brought down to ₹ 9,000. Prepare Revaluation Account, Partners Capital Account and the balance sheet of the reconstituted firm.

OR

The Balance Sheet of Adil, Bhavya and Cris as at 31st March 2018 was as under:

Balance Sheet As at 31.03.2018

Liabilities	Rs.	Assets	Rs.
Capital Accounts:		Buildings	1,20,000
Adil	40,000	Motor Car	18,000
Bhavya	30,000	Stock	20,000
Cris	20,000	Investments	20,000
General Reserve	10,000	Debtors	40,000
Investment Fluctuation Reserve	7,000	Cash at Bank	12,000
Sundry Creditors	1,23,000		
	2,30,000		2,30,000

The partners share profits in the ratio of 5:3:2. On 1-4-2018, Cris retires from the firm on the following terms and conditions:

- 20% of the General Reserve is to remain as a reserve for bad and doubtful debts
- Motor car is to be reduced by 5%
- Stock is to be revalued at ₹ 17,500 and investment to be re-valued at ₹ 18,000
- Goodwill is to be valued at 3 years' purchase of the average profits of last 4 years.

Profits of the last four years were:

2014-15 ₹13,000; 2015-16 ₹11,000; 2016-17 ₹16,000 and 2017-18 ₹24,000

Cris was paid in full. Adil and Bhavya borrowed the necessary amount from the Bank on the security of Building to pay off Cris.

Pass necessary journal entries.

PART – B
(Financial Statement Analysis)

18. Under which type of activity will you classify 'Rent received' while preparing cash flow statement? 1
19. State any one advantage of preparing Cash Flow Statement. 1
20. Under which major heads and subheads of the Balance Sheet of a company, will the following items be shown:- 4
- i) Loose Tools
 - ii) Retirement Benefits Payable to employees
 - iii) Patents
 - iv) Interest on Calls in Advance

21. Calculate amount of Opening Trade Receivables and Closing Trade Receivables from the following figures: 4

Trade Receivables Turnover Ratio	5 times
Cost of Revenue from Operations	Rs. 8,00,000
Gross Profit Ratio	20%
Closing Trade Receivables were Rs. 40,000 more than in the beginning	
Cash sales being 1/4 th times of Credit Sales	

OR

From the following data, calculate Current Ratio and Liquid Ratio

Liquid Assets	Rs. 75,000
Inventories (Include loose tools of Rs. 20,000)	Rs. 35,000
Prepaid Expenses	Rs. 10,000
Working Capital	Rs. 60,000

22. From the following Balance Sheet of R Ltd., Prepare a Common Size Statement 4
Balance Sheet As at 31st March, 2018.

Particulars	Note No.	2017-18 (Rs)	2016 -17 (Rs)
I. Equity and Liabilities:			
(1) Shareholders' funds:			
(a) Equity Share Capital		2,50,000	2,00,000
(b) Reserves and Surplus		80,000	60,000
(2) Current Liabilities		70,000	40,000
Total		4,00,000	3,00,000
II. Assets:			
(1) Non-Current Assets:			
(a) Fixed Assets			
Tangible Assets		1,60,000	1,20,000
Intangible Assets		20,000	30,000

(2) Current Assets:			
(a) Inventory		80,000	30,000
(b) Trade Receivables		1,20,000	1,00,000
(c) Cash and Cash Equivalents		20,000	20,000
Total		4,00,000	3,00,000

23. From the following Balance Sheets of Vishwa Ltd., prepare Cash Flow Statement as per AS – 3 (revised) for the year ending 31st March, 2018 6

Particulars	Note No.	31.03.2018 (Rs)	31.03.2017 (Rs)
I. Equity and Liabilities:			
1. Shareholders' funds:			
(a) Equity Share Capital		1,02,000	84,000
(b) Reserves and Surplus		36,000	22,560
2. Non-current Liabilities:			
Long Term Borrowings		60,000	48,000
3. Current Liabilities:			
(a) Short Term Borrowings		10,000	5,000
(b) Trade Payables		28,800	36,000
(c) Short Term Provisions		16,800	18,000
Total		2,53,600	2,13,560
II. Assets:			
1. Non-Current Assets:			
(a) Fixed Assets			
Tangible Assets		1,18,800	1,32,000
2. Current Assets:			
(a) Inventories		61,800	45,600
(b) Trade Receivables		33,600	27,600
(c) Cash and Cash Equivalents		39,400	8,360
Total		2,53,600	2,13,560

Notes to Accounts:

Note No.	Particulars	31.03.2018 (Rs.)	31.03.2017 (Rs.)
1	Reserve and Surplus		
	Balance in statement of Profit and Loss	15,600	5,760
	General Reserve	20,400	16,800
		36,000	22,560
2	Long Term Borrowings		
	10% Debentures	60,000	48,000

		60,000	48,000
3	Short Term Borrowings Bank Overdraft	10,000	5,000
		10,000	5,000
4	Short-term Provisions Provision for Income Tax	16,800	18,000
		16,800	18,000
5	Tangible Assets Land and Building Plant and Machinery	96,000 22,800	97,200 34,800
		1,18,800	1,32,000
6	Trade Receivables Debtors Bills Receivables	19,200 14,400	24,000 3,600
		33,600	27,600

Additional Information:

- (a) Tax paid during the year 2017 – 18 Rs. 14,400.
- (b) Depreciation on plant charged during the year 2018 – 19 was Rs. 14,400.
- (c) Additional debentures were issued on March 31, 2018.