

Sample Paper

(2019-20)

Date : _____	Accountancy	CLASS
Duration: 3 Hrs. Max. Marks: _____		XII

Instructions:

- ▶ All questions are compulsory.
- ▶ Use of calculator is not allowed.

Part A – Partnership Firms and Companies

1. In a partnership, Partners' Current Accounts are opened when their capital accounts are [1]
 - (a) Fixed and Fluctuating both
 - (b) Fluctuating
 - (c) Fixed
 - (d) None of these

2. Interest on partner's drawing under a fluctuating capital account is debited to [1]
 - (a) Partner's Capital Account
 - (b) Profit and Loss Account
 - (c) Drawing Account
 - (d) None of the above

3. General reserve at the time of admission of a partner is transferred to [1]
 - (a) Revaluation Account
 - (b) Old Partners' Capital Account
 - (c) Capital Account of all partners, including new partner
 - (d) None of the above

4. Debentures are shown in the balance sheet of an enterprise of a company under the head of: [1]
 - (a) Non-current liabilities
 - (b) Current liabilities
 - (c) Share capital
 - (d) None of these

5. Shares allotment account is, [1]
 - (a) Expense a/c
 - (b) Liability a/c
 - (c) Asset a/c
 - (d) Income a/c

6. The relation of partner with the firm is that of: [1]
 - (a) An Owner
 - (b) An Agent
 - (c) An Owner and an Agent
 - (d) Manager

7. Sacrificing ratio is used to distributein case of admission of a partner. [1]
 - (a) Reserves
 - (b) Goodwill
 - (c) Revaluation profit
 - (d) Balance in Profit and loss account

8. XYZ Ltd. has Assets of Rs. 5,00,000 whereas liabilities are: Partners capital Rs. 3,50,000, general reserve Rs. 60,000 and sundry creditors Rs. 90,000. If normal rate of return is 10% and goodwill of the firm is valued at Rs, 90,000 at 2 years purchase of super profit, average profit of the firm will be: [1]
 - (a) Rs. 80,000
 - (b) Rs. 86,000
 - (c) Rs. 56,000
 - (d) Rs. 90,000

9. In Not for Profit Organizations, Donation received for a special purpose is a [1]
 - (a) Revenue Receipt
 - (b) Revenue Expenditure
 - (c) Capital Receipt
 - (d) None of the above

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10. The provisions of the Companies Act, 2013 in respect of redemption of debentures are to protect the interest of: [1]
 (a) Debenture holders (b) Creditors
 (c) Shareholders (d) Bankers
11. Balance in forfeited shares a/c is depicted in the balance sheet under the head of, [1]
 (a) Reserves and surplus (b) Other current liabilities
 (c) Share capital (d) Long term borrowings
12. Pass the necessary Journal entry when Realization expenses are borne by a partner and paid by the firm. [1]
13. X and Y shared profits and losses in the ratio 3:2. With effect from 1st April, 2018 they agreed to share profits equally. The goodwill of the firm was valued at Rs. 1,20,000. The necessary single adjustment entry will be: [1]
 (a) Dr. Y and Cr. X with Rs.12,000 (b) Dr. X and Cr. Y with Rs.12,000
 (c) Dr. X and Cr. Y with Rs.1,200 (d) Dr. Y and Cr. X with Rs.1,200
14. What is meant by 'Debentures issued as collateral security'? [1]
15. Subscription received during the year ended 31st December, 2019 are:

	₹	₹
For 2018	400	
For 2019	21,100	
For 2020	<u>800</u>	22,300p

- There are 450 members, each paying an annual subscription of Rs.50. Rs.450 were in arrears for 2018 in the beginning of 2019. Calculate the subscriptions to be shown in the Income and Expenditure Account for the year ended 31st December, 2019 and also show the subscriptions in the Income and Expenditure Account and Balance Sheet. [3]
16. Gupta Ltd. acquired Assets of ₹ 3,00,000 and took over Sundry Creditors of ₹ 20,000 of Chand Ltd. For a purchase consideration of ₹ 3,30,000. 50% of the payment was made by issuing a bill of exchange and the balance by issuing 8% debentures of ₹ 100 each at a premium of 10% in favor of Chand Ltd.
 Pass the necessary Journal entries for the above transactions in the books of Gupta Ltd. [3]
17. S, R and K are partners in a firm sharing profits and losses in the ratio 2:2:1. Their capitals (fixed) are ₹1,00,000; ₹80,000 and ₹70,000 respectively. For the year 2019, Interest on capital was credited to them @ 9% p.a. instead of 12% p.a.
 Give an Adjusting journal entry to rectify the above error. Show all your working clearly. [4]
18. Verma and Sharma were partners sharing profits in the ratio of 3 : 1. On 31-3-2019 their Balance Sheet was as follows:

Balance Sheet of Verma and Sharma as on 31-3-2019

Liabilities	(₹)	(₹) Assets	(₹)
Capitals:		Land and Building	70,000
Verma	1,20,000	Machinery	60,000
Sharma	<u>80,000</u>	Debtors	80,000
Creditors	70,000	Bank	60,000
	<u>2,70,000</u>		<u>2,70,000</u>

The firm was dissolved on 1-4-2019 and the Assets and Liabilities were settled as follows:

- (i) Creditors of ₹ 50,000 took over Land and Building in full settlement of their claim.
 (ii) Remaining Creditors were paid in cash.
 (iii) Machinery was sold at a depreciation of 30%.
 (iv) Debtors were collected at a cost of ₹ 500.
- Pass necessary Journal Entries for dissolution of the firm. [4]
19. ABC Ltd. issued 10,000, 8% debentures of ₹ 100 each at par redeemable at the end of years. The company maintained Debenture Redemption Reserve and Debenture

Redemption Investment as per Section 71(4) of the Companies Act, 2013. The investment were made on 1st April of the financial year in which redemption was due. Interest realised on investment @ 8% p.a.

Pass the necessary journal entries in the books of ABC Ltd. for redemption of debentures.

OR

Kajal Ltd took over assets of 25,00,000 and liabilities of 6,00,000 of X Ltd. Kajal Ltd paid the purchase consideration by issuing 10,000 equity shares of 100 each at a premium of 10% and 11,00,000 by a Bank Draft. Calculate Purchase consideration and pass necessary Journal entries in the books of Kajal Ltd.

20. Following was the balance sheet of Tanya, Rachit and Akshit who share their profits in the ratio of 2 : 1 : 1. From 1st April, 2015 they decided to share profits in the ratio of 5 : 4 : 1.

Balance sheet of

Tanya, Rachit and Akshit as at 31st March, 2015

Particulars	Amount (₹)	Particulars	Amount (₹)
Sundry creditors	22,000	Cash	15,000
Capitals		Debtors	15,000
Tanya	30,000	– Provision for DD	<u>– 3,000</u>
Rachit	20,000	Stock	15,000
Akshit	20,000	Furniture	20,000
	70,000	Plant and machinery	30,000
	92,000		92,000

- (1) Stock is reduced to 90% and plant and machinery is appreciated to 110%.
- (2) Furniture was appreciated to ₹ 25,000.
- (3) Investments worth ₹1,000 (which were not there in balance sheet) will be taken into account.
- (4) Goodwill of the firm is valued at ₹ 85,000

Pass adjusting journal entry as partners do not want to show the revised values of assets and liabilities in the balance sheet and also prepare revaluation account. **[6]**

21. The following is the receipts and payments account of Mona Club for the year ended March, 31st March, 2019:

Receipts	(₹)	Payments	(₹)
To Balance b/d	15,000	By Salaries	15,000
To Subscriptions	25,000	By Postage Stamps	12,000
To Misc. Receipts	4,000	By Rent & Taxes	3,000
To Donations	6,000	By Electricity expenses	8,000
To Tournament fund	11,000	By Defense Bonds	20,000
To Sale of Charity show tickets	35,000	By Repair	7,000
		By Show expenses	18,000
		By Balance c/d	13,000
	96,000		96,000

The following additional information is provided.

- (a) Subscriptions include ₹ 2,000 for 2017-18 and ₹ 1,000 for 2019-20.
- (b) Subscription due for 2018-19 ₹ 4,000
- (c) Stock of Postage stamps on 31st March, 2018 and 2019 was ₹ 3,000 and ₹ 5,000 respectively.
- (d) Half of donation is to be Capitalised.

You are required to prepare the income and expenditure account of the club for the year ended 31st March, 2019. **[6]**

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22. The Balance Sheet of Mohan, Neeraj and Om who are sharing profits and losses in the ratio of capitals was as follows on the 31st March, 2019:

Balance Sheet
As at 31st March, 2019

Liabilities	(₹)	Assets	(₹)
Bills Payable	24,900	Goodwill	51,000
Sundry Creditors	42,350	Cash at Bank	25,500
Profit and Loss A/c	17,000	Bills Receivable	5,400
Capital A/c's:		Book Debts	17,800
Mohan 40,000		Stock	22,300
Neeraj 25,000		Furniture	3,500
Om <u>20,000</u>	85,000	Plant and Machinery	9,750
		Advertisement Suspense A/c	34,000
	<u>1,69,250</u>		<u>1,69,250</u>

Mohan retires from business from 1st April, 2019 and his share in the firm is to be ascertained on a revaluation of assets as follows:

- (a) ₹ 3400 are to be provided for Doubtful Debts.
- (b) The goodwill of the firm is agreed to be valued at 17,000 and adjustment in this respect was to be made in the continuing Partners' Capital Accounts without raising Goodwill Account.
- (c) Mohan is to be paid ₹11,000 in cash on retirement and balance in two equal yearly installments with interest at 5% p.a. on outstanding balance.
Pass necessary Journal entries & prepare Mohan's capital account and Mohan's loan account. [8]

OR

A and B were partners in the ratio of 2: 1. On 31st December, 2019 their balance sheet was as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills payable	72,490	Machinery	38,500
General reserve	34,650	Land and buildings	55,000
Capital accounts		Stock	22,000
A 33,000		Debtors	10,670
B 22,000	55,000	Cash at bank	35,970
	<u>1,62,140</u>		<u>1,62,140</u>

On 1st January, 2020: they admit Charu, a visually handicapped unemployed person into the firm on the following terms

- (1) Charu will bring ₹ 10,250 as his share of capital and will be given 1/4th share in the profits of the firm. But she was not able to bring any cash for goodwill.
- (2) Machinery and stock was reduced by 5%.
- (3) ₹ 825 were created as a provision for doubtful debts.
- (4) Land and building was appreciated by ₹ 5,500.

You are required to:-

Prepare revaluation account, partners' capital accounts and balance sheet of the new firm.

Show your working clearly. [8]

23. Raja Ltd. issued for public subscription 40,000 Equity Shares of ₹10 each, at a premium of ₹2 per share payable as under:

On application ₹2 per share, on allotment ₹5 per share (including premium), on first call ₹2 per share and on second call ₹3 per share.

Applications were received for 60,000 shares. Allotment was made on pro-rata basis to the applicants for 48,000 shares, remaining applications being refused. Money overpaid on

application were applied towards amount due on allotment.

A to whom 1,600 shares were allotted, failed to pay the allotment money and B to whom 2,000 shares were allotted failed to pay two calls. These were subsequently forfeited after the second call was made.

Pass Journal Entries in the books of Raja Ltd. to record the above transactions including the bank entries. [8]

OR

ABC Ltd. invited applications for issuing 50,000 equity shares of ₹ 10 each. The amount was payable as follows:


On Application	₹ 2 per share
On Allotment	₹ 2 per share
On First Call	₹ 3 per share
On Second and Final Call	Balance amount

Applications for 70,000 shares were received. Applications for 10,000 shares were rejected and the application money was refunded. Shares were allotted to the remaining applicants on a pro-rata basis and excess money received with applications was transferred towards sums due on allotment and calls, if any.

Raj, who applied for 600 shares, paid his entire share money with application. Ghosh, who had applied for 6,000 shares, failed to pay the allotment money and his shares were immediately forfeited. These forfeited shares were re-issued to Sajan for ₹20,000; ₹4 per share paid up. The first call money and the second and final call money was called and duly received.

Pass necessary journal entries for the above transactions in the books of ABC Ltd. Open Calls-in- Advance Account and Calls-in-Arrears wherever necessary.

Part B – Financial Statements Analysis

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- 24.** Which one of the following is an example of Cash Flow from Operating Activities? [1]
- (a) Interest paid on Fixed Deposits by a bank
 (b) Issue of share
 (c) Sale of Investments
 (d) Purchase of Own Debentures
- 25.** What is the treatment of Bank Overdraft in a Cash Flow Statement? [1]
- (a) It is an Operating Activities
 (b) It is an Investing Activities
 (c) It is a Financing Activities
 (d) It is a part of Cash Equivalent
- 26.** Dividend earned by a financial company is shown in the Statement of Profit and Loss as: [1]
- (a) Other Income
 (b) Revenue from Operation
 (c) None of above
 (d) Any of (a) & (b)
- 27.** Increase in the Intangible assets will be classified under [1]
- (a) Operating activity
 (b) Financing activity
 (c) Investing activity
 (d) None of these
- 28.** Which of the following are the limitations of financial statements? [1]
- (a) Ignores price level changes
 (b) Ignores qualitative aspects
 (c) Based on estimates
 (d) all of these
- 29.** Calls in advance is disclosed under which head [1]
- (a) Non-current liabilities
 (b) Non-current Assets
 (c) Current liabilities
 (d) Current Assets

30. From the following Balance Sheets of Universe Ltd., as on 31st March 2018 and 2019, prepare a Comparative Balance Sheet. [4]

Particulars	Note No.	2018-2019 (₹)	2017-2018 (₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		20,00,000	15,00,000
(b) Reserves and Surplus		3,00,000	4,00,000
(2) Non Current Liabilities			
Long Term Borrowings		9,00,000	6,00,000
(3) Current Liabilities			
Trade Payables		3,00,000	2,00,000
Total		35,00,000	27,00,000
ASSETS			
(1) Non Current Assets			
Fixed assets			
(a) Tangible assets		20,00,000	15,00,000
(b) Intangible Assets		9,00,000	6,00,000
(2) Current Assets			
(a) Inventories		3,00,000	4,00,000
(b) Cash and Cash equivalents		3,00,000	2,00,000
Total		35,00,000	27,00,000

31. Calculate Proprietary Ratio and Return on Investment from the following information:

Equity share capital	₹ 3,00,000
Preference share capital	₹ 3,00,000
Current liabilities	₹ 1,00,000
General reserve	₹ 50,000
P & L A/c current year after tax	₹ 2,00,000
15% debenture	₹ 1,00,000
Tax rate	$33\frac{1}{3}\%$

[4]

32. X Ltd. made a profit of ₹ 1,00,000 after considering the following items:

- Depreciation on Fixed Assets ₹ 20,000.
- Writing off preliminary expenses ₹ 10,000.
- Loss on sale of furniture ₹ 1,000.
- Provision for taxation ₹ 1,60,000.
- Transfer to General Reserve ₹ 14,000.
- Profit on sale of machinery ₹ 6,000.

The following additional information is available to you:

Items	31-3-2018 (₹)	31-3-2019 (₹)
Debtors	24,000	30,000
Creditors	20,000	30,000
Bills Receivable	20,000	17,000
Bills Payable	16,000	12,000
Prepaid expenses	400	600
Provision for taxation	1,00,000	2,00,000

Calculate Cash flow from operating activities.

[6]

