**GUESS PAPER-2013  
CLASS-XII  
SUBJECT** : **Accountancy**

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

**General Instructions:**

1. This question paper contains three parts A, B, and C.
2. Part A is compulsory for all.
3. You are supposed to attempt part B only that is why part C is not given.
4. All parts of questions should be attempted at one place.

**Part – A: Accounting for partnership firms and Companies**

1. Under what circumstances the fixed capital of partnership firm changes? **(1)**
2. P and J are partners. They admitted B for 1/4th share. What is the ratio in which P and J will sacrifice their share in favour of B? **(1)**
3. State any two occasions on which a firm may be reconstituted. **(1)**
4. When is ‘Partner’s Executors’ Account prepared? **(1)**
5. What is the maximum amount of discount at which forfeited shares can be reissued? **(1)**
6. What is meant by ‘Minimum Subscription’? **(1)**
7. What is meant by ‘Debentures issued as collateral security’? **(1)**
8. A, B and C are partners in a firm. They had omitted interest on capital @ 10% p.a. for three years ended 31st March, 2012. Their fixed capitals on which interest was to be calculated throughout were: A - http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,00,000; B - http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png80,000; C - http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png 70,000.

Give the necessary adjusting entry with working notes. **(3)**

1. X Ltd. had issued 10,000, 12% debentures in 2009, each http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png100, interest payable on 30th September and 31st March each year, till the date of redemption.

It redeemed, 1,000 debentures by paying back the money on 31st March, 2012. on the same date, it also converted 2,000 debentures into 20,000 equity shares of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 each at par.

Give journal entries for recording these transactions on 31st March 2012 in the books of X Ltd. **(3)**

1. What journal entries will be made at the time of issue of debentures in the following cases:
   1. A company issued http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png40,000, 12% debentures at a premium of 10% redeemable at premium of 5%.
   2. A company issued http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png40,000, 12% debentures at a premium of 5% redeemable at par.
   3. A company issued http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png40,000, 12% debentures at par redeemable at 10% premium. **(3)**
2. Shabir and David were partners in a firm supplying school uniform. They share profits in the ratio of 4:3. Their capitals as on 1st April, 2011 were http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,00,000 and http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png50,000 respectively. On this date Shabir suggested David to start supplying low cost school uniforms also to the students who belong to low income group and have been admitted to the private schools of the city as per the provisions of Right to Education Act 2009. David agreed and requested to admit his friend Charu, a visually handicapped unemployed person into the firm; however Charu will not contribute any capital. Shabir agrees to it. They were in need of more capital. Shabir, therefore persuaded a rich friend of his, Rafiq, who hailed from Assam to be a partner.
   1. Rafiq contributed http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png7,00,000 in cash, Delivery Van of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,75,000 and Furniture of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png25,000 as capital.
   2. The new profit sharing ratio is 3:2:1:1.
      1. Identify any four values which according to you motivated them to form the partnership firm.
      2. Calculate Sacrificing ratio and pass necessary journal entry. **(2+2)**
3. A, B andCwere partners sharing profits in the ratio of 5:3:2. Their Balance Sheet as on 1st April, 2011 was as follows:

**Balance Sheet of A, B and C as on 31st March, 2012**

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png** | **Assets** | **http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png** |
| Creditors  Employees Provident Fund  Capital A/c’s:  A  B  C | 20,000  26,000  1,00,000  70,000  50,000 | Cash  Debtors  Stock  Furniture  Building | 16,000  16,000  80,000  34,000  1,20,000 |
| **2,66,000** | **2,66,000** |

C retires on the above date and it was agreed that:

* + - 1. C’s share of Goodwill was http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png8,000.
      2. 5% provision for doubtful debts was to be made on debtors.
      3. Sundry creditors were valued http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png4,000 more than the book value.

Pass necessary journal entries for the above transactions on C’s retirement. **(4)**

1. Give answer to the following:
   1. Pragati Ltd. issued 50,000 shares of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 each for public subscriptions at a discount of 10%. Full amount was payable on application. Pass entries.
   2. Akash Ltd. issued 1,00,000 shares of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 each, payable as follows:

On application ------------------ http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2 (on 1st March, 2011)

On allotment -------------------- http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3 (on 1st May, 2011)

On first call ---------------------- http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2 (on 1st August, 2011)

On second and final call ----- http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3 (on 1st December, 2011)

All the shares were subscribed for and amount duly received. Ramesh, who had 8,000 shares, paid the amount of both the calls alongwith allotment. Jitender, who had applied for 4,000 shares, paid the amount of second and final call with the first call.

Calculate the amount of interest on calls in advance payable to Ramesh and Jitender. **(4)**

1. Jai Ltd. had an authorised capital of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,00,000 divided into equity shares of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 each. The company offered for subscription http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,00,000 shares. The issue was fully subscribed. The amount payable on application was http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2 per share. http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png4 per share were payable each on allotment and first and final call. A shareholder holding 100 shares failed to pay the allotment money. His shares were forfeited. The company did not make the final call.

Show how the share capital will be shown in the company’s Balance sheet. Also prepare notes to accounts for the same. **(4)**

1. X, Y and Z were partners in a firm. Their capitals on 1st April, 2011 were: X http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,00,000; Y http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,50,000 and Z http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,00,000. Their Current Account Balances were: X Rs. 12,000; Y Rs. 10,000 and Z Rs. 5,000 (Dr.). The partnership deed provided for the following:
   1. They will share profits in the ratio of 2:3:3.
   2. X will be allowed a salary of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png12,000 p.a.
   3. Interest on capital will be allowed @ 12% p.a.

During the year X withdrew http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png28,000; Y http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png30,000 and Z http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png18,000. For the year ended 31st March, 2012 the firm earned a profit of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png5,00,000.

Prepare Profit and Loss Appropriation Account and Partners Current Accounts. **(6)**

1. X and Y share profits and losses in the ratio of 3:2. They have decided to dissolve the firm. Assets and external liabilities have been transferred to Realisation Account. Pass the journal entries to effect the following:
   1. Bank Loan http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png15,000 is paid.
   2. X was to bear all expenses of realisation for which he is given a commission of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png5,000.
   3. Deferred Advertisement Expenditure Account appeared in the books at http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png20,000.
   4. Stock worth http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,000 was taken by Y at http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,700.
   5. An unrecorded computer realised http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png7,000.
   6. There was an unrecorded liability of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,000, which was settled at http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,500. **(6)**
2. Shivaji Ltd. issued http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10,00,000 new capital divided into http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png100 shares at a premium of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png20 per share, payable as follows:

On application http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 per share

On allotment http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png40 per share (including premium of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 per share)

On First and Final Call http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png70 per share (including premium of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png10 per share)

Over payments 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 over subscribed to the extent of 13,000 shares. Applications for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants. All money was duly received.

* + 1. Which value has been affected by rejecting the applications of the applicants who had applied for 3,000 shares? Suggest a better alternative for the same.
    2. Give journal entries to record the above transactions in the books of the company.

**OR**

Sambhav Ltd. invited applications for 1,00,000, 12% preference shares of http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png100 each issued at a discount of 10%. The amount was payable as follows:

On application http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png30

On allotment http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png20

On first and final call Balance

Applications for 1,50,000 shares were received. Applications for 30,000 shares were rejected and pro-rata allotment was made to the remaining applicants. All calls were made and were duly received except the first and final call on 1,000 shares held by Laxman. His shares were forfeited. Out of the forfeited shares 700 shares were reissued at http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png120 per share as fully paid up.

1. Which value has been affected by rejecting the applications of the applicants who had applied for 30,000 shares? Suggest a better alternative for the same.
2. Give journal entries to record the above transactions in the books of the company. **(8)**
3. A firm has two partners B and C sharing profits in the ratio of 3:2. They admit A into the partnership on 1st April, 2012, when the Balance Sheet of the firm was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png** | **Assets** | **http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png** |
| B’s Capital  C’s Capital  Profit & Loss A/c  Creditors  Bills Payable | 30,000  10,000  7,500  7,000  2,500 | Machinery  Furniture  Investments  Stock  Debtors  Cash | 18,000  18,000  9,000  6,000  4,000  2,000 |
| **57,000** | **57,000** |

Terms of admission are:

* 1. A is to bring in http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png20,000 as capital for 1/3rd share of profit and http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,500 as his share of goodwill.
  2. Value of machinery and stock are to be reduced by http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png7,000 and http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,000 respectively. Value of furniture to be increased by http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,000.
  3. Capitals of partners shall be proportionate to their profit sharing ratio, taking A’s capital as the base. Excess capital is to be withdrawn in cash by the partners concerned and deficiency is to be made up by bringing in cash.

Prepare Revaluation A/c, Partner’s Capital Accounts and Opening Balance Sheet of new firm.

**OR**

A, B and C carrying on business with the following assets with effect from 1st April, 2012: Furniture http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,80,000; Machinery http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png7,20,000; Cash http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,00,000; Debtors http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,00,000. Their profit sharing ratio was 5:3:2. Capital is also shared in the same ratio. B died on 30th September, 2012. His son claimed his father’s interest in the firm.

The following was the settlement:

1. Allow his capital to his credit on the date of death.
2. Give 5% p.a. interest on his capital.
3. He had been drawing @ http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png6,000 per month which he withdrew at the beginning of each month. He be allowed to retain these drawings as a part of his share of profit.
4. Interest @ 6% p.a. be charged on his drawings.
5. They had separate life policies for which the premium had been paid out of profit and loss A/c of the firm: A http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png5,00,000; B http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png6,00,000; C http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png4,00,000. The surrender value of A’s policy was 50% whereas of C’s policy it was 60%.
6. Goodwill was evaluated twice the average of profits which were http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,10,000. Prepare B’s Capital Account and show yours working clearly. **(8)**

**Part – B: Financial Statement Analysis**

1. X Ltd. has a Debt-Equity Ratio at 2.5:1. According to the management it should be maintained at 1:1. What are the two choices to do so? **(1)**
2. State with reason whether cash withdrawn from bank will result in inflow, outflow or no flow of cash. **(1)**
3. Dividend received by Mutual Fund Company is classified under which kind of activity while preparing cash flow statement? **(1)**
4. How will you disclose the following items while preparing the Balance Sheet of a Company:

(i) Bank Overdraft (ii) 12% Debentures (iii) Calls in Arrears (iv) Provident Fund (v) Loose Tools (vi) Shares in HCL Ltd. **(3)**

1. Prepare a ‘Common size Statement of Profit and Loss’ with the help of following information:

**Particulars 2011 2012**

Revenue from operation http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png8,00,000 http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png17,00,000

Interest on Investments http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,00,000 http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,00,000

Expenses http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png6,00,000 http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png8,00,000

Income Tax 50% 50% **(4)**

1. From the following information, calculate any two of the following ratios:

(i) Acid Test Ratio (ii) Debt Equity Ratio (iii) Working Capital Turnover Ratio

**Information:**

Net Sales http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,00,000; Gross Profit http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,00,000; Total Current Assets http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png2,00,000; Closing Inventory http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png20,000; Prepaid Insurance http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png4,000; Total Current Liabilities http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,20,000; Share Capital http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png3,50,000; Reserve & Surplus http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png40,000; Preliminary Expenses http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png7,000; Fixed Assets http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png4,30,000. **(4)**

1. Following are the Balance Sheets of Sewak Ltd. as on 31-3-2011 and 31-3-2012:

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Note No.** | **31-3-2011** | **31-3-2012** |
| **1. EQUITY AND LIABILITIES :**  **Shareholders’ Funds:**  Share Capital  Reserve and Surplus  **Non-Current Liabilities:**  Long-term Borrowings  **Current Liabilities:**  Trade Payables  Outstanding Expenses  **TOTAL**  **2.** **ASSETS:**  **Non-Current Assets:**  Fixed Assets  Non-Current Investments  **Current Assets:**  Inventory  Trade Receivables  Cash & Cash Equivalents  **TOTAL** | **1**  **2** | http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png  4,00,000  (50,000)  2,00,000  1,10,000  10,000  6,70,000  3,00,000  2,00,000  50,000  1,00,000  20,000  6,70,000 | http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png  7,00,000  (3,20,000)  4,00,000  1,50,000  20,000  9,50,000  5,00,000  1,40,000  1,00,000  1,70,000  40,000  9,50,000 |

**Notes to Accounts: 1.** Reserve and Surplus: 31-3-2011 31-3-2012

Profit and Loss A/c (50,000) (3,20,000)

**2.** Long-term Borrowings:

9% Debentures 2,00,000 4,00 **Additional Information:** Included in the fixed assets was a piece of machinery costing http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png70,000 on which depreciation charged was http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png40,000 and it was sold for http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png30,000. During the year http://www.techvorm.com/wp-content/uploads/2010/07/Indian-Currency-Symbol.png1,40,000 depreciation was charged on fixed assets. **(6)**