SAMPLE PAPER- 4

Class – XII

ACCOUNTANCY

Time allowed: 3hrs **Maximum Marks: 80**

General Instructions:

1. This question paper contains Two parts A& B.

2. Both the parts are compulsory for all.

3. All parts of questions should be attempted at one place.

4. Marks are given at the end of each question.

Part - A

Partnership, Share Capital and Debentures

1. Is a sleeping partner liable to the acts of other partners? (1)

(a) No

(b) Yes

(c) Sometimes

(d) Only when there is loss

2. Goodwill is_________ (1)

(a) Fictitious Asset

(b) Current Asset

(c) Intangible Asset

(d) Liquid Asset

3. Vinod and Kumar are partners in a firm sharing profits in the ratio of 3:2. Mrs. Vinod has given a loan of Rs.20,000 to the firm and the firm also obtained a loan of Rs.10,000 from Kumar. The firm was dissolved and its assets were realised for Rs.25,000. State the order of payment of Mrs. Vinod's Loan and Kumar's Loan with reason, if there were no creditors of firm. (1)

4. What is the name given to that part of capital of a company which is called up only on Winding up? (1)

5. Define Secured Debentures. (1)

6. X and Y are partners in a firm sharing profits and losses in the ratio of 3 : 2. The following was the Balance Sheet of the firm as on 31 t March, 2010 :

Liabilities	**Amount**	**Assets**	**Amount**
Capitals		Sundry Assets	40,000
X	30,000		
Y	10,000		
	40,000		40,000

The profits Rs.15,000 for the year ended 31.03.2010 were divided between the partners without allowing interest on capital @12% p.a. and salary to X Rs.500 per month. During the year, X withdrew Rs.5,000 and Y Rs.10,000. Prepare the necessary adjustment entry and show your working clearly. (3)

7. Vinod Limited obtained a loan of Rs.4,00,000 from HDFC Bank. The company issued 5,000, 9% Debentures of Rs.100 each as a collateral security for the same. Show how these items will be presented in the Balance Sheet of Company. (3)

8. Vinod Limited has 10,000, 12% Debentures of Rs.100 each due for redemption on 31 March, 2011. Assuming that Debentures are to be redeemed out of profit fully and DRR has a balance of Rs.3,60,000 on that date, give entries at the time of redemption of debentures. (3)

9. X, Y and Z were partners in a firm. Their capitals on 1.4.2012 were : X Rs.2,00,000; Y Rs.2,50,000 and Z Rs.3,00,000. The partnership deed provided for the following:

(i) They will share profits in the ratio of 2:3:3.

(ii)X will be allowed a salary of Rs.12,000 per annum.

(iii) Interest on capital will be allowed @12% p.a.

During the year X withdrew Rs.28,000; Y Rs.30,000 and Z Rs.18,000. For the year ended 31.3.2013 the firm earned a profit of Rs.5,00,000.

Prepare Profit & Loss Appropriation A/c and Partners Capital A/cs. (4)

10. Vinod Limited purchased furniture for Rs.99,000 from Kumar Limited. The payment to Kumar Limited was made by issued of Equity Shares of Rs.10 each.

Give necessary entries when:

(a) Shares were issued at 10% Premium

(b) Shares were issued at 10% discount (4)

11.The Balance Sheet of Sindhu, Rahul and Kamlesh, who were sharing profits in the ratio of 3:3:4 respectively, as on 31st March 2012 was as follows:

Liabilities	**Amount**	**Assets**	**Amount**
General Reserve	10,000	Cash	32,000
Bills Payable	20,000	Stock	88,000
Loan	24,000	Investments	94,000
Capitals:		Land and Buildings	1,20,000
Sindhu 1,20,000		Sindhu's Loan	20,000
Rahul 1,00,000			
Kamlesh 80,000	3,00,000		
	3,54,000		3,54,000

Sindhu died on 31st July 2012. The partnership deed provided for the following on the death of a partner:

a) Goodwill of the firm be valued at two year's purchase of average profits for the last three years which were Rs.80,000.

b) Sindhu's share of profit till the date of his death was to be calculated on the basis of sales. Sales for the year ended 31st March 2012 amounted to Rs.8,00,000 and that from 1st April to 31st July 2012 Rs.3,00,000. The profit for the year ended 31st March 2012 was Rs.2,00,000.

(c) Interest on capital was to be provided @6% p.a.

(d) According to Sindhu's will, the executors should donate his share to 'Matri Chaya-an orphanage for girls'.

Prepare Sindhu's Capital A/c to be rendered to his executor. Also identify the value being highlighted in the question. (6)

12. On 1st April, 2012, Vishwas Ltd. was formed with an authorised capital of Rs.10,00,000 divided into 1,00,000 equity shares of Rs.10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. During the first year, Rs.8 per share were called. Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay the first call of < 2 per share. Shyam's shares were forfeited after the first call and later on 1,500 of the forfeited shares were re-issued at Rs. 6 per share, Rs.8 called up.

Show the following:

Share Capital in the Balance Sheet of the company as per revised Schedule VI Part I of the Companies Act, 1956. Also prepare 'Notes to Accounts' for the same. (4)

13. Ram and Mohan are partners in a firm. They admitted Rakhi as a partner without capital for 1/3rd share in profits of the firm. She is blind by birth but having good management qualities. The new partnership agreement provides for the following:

(i) 10% of the trading profit will be donated to Prime Minister's Relief Fund.

(ii)5% of the trading profit will be donated to the National Blind Relief Fund.

(iii) Products will be sold at a discount of 15% on Maximum Retail price to the people living below poverty line.

(iv) New retail shops will be opened in the Naxal affected areas of the country.

(v) New jobs of salespersons will be reserved for the girls belonging to Scheduled Castes and Scheduled Tribes.

The trading profit of the firm for the year ended 31.3.2012 was Rs.10,00,000.

Identify any four values considered by Ram, Mohan and Rakhi while preparing the new partnership deed and prepare the 'Profit & Loss Appropriation Account' of Ram, Mohan and Rakhi for the year ended 31.3.2012. (6)

14.Prashant and Rajesh were partners in a firm sharing profits in the ratio of 3 : 2. In spite of repeated reminders by the authorities, they kept dumping hazardous material into a nearby river. The court ordered for the dissolution of their partnership firm on 31st March 2012. Parshant was deputed to realise the assets and to pay the liabilities. He was paid Rs.1,000 as commission for his services. The financial position of the firm on 31st March 2012 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	8 0 ,0 0 0	Building	1 ,2 0 ,0 0 0
Mrs. Prashant's Loan	4 0 ,0 0 0	Investments	3 0 ,6 0 0
Rajesh's Loan	2 4 ,0 0 0	Debtors 34,000	
Investment Fluctuation Fund	8 ,0 0 0	Less : Provision 4,000	3 0 ,0 0 0
Capitals:		Bills Receivable	3 7 ,4 0 0
Prashant 42,000		Cash	6 ,0 0 0
Rajesh 42,000	8 4 ,0 0 0	Profit and Loss A/c	8 ,0 0 0
		Goodwill	4 ,0 0 0
	2 ,3 6 ,0 0 0		2 ,3 6 ,0 0 0

Following was agreed upon:

(i) Prashant agreed to pay off his wife's loan.

(ii) Debtors realized Rs.24,000.

(iii) Rajesh took away all investments at Rs.27,000.

(iv) Building realized Rs.1,52,000.

(v) Creditors were payable after 2 months. They were paid immediately at 10% discount.

(vi) Bills receivable were settled at a loss of Rs.1,400.

(vii) Realisation expenses amounted to Rs.2,500.

Prepare Realisation A/c, Partners Capital A/c and Cash A/c and identify the value being conveyed . (6)

15.(a) X Ltd. forfeited 200 shares of Rs.100 each, Rs.70 called up, on which the shareholders had paid application and allotment money of Rs.50 per share. Out of these, 150 shares were re-issued to Naresh as Rs.70 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 money of Rs.30 per share. Out of these, 20 shares were re-issued at Rs.30 per share fully paid up. (8)

16. The Balance Sheet of X, Y and Z who were sharing profits in the ratio of 5 : 3 : 2 as at March 31, 2007

Liabilities	Amount	Assets	Amount
Creditors	50,000	Cash at Bank	40,000
Employees Provident Fund	10,000	Sundry Debtors	1,00,000
Profit & Loss A/c	85,000	Stock	80,000
Capital A/cs :		Fixed Assets	60,000
X 40,000			
Y 62,000			
Z 33,000	1,35,000		
	2,80,000		2,80,000

X retired on March 31, 2007 and Y and Z decided to share profits in future in the ratio of 2:3 respectively. The other terms on retirement were as follows :

(i) Goodwill of the firm is to be valued at Rs. 80,000.

(ii) Fixed Assets are to be depreciated to Rs. 57,500

(iii) Make a provision for doubtful debts at 5% on debtors

(iv) A liability for claim, included in creditors for Rs. 10,000, is settled at Rs. 8000.

The amount to be paid to X by Y and Z in such a way that their Capitals are proportionate to their profit sharing ratio and leave a balance of Rs. 15,000 in the Bank Account. Prepare Profit and Loss Adjustment Account and Partners. Capital Accounts. (8)

Part - B

Financial Statement Analysis

17. State whether 'Conversion of debentures into Equity Shares by a Financing Company will result into inflow, outflow or no flow of cash? (1)

18. State how qualitative aspects are ignored in financial statement analysis. (1)

19. Why is Cash Flow Statement Prepared? (1)

20. List the items which are shown under the heading. 'Reserves and Surplus' in the Balance Sheet of a company as per provisions of Schedule VI, of the Companies Act 1956. (3)

21. From the following Statement of Profit and Loss of VK Ltd., for the years ended 31st March 2011 and 2012, prepare a Comparative Statement of Profit and Loss. (4)

Particulars	Note No.	2011	2012
Revenue from Operations		6,00,000	7,00,000
Other Income		50,000	80,000
Purchase of Stock-in-Trade		1,80,000	2,00,000
Employees Benefits Expenses		90,000	1,00,000
Other Expenses		80,000	80,000
Tax Rate		30%	40%

22. Calculate return on investment ratio from the following:

Share capital:

Equity Share Capital 16,00,000

Preference Share Capital 4,00,000

General Reserve 7,56,000 10% debentures 16,00,000 Current liabilities 4,00,000

Discount on issue of shares 2,000

Net profit (after interest on debentures but before income tax) 3,20,000 (4)

23.Calculate cash flow from operating activities with the following information of VK Limited:

Particulars	2012	2013
Statement of Profit & Loss	50,000	30,000
Bills Receivable	26,000	17,000

Rent payable	1,600	4,000
Prepaid insurance	2,800	2,400
Stock	22,000	39,000
Creditors	20,000	10,000

VK Limited had provided for the following items while arriving at the profit for the year : (a) Depreciation on fixed assets Rs.24,000.

(b) Writing off preliminary expenses Rs.6,000. (c) Loss on sale of furniture Rs.2,000.

(d) Profit on sale of Machinery Rs.4,000. (6)