PRE BOARD QUESTION PAPER

ACCOUNTANCY (055)

CLASS – XII (2015-16)

Allowed: 3 Hrs. *Maximum Marks: 80*

- This question paper contains two parts A and B.
- Both the parts are compulsory.
- Internal choice is given in question No. 16 & 17.
- All parts of one question should be attempted at one place.
- 25% marks will be deducted if proper headings and formats are not prepared.

[PART A: PARTNERSHIP AND COMPANY ACCOUNTS]

Q-1- A and B are partners sharing profit and losses in the ratio of 2:3. C is admitted for 1/5 share in the profits of the firm. If C gets it wholly from A, Calculate the new profit sharing ratio after C's admission. (1)

Q-2- A,B and C are partners sharing profit and loss in the ratio of 2:5:5 form 1st Jan,2015,they decided to share profit and loss in the ratio of 3:5:7. On that date General Reserve shown in the books at Rs.48, 000. Pass journal entry. (1)

Q-3- On the dissolution of a firm, there was an unrecorded asset of Rs.2,000 which was taken over by a Creditor at Rs.2,500. What entry will be passed? (1)

Q-4- Give distinction between Issued Capital and Subscribed Capital. (1)

Q-5-Angel Ltd., in order to retain high caliber employees or to give them a belongingness, company has offered a choice to the whole time directors, officers and employees, the right to purchase or subscribe at a future date, the securities or equity shares offered by the company at a pre-determined rate. State what type of plan Angle Ltd. has implemented here.
(1)

Q-6-X and Y are partners sharing profits in the ratio of 4: 3. Z is admitted for 1/7th share and he brings in Rs. 1,40,000 as his goodwill out of which Rs. 80,000 is credited to X and remaining amount to Y. In which ratio X and Y are sacrificing in favour of Z? (1)

Q-7- You are required to complete the following incomplete journal entries related to forfeiture of shares originally issued at premium (3)

JOURNAL

	Share capital A/c Dr.	500	
	……	250	
	To…….		…….
	To……...		…….
	(Being 50 shares of Rs. 10 each forfeited for non-payment of		

	allotment money of Rs. 9 per share including Rs. 5of Securities premium per share)		
	Bank A/c Dr. To …… To ……. (Being 50 shares reissued.....as fully paid-up)	600	 ……. …….
	…… A/c Dr. To ……. (Being profit on reissue of forfeited shares transferred to capital reserve)	…….	 …….

Q-8- State any three purposes for which Securities Premium amount can be used by a Company as per Companies Act 2013. (3)

Q-9 - Sundaram Ltd. Purchased Furniture for Rs. 3,00,000 from Ravindran Ltd. Rs. 1,00,000 was paid by drawing a Promissory note in favour of Ravindran Ltd. The balance was paid by issue of9%Debentures of Rs. 10 each at a premium of 25%. Pass necessary Journal entries in the books of Sundaram Ltd. (3)

Q- 10- A, B and C are partners sharing profit in the ratio of 5:4:1. C is given a guarantee that his share of profits in any given year would be Rs. 5,000. Deficiency, if any, would be borne by A and B equally. The profits for the year 2014-15 amounted to Rs. 40,000. Pass necessary entries in the books of the firm. (3)

Q-11-A and B are partners sharing profits & losses equally. They admit C into partnership, C paid only Rs. 60,000 for premium out of his share of premium of Rs. 1,08,000 for 1/4th share in profit . Goodwill account appears in the books at Rs. 3, 00,000. All the partners have decided that goodwill should not appear in the new firm's books. Half of the premium is withdrawn by the partners. Give the necessary journal entries. (4)

Q-12- On 01.01.2012 a public ltd. Company issued 25,000, 10% Debentures Rs. 100 each at par, which were repayable at a premium of 10%. 30.09.2015, on the date of maturity the company decided to redeem the above mentioned 10% Debentures as per the terms of issue, out of profits. The profit and loss account show a credit balance of Rs. 30,00,000 on this date, the offer was accepted by all the debenture-holders and all the debentures were redeem, if the Company follows the Companies Act. (4)

Q-13-The partners of a firm distributed the profits for the year ended 31st March 2003, Rs-90,000 in the ratio of 3:2:1 without providing for the following adjustments:

(1) A & B were entitled to a salary of Rs.1, 500 each per annum.
(2) B was entitled to a commission of Rs. 4,500.
(3) B & C had guaranteed a minimum profit of Rs. 35,000 p.a. to A.
(4) Profits were to be shared in the ratio of 3 : 3 : 2.
Pass necessary journal entries for the above adjustments in the books of the firms. (6)

Q-14- Meghnath limited took a loan of Rs. 1,20,000from a bank and deposited 1,400, 8% debentures of Rs. 100 each as collateral security along with primary security worth Rs 2 lakh. Company again took a loan of Rs. 80,000 after two months from a bank and deposited 1,000, 8% debentures of Rs. 100 each as collateral security. Record necessary journal entries. How will you show the issue of debentures and bank loan in the

balance sheet of the company.

(6)

Q-15. Sudha and Shiva are running a chemical business nearby Jaipur city. Under a notification issued by the Government of India the type of business they are running has been included in pollute products and as per the Pollution Control Act they decided to close the existing business and start School for the poor and backward students. So they decided to close down their business.

(a) State the values followed by Sudha and Shiva

(b) Pass the necessary journal entries for the following transactions on the dissolution of the firm of Sudha and Shiva assuming the various assets (other than cash) and outside liabilities have been transferred to realization account. (1X6=6)

(1) Sudha agreed to pay off her husband's loanRs. 19,000

(2) A debtor whose debt of Rs. 9,000 was written off in the books paid Rs. 7,500 in full settlement.

(3) Sunder creditors Rs. 10,000 were paid at 9% discount.

(4) Loss on realization Rs. 9,400 was divided between Sudha and Shiva in 3:2 ratio. [6]

Q-16(A) Khanna , Seth & Mehta were partners in a firm sharing profits in the ratio of 3: 2: 5 . On 31-03-2010 the balance sheet of Khanna , Seth and Mehta was as follows :

Liabilities		Amount (Rs.)	Assets	Amount (Rs.)
Capitals:			Goodwill	3,00,000
Khanna	3,00,000		Land and Building	5,00,000
Seth	2,00,000		Machinery	1,70,000
Mehta	5,00,000	10,00,000	Stock	30,000
			Debtors	1,20,000
General Reserve		1,00,000	Cash	45,000
Loan From Seth		50,000	Profit and Loss Account	60,000
Creditors		75,000		
Total		12,25,000	Total	12,25,000

On 14th June, 2011 , Seth died. The partnership deed provided that on the death of a partner the executor of the deceased partner is entitled to:

(1) Balance in capital account;
(2) Share in profit up to the date of death on the basis of last year's profit;
(3) His share in profits/losses on revaluation of assets and re-assessment of liabilities which were as follows :
(a) Land and building was appreciated by Rs -1,20,000.
(b) Machinery was to be depreciated to Rs- 1,35,000 and stock to 25,000.
(c) A provision of 2.5% for bad and doubtful debts was to be created on debtors.
(4) The net amount payable to Seth's executors was transferred to his loan account which was to be paid later.

Prepare Revaluation account, Partners Capital Account, Seth's Executor's A/c and the Balance Sheet of Khanna and Mehta who decided to continue the business keeping their capital balances in their new profit sharing ratio. Any surplus or deficit to be transferred to current accounts of the partners. (8)

OR

Q -16(B) X and Y were partners in the firm in sharing profit in 5:3 ratio. They admitted Z as a new partner for 1/3 share of profit. Z was contribute Rs. 20,000 as his capital. The balance sheet of X & Y as at 1st April 2007 the date of z's admission was as follow.

Liabilities		Amount	Assets		Amount
Creditors		27,000	Land and Building		25,000
Capital:			Plant and Machinery		30,000
X	50,000		Stock		15,000
Y	35,000	85,000	Debtors	20,000	
General Reserve		16,000	Less: provision		
			Doubtful debts	1,500	18,500
			Investment		20,000
			Cash		19,500
		1,28,000			1,28,000

Other terms agreed upon were:

1- Goodwill of firm was valued at 12,000.
2- The land and building were to be valued at Rs. 35,000 and plant and machinery at Rs 25,000.
3- The provision for doubtful debts was found to be in excess by Rs.400.
4- A liability for Rs. 1,000 included in creditors was not likely to arise.
5- The capital of the partners be adjusted on the basis of Z's contribution of capital in the firm.
6- Excess or shortfall if any to be transferred to current account.

Prepare revaluation account, partners' capital account and the balance sheet of the new firm.(8)

Q17. X Ltd. Issued 40,000 Equity Shares of Rs. 10 each at a premium of Rs. 2.50 per share. The amount was payable as follows:

On applications - Rs. 2 per share
On allotment - Rs. 4.50 per share (including premium)
And on call - Rs. 6 per share
Owing to heavy subscription, the allotment was made on pro rata basis as follows:

(a) Applications for 20,000 shares were allotted 10,000 shares.
(b) Applications for 56,000 shares were allotted 14,000 shares.
(c) Applications for 48,000 shares were allotted 16,000 shares.

It was decided that excess amount received on applications would be utilised on allotment and the surplus would be refunded.

Ram, to whom 1,000 shares were allotted, who belongs to category (a), failed to pay allotment money. His shares were forfeited after the call.

1- Which value has been affected by rejecting the applications of the applicants who have applied for 3,000 shares?
2- Suggest a better alternative for the same.
3- Pass the necessary journal entries in books of X Ltd. (8)

OR

Q -17- Vaibhav ltd. issuedRs.5,00,000 new capital divided into Rs. 50 per share at a premium of Rs. 10, payable as under :

On application Rs. 5 per share

On allotment Rs. 20 per share (including premium of Rs. 5 per share)

On first &final call Rs. 35 per share (including premium of Rs. 5 per share)

Over payments on applications were to be utilised towards sums due on allotment and first &final call. Where no allotment was made money was to be refund in full.

The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and applicant for 3,000 shares were sent letters of regrets. Shares were allotted in full to the reaming applicants. All the money due was duly received.

1- Which value has been affected by rejecting the applications of the applicants who have applied for 3,000 shares?
2- Suggest a better alternative for the same.
3- Give journal entries to record the above transactions (including cash transaction) in the books of the company. (8)

PART-B(ANALYSIS OF FINANCIAL STATEMENTS)

Q-18- At the time of preparation of Cash Flow Statement, What will be the treatment of goodwill in the following cases:

(i) If it is increasing,
(ii) If it is decreasing. (1)

Q-19- Interest received by State Bank of India Ltd for Rs. 1, 00,00,000 on Loan to Reliance India Ltd., is what type of activity? (1)

Q-20- State the respective heads and sub-heads of the following items which will appear in the Balance Sheet of a company: (4)

(1) General Reserve (2) Government and Trust Securities.

(3) Capital Reserve (4) Public Deposits

(5) Authorised Capital (6) Mortgage Loan

(7) Interest Accrued and due on Secured Loan (8) Acceptance (Bills Payable

Q.21- Prepare a complete Common Size statement from the following information of Pragatisheel Stationers Ltd for. (4)

Particulars	Absolute Amounts (Rs.)		Percentage of Revenue from operations (Net Sales)	
	X Ltd. (Rs.) 2013	Y Ltd. (Rs.) 2013	X Ltd. (Rs.) 2013 (%)	Y Ltd. (Rs.) 2013 (%)
Revenue from operations	2,500,000	20,00,000	100	100
Add: Other Income	.....	2,00,000	12	.....
Total Revenue (1+2)	28,00,000	.....	112	.....
(Expenses) Other Expenses	.....	.....	.....	40

Profit before tax (3-4)	…….	14,00,000	88	…..
Income Tax 50%	…….	…….	…..	……
Profit after tax	…….	7,00,000	……	……

Q.22- From the given information calculate the inventory turnover ratio: Revenue from operations Rs. 2, 00,000; Gross profit 25% on cost. Opening inventory was 1/3rd of the value of closing inventory. Closing inventory was 30% of revenue from operations. (4)

Q-23-The Balance Sheet of Raksha Ltd. As on 31-03-2014 and 31-03-2015 were as follows:

Balance Sheet

Particulars	Note No.	Amount 31-03-15	Amount 31-03-14
(I) EQUITY AND LIABILITIES			
1. Shareholder's Fund			
Equity Share Capital		10,00,000	7,00,000
Reserves and Surplus	1	2,50,000	1,50,000
2. Current Liabilities			
Short-term Provisions	2	50,000	40,000
Total		**13,00,000**	**8,90,000**
(II) ASSETS			
1. Non Current Assets			
Fixed Assets			
Tangible Assets	3	8,00,000	5,00,000
2. Current Assets			
(a) Inventory		1,00,000	75,000
(b) Cash and Cash Equivalents	4	4,00,000	3,15,000
Total		**13,00,000**	**8,90,000**

Notes to Accounts:

Particulars	Amount 31-03-15	Amount 31-03-14
1. Reserves and Surplus		
Profit and Loss Balance	2,50,000	1,50,000
2. Short Term Provisions		
Proposed Dividends	50,000	40,000
3. Tangible Assets		
Plant and Machinery	8,00,000	5,00,000
5. Cash and Cash Equivalents		
Cash	4,00,000	3,15,000

ADDITIONAL INFORMATION:

(a) Rs. 50,000 depreciation has been charged to plant and machinery during the year 2014-15.

(b) A piece of machinery costing Rs. 12,000 (book value Rs. 5,000) was sold @ 60% profit on book value.

Prepare a cash flow statement. (6)

BY PARVEEN AGGARWAL

KV-2 SIRSA