

SAMPLE QUESTION PAPER
ACCOUNTANCY (055), CLASS-XII
(2013-14)

Time Allowed – 3Hrs.

Max. Marks – 80

General Instructions:-

1. *This question paper contains three parts A, B and C*
2. *Part A is compulsory for all.*
3. *Attempt only one part of the remaining parts B and C.*
4. *All parts of a question should be attempted at one place.*

PART ‘A’

1. Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed `2,00,000, `3,00,000 and `1,00,000 respectively. Alka and Barkha desire that the profits should be divided in the ratio of capital contribution. Charu does not agree to this. Is Charu correct? Give reason. (1)
2. Pawan and Jayshree are partners. Bindu is admitted for 1/4th share. State the ratio in which Pawan and Jayshree will sacrifice their share in favour of Bindu? (1)
3. State any two occasions on which a firm may be reconstituted. (1)
4. When is ‘Partner’s Executors’ Account prepared? (1)
5. What is the maximum amount of discount at which forfeited shares can be re-issued? (1)
6. Give the meaning of ‘Subscribed and fully paid-up capital’. (1)
7. State an exception to the creation of Debenture Redemption Reserve as per SEBI Guidelines. (1)
8. A, B and C are partners in a firm. They had omitted interest on capital @10% p.a. for three years ended 31st March, 2013. Their fixed capitals on which interest was to be calculated throughout were:

A	`1,00,000
B	` 80,000
C	` 70,000

Give the necessary adjusting journal entry with working notes. (3)
9. On 1st April, 2011, Rhythm Limited issued 1,000 10% debentures of `500 each at par. Debentures were redeemable after 7 years. However, the company gave an option to debenture holders to get their debentures converted into equity shares of `100 each at a premium of `25 per share anytime after the expiry of one year. Shivansh, holder of 200 debentures, informed on April 1, 2013 that he wanted to exercise the option of conversion of debentures into equity shares. The company accepted his request and converted debentures into equity shares. Pass necessary journal entries to record the issue of debentures on April 1, 2011 and conversion of debentures on April 1, 2013. (3)

10. Pass necessary journal entries for 'issue of debentures' for the following:
- Jain Ltd. issued 750, 12% Debentures of `100 each at a discount of 10% redeemable at a premium of 5%.
 - Sohan Ltd. issued 800, 9% Debentures of `100 each at a premium of `20 per Debenture redeemable at a premium of `10 per Debenture.
- (3)

11. Shabir and David were partners in a firm supplying school uniforms. They shared profits in the ratio of 4:3. Their capitals as on 1st April, 2013 were `1,00,000 and `50,000 respectively. On this date Shabir suggested David to start supplying low cost school uniforms to the students who belonged to low income group and admitted to the private schools of the city as per the provisions of Rights to Education Act 2009. David agreed and requested to admit into the firm his friend Charu, a specially abled unemployed person having good knowledge of cost-reduction methods. However, it was agreed that Charu will not contribute any capital. Shabir agreed to it. They were in need of more capital. Shabir, therefore persuaded a rich friend of his, Rafiq, to be a partner.
- Rafiq contributed `7,00,000 in cash, delivery van of `2,75,000 and furniture of `25,000 as his capital.
 - The new profit sharing ratio will be 3:2:1:1
- (a) **Identify any four values which the partners want to communicate to the society.**
- (b) Pass necessary journal entry for capital contributed by Rafiq in the form of cash and assets.
- (4)

12. A, B and C are partners sharing profits in the ratio of 5:3:2. Their Balance-Sheet as on March 31st, 2013 was as follows:

Balance-sheet of A,B & C as at March 31st, 2013

Liabilities	Amount ,	Assets	Amount ,
Creditors	20,000	Cash	16,000
Employees Provident Fund	26,000	Debtors	16,000
Capitals:		Stock	80,000
A 1,00,000		Furniture	34,000
B 70,000		Building	1,20,000
C 50,000	2,20,000		
	2,66,000		2,66,000

C retired on the above date and it was agreed that:

- C's share of Goodwill was `8,000;
- 5% provision for doubtful debts was to be made on debtors;
- Sundry creditors were valued `4,000 more than the book value.

Pass necessary journal entries for the above transactions on C's retirement. (4)

13. Raghav limited purchased a running business from Krishna Traders for a sum of `15,00,000. `3,00,000 were paid by cheque and for the balance Raghav Ltd. issued equity shares of `100 each at a premium of 20%.

The assets and liabilities consisted of the following:

Plant and Machinery	4,00,000
Building	6,00,000
Stock	5,00,000
Sundry Debtors	3,00,000
Sundry creditors	2,00,000

Record necessary journal entries in the books of Raghav limited. (4)

14. Janta Ltd. had an authorized capital of `2,00,000 divided into equity shares of `10 each. The company offered for subscription of `10,000 shares. The issue was fully subscribed. The amount payable on application was `2 per share. `4 per share were payable each on allotment and first and final call. A share holder holding 100 shares failed to pay the allotment money. His shares were forfeited. The company did not make the final call. How the 'share capital' will be presented in the company's balance-sheet?

Also prepare Notes to Accounts for the same.

(4)

15. X, Y and Z were partners in a firm. Their capitals on 1st April, 2012 were: X `2,00,000; Y `2,50,000 and Z `3,00,000. The partnership deed provided for the following:

- They will share profits in the ratio of 2:3:3
- X will be allowed a salary of `12,000 p.a.
- Interest on capital will be allowed @ 12% p.a.

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

Prepare Profit and Loss Appropriation Account and Partner's Capital Accounts. (6)

16. Ram, Mohan and Sohan were partners sharing profits and losses in the ratio of 5:3:2.

On 31st March, 2012 their Balance Sheet was as under:

Liabilities		₹	Assets		₹
Capital:			Land		1,25,000
Ram	1,50,000		Patents		30,000
Mohan	1,25,000		Machinery		1,50,000
Sohan	75,000		Stock		1,90,000
	-----	3,50,000	Cash at Bank		40,000
Workmen's Compensation		30,000			
Reserve		1,55,000			
Creditors		5,35,000			
					5,35,000

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Sohan died on 1st August, 2012. It was agreed that:

- (i) Goodwill of the firm was valued at `1,75,000.
- (ii) Machinery was valued at `1,40,000; Patents at `40,000 and Land at `1,50,000 on this date.
- (iii) For the purpose of calculating Sohan's share in the profits of 2012-2013, the profits should be taken to have accrued on the same scale as in 2011-12, which were `75,000.
- (iv) Sohan mentioned in his will that the amount payable to his legal representatives should be used for welfare of the society.

Prepare Revaluation Account and Sohan's Capital Account. **Suggest any two ways by which the amount payable to Sohan's legal representative may be utilized for welfare of the society.**

(6)

17. Srijan Limited issued `10,000 new capital divided into 100 shares of ` 100 each at a premium of `20 per share, payable as under:

On Application	`10 per share
On Allotment	`40 per share (including Premium of `10 per share)
On First and Final Call	Balance

Over-payments on application were to be applied towards sums due on allotment and first and final call. Where no allotment was made, money was to be refunded 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 applicants for 3,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants.

Give Journal Entries to record the above transactions (including cash transactions) in the books of the company

(8)

OR

Sangita Limited invited applications for issuing 60,000 shares of `10 each at par. The amount was payable as follows:

On Application	`2 per Share
On Allotment	`3 per Share
On First and Final Call	`5 per Share

Applications were received for 92,000 shares. Allotment was made on the following basis:

- (i) To applicants for 40,000 shares – Full
- (ii) To applicants for 50,000 shares -40%
- (iii) To applicants for 2,000 shares – nil.

`1,08,000 was realized on account of allotment (excluding the amount carried from application money) and `2,50,000 on account of call.

The directors decided to forfeit shares of applicants belonging to category (i) on which allotment money was overdue Give Journal Entries to record the above transactions in the books of the company.

(8)

18. L and M share profits of a business in the ratio of 5:3. They admit N into the firm on 1st April, 2013 for a fourth share in the profits to be contributed equally by L and M. On the date of admission the Balance Sheet of L and M was as follows:

Balance Sheet as at March 31st, 2013

Liabilities	`	Assets	`
L' Capital	30,000	Machinery	26,000
M's Capital	20,000	Furniture	18,000
Reserve Fund	4,000	Stock	10,000
Bank Loan	12,000	Debtors	8,000
Creditors	2,000	Cash	6,000
	68,000		68,000

Terms of N's admission were as follows:

- (i) N will bring `25,000 as his capital.
- (ii) Goodwill of the firm is to be valued at 4 years' purchase of the super profits of the last three years. Average profits of the last three years are `20,000; while the normal profits that can be earned on the capital employed are `12,000.
- (iii) Furniture is to be revalued at `24,000 and the value of stock to be reduced by 20% . Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the firm after admission of N.

(8)

OR

Following is the Balance Sheet of X and Y, who share profits and losses in the ratio of 4:1, as at 31st March, 2013:

Liabilities	Amount ,	Assets	Amount ,
Sundry Creditors	8,000	Bank	20,000
Bank overdraft	6,000	Debtors	17,000
X's Brother's Loan	8,000	Less Provision	<u>2,000</u>
Y's loan	3,000		15,000
Investment Fluctuation Fund	5,000	Stock	15,000
Capital: X 50,000		Investments	25,000
Y 40,000		Buildings	25,000
<hr/>	90,000	Goodwill	10,000
		Profit and Loss A/c	10,000
	1,20,000		1,20,000

The firm was dissolved on the above date and the following arrangements were decided upon:

- (i) X agreed to pay off his brother's loan
- (ii) Debtors of `5,000 proved bad
- (iii) Other assets realized – Investments 20% less; and goodwill at 60%.
- (iv) One of the creditors for `5,000 was paid only `3,000.
- (v) Buildings were auctioned for `30,000 and the auctioneer's commission amounted to `1,000.
- (vi) Y took over part of stock at `4,000 (being 20% less than the book value). Balance stock realized 50%.
- (vii) Realisation expenses amounted to `2,000.

Prepare:

- i) Realisation A/c
- ii) Partners' Capital accounts
- iii) Bank A/c

(8)

Part-B

Financial Statement Analysis

19. X Ltd. has a Debt-Equity Ratio at 3:1. According to the management it should be maintained at 1:1. What are the two choices to do so? (1)
20. State whether cash deposited in bank will result in inflow, outflow or no flow of cash. (1)
21. Interest received by a finance company is classified under which kind of activity while preparing a cash flow statement? (1)
22. List the items which are shown under the heading, 'Current Assets' in the Balance sheet of a company as per provisions of Schedule VI of the Companies Act, 1956. (3)

23. Prepare a 'Comparative Statement of Profit & Loss' with the help of the following information

Particulars	2012-2013	2011- 2012	
Revenue from operations	30,00,000	20,00,000	
Expenses	21,00,000	12,00,000	
Other Incomes	3,60,000	4,00,000	
Income Tax	50%	50%	(4)

24. Find the value of current liabilities and current assets, if current Ratio is 2.5:1, liquid ratio is 1.2:1 and the value of inventory of the firm is `78,000. (4)

25. Following are the Balance Sheets of Delta Ltd., as on 31st March 2012 and 2013: (6)

Particulars	Note No.	2011-12 (₹)	2012-13 (₹)
EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share capital		6,00,000	7,00,000
(b) Reserves and Surplus	1	1,10,000	2,00,000
(2) Non Current Liabilities			
(a) Long term borrowings		2,25,000	3,30,000
Total		9,35,000	12,30,000
ASSETS			
(1) Non Current Assets			
(a) Fixed assets			
(i) Tangible assets	2	8,00,000	11,00,000
(2) Current Assets			
(a) Inventories		60,000	70,000
(b) Trade Receivables		40,000	32,000
(c) Cash and Cash equivalents		35,000	28,000
Total		9,35,000	12,30,000

Notes to Accounts:

Note No.	Particulars	As on 31 st March, 2012 (₹)	As on 31 st March, 2013 (₹)
1.	Reserves and Surplus Surplus (balance in Statement of profit and Loss)	1,10,000	2,00,000
2.	Tangible assets Plant and Machinery	8,00,000	11,00,000

Adjustment:

A piece of machinery of the book value of `80,000 was sold for `65,000 at the beginning of the year. Depreciation provided on Plant and Machinery during the year amounted to `2,00,000.

Prepare a Cash Flow Statement.

OR

PART 'C'
Computerized Accounting System

19. State the five components of Computerised Accountancy System. (1)
20. What is grouping of accounts? (3)
21. What is meant by the terms 'Back-end' and Front-end' as used in data applications? (1)
22. State the features of Computerized Accounting system. (3)
23. Explain the security features associated with CAS software. (4)
24. What is DBMS? Explain its two advantages. (4)
25. Anjana Ltd. calculates conveyance allowance on the basis of the sales made by its employees.
Write the formula in MS Excel for calculating:
 - (i) The difference between the expected sale and actual sale.
 - (ii) The conveyance allowance will be `5,000 if the employee meets the expected sales target and for every extra unit sold he would get `50.
 - (iii) `1,000 even if expected units are not sold. (6)