

**Guess Paper – 2014**  
**Class – XII**  
**Subject – ACCOUNTANCY**

Class XII

Time Allowed:3 hours

Maximum Marks: 80

**General Instructions:**

- (i) This question paper contains three parts **A,B** and **C**
- (ii) **Part A** is **compulsory** for all candidates.
- (iii) Candidates can attempt only one part of the remaining parts **B** and **C**
- (iv) **All parts of the questions should be attempted at one place.**

**Part A**

**Accounting for Partnership Firms and Companies**

- Q.1 What is meant by change in Profit – sharing ratio? 1
- Q.2 X and Y are partners in a firm having no partnership deed. Y has advanced Rs 10,000 as loan to the firm . He claims interest at the rate of 6% p.a. X does not want to give any interest since there is a Net Loss of Rs 50,000 during the current year . State giving reasons who is correct in this case. 1
- Q.3 State the need for treatment of goodwill on retirement of a partner . 1
- Q.4 Creditors amounting to Rs 80,000 are transferred to Realisation Account . What entry will be made on their payment if Rs 10,000 of the creditors are not to be paid and the remaining creditors agreed to accept 20% less amount? 1
- Q.5 What is meant by pro-rata allotment of shares? 1
- Q.6 Why would an investor prefer to invest in the debentures of a company rather than in its shares?1
- Q.7 What is meant by Capital Reserve? 1
- Q.8 A, B and C partners sharing profits and losses in the ratio 1:2:3.They have omitted interest on capital @ 8% p.a for 2 years ended 31 st march, 2008. Their fixed capitals were Rs .4,00,000, Rs 6,00,000 and Rs 8,00,000 respectively. Pass the necessary adjusting entry. 3

Q.9 Gujrat Gas Ltd. issued 6,00,000, 9% debentures of Rs 1,000 each payable as follows:

On application Rs 300

On allotment Rs 700

The debentures were fully subscribed and all the money was duly received. As per terms of issue, the debentures are redeemable at Rs 1100 per debentures. Record necessary entries regarding issue of debentures. 3

Q.10 On 1-1-2004, R Ltd. issued 40,000, 13% debentures of Rs 500 each at Rs 450 and offered the holders to convert their holdings into equity shares of Rs 100 each at 125 per share after 31-12-2007. On 1-1-2008, 20% holders exercised their option. Give journal entries on 1-1-2008, assuming that the debentures were converted before the date of redemption. 3

Q.11 Anita and Tina are partners sharing profits as 9:5. They agree to admit Riyaz their manager into partnership, who is to get  $\frac{1}{8}$  share in the profits. He acquires this share as  $\frac{1}{12}$  from Anita and  $\frac{1}{24}$  from Tina.

You are required to:

- (i) Calculate the new profit sharing ratio. 3
- (ii) Indicate the value in taking Riyaz as a partner 1

Q.12 P, Q and R share profits in the ratio of 5:3:2. S was admitted in to partnership. S brings in Rs 30,000 as his capital. S is entitled for  $\frac{1}{5}$  share in profits which he acquires equally from P, Q and R. Goodwill of the firm is to be valued at three year's purchase of last four year's average profits. The profits of the last 4 year's are Rs 32,000, Rs 38,000, Rs 35,000 and Rs 31,000 Respectively. S cannot bring Goodwill in cash. Goodwill already appears in the books at Rs 50,000. Give Journal Entries.

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Q.13 (a) A company purchased Assets of the book value of Rs 12,00,000 and liabilities of Rs 2,20,000 of another company for a purchase consideration of Rs 9,40,000. The purchase consideration was discharged by the issue of equity shares of Rs 50 each at a discount of 6%. Pass journal entries in the books of purchasing company. 3

(b) X Ltd. provided Rs 2,00,000 for plantation of trees in and around its factory premises. State the value involved in such decision. 1

Q.14 X Ltd. forfeited 1,000 shares of Rs 10 each (Rs. 8 called up) issued at a premium of Rs 2 per share to Mr. R for non payment of allotment money of Rs 5 per share (including premium). Out of these 800 shares were re-issued to Mr. Sanjay as Rs 8 called up for Rs 7 per share. Give the necessary Journal entries relating to forfeiture and re-issue of shares. 4

Q.15 X, Y and Z are partners, their capitals being Rs 3,00,000, Rs 2,50,000 and Rs 2,00,000 respectively. In arriving at these figures, the profits for the year ended, 31 March 2011 Rs 2,40,000 has already been credited to the partners in the proportion in which they share profits. Their drawings were X Rs 50,000, Y Rs 40,000 and Z Rs 30,000 for the year ending 31<sup>st</sup> March, 2011. Subsequently the following omissions were noticed and it was decided to bring them in to Account.

(i) Interest on capital at 10% p.a

(ii) Interest on drawings X Rs 2500, Y Rs 2000 and Z Rs 1500

Make the necessary journal entries and prepare Capital Accounts of Partners.

Q.16 Anusha and Bindu are partners in a firm sharing profits and losses in the ratio of 5:3. On 31<sup>st</sup> March 2009 their Balance sheet was as under:

Liabilities	Rs	Assets	Rs
Creditors	50,000	Bank	29,000
Provident Fund	15,000	Debtors	1,80,000
Workmen's Compensation fund	40,000	Stock	1,25,000
Capitals A/cs:		Premises	1,50,000
Anusha 2,60,000		Advertisement Expenses	16,000
Bindu 1,35,000	3,95,000		
	5,00,000		5,00,000

On the above date, Sugandha is admitted as a partner. Anusha surrenders  $\frac{1}{4}$ <sup>th</sup> of her share and Bindu  $\frac{1}{3}$ <sup>rd</sup> of her share in favour of Sugandha. Goodwill is valued at Rs 1,60,000. Sugandha brings in only  $\frac{2}{5}$ <sup>th</sup> of his share of goodwill in cash and Rs 1,50,000 as her capital.

Following terms are agreed upon:

- (i) Premises is to be increased to Rs 2,00,000 and stock by Rs 5,000
- (ii) Creditors proved at Rs 60,000, one bill for goods purchased having been omitted from the books.
- (iii) Outstanding rent amounted to Rs 12,000 and Prepaid salaries Rs 2000
- (iv) Liability on account of provided fund was only Rs 10,000

(v) Liability for Workmen's Compensation Fund was Rs 16,000

Prepare revaluation A/c And capital Accounts.

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Q.17 Raja Silk Ltd. invited applications for 75000 shares of Rs 10 each at a discount of 5% payable as follows: on application Rs 3, on allotment Rs 2.50, on 1st call Rs 3. The balance as and when required.

Applications were received for 70,000 shares and all of these were accepted .Directors did not make the final call. One shareholder holding 200 shares did not pay the amount due on 1<sup>st</sup> call .The shares were forfeited and re-issued as Rs 9 paid at Rs 6 per share.

Give entries in the cash book and journal of the company and show the 'share capital' in the balance sheet.

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OR

Neelkanth Ltd. Invited applications for issuing 1,00,000 shares of Rs 10 each. The amount was payable as follows:

On Application                      Rs 3 per share

On Allotment                         Rs 3 per share

On First and Final call             Rs 4 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.

Applicants for 70,000 shares were allotted 40,000 shares on pro-rata basis.

Sushma, to whom 600 shares were allotted out of the group applying for 80,000 shares failed to pay the allotment money. Her shares were forfeited immediately after allotment.

Trishna, who had applied for 1400 shares out of the group applying for 70,000 shares failed to pay the first and final call. Her shares were also forfeited.

Out of the forfeited shares 1000 shares were re-issued @Rs 8 per share fully paid up. The re-issued

Shares included all the forfeited shares of sushma. Pass necessary journal entries to record the above transactions.

Q.18 You are given the Balance Sheet of A,B and C who are partners sharing profits in the ratio of 2:2:1 as at March 31,2007.

Liabilities	Rs	Assets	Rs
Creditors	40,000	Goodwill	30,000
Reserve Fund	25,000	Fixed Assets	60,000
Capitals:		Stock	10,000
A            30,000		Sundry debtors	20,000
B            25,000		Cash at bank	15,000
C            15,000	70,000		
	1,35,000		1,35,000

B died on June 15 2007. According to the Deed, his legal representatives are entitled to:            8

- (a) Balance in capital Account;
- (b) Share of goodwill valued on the basis of thrice the average of the past 4 Year's profits;
- (c) Share in profits up to the date of death on the basis of average profits for the past 4 years;
- (d) Interest on capital account @12% p.a.

Profit for the years ending on march 31 of 2004,2005,2006,2007 respectively were Rs 15,000, Rs 17,000, Rs 19,000 and Rs 13,000.

B's legal representatives were to be paid the amount due. A and C continued as partners by taking over B's share equally. Work out the amount payable to B's legal representatives.

OR

X and Y share profits as X 60% and Y 40%.The balance sheet of the firm as at April 1, 2012 was as follows:

Liabilities	Rs	Assets	Rs
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Provision for doubtful debts	3,000	Freehold Premises	2,00,000
Creditors	39,000	Plant	1,00,000
Provident Fund	18,000	Furniture	16,000
Reserve fund	15,000	Prepaid expenses	4,000
Capitals:		Debtors	1,00,000
X            2,50,000		Stock	40,000
Y            1,50,000	4,00,000	Cash	5,000
		Goodwill	10,000
	4,75,000		4,75,000

On the date Z was admitted as a partner on the following terms:

- (1) He was to get  $\frac{4}{15}$ <sup>th</sup> of profits.
- (2) He was to introduce Rs 2,00,000 as capital and his share of goodwill in cash. Goodwill brought by Z shall be withdrawn by X and Y.
- (3) Goodwill shall be valued on the basis of 1.5 years purchase of the average profits of the last four years, which were:

1993	Rs.20,000	1995	Rs.15,000(loss)
1994	Rs.35,000	1996	Rs.40,000

- (4) It is further agreed that Y shall introduce additional capital of Rs 40,000
- (5) Assets are to be revalued as: Freehold Premises Rs 2,50,000, Plant at Rs 80,000, Prepaid Expenses nil;
- (6) It is decided to write off Bad Debts amounting to Rs 8000
- (7) Creditors proved at Rs 45,000, one bill for goods purchased having been omitted from the books.

Give Journal entries and ledger accounts to record the above and the Balance sheet after Z's admission.

## PART B

### Financial Statement Analysis

- Q.19 Why prepaid expenses are not considered as liquid assets? 1
- Q.20 What is meant by the term "cash flow"? 1

Q.21 What is meant by Financing Activities?

1

Q.22 Under what headings will you show the following items in the balance Sheet of a company:

- (i) Bank Balance 3
- (ii) *Investments*
- (iii) *Outstanding salary*
- (iv) *Authorised capital*
- (v) *Share Issue Expenses*
- (vi) *Acceptance(B/P)*

Q.23 From the following details, make out a comparative Statement of Profit & Loss: 4

Particulars	Note No.	31.3.2012	31.3.2011
Revenue from operations		15,00,000	12,00,000
Expenses		8,05,000	7,00,000
Other Incomes		40,000	20,000
Provision for tax		2,80,000	2,00,000

Q.24 Following particulars are obtained from the books of Assam Tea Ltd. As at 31<sup>st</sup> march,2012:-

Particulars	Rs.
Equity share capital	2,30,000
10% Preference share capital	2,00,000
Reserve and surplus	1,70,000
15% long term loans	80,000
Current liabilities	3,60,000

Net Profit after Interest and Tax = Rs 1,80,000

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Tax Rate = 40 %

Calculate Return on Investment.

Q.25 Following are the Balance Sheets of X Ltd.:-

Particulars	Note No.	31.3.2012	31.3.2011
<b>I.EQUITY AND LIABILITIES:</b>			
<b>1.Shareholder's Funds:</b>			
(a) Share Capital		3,00,000	2,50,000
<b>2.Non-Current Liabilities:</b>			

(a) Long term Borrowings		45,000	80,000
<b>3.Current Liabilities:</b>			
(a) Trade payables		32,500	28,000
(b)other Current Liabilities		10,000	-
TOTAL		3,87,500	3,58,000
<b>II.ASSETS:</b>			
<b>1.Non-Current Assets:</b>			
(a)Tangible Fixed assets		3,02,500	2,70,000
<b>2.Current Assets:</b>			
(a)Inventory		25,000	45,000
(b)Trade Receivables		50,000	35,000
(c )cash & cash Equivalents		10,000	8,000
TOTAL		3,87,500	3,58,000

**Notes:**

Particulars	31.3.2012	31.3.2011
(1)long term borrowings:		
Loan from bank	45,000	80,000
(2)Other current Liabilities:		
Outstanding Expenses	10,000	-----
(3)Tangible Fixed Assets:		
Land and Building	2,20,000	1,50,000
machinery	82,500	1,20,000
	3,02,500	2,70,000

A machine costing Rs 40,000 having book value of Rs 25,000 was sold for Rs 35,000 during the year.  
Interest paid on loan from bank amounted to Rs 8,000.Prepare a cash Flow Statement. 6

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