

SECOND PRE BOARD EXAMINATION (2019-20)

CLASS: XII

Subject: ACCOUNTANCY

Date: 01.02.2020

Time Allowed: 3 Hours

Maximum Marks: 80

General instructions:

- (1) All questions are **compulsory**.
- (2) Marks are indicated against each question.
- (3) Please check that this question paper contains 13 printed pages only.
- (4) Please check that this question paper contains 32 questions.

PART A

**ACCOUNTING FOR NOT-FOR-PROFIT ORGANISATIONS,
PARTNERSHIP FIRMS AND COMPANIES**

1. Receipt & Payment A/C is a _____. 1
(a) Real A/C (c) Personal A/C
(b) Nominal A/C (d) Basic A/C
2. When the incoming partner brings in his share of premium for goodwill in cash, it is adjusted by crediting to 1
(a) Incoming Partner's Capital Account
(b) Premium for Goodwill Account
(c) Sacrificing Partner's Capital Account
(d) None of the above
3. S, B and J were partners in a firm. T was admitted as a partner in the partnership firm for 1/5th share in profit. Calculate the Sacrificing ratio of S, B and J. 1
4. On dissolution of a partnership firm, Goodwill if appearing in the Balance Sheet, is transferred to the..... Account. 1

5. Distinguish between Fixed Capital Account and Fluctuating Capital Account on the basis of credit balance. 1
6. Bat, Ball & Run are partners sharing profits & losses in the ratio of 4:3:2. Ball retires & the goodwill is valued at 72,000. Pass journal entry for treatment of goodwill, if Bat & Run decided to share future profits in the ratio of 1:1. 1
7. 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. The goodwill of the firm was valued at 60,000. The necessary single adjustment entry will be: 1
- (a) Dr. Y and Cr. X with 6,000. (c) Dr. X and Cr. Y with 6,000.
- (b) Dr. X and Cr. Y with 600. (d) Dr. Y and Cr. X with 600.
8. L&M are partners sharing profits equally. A drew regularly 9,000 at the end of each quarter, throughout the year. Calculate interest on drawing at the rate of 6% per annum. 1
9. X, Y&Z are partners in a business. Y retired from the business, when his Capital A/C, after all adjustments, showed a balance of 1,09,500. It was agreed that he should be paid 49,500 cash on retirement & the balance in three equal instalments with interest at 12% per annum. Amount of last instalment with interest will be: 1
- (a) 22,400 (c) 22,300
- (b) 22,200 (d) 22,100
10. The firm of Ravi and Mohan was dissolved on 1st March, 2013. According to the agreement Ravi had agreed to undertake the dissolution work for an agreed remuneration of 2,000 and bear all realization expenses. Dissolution expenses were 1,500 and same were paid by the firm. Pass the necessary Journal entry for the payment of dissolution expenses. 1

11. Discount on Issue of Debenture is written off in the year in which debentures are issued, first from----- and thereafter from _____.
12. Goodwill of a firm is not affected by its:
- (a) Quality of Product (b) Market Situation
(c) Number of Employees. (d) Management
13. X Ltd forfeited 500 shares of 10 each on which first call of 3 per share was not received, the second and final call of 2 per share was not yet made. Out of these ,125 shares were reissued to Mohan as 8 paid up for 7 per share. The gain (profit) on reissue is
- a. 2,500
b. 2,375
c. 500
d. 1,000

14. Calculate the amount to be debited to Income and Expenditure Account under the heading 'Sports items for the year 2018-19 in respect of the Cosmopolitan Club:

PARTICULARS	
Stock of sports items on 1 st April,2018	44,700
Stock of sports items on 31 st March,2019	24,500
Paid for sports items during the year	97,900
Creditors for supplies of sports items on 31 st March,2019	26,500

OR

How are the following items dealt while preparing the final accounts of Youth Club for the year ending 31st March,2019:

Expenditure on construction of Building 6,00,000. The construction work is in progress and has not yet completed.

Particulars	
Opening Building Fund	8,00,000
Opening 10% Building Fund Investments	8,00,000
Donation for Building Received	10,00,000
Interest Received on Building Fund Investments	80,000

Opening Capital Fund	18,00,000
Subscription for Governor's Party Received	40,000
Outstanding Subscription for Governor's Party	10,000

15. On 1st April 2018, Young India Ltd. was set-up with an authorized capital of 20,00,000 divided into 2,00,000 Equity Shares of 10 each. The company issued prospectus inviting applications for 1,80,000 equity shares. The company received applications for 1,70,000 equity shares. During the first year, 8 per share were called. Arun holding 2,000 shares & Varun holding 4,000 shares did not pay the first call of 2 per share. Their shares were forfeited after the first call & later 3,000 of the forfeited shares were reissued at 6 per share, 8 called up. Show share capital in the Balance Sheet of the company as per Schedule-III, of the Companies Act, 2013. Also prepare 'Notes to the Account' for the same. 4
16. Ram, Shyam and Rahim are partners sharing profits in the ratio of 4:3:2. Shyam retired and the goodwill of the firm was valued at 2,16,000. Ram and Rahim will share future profits in the ratio of 5:3. Pass necessary Journal entries for goodwill separately under the following situations: 4
1. When Goodwill Account is raised and written off.
 2. When only Shyam's share of goodwill is raised and written off.

OR

X, Y and Z entered into partnership on 1st April, 2017 to share profits and losses in the ratio of 12:8:5. Z was a technically qualified person who left his job to join the firm as partner. Hence, it was agreed that Z's share in profit will not be less than 1,00,000 p.a. Profits and losses for the years ended 31st March, 2018 and 2019 were 4,00,000 and 4,00,000 (Loss) respectively. Pass the necessary Journal entries in the books of the firm.

17. Give the necessary journal entries for the following transactions on dissolution of the firm of Aman and Rajat on 31st March, 2016 after the transfer of various assets (other than cash) and the third party liabilities to Realisation Account. They shared profits & losses in the ratio of 2:1. 4
- (i) There was a bill of exchange of 10,000 under discount. The bill was received from Derek who became insolvent.
 - (ii) Bills payable of 30,000 falling due on 30th April, 2016 were discharged at 29,550.
 - (iii) Creditors of 30,000, took over stock of 10,000 at 10% discount and the balance was paid in cash.
 - (iv) There was an old typewriter which had been written off completely. It was estimated to realize 600. It was taken away by Rajat at 25% less than the estimated price.
18. Ram, Ghanshyam and Vrinda were partners in a firm sharing profits in the ratio of 4:3:1. The firm closes its books on 31st March every year. On 1st February, 2019 Ghanshyam died and it was decided that the new profit sharing ratio between Ram and Vrinda will be equal. The Partnership Deed provided for the following on the death of a partner: 4
- 1. His share of goodwill be calculated on the basis of half of the profits credited to his account during the previous four completed years. The firm's profits for the last four years ended 31st March, were as follows:
2014-15 1,20,000, 2015-16 80,000, 2016-17 40,000 and 2017-18 80,000.
 - 2. His share of profit in the year of his death was to be computed on the basis of average profit of past two years.
- Pass necessary Journal entries relating to goodwill and profit to be transferred to Ghanshyam's Capital Account. Also show your workings clearly.

19. Following is the Receipts and payments A/c of Queen's club for the year ended March 31, 2019:

6

Receipts and Payments Account

Receipts		Payments	
To Balance b/d	1,82,000	By Salaries	1,66,000
To Subscription	1,80,000	By Stationery	32,000
To Tournament Fund	1,64,000	By Rent	48,000
To Interest on Investment (6 % Investments)	65,000	By Telephone Expenses	8,000
To Donations	1,12,000	By Sports Material and Expenses	78,000
To Sale of Concert Tickets	2,47,000	By 6% Investments	5,00,000
		By Miscellaneous Expenses	24,000
		By Concert Expenses	58,000
		By Balance c/d	36,000
	<u>9,50,000</u>		<u>9,50,000</u>

Additional information is as follows:

- a. Subscription include 12,000 for the year ended 31st March,2018 and 18,000 for 2020.
- b. Stock of stationery on 31st March,2018 and 2019 was 7,200 and 5,400 respectively.
- c. Rent includes 4,000 paid for March,2018. Rent for March,2019 is outstanding.
- d. Telephone expenses include 3,000 as quarterly rent up to 31st May,2019.
- e. Stock of sports material in the beginning and at the end of the year was 12,000 and 21,000 respectively.
- f. The value of Building as on 31st March,2018 was 8,00,000 and you are required to write off depreciation at 10%.
- g. The value of Investments on 31st March,2018 was 10,00,000 and the club made similar additional Investments during the year on 1st October,2018.

You are required to prepare the Income and Expenditure Account of the Club for the year ended 31st March,2019

20. a. Gopalan Ltd issued 5,000; 9% Debentures of 100 each at par and also raised Long-term loan of 80,000 from bank, collaterally secured by issue of 1,000; 9% Debentures of 100 each. 6

Pass the Journal entry for issue of debentures as collateral security. How will it be shown in the Note to Accounts?

b. Pilot Pens Ltd purchased Machinery of 55,000 from Kiran Machines Ltd. 10% was paid by Pilot Pens Ltd by accepting a Bill of exchange in favour of Kiran Machines Ltd and the balance was paid by issue of 9% Debentures of 100 each at par, redeemable after five years. Pass necessary Journal entries in the books of Pilot Pens Ltd.

OR

On 1st April, 2016, Ganesh Ltd acquired assets of 6,00,000 and took over liabilities of 70,000 of Sohan Ltd at an agreed value of 6,60,000. Ganesh Ltd issued 12% Debentures of 100 each at a premium of 10% in full satisfaction of purchase consideration. The debentures were redeemable after three years at a premium of 5%. The company decided to transfer the minimum required amount to Debenture Redemption Reserve on 31st March, 2018. It also made the required investment in Government securities earning interest @10% p.a. on 1st April, 2018. Tax was deducted on interest earned @10%. Ignoring entries relating to writing off loss on issue of debentures and interest paid on debentures, pass the necessary Journal entries to record the issue and redemption of debentures.

21. Raghu and Rishu are partners sharing profits and losses in the ratio 3:2. Their Balance Sheet as at 31st March, 2019 was as follows: 8

BALANCE SHEET OF RAGHU AND RISHU

As at 31st March, 2019

Liabilities		Assets	
Sundry Creditors	86,000	Cash in Hand	2,000
		Cash at Bank	75,000

Employees' Provident Fund	10,000	Sundry Debtors	
Investment Fluctuation Reserve	4,000	42,000	
Capital A/cs:		Less : Provision for Doubtful Debts	
Raghu	1,19,000	<u>7,000</u>	35,000
Rishu	1,12,000	Investments	21,000
		Building	98,000
		Plant and Machinery	1,00,000
	<u>3,31,000</u>		<u>3,31,000</u>

Rishabh was admitted on that date for 1/4th share of profit on the following terms:

- Rishabh will bring 50,000 as his share of capital.
- Goodwill of the firm is valued at 42,000 and Rishabh will bring share of goodwill in cash.
- Building was appreciated by 20%.
- All Debtors were good.
- There was a liability of 10,800 included in Creditors which has ceased to exist.
- Expenses on revaluation amount to 7,400 and are paid by Raghu.
- New Profit - sharing ratio will be 2:1:1.
- Capital of Raghu and Rishu will be adjusted on the basis of Rishabh's share of capital and any excess or deficiency will be made by withdrawing or bringing in cash by the partners as the case may be.

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

OR

Following is the Balance Sheet of Kusum, Sneh and Usha as at 31st March, 2019, who have agreed to share profits and losses in proportion of their capitals:

BALANCE SHEET OF KUSUM, SNEH AND USHA
As at 31st March, 2019

Liabilities		Assets	
Capitals:		Land & Building	4,00,000
Kusum	4,00,000		

Sneh	6,00,000	Machinery	6,00,000
Usha	4,00,000	Closing	2,00,000
Employees'	70,000	Stock	
Provident		Sundry	
Fund		Debtors	
Workmen	30,000		2,20,000
Compensation		Less	
Reserve		Provision :	
Sundry	1,00,000		<u>20,000</u>
Creditors		Bank	2,00,000
	<u>16,00,000</u>		<u>16,00,000</u>

On 31st March, 2019, Kusum retired from the firm and the remaining partners decided to carry on the business. It was agreed that :

- Land and building to be appreciated by 30%.
- Machinery be depreciated by 30%.
- There were Bad Debts of 30,000.
- The claim on account of Workmen Compensation Reserve was determined at 16,000.
- Goodwill of the firm was valued at 2,80,000 and Kusum's share of goodwill was adjusted against the Capital Accounts of the continuing partners Sneh and Usha who have decided to share future profits in the ratio of 3:4 respectively. (No goodwill account being raised)
- Capital of the new firm in total will be the same as before the retirement of Kusum and will be in the new profit sharing ratio of the continuing partners.
- Amount due to Kusum be settled by paying 1,00,000 immediately and balance by transferring to her Loan Account which will be paid later.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the firm after Kusum's retirement.

22. AXN Ltd. Invited applications for issuing 1,00,000 equity shares of 10 each at a premium of 6 per share. The amount was payable as follows: 8
- On application 4 per share (including 2 premium)
- On allotment 5 per share (including 2 premium)

On first call 4 per share (including 2 premium)

On second and final call- balance amount.

The issue was fully subscribed.

Kumar, the holder of 400 shares, did not pay the allotment money and Ravi, the holder of 1,000 shares, paid his entire share money alongwith allotment money. Kumar's shares were forfeited immediately after allotment. Afterwards first call was made. Gupta, a holder of 300 shares, failed to pay the first call money and Gopal, a holder of 600 shares paid the second call money also along with first call. Gupta's shares were forfeited immediately after the first call. Second and final call was made afterwards. The whole amount due on second call was received. All the forfeited shares were reissued at 9 per share fully paid up. Pass necessary journal entries by opening calls-in arrears and calls in advance accounts.

OR

LCM Ltd. Invited applications for issuing 2,00,000 equity shares of 10 each at a premium of 3 per share. The amount was payable as follows:

On application and allotment - 8 per share (including premium)

On first and final call - the balance amount.

Applications for 3,00,000 shares were received.

Applications for 50,000 shares were rejected and money refunded. Shares were allotted on pro-rata basis to the remaining applicants. First and final call was made and duly received except on 2,500 shares applied by Kanwar. His shares were forfeited. The forfeited shares were reissued at 7 per share fully paid up.

Pass necessary journal entries for the above transactions in the books of the company.

PART B

ANALYSIS OF FINANCIAL STATEMENTS

23. Financial Statements are historical in nature as they show - 1
-----.

24. Proposed dividend of a current year is a: 1
 (a) Contingent liability (b) Surplus (c) Non-current liability
 (d) Long-term loan
25. If in a company, Share capital is 3,00,000 in 2014-15, and 1
 2,00,000 in 2015-16, what will be the percent change?
 (a) 45% (b) (33.33%) (c) 17.5% (d) 55%
26. Operating ratio and _____ are 1
 complimentary to each other.
27. For calculating quick assets, _____ and 1
 _____ are excluded from current assets.
 (a) Debtor and Inventory (b) inventory and Bills Payable
 (c) Cash in Hand and Bank Balance (d) Inventory and
 Prepaid Expenses.
28. Does movement between items that constitute Cash and 1
 Cash Equivalents result into Cash Flow?
29. Interest received by non-financial enterprise will be shown 1
 as under:
 (a) Operating activities (b) Financing activities (c)
 Investing activities (d) none of the above.
30. (a) From the following information, calculate Proprietary 3
 Ratio:
- | | |
|---------------------|-----------|
| Particulars | |
| Share Capital | 5,00,000 |
| Non -current Assets | 22,00,000 |
| Reserves & Surplus | 3,00,000 |
| Current Assets | 10,00,000 |

(b) From the following information related to Naveen ltd.
 Calculate return on investment:
 Net profit after tax 1,00,000; Current assets 40,00,000;
 Current liabilities 2,00,000; Tax rate 20%;
 Fixed assets 6,00,000; 10% long-term debt 4,00,000.

OR

Under which headings and sub headings will the
 following items will be shown in the balance sheet of a
 company :

- 1) Accrued Interest
- 2) Mining rights
- 3) Calls in Advance

31. From the information given below, prepare a comparative statement of profit and loss: 4

Particulars	2018-19	2017-18
Revenue from Operations	60,00,000	45,00,000
Employee Benefit Expenses	30,00,000	22,50,000
Depreciation	7,50,000	6,00,000
Other Expenses	15,50,000	10,00,000
Tax Rate 50%		

OR

Explain any four objectives of 'Financial Statement Analysis'.

32. From the following Balance Sheet of Vikas Ltd. As at 31st March, 2018 and 31st March, 2019, prepare a cash flow statement: 6

Particulars	No te No	31 st March, 2019 ()	31 st March, 2018 ()
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital		1,30,000	90,000
b. Reserves and Surplus	1	85,000	48,000
2. Current Liabilities			
a. Trade payables		22,000	17,400
TOTAL		<u>2,37,000</u>	<u>1,55,400</u>
II. ASSETS			
A. Non -Current Assets			
a. Fixed Assets		1,66,000	93,400
B. Current Assets			
(1) Trade receivables		39,000	36,000
(2) Inventories		26,000	22,000

(3) Cash & Cash Equivalents		6,000	4,000
TOTAL		<u>2,37,000</u>	<u>1,55,400</u>

Notes to Accounts

Particulars	31 st March,2019 ()	31 st March,2018 ()
1. Reserves & Surplus		
General Reserve	55,000	30,000
Statement of Profit and Loss	30,000	18,000
	<u>85,000</u>	<u>48,000</u>

Additional Information:

- a. Depreciation charged on fixed assets for the year 2018-19 was 20,000.
- b. Income tax 5,000 has been paid during the year.