

**SECOND YEAR HIGHER SECONDARY
MODEL EXAMINATION, FEBRUARY - 2024**

Part - III

ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS

Maximum : 80 Scores

Time : 2½ Hours

Cool-off time : 15 Minutes

General Instructions to Candidates :

- There is a 'Cool-off time' of 15 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നൽകിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

PART - I
ACCOUNTANCY

Scores : 40

I. Answer any 5 questions from 1 to 6. Each carries 1 score. (5 × 1 = 5)

1. At the time of admission of a new partner, General Reserve appearing in the old Balance Sheet is transferred to _____.

- (a) All Partners' Capital a/c (b) New Partner's Capital a/c
(c) Old Partners' Capital a/c (d) None of the above

2. 'A' and 'B' are partners sharing profits in the ratio of 3 : 2. They admit 'C' for a sixth share. The sacrificing ratio will be

- (a) 1 : 6 (b) 1 : 1
(c) 2 : 3 (d) 3 : 2

3. Gaining ratio is equal to _____.

- (a) New share – Old share (b) Old Share – New share
(c) New share + Old share (d) Old share + New share

4. Continuing Partners' capital a/c Dr

To Retiring Partner's Capital

This journal entry denotes

- (a) Share of retiring partner's goodwill
(b) Share of revaluation profit
(c) Share of revaluation loss
(d) Share of General reserve

5. If the firm is dissolved with the consent of all the partners, it is called _____.

- (a) Dissolution by notice
- (b) Dissolution by agreement
- (c) Dissolution by court
- (d) Compulsory dissolution

6. On dissolution of a firm, partner's loan account is transferred to _____.

- (a) Realisation account
- (b) Partner's Capital account
- (c) Cash account
- (d) Partner's Current account

II. Answer all questions from 7 to 10. Each carries 2 scores.

(4 × 2 = 8)

7. List two circumstances under which the fixed capital of partners may change.

8. Write the two rights acquired by an incoming partner.

9. 'A' and 'B' are partners sharing profits and losses in the ratio of 3 : 1. They admit a new partner 'C' for $\frac{1}{8}$ th share. Calculate new profit sharing ratio.

10. Pass journal entries in the following cases in connection with dissolution of firm :

(i) 'C', a partner agrees to discharge bank loan amounted to ₹ 8,000.

(ii) 'B', a partner paid the realisation expenses amounted to ₹ 4,500.

III. Answer any 3 questions from 11 to 14. Each carries 3 scores.

(3 × 3 = 9)

11. A partner withdrew ₹ 1,000 per month from the firm. Calculate interest on drawings @ 10% p.a. for the year 2023, assuming that money is withdrawn :

(a) In the beginning of every month

(b) In the middle of every month

(c) At the end of every month

12. Calculate goodwill of the firm on the basis of 3 years purchase of last five years average profits. The profits of the last five years were :

Year	Profit (in ₹)
2019	4,800
2020	7,200
2021	10,000
2022	3,000
2023	5,000

13. Sabari, a partner died on 31st July 2023. The balance sheet on 31st March, 2023 shows his capital balance amounted to ₹ 1,00,000. As per partnership deed, his legal representatives are entitled to the following :

- (i) His capital balance
- (ii) Interest on capital @ 6% p.a.
- (iii) 1/4th share in profits upto the date of death on the basis of average profits for the past 3 years.

Profits for the last three years were ₹ 50,000, ₹ 60,000 and ₹ 70,000.

Calculate deceased Partner's share of Profit and Interest on Capital.

14. State any three differences between Realisation Account and Revaluation Account.

IV. Answer all questions from 15 to 16. Each carries 5 scores.

(2 × 5 = 10)

15. Babu and Raju started business on 1st January, 2023 with capital of ₹ 40,000 and ₹ 30,000. As per partnership agreement, Raju is to receive a salary of ₹ 500 per month. Interest on capital is to be allowed at 5% p.a. The profits are to be shared by the partners in the ratio of 3 : 2.

During the year 2023, the firm made a profit of ₹ 24,500 before charging salary and interest on capital.

Prepare Profit and Loss Appropriation account.

16. Anil, Sunil and Kapil are partners in a firm. On 1st April 2023, Anil retires from the firm. On his date of retirement ₹ 1,00,000 becomes due to him.

Sunil and Kapil promise to pay the amount due to him in 5 equal yearly instalments together with 10% interest per annum.

Prepare Anil's Loan account.

- V. Answer any one question from 17 to 18. Carry 8 scores.

(1 × 8 = 8)

17. Arun and Varun are partners sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as on 31-12-2023 was as follows :

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals :		Land	40,000
Arun	30,000	Machinery	20,000
Varun	25,000	Stock	11,000
Reserve	10,000	Debtors	8,000
Creditors	16,000	Cash	2,000
	81,000		81,000

They admit Madhu on the following terms :

- (1) Madhu will bring ₹ 20,000 as capital and ₹ 10,000 as goodwill for 1/4th share in profits.
- (2) Land was to be revalued at ₹ 45,000 and Machinery at ₹ 25,000.
- (3) Stock was to be written down by ₹ 2,000.
- (4) Creditors included ₹ 500 no longer payable and this sum was to be written back.

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

18. Jaya and Jessie are equal partners in a firm. Their Balance Sheet as on 31st December, 2022 was as follows :

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	5,000	Bank	2,500
Capital :		Debtors	5,000
Jaya	6,000	Stock	4,000
Jessie	4,000	Furniture	3,500
	15,000		15,000

The firm was dissolved on 31st December, 2022. As a result

- (1) Debtors realised ₹ 4,250
- (2) Stock realised ₹ 3,500
- (3) Furniture realised ₹ 4,500
- (4) Creditors paid (in full settlement) ₹ 4,000
- (5) Realisation expenses paid ₹ 250

Prepare ledger accounts on dissolution of the firm.

PART – II

ANALYSIS OF FINANCIAL STATEMENTS

Scores : 40

VI. Answer any 5 questions from 19 to 24. Each carries 1 score.

(5 × 1 = 5)

19. Called up Capital – Calls in arrear = ____ ? ____.

- | | |
|------------------------|------------------------|
| (a) Paid-up Capital | (b) Subscribed Capital |
| (c) Authorised Capital | (d) Issued Capital |

20. Calls in advance is a/an _____ of the company.

- | | |
|-------------|---------------|
| (a) asset | (b) liability |
| (c) expense | (d) income |

21. Premium on debenture is a _____.

- | | |
|--------------------|--------------------|
| (a) Capital loss | (b) Revenue loss |
| (c) Capital profit | (d) Revenue profit |

22. Find the odd one.

- | | |
|--------------------------|-----------------------|
| (a) Share Capital | (b) Reserve & Surplus |
| (c) Long-term borrowings | (d) Trade Receivable |

23. Common size statements are also known as _____.
- (a) Dynamic analysis (b) Horizontal analysis
(c) Vertical analysis (d) Trend analysis
24. When shares are issued for cash, there is _____.
- (a) Inflow of cash (b) Outflow of cash
(c) Both inflow and outflow of cash (d) None of these

VII. Answer all questions from 25 to 28. Each carries 2 scores.

(4 × 2 = 8)

25. List any two differences between shares and debentures.
26. State any two objectives of analysis of financial statements.
27. From the following details, find out current assets and current liabilities :
- Current ratio 4.5 : 1
- Quick ratio 3 : 1
- Inventory ₹ 36,000
28. From the following, calculate cash flows from financing activities :

	January 1, 2023	December 31, 2023
Long-term loans	₹ 1,00,000	₹ 1,25,000

During the year, company repaid a loan of ₹ 50,000.

VIII. Answer any 3 questions from 29 to 32. Each carries 3 scores.

(3 × 3 = 9)

29. Ebin Ltd purchased a machinery for ₹ 2,40,000 from Mohan Ltd. by issue of shares of ₹ 100 each. What will be journal entry if these shares were issued :

- (a) at par
- (b) at 20% premium

30. List the purpose for which amount of share premium can be utilised.

31. From the following information, prepare a statement of profit and loss of a company :

Revenue from operation – ₹ 16,00,000

Employee benefit expenses – ₹ 8,00,000

Other expenses – ₹ 2,00,000

Tax rate – 40%

32. From the following information, calculate cash flow from investing activities :

	March 31, 2021	March 31, 2022
	(₹)	(₹)
Land & Building	2,40,000	1,70,000
Machinery	1,80,000	2,00,000

Depreciation of ₹ 10,000 and ₹ 20,000 has been charged on machinery and land & building respectively for the year ended 31st March 2022.

33. Sunmoon Ltd. issued the following debentures :

- 8% debentures of ₹ 2,00,000 issued at par redeemable at par.
- 8% debentures of ₹ 2,00,000 issued at a discount of 10% redeemable at par.
- 8% debentures of ₹ 2,00,000 issued at premium of 10% redeemable at par.
- 8% debentures of ₹ 2,00,000 issued at par redeemable at a premium of 10%.

Give Journal entries.

34. From the following, prepare a common size Balance Sheet :

Particulars	2022	2021
I. Equity and Liabilities :		
(1) Shareholders fund :		
Share capital	9,00,000	9,00,000
Reserve & Surplus	2,70,000	2,00,000
(2) Non-current Liabilities	7,20,000	7,00,000
(3) Current Liability	3,60,000	2,00,000
Total	22,50,000	20,00,000
II. Assets :		
(1) Non-Current Assets	15,30,000	14,00,000
(2) Current Assets	7,20,000	6,00,000
Total	22,50,000	20,00,000

X. Answer any one question from 35 to 36. Carry 8 scores.

(1 × 8 = 8)

35. Hero Ltd. issued 10000 equity shares of ₹ 100 each payable as follows :

₹ 20 on application

₹ 30 on allotment

₹ 20 on first call

₹ 30 on final call

Applications were received for 12000 equity shares and excess application money refunded. All money due was received with the exception of both calls on 300 shares held by Jose. These shares were forfeited. Give necessary journal entries.

36. Calculate following ratios from the following information :

(i) Current ratio

(ii) Liquid ratio

(iii) Gross profit ratio

(iv) Inventory turnover ratio

Current Assets ₹ 35,000

Current Liabilities ₹ 17,500

Inventory ₹ 15,000

Revenue from operations ₹ 60,000

Cost of revenue from operations ₹ 30,000
