

## CBSE - 2004 CLASS XII ACCOUNTANCY - I

### General Instructions:

1. This question paper contains three parts A, B and C
2. Part-A is compulsory for all candidates.
3. Candidates can attempt only one part of the remaining parts B and C.
4. All parts of the questions should be attempted at one place.

**Q. 1.** List any four contents of a 'Partnership Deed'. **2**

**Q. 2.** Distinguish between 'Reserve Capital' & 'Capital Reserve'. **2**

**Q. 3.** What is meant by 'Private Placement of shares'? **2**

**Q. 4.** State the meaning of "Debentures issued as Collateral Security". **2**

**Q. 5.** The partners of a firm distributed the profits for the year ended 31 2003, Rs. 90,000 In the ratio of 3 : 2 : 1 without providing for the following adjustments:

- (a) A & B were entitled to a salary of Rs. 1,500 each per annum.
- (b) B was entitled to a commission of Rs.4,500.
- (c) B & C had guaranteed .g minimum profit of Rs. 35,000 p.a. to A
- (d) Profits were to be sbared in the ratio of 3 : 3 : 2.

Pass necessary journal entry for the above adjustments in the books of the firm. **3**

**Q. 6.** Pass necessary journal entries in the books of the Company in following cases for redemption of 1,000 12% Debentures of Rs. 10 each issued at par:

- (a) Debentures redeemed at par by conversion into 12% Pref. Shares of Rs. 100 each.
- (b) Debentures redeemed at a premium of 10% by conversion into Equity shares issued at par.
- (c) Debentures redeemed at a premium of 10% by conversion into Equity shares issued at a premium of 25%. **3**

**Q. 7.** (a) R & T are partners in a firm sharing profits in the ratio of 3 : 2. S joins the firm. R surrenders 1/4th of his share and T 1/5th of his share in favour of S. Find the new profit sharing ratio.

(b) P, Q & R are equal partners in a firm. Goodwill has been valued at Rs. 36,000; On R's retirement from the firm P and Q agree to share profits in the ratio of 3 : 2. Pass necessary journal entry for treatment of R's share of Goodwill. **2+2 =4**

**Q. 8.** A & B were partners in a firm from 1-4-2001 with capitals of Ra. 60,000 and Rs. 40,000 respectively. They shared profits and losses in the ratio of 3 : 2. They carried on business for 2 years. In the first year they made a profit of Rs. 50,000 and in the 2nd year ending 31 st March, 2003 , they incurred a loss of Rs. 20,000. As the business was no longer profitable they decided to wind up. Creditors on that date were Rs. 20,000. The partners withdrew Rs. 8,000 each per year for their personal expenses. The assets realised Rs. 1,00,000. The expenses on realisation was Rs. 3 , 000. Prepare Realization Account and show your workings clearly. **4**

**Q. 9.** Rohit Ltd. purchased assets from Rohan & Co., for Rs. 3,50,000. A sum of Rs. 75,000 was paid by the means of a bank draft and for the balance due Rohit Ltd. issued Equity shares of Rs. 10 each at a premium of 10%. Journalise the above transactions in the books of the Company. **4**

**Q. 10.** P Ltd. Issued 6,000 12% Debentures of Ra. 100 each at a discount of 6 % to be redeemed as follows

1st year: NIL; 2nd year: NIL; 3rd year : Rs. 4,00,000 ; 4th year Rs. 2,00,000. Show the Discount on Issue of Debentures Account for the period of 4 years in the books 01 the Company. **4**

**Q. 11.** The following balances stood as on 31-3-2003 in the books of a Company

12 % Debentures		Rs. 10,00,000
Debenture Redemption Fund		Rs. 10,00,360
Debenture Redemption Fund Investments represented by:		
Rs. 4,00,000	9 % Loan	Rs. 3,80,000
Rs, 7,00,000	8 % Govt. Paper	Rs. 6,20,360

On the above date, the investments were sold as follows: 9 % Loan at par, and 8 % Govt. Paper at 90 % of nominal value. The Debentures were also redeemed accordingly. Show the necessary ledger accounts. **4**

**Q. 12.** A, B & C were partners in a firm sharing profits in the ratio of 5 : 3 : 2. On 31" March, 2003 their Balance Sheet was as under:

Liabilities	Rs.	Assets	Rs.
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Creditors Reserve	11,000	Building	20,000
Capital Accounts:	6,000	Machinery	30,000
A's Capital 30,000		Stock	10,000
B's Capital 25,000		Patents	11,000
C's Capital <u>15,000</u>	70,000	Debtors	8,000
	<u>87,000</u>	Cash	<u>8,000</u>
			87,000

A died on 1st October, 2003 . It was agreed between his executors and the remaining partners that:

- Goodwill to be valued at 2% years purchase of the average profits of the previous four years which were.  
2000 : Rs. 13,000; 2001: Rs. 12,000 : 2002 : Rs. 20,000 & 2003 : Rs. 15,000.
- Patents be valued at Rs. 8,000; Machinery at Rs 28,000; and Buildings at Rs. 25,000.
- Profit for the year 2003-04 be taken as having accrued at the same rate as that of the previous year.
- Interest on Capital be provided at 10 % p.a.
- Half of the amount due to A to be paid immediately to the executor and the balance transferred to his (Executor) Loan A/c.

Prepare A's Capital A/c and A's Executor's A/c as on 1st October, 2003. **6**

**Q. 13.** AB Ltd. invited applications for 1,00,000 Equity shares of Ra. 10 each, payable as Rs. 2 on application, Rs. 3 on allotment and the balance on first and final call.

Applications were received for 3,00,000 shares and the shares were allotted on a pro rate basis. The excess application money was to be adjusted against allotment 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 at Rs. 8 per share as fully paid.

Pass necessary journal entries. **6**

**Q. 14.** A, B and C are partners in a firm sharing profits in the ratio of 2: 1: 1. Their Balance Sheet as on 31" March, 2003 was as under: **6**

Liabilities	Rs.	Assets	Rs.
Creditors	50,000	Goodwill	30,000
A's Capital	80,000	Land & Buildings	80,000
B's Capital	80,000	Plant & Machinery	56,000
C's Capital	60,000	Motor Car	54,000
		Debtors	48,000
		Cash	<u>2,000</u>
	<u>2,70,000</u>		2,70,000

The firm was dissolved on that date. The assets realised : Goodwill Rs. 20,000; Land & Buildings Ra. 1,00,000; Plant & Machinery R 50,000; Motor Car Rs. 28,000 and Debtors

50 % of the book value Realisation Expenses were Rs. 2,000. Prepare Realisation Account, Capital Accounts of Partners and Cash Account to close the books of the firm.

Or

Pass necessary Journal Entries for the following transactions at the time of dissolution of the firm.

- Loan of Rs. 10,000 advanced by a partner to the firm was refunded.
- X, a partner takes over an unrecorded asset (Typewriter) at Rs. 300.
- Undistributed Balance (Debit) of P & L A/c Rs. 30,000. The firm has three partners X, Y & Z.
- The assets of the firm realised Rs. 1,25,000.
- Y who undertakes to carry out the dissolution proceedings is paid Rs. 2,000 for the same.
- Creditors paid Ra. 28,000 in full settlement of their account of Rs. 30,000.

**Q. 15.** The Balance Sheet of A, B & C who are partners in a firm sharing profits according to their capitals as on 31st March, 2003 was as under. **8**

Liabilities	Rs.	Assets	Rs.
Creditors	21,000	Buildings	1,00,000
A's Capital	80,000	Machinery	50,000
B's Capital	40,000	Stock	18,000
C's Capital	40,000	Debtors	20,000
General Reserve	20,00	Less: provision for Bad Debts	1,000
		Cash at Bank	<u>14,000</u>
	<u>2,01,000</u>		<u>2,01,000</u>

On that date B decided to retire from the firm and was paid for his share in the firm subject to the following:

- Buildings to be appreciated by 20%.
- Provision for Bad Debts to be increased to 15 % on Debtors.
- Machinery to be depreciated by 20%.
- Goodwill of the firm is valued at Rs. 72,000 and the retiring partner's share is adjusted through the Capital Accounts of remaining partners.
- The Capital of the new firm be fixed at Rs. 1,20,000.

Prepare Revaluation Account, Capital Accounts of the partners and the Balance Sheet after retirement of B.

Or

Usha and Asha are partners in a firm sharing profits in the ratio of 3 : 2. TheIr Balance Sheet on 31st March, 2003 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors Reserve	27,000	Cash	24,000
Capital Accounts:	18,000	Debtors	48,000
A's Capital 30,000	5,000	Less: Provision	<u>4,800</u>
B's Capital 25,000	40,000	For bad debts	7,400
C's Capital <u>15,000</u>	35,000	Stock	20,400
		Patents	
		Building	
	<u>2,01,000</u>		<u>1,25,000</u>

Neelam is admitted into the partnership giving her 1/5th share in the profits. Neelam to bring in Rs. 30,000 as her Capital and her share of Goodwill in Cash subject to the following terms:

- Goodwill of the firm to be valued at Rs. 50,000.
- Stock to be reduced by 10 % and Provision for Bad Debts be reduced by Rs. 2,400.
- Patents are valueless.
- There was a claim against the firm for damages amounting to Rs. 2,000. The claim has now been accepted.

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

## PART B : ANALYSIS OF FINANCIAL STATEMENTS

**Q. 16.** How are the various activities classified according to AS-3 (Revised) while preparing the Cash Flow Statement? **2**

**Q. 17.** Give two examples each of Non-current assets & Non-current liabilities. **2**

**Q. 18.** Give the format of the Balance Sheet of a Company (main headings only), as per the requirements of Schedule VI of the Companies Act 1956. **3**

**Q. 19.** Rs. 2,00,000 is the cost of goods sold, inventory turnover 8 times; Stock at the beginning is 1.5 times more than the stock at the end. Calculate the values of Opening & Closing Stocks. **3**

**Q. 20.** (a) The ratio of Current Assets (Rs. 6,00,000) to Current Liabilities (Rs. 4,00,000) is 1 : 5 : 1. The accountant of the firm is Interested in maintaining a Current Ratio of 2 : 1 by paying off a part of the Current Liabilities Compute the amount of Current Liabilities that should be paid, so that the Current Ratio at the level of 2 : 1 may be maintained.

(b) Compute the Gross Profit Ratio from the following information:  
Sales = Rs. 4,00,000 and gross profit % on cost **2+2=4**

**Q. 21.** From the following Information of a. Public Company as at 31st March, prepare a Funds Flow Statement showing full working of your calculations:

Liabilities	2003 Rs.	2004 Rs.	Assets	2003 Rs	2004 Rs.
Equity Share Cap.	4,00,000	4,50,000	Fixed Assets	7,10,000	6,20,000
10% pref. share	2,00,000	3,00,000	Investment	1,25,000	80,000
Capital	1,00,000	2,00,000	Current Assets	2,70,000	3,40,000
12% Debentures	2,00,000		Profit & Loss		1,00,000
Profit & Loss A/C	1,50,000	1,20,000	A/C	10,000	15,000
General Reserve	70,000	1,10,000	Good will	5,000	25,000
Current Liabilities			Preliminary Exp.		
	<u>11,20,000</u>	<u>11,80,000</u>		<u>1,74,800</u>	<u>11,80,000</u>

The Depreciation provided during the year was Rs. 1,35,000.

Or

X Ltd. made a profit of Rs. 1,00,000 after charging Depreciation of Rs. 20,000 on assets and a transfer to General Reserve of Rs. 30,000 The goodwill written off was Rs. 7,000 and the gain on sale of Machinery was Rs. 3,000. The other information available to you (changes in the value of Current Assets & Current Liabilities) is as follows:

At the end of the year Debtors showed an increase of Rs. 6,000, Creditors an increase of Rs. 10,000, Prepaid Expenses an Increase of Rs. 200; Bills Receivable a Decrease of Rs. 3000; Bills Payable a Decrease of Rs. 4,000 and Outstanding Expenses a Decrease of Rs. 2,000. Ascertain the cash flow from the operating activities. 6