

CLASS XII

GUESS PAPER

ACCOUNTANCY

Time: 3 hrs.

Total Marks: 80

PART A (Accounting for partnership and companies)

- Q1 Define partnership? **1**
- Q2 Mention any purposes for which the securities premium can be utilized u/s 78. **1**
- Q3 State one right acquired by a newly admitted partner. **1**
- Q4 What do you mean by issue of debentures as collateral securities? **1**
- Q5 What do you mean by forfeited of shares? **1**
- Q6 Distinguish between a gaining ratio and sacrificing ratio? **1**
- Q7 Explain the term "calls in arrears"? **1**
- Q8 JS Limited issued 2,00,000, 8% Debentures of Rs. 100 each redeemable at premium. According to the terms of redemption the company redeemed 25% of the debentures by converting them into shares of Rs. 50 each issued at a premium of 60%. Journalise. **3**
- Q9 A, B and C are in a firm sharing profits and losses in the ratio of 2:3:5. Their fixed capitals were Rs. 15,00,000, Rs. 30,00,000 and Rs. 60,00,000 respectively. For the year 2004-2005 interest on capitals was credited to them @ 12% instead of 10%. Showing your working clearly, pass the necessary adjustment journal entry. **3**
- Q10 D Ltd., purchased machinery worth Rs. 2,00,000 from E Ltd., on 1.1.2005. Rs. 50,000 was paid immediately and the balance was paid by issue of Rs.1,60,000 12% debentures of D Ltd. Pass the necessary journal entries for recording the transactions in books of D Ltd. **3**
- Q11 SP Ltd. forfeited 2,000 equity shares of Rs. 10 each, issued at a premium of Rs. 5 per share, held by ram for non-payment of the final call of Rs. 3 per share. Of these, 100 shares were re-issued to DS at Rs. 4 per share. **4**
- Q12 Pass the journal entries for the following at the time dissolution of a firm: **4**
- (a) Realisation expenses amounted to Rs. 5,000 paid by the firm on behalf of the partner
 - (b) An asset not appearing in the books of accounts realized Rs. 5400.
 - (c) Mr. A (partner) takes over Mrs. A loan.

(d) An unrecorded asset is taken over by a creditor in full settlement.

Q13 Sree, Sivan, Shundaram and Kumar are partners sharing profits in the ratio of 2:2:1:1. On Sivan's retirements, the goodwill of the firm is valued at Rs.90,000. Sree, shundaram and Kumar decided to share future profits equally. Pass necessary journal entry for the treatment of goodwill. 4

Q14 What are the provisions relating to issue of shares at discount according to section 79 of companies' Act 1956? 4

Q15 On 31st March, 2013 the Balance Sheet of A, B and C showed as under: 6

Liabilities	Rs.	Assets	Rs.
Sundry creditors	20,000	Buildings	26,000
Reserve fund	30,000	Investments	5,000
Capitals ;		Debtors	15,000
A	15,000	Bills receivable	6,000
B	10,000	Stock	12,000
C	15,000	Cash	26,000
	90,000		90,000

The partnership deed provides that the profit be shared in 2 : 2 : 1. B died on July 1, 2013. The Partnership deed provides that in the event of death of a partner, his executors be entitled to be paid out:

- The capital of his credit at the date of last balance sheet.
 - Interest on capital @ 12%p.a.
 - His proportion of reserves at the date of last balance sheet
 - His proportion of profits to the date of death based on the average profits of the last three completed years and
 - By way of goodwill his proportion of the total profits for the three preceding years.
- Profit for 2010-2011, 2011-2012 and 2012-2013 were Rs. 13,000, Rs. 12,500 Rs. 10,500 respectively. B's executors were paid Rs. 15,000 immediately and the balance transferred to Executors' Loan Account. Prepare B's Capital Account and his Executor's Account.

Q16 Saa, Re and Ga started a partnership firm on April 1, 2006. They contributed Rs, 5,00,000, Rs. 4,00,000 and Rs. 3,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3:2:1. The partnership provides that Saa is to be paid a salary of Rs. 10,000 per month and Ree a commission of Rs. 50,000. It also provides that interest on capital be allowed @6% p.a. The drawings for the year were Sa Rs. 60,000, Ree Rs. 40,000 and Gaa Rs. 20,000. Interest on drawings was charged as Rs. 2,700 on Saa's drawings, Rs. 1,800 on Ree drawings and Rs. 900 on Saa's drawings. The net amount of profit as per Profit and Loss Account for the year 2006-07 was Rs. 3,56,600. 6

- Prepare profit and loss appropriation account
- Show capital accounts of the partners.

- Q17 Curran & Kushal are partners in a firm sharing profits in the ratio of 2: 1. They decided to admit Neena as a new partner. In future profits will be shared equally. The Balance sheet of Curran & Kushal as at April 1, 2003 and the terms of admission are given below: 8

Balance Sheet of Curran & Kushal

Liabilities	Rs.	Assets	Rs.
Capitals :		Plant & machinery	90,000
Curran	1,30,000	Furniture & Fittings	60,000
Kushal	1,30,000	Stock	30,400
Sundry Creditors	16,000	Sundry debtors	23,600
Bank o/d	5,000	Cash in hand	77,000
	2,81,000		2,81,000

- Capital of the firm was fixed at Rs. 9, 00,000 to be contribution by partners in the profit sharing ratio. The difference will be adjusted in cash.
- Neena was to bring her share of capital and goodwill in cash. Good will of the firm is to be valued on the basis of two year's purchase of super profit. The average net profit expected in future by the firm is Rs. 90, 000 per year. The normal rate of return on capital in similar business is 10%. Calculate Goodwill. Prepare partners Capital Account and Balance Sheet.

OR

S & B are partners sharing profits in the ratio 3: 2. Their balance sheet as follows;

Liabilities	Rs.	Assets	Rs.
Creditors	20,000	Fixed assets	80,000
General reserve	20,000	Debtors	20,000
Bills payable	5,000	Cash	12,000
Capitals;		Stock	3,000
S	45,000	Profit and loss a/c	5,000
B	30,000		
	1,20,000		1,20,000

The firm was dissolved and the assets and liabilities were realized as under,
 Fixed assets were realized Rs. 90,000 and stock was taken over by B at book value and creditors were paid for Rs 19,000 in full settlement.
 Realization expenses for Rs. 1,000 paid by S. Prepare realization a/c, capital a/c and cash book.

- Q18 Shree Ltd. invited applications for 20,000 equity shares of Rs. 100 each issued at a premium of 20%. The amount was payable as under :
- On application—Rs. 40
 - On allotment--- 50 (including premium) and
 - Balance on First and Final call.

Applications were received for 29,000 shares and allotment was made as under:

Groups:

- A) Applicants of 4000 shares were rejected and
- B) The remaining applicants were allotted shares on pro-rata basis.

Excess money received on application was adjusted towards sums due on allotment. Jaya to whom 2,000 were allotted failed to pay allotment money. Her shares were accordingly forfeited.

- a) **What value do you find affected?**
- b) **Suggest the different alternatives to allot the shares.**
- c) Pass necessary journal entries in the books of Shree Ltd.

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OR

Coastal Packers Ltd. issued for public subscription 60,000 equity shares of the value of Rs. 20 each at the discount of 5% payable as follows: Rs. 4 on application, Rs. 6 on allotment, Rs. 4 on first call, Rs. 5 on final call. The company received application for 1,15,000 shares. The allotment was done as follows:

Groups:

- A. Applicants of 25,000 shares were refunded the application money.
- B. The remaining applicants were allotted shares on prorata basis.

The excess application money to be adjusted allotment and call if any.

Mohan, A share holder who had applied for 9000 shares failed to pay the allotment money and both calls. Mr. Rahim a holder who was allotted 3000 paid the calls money along with allotment money.

- a) **What value do you find affected?**
- b) **Suggest the different alternatives to allot the shares.**
- c) Pass necessary journal entries in the books of Coastal Packers Ltd.

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PART –B (Analysis of financial statements)

- Q19 What do you mean by cash flow statement? 1
- Q20 Under which activity payment of dividend is shown. 1
- Q21 How will you deal with Tax reserve while preparing balance sheet of a company as per revised schedule VI of the Companies' Act 1956? 1
- Q22 Explain any three limitations of financial statement analysis? 3
- Q23 From the following information, prepare a common-Size income statement: 4

Particulars	2013	2014
	Amount(Rs)	Amount(Rs)
Sales (% of Cost of Material Consumed)	250%	300%
Cost material consumed	4,00,000	4,00,000
Employees expenses (% of Sales revenue)	10%	20%
Selling & Distribution expenses	8,000	20,000
Dividend received	90,000	70,000
Rate of Income tax	20%	20%

- Q24 A firm had a quick ratio of 2 : 1 and Inventory Turnover Ratio 6 times. It has current liabilities of Rs. 2,00,000 and inventories are 50% of liquid assets in the year 2013. Find out annual sales if goods are sold at 25% Profit on Cost. **4**
- Q25 Prepare cash flow statement from the following balance sheets of December 31 2012 and 2013: **6**

Liabilities	2012 Rs.	2013 Rs.
Equity and Liabilities		
Share holder's Funds:		
Share capital	600000	800000
Profit & Loss A/c	80000	140000
Reserve fund	200000	300000
Non-Current Liabilities:		
10% Debentures	30000	12000
Current Liabilities:		
Bills Payable	100000	160000
Creditors	60000	80000
Short-Term Provisions:		
Provision for Taxation	60000	100000
Total	1130000	1592000
Assets	2012 Rs.	2013 Rs.
Fixed Assets	750000	1000000
10% Investments	100000	240000
Debtors	130000	210000
Bank	130000	132000
Goodwill	10000	5000
Non-Current assets (discount on issue of debentures)	10000	5000
Total	1130000	1592000

Additional information:

Interim paid Rs. 3,000. Depreciation provided on fixed assets Rs. 40,000.