**GUESS PAPER-2013**

**Class-XII**

**Subject: Accountancy**

Time : 3 Hrs. Max Marks 80

Note : All questions are compulsory.

1. If the partnership agreement specifies the distribution of profit to the partners but is silent as to the distribution of a loss. What is generally done with the loss? 1
2. Name the two different ways in which a partner can be retired from a partnership. 1
3. Under the dissolution of the firm, which payment is to be paid first from the sale proceed of the assets? 1
4. Can a firm issue equity shares at 20% discount. Give reasons in support of your answer. 1
5. What are preliminary expenses? 1
6. What is the maximum discount permissible on the re-issue of the forfeited shares which are originally issued at discount? 1
7. What do understand by zero coupon bond? 1
8. X, Y and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared It was discoursed that interest on drawings @ 5% p.a. had not been taken into consideration. The drawings of the partners were X Rs. 15000, Y Rs. 12600, Z Rs. 12000. Give the necessary adjusting journal entry. 3
9. Alpha Ltd. has Rs. 5000 8% debentures of Rs. 100 each due for redemption on March 31, 2012. Assume that debenture Redemption Reserve has a balance of Rs. 190000 on the date. Record the necessary journal entries at the time of redemption of debentures. 3
10. What journal entries should be made for the issued of debentures in the following cases – 3
    1. X Ltd. issued 30000 12% debentures of Rs. 100 each redeemable at a premium of 5%.
    2. Y Ltd. issued 50000 12% debentures of Rs. 100 each at a premium of 5%, redeemable at par.
11. Ankur after completing his BBA, Manoj after doing his B.Com and Shashi after completing his MBA(Marketing) are interested to form partnership to start computer business. The partnership deed provides the following contents –

Ankur will contribute Rs. 60000, Sakshi Rs. 40000 and Manoj Rs. 30000

Profits will be shared in the raio of 5:3:2

Interest on capital will be allowed @10%

They started business on April 1, 2011. During the year 2011-12 the firm earned profit of Rs. 30000 (before providing interest on capital). During the year partners’ drawings were A Rs. 10000, B Rs. 12000 and C Rs. 8000.

On 31st March 2012, the court ordered for dissolution of the firm, as Mr. Manoj was found guilty of misconduct and for the breach of partnership agreement. Following balances appear on the date of dissolution

Capital Account Balance Ankur Sakshi Manoj Total

64500 37100 28400 130000

The partners has no liabilities. All the assets are non-cash assets and sold for Rs. 127800. Required

* 1. List two values which motivated them to form the partnership and two values affected by the dissolution of the firm. 2
  2. Pass the journal entries for sale of assets, loss on realization and distribution of cash to partners 2

1. P, Q and R are partners sharing profits and losses in the ratio of 5:3:2. From 1st January 2006, the decided to share profits and loss in equal proportions. The partnership deed provides that in the event of any change in the profit sharing ratio, the goodwill should be valued at three years’ purchase of the average of five years profits. The profits and losses of the preceding five years are

Profits 2001 60000 2002 150000 2003 170000 2004 190000

Losses 2005 70000

Give necessary journal entry to record the above. 4

1. R K Ltd purchased the following assets from Jimmy Ltd.

Building Rs. 3,70,000

Plant and Machinery Rs. 5,10,000

Furniture Rs. 75,000

R.K. Ltd. decided to accept promissory note for Rs. 1,00,000 and balance by issuing 9000 equity shares of Rs. 100 each to Jimmy Ltd. to discharge consideration. Give necessary journal entries in the book of R. K. Ltd.

1. Akash Ltd. issued 1,00,000 shares of Rs. 10 each, payable as following –

Rs. 2 on application payable on 1st March 2011, Rs. 3 on allotment payable on 1st May 2011; Rs. 2 on first call payable on 1st August, 2011 and Rs. 3 on second and final call payable on 1st December, 2011. All these share were subscribed for and amounts duly received. Akriti, who had 8,000 shares, paid the amount of both the call, along with allotment. Suniti, who had 4,000 shares, paid the amount of second and Suniti. Pass closing entry for interest on calls-in-advance.

1. A, B, C entered into partnership on 1st April 2011 to share profits and losses in the ratio of 4:3:3. B, however personally guaranteed that C’s share of profit after charging interest on capital @ 5% p.a. would not be less than Rs. 40,000 in any year. The capital contributions were : A Rs. 3,00,000, B Rs. 2,00,000 and C Rs. 1,50,000. The profits for the year ended on 31st March 2012 before allowing interest on capitals amounted to Rs. 1,60,000. Prepare Profit and Loss A/c.
2. A and B share profit & Losses in the ratio of 5:2. They have decided to dissolve the firm. Assets and external liabilities have been transferred to Realization A/c. Pass the journal entries to effect the following –
3. Bank Loan of Rs. 12,000 is paid off
4. A was to bear all expenses to realization for which he is given a commission of Rs. 400.
5. Deferred Advertisement Expenditure A/c appeared in the books at Rs. 28000.
6. Stock worth Rs. 1,600 was taken over by B at Rs. 1,200.
7. An unrecorded computer realized Rs. 7000.
8. There was an outstanding bill for repairs for Rs. 2000, which was paid off.
9. Srijan Ltd. issued Rs. 10,00,000 new capital divided into Rs. 100 shares at a premium of Rs. 20 per share payable as follows –

On Application Rs. 10 per share

On Allotment Rs. 40 per share ( including Premium of Rs. 10 per share)

On first and Final call Balance

Over payment on application were to be applied towards sums due on allotment and first and final call. Where no allotment was made, money was to be refunded in full. The issue was oversubscribed to the extent of 13,000 shares. A;;icants for Rs. 12,000 share were allotted only 2,000 shares and applicants for 3,000 share were sent letters of regret. Shares were allotted in full to the remaining applicants for 3,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants.

All the money due was duly received.

Which value has been affected by rejecting the applications of the applicant who has applied for 3000 shares. Suggest a better alternative for the same.

Give the Journal entries to record the above transactions (including cash transactions) in the books of the company.

**Or**

Ankur Ltd. invited application for issuing 60,000 shares of Rs. 10 each at par. The amount was payable as follows –

On Application

On Allotment

On First and Final Call

Applications were received for 92,000 shares. Allotment was made on the following basis

To applicants for 40,000 shares – Full

To applicants for 50,000 share – 40%

To applicants for 2,000 shares – Nil. Most of this category has applied for less than 5 shares each.

Rs. 1,08,000 was realized on account of allotment (excluding the amount carried from application money) and Rs. 2,50,000 was realized on account of allotment (excluding the amount carried from application money) and Rs. 2,50,000 on account of call.

The directors decided to forfeit shares of those applicants to whom full allotment was made and on which allotment money was overdue.

Which value has been affected by the rejection of application of category (iii) applicants? Suggest a better alternative for the same.

Pass Journal entries in the books of Ankur Ltd to record the above transactions.

1. L and M share profits of a business in the rtion of 5:3 They admit N into the firm for a fourth share on the profits to be contributed equally by L & M. On the date of admission, the Balance Sheet of L & M was as follows –

**Balance Sheet**

**As on March 31st December 2012**

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Amount** | **Assets** | **Amount** |
| L’s Capital | 30,000 | Machinery | 26,000 |
| M’s Capital | 20,000 | Furniture | 18,000 |
| Reserve Fund | 4,000 | Stock | 10,000 |
| Bank Loan | 12,000 | Debtors | 8,000 |
| Creditors | 2,000 | Cash | 6,000 |
|  | **68,000** |  | **68,000** |

Terms of N’s admission were as follows –

N will bring Rs. 25,000 as his capital.

Goodwill of the firm is to be valued at 4 years of purchase of the average super profit of the last three years. Average profits of the last three years are Rs. 20,000; While the normal profits that can be earned on the capital employed are Rs. 12,000.

Furniture is to be revalued at Rs. 24,000 and the value of stock to be reduced by 20%.

Prepare Revaluation Account, Partners’ Capital Accounts and the Balance Sheet of the firm after admission of N.

Or

Following is the Balance Sheet of X and Y, who shares profits and losses in the ratio of 4:1 as at 31st March 2012.

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Amount** | **Assets** | **Amount** |
| Sundry Creditors | 8,000 | Bank | 20,000 |
| Bank Overdraft | 6,000 | Debtors 17,000 |  |
| X’s Brother’s Loan | 8,000 | Less : Provision (2,000) | 15,000 |
| Y’s Loan | 3,000 | Stock | 15,000 |
| Investment Fluctuation Fund | 5,000 | Investments | 25,000 |
| Capital : |  | Building | 25,000 |
| X | 50,000 | Goodwill | 10,000 |
| Y | 40,000 | Profit & Loss A/c | 10,000 |
|  | **1,20,000** |  | **1,20,000** |

The firm was dissolved on the above date and the following arrangements were decided upon

X agreed to pay off his brother’s loan.

Debtors of Rs. 5000 proved bad

Other Assets realized – Investment 20% less and goodwill at 60%.

One of the creditors for Rs. 5,000 was paid only Rs. 3,000.

Buildings were auctioned for Rs. 3,00,000 and the auctioneer’s commission amounted to Rs. 1,000.

Y took over part of stock at Rs. 4,000 (Being 20% less than the book value). Balance stock realized 50%.

Realization expenses amounted to Rs. 2,000.

Prepare Realization Account, Partners’ Capital Accounts and Cash Account.

1. X Ltd has a Debt equity ratio at 3:1. The management want to maintain it at 1:1. What are the two choices to do so.
2. State where cash deposited in bank will result inflow, outflow or no flow of cash.
3. Interest received by finance company is classified under which kind of activity, while preparing a cash flow statement.
4. Show the major headings with two sub-headings each into which the assets side of a company’s Balance Sheet is organized and presented as per Schedule VI Part I of the Companies Act, 1956.
5. Prepare Comparative Income Statement from the following information

|  |  |  |
| --- | --- | --- |
| **Particulars** | **31.03.2012** | **31.03.2011** |
| Sales | 1,00,000 | 1,00,000 |
| Cost of goods sold | 74.8 % of Sales | 70% of Sales |
| Operating Expenses | 9,800 | 8,000 |
| Income Tax Rate | 50% | 50% |

1. A Company’s Stock turnover ratio is 5 times. Stock at the end is Rs. 20,000 more than that at the beginning. Sales are Rs. 8,00,000. Rate of Gross Profit on cost ¼. Current liabilities Rs. 2,40,000; Acid Test Ratio 0.75.
2. The Balance Sheet of Kewal Ltd. as on 31st December 2011 were as follows –

|  |  |  |
| --- | --- | --- |
| **Particulars** | **31.12.2011** | **31.12.2012** |
| Equity and Liabilities |  |  |
| Share Capital | 10,00,000 | 7,00,000 |
| Profit and Loss Balance | 2,50,000 | 1,50,000 |
| Proposed Dividend | 50,000 | 40,000 |
| Total | **13,00,000** | **13,00,000** |
| Assets |  |  |
| Plant and Machinery | 8,00,000 | 5,00,000 |
| Stock | 1,00,000 | 75,00,000 |
| Cash | 4,00,000 | 3,15,000 |
| Total | **13,00,000** | **13,00,000** |

During the year depreciation was charged Rs. 80,000. A machine costing 60,000 on which accumulated depreciation was Rs. 15000 was sold for Rs. 30,000.

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