

SAMPLE PAPER- 6

Class – XII

ACCOUNTANCY

Time allowed: 3 hours

Maximum Marks: 80

General Instructions:

- (i) This question paper contains two parts A, B.
- (ii) All parts of a question should be attempted at one place.
- (iii) Write down the serial Number of the question before attempting it.
- (iv) The paper contains 23 questions.

Part - A

Partnership, Share Capital and Debentures

1. Can profit & loss appropriation account have a debit balance? (1)
2. Why are assets revalued at the time of admission of a partner. (1)
3. Name the account which is opened to credit the share of profit of the deceased partner, till time of his death to his Capital Account. (1)
4. State any two items of deduction that may have to be made from the amount payable to retiring partner. (1)
5. Give the meaning of Forfeitures of share. (1)
6. Differentiate Capital Reserve and Reserve Capital. (1)
7. Distinguish between Oversubscription and Under subscription of Shares. (3)
8. Ram, Shyam and Mohan are partners in a firm having fixed capital of ₹25,000 respectively sharing profit as 7 : 6 : 4. The rate of interest on capital was agreed at 10% p.a. but was wrongly credited to them at 12% p.a. Give necessary adjustment entry to adjust the balances of Partner's capital accounts. (3)
9. On 1st April 2013, J Ltd. Was formed with an authorised capital of ₹50,00,000 divided into 1,00,000 Equity shares of ₹50 each. The company issued prospectus inviting applications for 90000 shares. The issue price was payable as under:
On application : ₹ 15
On Allotment : ₹ 20
On Call : Balance amount
The issue was fully subscribed and the company allotted shares to all applicants. The company did not make the call during the year. Show the "Share Capital" in the Balance-Sheet. Also prepare journal entries for the same. (3)
10. 'Shivam Blankets Ltd.' Are the manufacturers and ex-partners of blankets. The Company decided to distribute blankets free of cost to five villages of Kashmir which had been damaged by the floods. It also decided to employ persons from these villages to their newly established factory at Ludhiana in Punjab. To meet the requirement of funds for its new factory, the company issued 1,00,000 Equity Shares of ₹100 each to the vendors of machinery purchased for ₹12,00,000. Pass necessary journal

Entries for the above transactions in the books of the company. Also identify one value which the company wants to communicate to the society. (1+1+1)= 3

11.M, N and O were partners in a firm sharing profits and losses equally. Their Balance Sheet on 31.12.2013.

BALANCE-SHEET OF M, N & O

as at 31.12.2013

Liabilities	Amount (`)	Assets	Amount (`)
Capitals M- 70000		Plants & Machinery	60,000
		Stock	30,000
N-70000	2,10,000	Sundry Debtors	95,000
O-70000	30,000	Cash at Bank	40,000
General Reserve	20,000	Cash in hand	35,000
Creditors			
	2,60,000		2,60,000

N died on 14th March 2014, According to the partnership deed, executors of the deceased partners are entitled to:

- (i) Balance of partner's capital accounts.
- (ii) Interest on capital @ 5% p.a.
- (iii) Share of goodwill calculated on the basis of twice the average of past three year's profits.
- (iv) Share of profits from the closure of last accounting year till the date of death on the basis of twice the average of three completed year's profits before Death.

Profits for the 2011, 2012 and 2013 were `80,000, `90,000 and `1,00,000. Prepare N's capitals account to be rendered to his Executors. (4)

12.Ammu, Indira and Manju were Saving profits & Losses in the ratio of 5 : 3 : 2. The firm was engaged in storage and distribution of milk and milk Products. Due to illness of Annu, Manju was asked to devote more time. Manju demanded that her share in the profits of the firm be increased to which Annu and Indira agreed. The new profit Sharing ratio was agreed to be 2 : 3 : 5. They decided to record the effect of the following without affecting their book value:

- (i) Profit & Loss A/c : `24,000
- (ii) Advertisement Suspense A/c : `12,000
- (iii) Goodwill of the firm : `60,000

13.Prakash,Kiran and Rishabh are partners is a firm sharing profits and losses in the ratio of 3 : 2 : 1. They decided to dissolve the firm on 1st November 2014, from information given complete the Realisation Account, Partens Capital Account and Bank Account. (6)

REALISATION ACCOUNT			
Dr.		Cr.	
Particulars	`	Particulars	`
To Sundry Assets		By Creditors	27,000

Debtors	20,000		By Bills Payable	10,000	
Stock	25,000		By Mrs. Prakash Loan	5,000	42,000
Investments	20,000		By Bank (Assets		93,200
Bills Receiv.	8,000		Realised)		7,000
Machinery	60,000		By Kiran's Cap. A/c		1,200
Goodwill	6,000	1,39,200	(B/R)		5,000
			Bank (Unrecorded		
			Assets)		
			Bank (Goodwill)		
To Kiran's Capital A/c					
Bills payable	10,000				
Real - Exp.	2,100	12,100			
To Prakash Capital A/c			By loss transferred to		
Wife's Loan	5,000		Prakash's Cap. A/c	
Contingents Loan	8,000	12,000
To Bank (Creditors)		22,50	Kiran's Cap. A/c	
				
			Rishabh's Cap. A/c		
				
	1,86,800				1,86,800

Dr.				PARTNERS' CAPITAL ACCOUNTS			
				Cr.			
Particulars	Prakash	Kiran	Rishabh	Particulars	Prakash	Kiran	Rishabh
To balanced A/c			6,000	By Balanced A/c	75,000	50,000	
To P & L A/c	9,900	6,600	3,300	By Realisation			
To Real A/c		7,000		(B/P & Real Exp.)		xxxxx	
(B/R)	19,200	12,800	6,400	By Real A/c (wife)			
To Real A/c				Loan & Cond. Lia's	xxxxx		
(Loss)	xxxx	xxxx		B Bank A/c			xxxxxxx
To Bank A/c							
Final Payment							
	88,000	62,100	15,700		88,000	62,100	15,700

Dr.		PARTNERS' CAPITAL ACCOUNTS	
		Cr.	
Particulars		Particulars	
To balanced A/c		By realisation A/c (Creditors)	xxxxxxx

To Real A/c (Asses)	93,200	By Prakash's Capital A/c	xxxxxx
To Real A/c (unrecorded Assets)	xxxxxx		35,700
To Real A/c (Goodwill)	xxxxxx		
Real Rishabh's Cap.			
	1,17,100		1,17,100

14. On 1.4.2011, Sahil and Charu entered into partnership for sharing profits in the ratio of 4 : 3. They admitted Tanu as a new Partner on 1.4.2013 for 1/5 share which she acquired equally from Sahil and Charu. Sahil, Charu and Tanu earned profit at a higher rate than the normal rate of return for the year ended 31.03.2013. Therefore, they decided to expand their business. To meet the requirement of additional capital they admitted Puneet as a new partner on 1.4.2014 for 1/7th share in profits which he acquired from Sahil and Charu in 7 : 3 ratio.

- (i) New profit sharing ratio of Sahil, Charu and Tanu for the year 2013-14.
- (ii) New profit sharing ratio of Sahil, Charu, Tanu and Puneet on Puneet's admission. (6)

15. Pass necessary Journal Entries relating to the issue of debentures for the following.

- (i) Issued `4,00,000, 9% Debentures of `100 each at a premium of 8% redeemable at 10% premium.
- (ii) Issued `6,00,000, 9% Debentures of `100 each at a par, repayable a premium of 10%.
- (iii) Issued `10,00,000, 9% debentures of `100 each at a premium of 5% redeemable at par. (6)

16. N Ltd. Issued public for subscription 40,000 shares of `10 each payable as under:

- App. - `2
 Allotment - `3
 Fixed all. - `2
 Final all. - `3

Applications were received for 60,000 shares and allotment was made pro-Rata to 80% of Applicants. R to whom 1,600 shares were allotted paid only the application money and S. Who had applied for 2400 shares paid the entire call money along with the allotment. Pass necessary Journal Entries to record the above transactions. (8)

Or

P Ltd. Issued 50,000 shares of `10 each at a premium of `2 per share payable as `3 on application, `5 on allotment (including premium) and the balance in equal instalments over two calls. Applications were received for 92,000 shares and the allotment was done as under:

- A: Applicants of 40,000 shares – Allotted 30,000 shares
 B: Applicants of 40,000 shares – Allotted 20,000 shares
 C: Applicants of 12,000 shares – NIL

Suresh who had applied for 2,000 shares (category A) did not pay any money other than application money. Chander who had be allotted 800 shares (Cat. B) paid the call money due along with allotment. All other allottees paid this dues as per schedule Journalise the above. (8)

17.A and B were partners in a firm sharing profits in the ratio of 3 : 2. They admitted C as a new partner for 1/6 share in profits. C was to bring ` 40,000 as capital and the capitals of A and B were to be adjusted on the basic of C's capital having reg. And to profit - shaving ratio. The balance sheet of A and B as at 31.03.2011 as follows:

BALANCE -SHEET OF A & B
as at 31.03.2011

Liabilities	`	Assets	`
Creditors	36,000	Cash	10,000
Bills payable	20,000	Debtors	34,000
General Reserve	24,000	Stock	24,000
Capitals		Machinery	42,000
A 1,50,000		Buildings	2,00,000
B 80,000	<u>2,30,000</u>		
	3,10,000		3,10,000

The other terms of agreement of C's admission were as follows:

- (i) C will being ` 12,000 for this share of goodwill.
- (ii) Building will be valued at ` 1,85,000 and machinery.
- (iii) A provision of 6% will be created in debtors for bad debts.
- (iv) Capital accounts of A & B will be adjusted by opening Current Accounts.

Prepare Revaluation Account Partners Capital Accounts and Balance Sheet of A, B and C. (8)

Or

A, B and C are partners sharing profits in the ratio of 4 : 3 : 2. Their Balance - Sheet as at 31st March 2014 as follows:

BALANCE -SHEET OF A, B & C
as 31st March 2014

Liabilities	`	Assets	`
Creditors	33,000	Cash	10,000
General Reserve	27,00	Debtors	15,000
Capitals:		Stock	30,000
A : 70,000		Machinery	50,000
B : 45,000		Land & Building	1,00,000
C : 30,000	<u>1,45,000</u>		
	2,05,000		2,05,000

B Retainers on the above data on the following conditions:

- a. Land and Building be valued at ` 1,33,500.

- b. Goodwill is to be valued at ` 18,000
 - c. A provision for doubtful debts of 5% is to be created and machinery be written down by 10% and stock by 5%.
 - d. A provision of ` 1500 be made in respect of legal charges.
- B to be paid ` 5000 and balance be transferred to his loan Account. Prepare Revaluation Account, Partners Current Accounts and Balance-Sheet of A and C. (8)



Part – B
FINANCIAL STATEMENTS ANALYSIS

18. Classify the following into operating activity, Investing Activity and Financing Activity.

- (i) Purchase of Treasury Bills (Investment)
- (ii) Paid to trade payables (1)

19. Give one different between an operating activity and a financing activity. (1)

20. Under which major headings the following items unless be presented in the Balance-Sheet of a company as per schedule VI Part I of the companies Act, 2013?

- (i) Investment in Mutual funds.
- (ii) Cheques and Drafts on hand.
- (iii) Commission received in advance
- (iv) Loans repayable on demand
- (v) Loose tools
- (vi) Guarantees
- (vii) Goodwill
- (viii) Interest accrued on investments. (4)

21. Assuming that the Debt-Equity Ratio is 2 : 1. State giving reasons, whether this ratio would increase, decrease or remain unchanged in the following cases:

- (i) Purchase of Non-current Assets on credit of 2 months.
- (ii) Purchase of Non-Current assets on a long-term deferred payment basis.
- (iii) Issue of New Shares for Cash.
- (iv) Issue of Bonus Shares (4)

22. Prepare a comparative statements of Profit & Loss from the following details: (4)

Particulars	Note No.	31.03.2014	31.03.2013
Revenue from Operations		₹ 30,00,000	₹ 20,00,000
Other income (% of revenue from operation)		15%	20%
Expenses (% of revenue from operation)		60%	50%

23. Following is the Balance-Sheet of Wise Ltd. As on 31st March 2014.

Particulars	Note No.	2014d (₹)	2013 (₹)
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital		7,00,000	6,00,000
(b) Reserve & surplus		2,00,000	1,10,000
2. Non-current liabilities			
Long-term Borrowings		3,00,000	2,00,000

3. Current Liabilities			
Trade payables		<u>30,000</u>	<u>25,000</u>
		<u>12,30,000</u>	<u>9,35,000</u>
II. Assets			
1. Non Current Assets			
(a) Fixed Assets		11,00,000	8,00,000
Tangible Assets			
2. Current Assets		70,000	60,000
(a) Inventories		32,000	40,000
(b) Trade Receivables		<u>28,000</u>	<u>35,000</u>
(c) Car & Cash equivalents		12,30,000	9,35,000

Adjustments: During the year a piece of machinery of the book value of `80,000 was sold for `65,000. Depreciation provided on tangible Assets during the year amounted of `2,00,000, prepare a Cash flow statement.

