

DELHI PUBLIC SCHOOL, BAHADURGARH

ACCOUNTANCY Sample Paper

M.M. – 80

Date –

Class- XII

Time Allowed – 3 Hrs.

General Instructions :

- (i) *This question paper contains two parts A and B .*
- (ii) *All parts of questions should be attempted at one place.*
- (iii) *Show your workings clearly.*

Part – A

- Q.1 What are the circumstances under which the balance of 'Fixed Capital Accounts' may change ? 1
- Q.2 Define Goodwill . 1
- Q.3 Ram and Shyam are partners . They employed Salma , a disabled girl to assist them in the administration ? Name the value involved in it ? 1
- Q. 4 When is 'Partner's Executors' Account is prepared ? 1
- Q.5 What is Pro – Rata allotment of shares ? 1
- Q.6 What do you mean by Redemption of Debentures ? 1
- Q.7 Can a company issue debentures at a discount of more than 10 % of the face value ? 1
- Q.8 A , B and C are partners sharing profits in the ratio of 5:3:2 . According to the partnership agreement C is to get a minimum amount of Rs. 10,000 as his share of profits every year . The net profit for the year 2008 amounted to Rs. 40,000 . Prepare Profit & Loss Appropriation Account . 3
- Q.9 Vidhi Ltd. has a balance of Rs. 3,00,000 at the credit of its Profit & Loss Appropriation Account . Instead of declaring a dividend , it is resolved to utilize the profits to repay its 8 % debentures of Rs. 1,11,000 redeemable at 5 % premium . Journalise . 3
- Q.10 State the exceptions to the Debenture Redemption Reserve as per SEBI Guidelines . 3
- Q.11 Tarun , Varun and Arun were partners sharing profits equally . On 1.1.2012 they decided to share their future profits in the ratio of 1:2:2 . On the same date the firm has a balance of Rs. 30,000 as General Reserve and Rs. 18,000 in Profit and Loss A/c (Dr.) . Goodwill of the firm is valued at Rs. 60,000 . Journalise . 4
- Q.12 A , B and C were partners sharing profits and losses in the ratio of 5 : 3 : 2 . B retires on 31st March 2012 when the capitals of A , B and C after all necessary adjustments stood at Rs. 43,200 , Rs. 36,600 and Rs. 11,200 respectively . The cash and bank balance on 31st March , 2012 amounted to Rs. 4,000 . B was

to be paid through cash brought in by A and C in such a way as to make their capitals proportionate to their new profit sharing ratio of 3:2 . Calculate the amount of cash to be paid off or to be brought in by the continuing partners assuming that a minimum cash and bank balance of Rs. 3,000 was to be maintained?4

Q.13 SILU Ltd. has an authorised capital of Rs. 10,00,000 divided into equity shares of Rs. 10 each . The company invited applications for 40,000 shares . The issue was fully subscribed . All calls were made and received except the final call of Rs. 2 per share on 1,000 shares . 500 of these shares on which final call was not received were forfeited . Show how the share capital will appear in the balance sheet of the company as per revised schedule vi to the Companies Act 1956 ? 4

Q.14 Sonia Ltd. gave notice of payment of first call of Rs. 5 each to its shareholders . Each share was originally issued for Rs. 10 and final call of Rs. 2 was yet to be made . Due date of payment mentioned in the letter was 31st December 2012 . But the letter did not mention that if payment was not made till due date , then shares will be forfeited . One shareholder Mr. Vipul having 100 shares failed to pay the call and company decided to forfeit his shares on 5th January 2013 .

Give the journal entry for forfeiture and also mention what values company did not follow in this case ?4

Q.15 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 1st April , 2011 . Their partnership deed provides for the following :

- (a) 7.5 % of profit to be transferred to General Reserve .
- (b) Partners are to be only allowed interest on capital @ 5 % p.a. and are to be charged interest on drawings @ 6 % p.a.
- (c) Z is entitled to a salary of Rs. 7,000 p.a.
- (d) X is entitled to a remuneration of 10 % of the net profit before making any appropriation .
- (e) Y is entitled to a commission of 8 % of the net profit before making all appropriation .

During the year , X withdrew Rs. 1,000 at the beginning of every month , Y Rs. 1,000 during the month and Z Rs. 1,000 at the end of every month . On 1st Oct. , 2011 , Z granted a loan of Rs. 6,00,000 .

The manager is entitled to a 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 , 2012 before providing for any of the above adjustments was Rs. 1,62,000 .

Prepare Profit and Loss Appropriation Account for the year ended on 31st March , 2012 . 6

Q.16 X , Y and Z were partners in a firm sharing profits in the ratio of 2:2:1 . On 31st December , 2011 , their balance sheet was as follows :

Liabilities	Rs.	Assets	Rs.

Creditors	60,000	Bank	90,000
Bills Payable	40,000	Stock	70,000
General Reserve	30,000	Debtors	40,000
Capital A/cs :		Land & Building	5,00,000
X	3,00,000	Profit & Loss A/c	1,60,000
Y	3,00,000		
Z	1,30,000		
	<u>8,60,000</u>		<u>8,60,000</u>

Y died on 31st March , 2012 . The partnership deed provided for the following on the death of a partner .

(a) Goodwill of the firm was to be valued at 2 years' purchase of the average profit of last 5 years . The profits for the years ended 31st Dec.2010 , 31st Dec.2009 , 31st Dec. 2008 , and 31st Dec. 2007 were Rs. 50,000 ; Rs. 80,000 ; Rs. 1,10,000 and Rs. 2,20,000 respectively .

(b) Y's share of profit or loss till the date of his death was to be calculated on the basis of the profit or loss for the year ended 31st December , 2011 .

You are required to calculate the following :-

(i) Goodwill of the firm and Naresh's share of goodwill at the time of his death .

(ii) Y's share in the profit or loss of the firm till the date of his death .

(iii) Prepare Y's Capital Account at the time of his death to be presented to his executors . 6

Q.17 A , B and C are partners sharing profits and losses in the ratio of 3:2:1 . Following is their Balance Sheet as on 31st Dec. , 2012 :

Liabilities	Rs.	Assets	Rs.
Creditors	52,000	Plant	2,50,000
Outstanding Expenses	10,000	Stock	1,50,000
Capitals :		Debtors	80,000
A	2,00,000	Bank	70,000
B	1,60,000	Profit & Loss A/c	12,000
C	1,40,000		
	<u>5,62,000</u>		<u>5,62,000</u>

B retires on this date and the following terms were agreed :

(a) The goodwill of the firm has been valued at Rs. 1,50,000 but no goodwill account to be raised in the books .

- (b) Plant and Machinery has been revalued at Rs. 3,00,000 and stock revalued at Rs. 1,20,000 .
- (c) A sum of Rs. 30,000 out of debtors was agreed to be bad and was to be written off .
- (d) Liability for workmen's compensation to the extent of Rs. 8,000 is to be brought into the books .
- (e) A and C will continue to carry on the business and shall share profits and losses equally in future .
- (f) Amount payable to B shall remain in the business as loan carrying interest at 18 % p.a.

You are required to :-

- (i) give journal entries to give effect to the above , and
- (ii) prepare the opening balance sheet of A and C at 1st January , 2013 .

Or

P and Q were partners in the ratio of 3: 2 . Their balance sheet as at 31st Dec. 2011 was as follows :

Liabilities	Rs.	Assets	Rs.
Bills Payable	10,000	Bank	6,000
Creditors	8,000	Debtors	24,000
General Reserve	14,400	Less : Provision	<u>960</u>
Capital Accounts :		Patents	17,760
P	72,000	Investments	9,600
Q	36,000	Land & Building	86,400
Current Accounts :		Goodwill	12,000
P	12,000		
Q	2,400		
	<u>1,54,800</u>		<u>1,54,800</u>

On 1st January 2012 R was admitted on the following terms :

- (a) New profit sharing ratio will be 4 : 3 : 2 .
- (b) 5 % provision is made on debtors .
- (c) An income of Rs. 1,800 was accrued but was not appearing in the books and Rs. 6,000 were there for outstanding expenses .

(d) The value of investments is estimated Rs. 7,200 and the same is taken over by partner P .

(e) R will bring his share of goodwill in cash . The firm's goodwill would be calculated at 2 years purchase of the past 3 years which were Rs. 36,000 ; Rs. 31,200 and Rs. 30,000 respectively .

(f) 50 % of the goodwill is withdrawn by the old partners .

(g) R will bring Rs. 24,000 as his share of capital .

Prepare Revaluation A/c , Capital A/c , Current A/cs of the partners and balance sheet after the admission of R .

Q.18 Starplus Company issued for the public subscription 1,50,000 shares of the value of Rs.100 each at a discount of 10 % payable per share as follows :

Rs. 20 on application , Rs. 30 on allotment and Rs. 40 on call .

The company received applications for 3,00,000 shares . The allotment was done as under :

(a) Applicants of 30,000 shares were allotted 10,000 shares .

(b) Applicants of 1,40,000 shares were allotted 80,000 shares .

(c) Remaining applicants were allotted 60,000 shares .

After adjusting excess money on allotment , the money was returned . Harit , a shareholder who had applied for 7,000 shares of group (b) , failed to pay allotment and call money . Roshan , another shareholder who was allotted 6,000 shares , paid the call money along with the allotment . Roshan also belonged to group (b) .

Pass necessary journal entries to record the above transactions in the books of the company . Show your workings clearly .

Or

Record the journal entries for forfeiture and reissue in the following cases :-

(a) X Ltd. forfeited 200 shares of Rs. 100 each , Rs. 70 called up on which the shareholder had paid application and allotment money of Rs. 50 per share . Out of these , 150 shares were reissued to Naresh as Rs. 70 per share paid up for Rs. 80 per share .

(b) Y Ltd. forfeited 180 shares of Rs. 10 each , Rs. 8 called up issued at a premium of Rs. 2 per share to 'R' for non – payment of allotment money of Rs. 5 per share (including premium) . Out of these , 160 shares were re – issued to Sanjay as Rs. 8 called up for Rs. 10 per share fully paid up .

(c) Z Ltd. forfeited 30 shares of Rs. 100 each issued at a discount of Rs. 10 per share for non – payment of first and final call of Rs. 30 per share . Out of these , 20 shares were re – issued at Rs. 30 per share fully paid up .

8

Part – B

Q.19 How will you categories 'Dividend Paid' under (i) Operating Activity , (ii) Investing Activity or (iii) Financing Activity ? 1

Q.20 State whether depreciation charged on building will result in Inflow , Outflow or No flow of cash . 1

Q.21 What will be the impact of 'Issue of shares against the purchase of fixed assets' on Debt Equity Ratio of 2 : 1 ? 1

Q.22 List any three items which are included under the head ' Non – Current Liabilities' of the Company's Balance Sheet as per Revised Schedule VI . 3

Q. 23 Prepare a Comparative Balance Sheet of Sriram Ltd. as from the following Balance Sheet as on 31-3-2011 and 31-3-2012 .

Particulars	31-3-2011 Rs.	31-3-2012 Rs.
I. Equity and Liabilities :		
Equity Share Capital	10,00,000	15,00,000
Reserves	10,00,000	10,00,000
Loan	2,00,000	8,00,000
Current Liabilities	3,00,000	5,00,000
Total	25,00,000	38,00,000
II. Assets :		
Fixed Assets	20,00,000	30,00,000
Current Assets	5,00,000	8,00,000
Total	25,00,000	38,00,000

4

Q.24 From the following information , calculate Debt – Equity Ratio and Return on Investment .

Equity Share Capital Rs. 50,000 ; General Reserve Rs. 5,000 ; Balance of Profit after tax and interest Rs. 15,000 ; 9 % Debentures Rs. 20,000 ; Trade Payables Rs. 15,000 ; Land & Building Rs. 65,000 ; Equipments Rs. 15,000 ; Trade Receivables Rs. 14,500 ; Cash Rs. 5,500 ; Discount on issue of shares Rs. 5,000 .

Revenue from operations for the year ended 31 – 3 – 2011 was Rs. 1,50,000 ; Tax Rate 50 % . 4

Q.25 The following is the balance sheets of Vinshu Ltd.

Particulars	Note No.	31.3.2011(Rs.)	31.3.2012(Rs.)
I. Equity and Liabilities :			
Share Capital		11,000	15,000
Profit & Loss A/c		4,200	2,700
Trade Payables		600	780
Total		15,800	18,480
II. Assets :			
Land & Building		1,500	1,950
Inventories		2,400	2,700
Trade Receivables		3,600	3,450
Cash & Cash Equivalents		8,300	10,380

Total		15,800	18,480
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Additional Information :-

After examining the financial position of the company for the year 2011 – 12 , it was resolved that an interim dividend of Rs. 2,500 to be paid to all shareholders of the company .

(a) Identify two values which according to you motivated the management to pay interim dividend to all shareholders of the company .

(b) Compute Cash Flow from Operating Activities .

6

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