ASSIGNMENT **CLASS XII**

SUBJECT: ACCOUNTANCY

1. X,Y and Z entered into a partnership on 1st October, 2015 to share profits in the ratio of 3:2:1. X, however, personally guaranteed that Z's share of profit would not be less than Rs.90,000 p.a. The loss for the period ended 31st March, 2016 was Rs.3,60,000. Calculate deficiency to be charged To ' X'.
2. Sunrise Company Ltd., has an equity share capital of Rs. 10,00,000. The company earns a return on investment of 15% on its capital. The company needed funds for diversification.The finance manager had the following options.

   (i) Borrow Rs. 5,00,000 @15% p.a. from a bank payable in four equal quarterly installments starting from the end of the fifth year.

   (ii) Issue Rs. 5,00,000,9% Debentures of Rs. 100 each redeemable at a premium of 10% after Five years. To increase the return of the shareholders, the company opted for option (ii). Pass the necessary journal entries for issue of debentures.

3. Janata Ltd., had an authorized capital of Rs.2,00,000 divided into equity shares of Rs 10 each. The company offered for subscription Rs. 1,00,000 shares. The issue was fully subscribed. The amount payable on application was Rs. 2 per share. Rs. 4 per share 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. X,Y and Z were partners in a firm. On 1st April, 2012,their capitals stood as Rs. 6,00,000; Rs. 4,00,000 and Rs.2,00,000 respectively. As per provisions of partnership deed, Y was entitled. For commission of Rs. 12,000 p.a. and for a salary of Rs. 1,200 p.m. Partners were also entitled to Interest on capital @ 8% p.a. Profits will be shared in the ratio of their capitals. Net profit for the year ended 31st March, 2013 was Rs. 4,22,400 which was distributed equally without taking into consideration the above mentioned provisions. Pass necessary adjustment entry for the above showing the workings clearly.
5. Kumar, Gupta and Kavita were partners in a firm sharing profits and losses equally. The firm was engaged in storage and distribution of canned juice and its godowns were located at three different places in the city. Each godown was being managed individually by Kumar, Gupta and Kavita. Because of increase in business activities at the godown Managed by Gupta ,he had to devote more time. Gupta demanded that his share in the profits of the firm be increased, to which Kumar and Kavita agreed. The new profit sharing ratio was agreed to be 1:2:1. For this purpose, goodwill of the firm was valued at two years' purchase of the average profits of last five years. The profits of the last five years were as follows:

Year	1	2	3	4	5
Profit (Rs)	4,00,000	4,80,000	7,33,000	(33,000) Loss	2,20,000

You are required to :

(a) Calculate the goodwill of the firm.

(b) Pass necessary Journal entry for the treatment of goodwill on change in profit sharing ratio of Kumar, Gupta and Kavita.

6. Shikhar and Rohit were partners in a firm sharing profits in the ratio of 7:3. On 1st April, 2013, they admitted Kavi as a new partner for 1/4th share in profits of the firm. Kavi brought Rs. 4,30,000 as his capital and Rs. 25,000 for his share of goodwill premium. The Balance Sheet of Shikhar and Rohit as on 1st April,2013 was as following

LIABILITIES		Rs.	ASSETS		Rs.
Capitals			Land and Building		3,50,000
Shikhar	8,00,000		Machinery		4,50,000
Rohit	3,50,000	11,50,000			
General Reserve		1,00,000	Debtors	2,20,000	
			Less : provision	20,000	2,00,000
Workmen's Compensation Fund		1,00,000	Stock		3,50,000
Creditors		1,50,000	Cash		1,50,000
		15,00,000			15,00,000

It was agreed that :

(i) The value of Land Building will be appreciated by 20%

(ii) The value of Machinery will be depreciated by 10%

(iii) The liabilities of Workmen's Compensation Fund was determined at Rs.50,000.

(iv) Capital of Shikhar and Rohit will be adjusted on the basis of Kavi's capital and actual cash to be brought in or to be paid off as the case may be.

(v) Prepare Revaluation Account and Partners' Capital Accounts.

7. Sunny , Honey and Rupesh were partners in a firm. On 31st March, 2014, Their Balance Sheet was as follows:

Liabilities		Rs.	Assets	Rs.
Creditors		10,000	Plant and Machinery	40,000
General Reserve		30,000	Furniture	15,000
Capital Account			Investments	20,000
Sunny	30,000		Debtors	20,000
Honey	30,000		Stock	25,000
Rupesh	20,000	80000		
		1,20,000		1,20,000

Honey died on 31st December, 2014. The partnership deed provides that the representatives of the deceased partner shall be entitled to :

(a) Balance in the capital Account of the deceased partner.

(b) Interest on capital @ 6% per annum up to the date of his death.

(c) His share in the undistributed profits and losses as per the Balance Sheet.

(d) His share in the profits of the firm till the date of his death, calculated on the basis of rate of net profit on sales of the previous year. The rate of net profit on sales of previous year was 20%. Sales of the firm during the year till 31st December, 2014 was Rs. 6,00,000.

Prepare Honey's Capital Account to be rendered to his executors.

8. (a) Sony ltd., redeemed its entire outstanding 8% Debentures of Rs. 100 each at a premium of 5% on 1st January, 2015.

Fill in the missing figures in the following Journal entries.

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~~Date~~	~~Particulars~~	~~LF~~	~~Debit (Rs)~~	~~Credit(Rs)~~
	Surplus of statement of profit & loss DR To debenture Redemption Reserve A/c (transfer of profits & loss as per SEBI Guidelines)		------------	--------------
	8% of Debentures A/c Dr Premium on Redemption Debentures A/c Dr To 8% Debenture holders A/c (Amount due on redemption of --------------- Debentures of Rs 100 each at 5% premium)		------------- --------------	--------------
	8%Debentures A/c Dr To Bank A/c (Payment of amount due to debenture holder)		--------------	--------------
	Debenture Redemption Reserve A/c Dr To general reserve A/c (transfer of debenture Redemption reserve A/c to general Reserve A/c on redemption of all the debentures)		2,00,000	2,00,000

9. Lalit, Madhur and Neena were partners sharing profits as 50%, 30% and 20% respectively. On 31st March, 2013 their Balance Sheet was as follows.

LIABILITIES		RS	ASSETS		RS
Creditors		28,000	Cash		34,000
Provident Fund		10,000	Debtors	47,000	
Investment Fluctuation Fund		10,000	Less:Provision	3,000	44,000
Capital Accounts:			Stock		15,000
Lalit	50,000		Investments		40,000
Madhur	40,000		Goodwill		20,000
Neena	25,000	1,15,000	Profit and Loss		10,000
		1,63,000			1,63,000

On this date Madhur retired and Lalit and Neena agreed to continue on the following terms.

1. The goodwill of the firm was valued at Rs. 51,000.
2. There was a claim for workmen's compensation to the extent of Rs. 6,000.
3. Investments were brought down to Rs.15,000.
4. Provision for bad debts was reduced by Rs.1,000.

5. Madhur was paid Rs. 10,300 in cash and the balance was transferred to his loan account payable in two equal annual installments together with interest @ 12% p.a.

Prepare Revaluation a/c, Partners' Capital accounts and Madhur's Loan account till loan is finally paid off.

10. Good Luck limited invited applications for issuing 1,00,000 equity shares of Rs. 10 each At a premium of Rs.10 per share. The amount was payable as follows:

On Application ----- Rs. 10 per share (including Rs. 5 premium)

On Allotment ------- The Balance

The issue was fully subscribed. A shareholder holding 300 shares paid the full share Money with application. Another shareholder holding 200 shares failed to pay the Allotment money. His shares were forfeited. Later on, these shares were re – issued For Rs. 4,000 as fully paid up.

Pass necessary Journal entries for the above transactions in the books of Good Luck Ltd.,

11. Why is depreciation added back to net profit while preparing ' cash flow statement ?

14. An enterprise may hold securities and loans for dealing or trading purposes in which case they are similar to inventory acquired specifically for resale'. Is the statement correct? Cash Flows from such activities will be classified under which type of activity while preparing Cash Flow Statement ?

12. State any two limitations of Financial Statements Analysis.

13. Identify the major heads under which the following items will be shown in the Balance Sheet of a company as per Schedule III of Companies Act, 2013.

(i) Provision for Tax (ii) Loan payable on demand

(iii) Computer and related equipment (iv) Goods acquired for Trading

14. From the given information calculate the following .

(i) Cost of Revenue from operations (ii) Opening and Closing Inventory

(iii) Quick Assets (iv) Current Assets

Information:- Inventory Turnover Ratio 6 times. Inventory at the end is Rs. 6,000 more than the inventory in the beginning, Revenue from operations (all credit) Rs. 2,40,000, gross Profit 25% on cost, Current liabilities Rs. 80,000 and Quick Ratio 0.80:1

15 . Following information is extracted from the statement of profit and loss of GC Ltd., For the year ended 32st March, 2015.

Particulars	31-3-2015 (Rs)	31-3-2014 (Rs)
Revenue from operations	60,00,000	45,00,000
Employee Benefit Expenses	30,00,000	22,50,000
Depreciation	7,50,000	6,00,000
Other Expenses	15,50,000	10,00,000
Tax Rate	30%	30%

Prepare Comparative Statement of Profit and Loss