# CBSE Guess Paper – 2015
# Accountancy XII

**Time Allowed : 3 hours** **M.M.80**

**Attempt all questions :**

Q1. State Provision of Partnership Act 1932, in the Absence of a Partnership deed regarding (i) Interest on Capital and (ii) Interest on Advances other than Capital.(1)

Q2. Which Account will be debited when Realisation expenses are paid in cash.(1)

Q3. The capital of x and y are Rs. 50000 and Rs. 40000. To increase the capital base of the firm to Rs. 1,50,000, they admit C. To join the firm, C is required to pay a sum of Rs. 70,000. What is the amount of Premium for Goodwill? (1)

Q4. What is reserve Capital. (1)

Q5. Give two circumstances in which the gaining ratio is computed. (1)

Q6. Can a company issue a share having face value of Rs. 100 at Rs. 80. (1)

Q7. Pass the journal entry when 10,000 debentures of Rs. 100 each are issued as collateral security against a Bank loan of Rs. 8,00,000. (1)

Q8. X Ltd Co. issued 10,000 fully paid up equity shares of Rs. 100 each for the purchase of the following assets and Liabilities from Gupta BrotheRs. Plant Rs. 2,00,000 Stock-in-Trade Rs. 3,00,000 Land & Building Rs. 4,00,000 S. Creditors Rs. 1,00,000 You are required to pass the necessary journal enteries.

(Ans:- Goodwill Rs. 2,00,000) (4)

Q9. P, Q and R were partneRs. Their capitals were Rs. 30,000, Rs. 20,000 and Rs. 10,000 respectively. According to the Partnership deed they were entitled to an interest on capital @ 5% p.a. In addition Q was also entitled to draw a salary of Rs. 500 per month, R was entitled to a commission of 5% on the profit after charging the interest on capital. But before charging the salary payable to Q the net profits for the year were Rs. 30,000, distributed in the ratio of their capital without providing for any of the above adjustments. The profit were to be shared in the ratio of 2:2:1. Pass the necessary adjustment entry show your working clearly. (3)

(Ans:- A's Current Account (Dr) Rs. 5640, B's Current A/c (Cr) Rs. 4860, C's Current A/c (Cr) Rs. 780.

Q10. GMR converted its 1000; 12% Debentures of Rs. 100 each into equity shares of Rs. 10 each the Debentures were issued at a Premium of Rs. 10 per Debenture and the equity shares were issued at a Premium of Rs. 2.50 per share. Journalise (3)

Q11. Pass the necessary journal enteries for issue of debentures (3)

a) Alok Ltd issued Rs. 80,000; 9% debentures at Par and redeemable at 10% Premium.

b) Aastha Ltd issued 10,000, 9% debentures of Rs. 50 each at a Discount of 10% redeemable at Premium of 5%.
(3)

Q12. Ramesh & Suresh were Partners in a firm dealing in supply a Grocery Products and fresh vegetables. They were sharing in 2:1 and their capital contributions were Ramesh Rs. 1,00,000; Suresh Rs. 1,40,000. They decided to shops in different parts of country to sell grocery products and vegetables a low cost to people specially to weaker section of the society.

The other clauses of Partnership deed were

- Ramesh & Suresh will draw monthly salary Rs. 2000 and Rs. 3000 p.m. respectively.
- Interest on Capital at 10% p.a.
- Suresh Advanced loan of Rs. 50000 to firm and he will be given interest on loan for full year @ 6% p.a.

  Profit before considering the above items were Rs. 300000
- Prepare Profit & Loss Appropriation account.
- State the value which motivated them to do business of grocery products and fresh vegetables. (Ans :- Divisible Profit Rs. 2,13,000) (4)

Q13. A, B and C were partners in the firm sharing profits in 5:3:2 ratio on 31 Dec 2010 C retire from the firm on the date C's retirement the Balance sheet of the firm was:

| Liabilities | | Rs. | Assets | | Rs. |
|---|---|---|---|---|---|
| Creditors | | 27,000 | Bank | | 80,000 |
| Bills payable | | 13,000 | Debtors | 20000 | |
| Outstanding sent | | 22,500 | Less provision for Bad debts | 500 | 19,500 |
| provision legal charges | | 57,500 | Stock | | 21,000 |
| Capital A/cs | | | Furniture | | 87,500 |
| A | 1,27,000 | | Land & Building | | 2,00,000 |
| B | 90,000 | | | | |
| C | 71,000 | 288000 | | | |
| | | 40,8000 | | | 408000 |

On C retirement it was agreed that :

- Land & Building will be appreciated by 5% and furniture will be depreciated by 20%.
- Provision for doubtful Debts will be mode at 5% on Debtors and provision for Legal Claims will be made Rs. 60,000
- Goodwill of the firm was valued at Rs. 60,000.

- Rs. 70,000 from C Capital account will be transferred to his Loan Account and the Balance will be paid to him by cheque.

Pass the journal enteries for the above transactions on C; retirement (4)

Q14. Krishna Ltd. invited applications for 10,000 equity shares of Rs. 100 each at Par Payable as follows :-

Rs. 20 on Application

Rs. 30 on Allotment

Rs. 50 on Ist & final call

The applications received were for 9000 equity shares and all of these were accepted. All amount due was received except the Ist & final call on 400 equity shares. These shares were forfeited, 200 shares were reissued as fully paid for a payment of Rs. 80 per equity share.

Show how the share Capital will be shown in Company's Balance Sheet. Also prepare notes to Accounts for the same. (4)

Q15. Record necessary journal enteries to record. The following transactions in the Books of Sucheta and Shiana

- The amount of S. assets transferred to Realisation Account was Rs. 1,00,000. 60% of them have been sold at Profit of Rs. 3500, 20% of the remaining were sold at a discount of 30%. Remaining were taken over by Sucheta at Book Value. (2)
- Ashish on old Customer whose account for Rs. 1000 was written off as bad in the previous year paid 60% of the amount. (1)
- Shaina agreed to take over the firm; goodwill (not recorded in the books of the firm), at a valuation of Rs. 30,000. (1)

- There was an old typewriter which had been written off completely from the books. It estimated to realize Rs. 400. It was taken away by Sucheta at an estimated price less 25%.
  (1)

- There were 100 shares of Rs. 10 each in Astha Limited acquired at a cost of Rs. 2000 which had been written off completely from the books. These shares are valued @ Rs. 6 per share and divided between Sucheta & Ruchita in their project sharing ratio (1)

OR

Q15. A and B are partners in a firm sharing profits in the ratio of 3:2. Their Balance Sheet as on 31st December, 2004 stood as under:

| **Liabilities** | **Rs.** | **Assets** | **Rs.** |
|---|---|---|---|
| Capital A/cs: | | Machinery | 33,000 |
| A | | Furniture | 15,000 |
| 35,000 | 65,000 | Investments | 20,000 |
| B | 10,000 | Stock | 23,000 |
| 30,000 | 9,000 | Debtors 20,000 | |
| General Reserve | 36,000 | Less: Provision for D/D 2,000 | 17,000 |
| Bank Loan | | Cash | 12,000 |
| Creditors | | | |
| | 1,20,000 | | 1,20,000 |

On that date they admitted C into partnership for 1/4th share in the profit on the following terms:

- C brings capital proportionate to his share. He brings Rs. 7,000 in cash as his share of goodwill.
- Debtors are all good.
- Depreciate Stock by 5% and Furniture by 10%.

- An Outstanding Bill for Repairs Rs. 1,000 will be brought in books.
- Half of the Investments were to be taken over by A and B in their profit-sharing ratio at book value.
- Bank loan is paid off.
- Partners agreed to share future profits in the ratio of 3 : 3 : 2.

Prepare the Revaluation Account, Partners' Capital Accounts and Balance Sheet after admission of c into the partnership.

Q16. X, Y and Z are in partnership with capital of Rs. 1,20,000 (Credit), Rs. 1,00,000 (Credit) and Rs. 8,000 (Debit) respectively on Ist April, 20X1. Their partnership deed provides for the following.

- 7.5% of profit to be transferred to General Reserve.
- Partners are to be only allowed interest on Capital @ 5% p.a. and are to be charged interest to drawings @ 6% p.a.
- Z is entitled to a salary of Rs. 7,000.
- X is entitled to a remuneration of 10% of the net profit before making any appropriation.
- Y is also entitled to a commission of 8% of the net profit after making all appropriations. During the year, X withdrew Rs. 1,000 at the beginning of every month, Y Rs 1,000 during month and Z Rs 1,000 at the end of every month. On Ist Oct. 20X1. Z granted a loan of Rs. 6,00,000.

  The manager is entitled to salary of Rs. 1,000 p.m. and a commission of 10% of net profits after charging his salary & commission.

  The net profit of the firm for the year ended on 31st March, 20X2 before providing for any of the above adjustments was Rs. 1,62,000.

Required : Prepare Profit and loss Appropriation Account for the year ended on 31st March,

Ans. Net profit after All charges Rs. 120000 Net Profit Ltd. to capital Rs. 76080

Q17. X, Y and Z are partners in a firm sharing profits in the proportion of 3:2:1. Their Balance Sheet as on Ist March 2010 stood as follows :

| Liabilities | Amount (Rs.) | Assets | Amount (Rs.) |
|---|---|---|---|
| Bills payable | 12,000 | Building | 21,000 |
| Creditors | 14,000 | Cash in hand | 12,000 |
| General reserve | 12,000 | Cash at Bank | 13,700 |
| Capital A/cs :- | | Debtors | 12000 |
| X 20000 | | Bills receivable | 4,300 |
| Y 12000 | | Stock | 1,750 |
| Z 8000 | 40000 | investment | 13,250 |
| | 78,000 | | 78,000 |

- Y died on 30th June, 2010 and according to the deed of the partnership @ 10% p.a.
- His proportion share of General reserve.
- His share of profits for the intervening period will be based on the sale during that period sales were calculated as Rs. 1,20,000. The rate of profit during Past three years had been 10% on sales.
- Goodwill according to his share of profit to be calculated by taking twice the Amount of profits of the last three years Less 20%.

The profit of the previous three years were.

| | |
|---|---|
| 2000-01 | Rs. 8200 |
| 2001-02 | Rs. 9000 |
| 2002-03 | Rs. 9800 |

The investment were sold at Par and his executers were paid out Prepare Y's capital A/c and his executor's A/c.

(Ans :- Y's Capital A/c Rs. 34700)

Q18. VVR Ltd. issued a prospectus inviting applications for 4000 equity shares of Rs. 20 lach at a Premium Rs. 4 per share payable as follows :- On application Rs. 4; on Allotment Rs. 10 (including Premium); on Ist call Rs. 6; on IInd Call Rs.4.

Application were received for 6000 shares and allotment was made on pro-rata basis to the applicants of 4800 shares, the applications for remaining shares being refused. Money our paid on Application was used on account of sums due on allotment.

Mr. Balbir to whom 80 shares were allotted, could not pay the allotment money and on his subsequent failure to pay the Ist call his shares were forfeited after the Ist call.

Mr. Dalbir to whom 120 shares were allotted, failed to pay the two calls and his shares were forfeited after the IInd Call of the shares forfeited 160 shares were sold to Suresh credited as fully Paid at Rs. 18 per share, all of Balbir's forfeited shares being included.

- Which values has been affected by rejecting the applications of the applicants who had applied for 1200 shares? Suggest a better alternative for the same.
- Pass the journal enteries in the books of the company to record the above transactions. (Ans:- Capital Reserve Rs. 864)

OR

XYZ Ltd. invited applications for issuing 1,00,000 Equity shares of Rs. 10 each the amount was payable as follows :-

On Application Rs. 2 per share; on Allotment Rs. 3 per share; on Ist & final call Rs. 5 per share.

Applications for 1,50,000 shares were received and pro-rata allotment was made to all applicants as follows :

Applicants for 80,000 shares were allotted 60,000 shares on pro-rata basis.

Mr. A to whom 600 shares were allotted out of the group applying for 80,000 shares failed to pay the allotment money. His share were forfeited immediately after allotment and Mr. B who had applied for 1400 shares out of the group applying for 70,000 shares failed to pay the first & final call. His share were also forfeited.

Out of the forfeited shares 1,000 shares were reissued @ Rs. 8 per share fully paid up. The reissued shares included all the forfeited shares of B.

- Which positive value is established by the Co. Through the allotment of shares on pro-rata basis.
- Pass the necessary journal enteries to record the above transactions. (8)

(Capital Reserve Rs. 1600)

**Part-B**

Q19. Why stock and prepared expenses not included in liquid assets? Give reason. (1)

Q20. Priya Textile Ltd. is engaged in the export of readymade garments. The company purchased a machinery of Rs. 10,00,000 for the use of finishing the cloths, state giving reason wheather the cash flow due to purchase of machinery will be cash flow from operating activities, investing activities or financing activities.
(1)

Q21. What is meant by extra-ordinary items? (1)

Q22. List the item which are shown under the heading, "current assets" in the Balance Sheet of a Company as per provisions of schedule VI, of the Company Act 1956.

Q23. Prepare a Comparative income statement from the following information

| **Particulars** | **2010** | **2011** |
|---|---|---|
| Revenue from operation<br>Cost of Goods sold<br>Indirect expenses | 5,00,000<br>70% of Revenue from operation | 8,00,000<br>70% of Revenue from operation |

| | | |
|---|---|---|
| Rate income Tax | 5% of Revenue from operation<br>50% of Net Profit before tax | 5% of Revenue from operation<br>50% of Net Profit before Tax |

Q24:- Calculate opening and closing debtors from the following information Current Ratio 5:3, Quick ratio 3:5, working capital Rs. 50000, inventory turnover ratio 8 times, Gross profit ratio 20%. Average collection period 3 months cash sale being $33^{1/3}$% of credit sales, closing debtor were Rs. 20,000 more than that of the beginning.

(Ans:- Opening debtors Rs. 1,40,000, Closing Debtors Rs. 1,60,000)

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