

ACCOUNTANCY

CLASS-XII

Time Allowed: 3 Hours

Maximum Marks : 80

General Instructions:

- (i) This question paper contains two parts: A and B.
- (ii) Part A is compulsory for all candidates.
- (iii) Part B has two options- Financial Statements Analysis & Computerized Accounting.
- (iv) All parts of questions should be attempted at one place.
- (v) Show your working clearly.

PART—A

(ACCOUNTING FOR PARTNERSHIP FIRMS & COMPANIES)

1. The partners of the firm M/s ABC, Mr. A and Mr. C guarantee the partner Mr. B a minimum profit of `25,000. The profit earned by the firm after all the necessary distribution is `60,000. The profit sharing ratio is 3:2:1. The guarantors will share the deficit in equal ratio. Calculate the deficit amount to be borne by A. (1)
2. In which account, profit on redemption of debenture is transferred and why? (1)
3. State the rate of interest which the company pays on calls - in advance if, it has not prepared its own Articles of Association? (1)
4. What will be the treatment for abnormal loss in the calculation of goodwill by average profits method? State with reason. (1)
5. In case of change in profit sharing ratio goodwill already appears in the books at `50,000. How will you treat this in the books of the company? (1)
6. Why does a company cannot show 'Reserve capital' in its balance sheet? (1)
7. X and Y are partners of a firm sharing in the ratio of 1:1. Partnership deed provided for the following adjustments:
 - (a) The trading profits during the year is `65,000
 - (b) Y to be given commission @10% on net profits before charging such commission
 - (c) X to receive salary of `1,000 p.m.
 - (d) Interest on loan to be provided at 10% p.a. Loan given by X of `10,000 on 1.10.2014
 - (e) Manager's Commission of `4,000 p.a.Show the distribution of profit for the year ending 31.03.2015. (3)
8. a) State any four purposes which are mentioned in Section 52 regarding treatment of securities premium in

Companies Act 2013?

(b) A company forfeited 50 shares of ₹10 each issued at a premium of ₹2 per share, due to non-payment of final call of ₹3 per share. Out of these 30 shares were reissued at a discount of ₹2 per share. What amount, if any, will appear as 'Share Forfeited' in the balance sheet of the company? (2+1=3)

9. X Ltd. purchased its own 10% Debentures of the face value of ₹10,00,000 of ₹100 each, from the open market for investment purposes @ ₹95. But after sometimes, they decided to sell them @ ₹98 in the market. Record necessary journal entries to show these transactions. (3)
10. A and B share profits in the ratio of 3:2 has the following balances of capital: A: ₹50,000, B: ₹30,000. Reserve Fund is ₹25,000. They admit C as a partner who contributes ₹30,000 cash (Including capital and goodwill) for 1/6th share. Calculate the capital brought in by Mr C. Show your workings clearly. (3)
11. Deeksha Ltd purchased a machine from Maurya Ltd for ₹8,00,000. As per the terms, purchase consideration of ₹80,000 is to be paid by cheque and balance to be paid by issue of shares of ₹10 each. What entry should be passed if the shares are issued:
- (a) At ₹8 paid up per share and
 - (b) At 20% premium (4)
12. On 1st June, 2012 Rancho Ltd issued ₹40,00,000, 8% Debentures of ₹10 each to be redeemed at 20% premium after 3 years. Pass necessary entries for Issue and Redemption of debentures. Also calculate the necessary amount to be transferred to Debenture Redemption Reserve and Debenture Redemption Investment along with specific dates as per the relevant guidelines and provisions (Entries for DRR and DRI not required). (4)
13. Barbie and Ken are partners. The partnership deed provided *inter alia* as follows:
- (i) That the accounts be balanced 31st March each year.
 - (ii) That the profit be divided as follows:
Barbie one-half; Ken one-third and one sixth carried to a Reserve account.
 - (iii) That in the event of death of a partner, his Executor will be entitled to be paid out:
 - a) The capital to his credit on the date of death.
 - b) Interest on capital is provided at 12% p.a.
 - c) His proportion of profit to date of death based on the average profits of the last three completed years plus 10%.
 - d) His share of goodwill based on three years' purchase of the average profits for the three preceding completed years less 5%.
 - e) His proportion of Reserve at the date of the last balance sheet.

On 31st March, 2015 the ledger balances were:

Particulars	Dr. Balances (₹)	Cr. Balances (₹)
Barbie Capital		93,000
Ken Capital		62,000
Reserve		30,000

Bills Receivable account	20,000	
Investment	50,000	
Cash	1,40,000	
Creditors		30,000
Profit & Loss account	<u>5,000</u>	
	<u>2,15,000</u>	<u>2,15,000</u>

The profits for the last three years were: `45,000; `42,000; `48,000 respectively.

Barbie died on 1st August, 2015. Prepare Barbie's Capital Account.

(6)

14. A, B and C were partners sharing 2:2:1. B retires from the firm on 31.03.2015. Fill in the necessary information in following accounts.

Revaluation A/c							
Particulars		Amount `		Particulars		Amount `	
To Provision for Doubt Debts A/c		?		By Stock		18,800	
To Premises A/c		3,200		By Furniture		?	
To Profit transferred to:				By Bills payable		1,200	
A: ?							
B: ?							
C: ?							
		24,800				24,800	
Partners Capital A/c							
Particulars	A `	B `	C `	Particulars	A `	B `	C `
To ? A/c	18,400		9,200	By Bal B/d	?	?	?
To Bank A/c		?		By Revaluation (Profit)	7,200	7,200	3,600
To Bal c/d	1,68,800		74,400	By A's Capital A/c		?	
				By C's Capital A/c		?	
	?	?	?		?	1,50,800	?

(6)

15. Supriya and Monika are partners, who share profit in the ratio of 3:2. Following is the Balance Sheet as on March 31, 2015.

Liabilities	Amount `	Assets	Amount `
Supriya's Capital	32,500	Cash and Bank	40,500
Monika's Capital	11,500	Stock	7,500
Sundry Creditors	48,000	Sundry debtors	21,500
Investment		Less: Provision	<u>500</u>
Fluctuation Fund	10,000	Investments	13,000
Reserve fund	13,500	Fixed Assets	33,500
	<u>1,15,500</u>		<u>1,15,500</u>

The firm was dissolved on March 31, 2015. Close the books of the firm with the following information:

- Debtors were realised at a discount of 5%.
- 50% of the Stock was taken over by Monika and the balance was realized in full.
- Fixed assets were realised at `42,000, Investments to be realised in full.

4) Realisation expenses of ₹1,500 for which Supriya will be paid remuneration of ₹2,000

Pass necessary journal entries for realization account.

(6)

16. Nikunj and Piyali are partners sharing profits and losses in the ratio of 3:1. On March 31st, 2015 their Balance Sheet was as follows:

Liabilities	Amount ₹	Assets	Amount ₹
Capitals			
Nikunj 30,000		Cash 10,200	
Piyali 16,200	46,200	Bills Receivable 3,000	
Creditors 21,000		Stock 20,000	
Bills Payable 20,000		Debtors 10,000	
General Reserve 4,000		Machinery 30,000	
Investment Fluctuation Fund 5,000		Investment 15,000	
		Profit & Loss A/c 8,000	
	96,200		96,200

They decided to admit Jagrit into the partnership on the following terms

- Machinery and stock is to be depreciated by 10%
- Outstanding rent amounted to ₹2,500
- Investment to be reduced by ₹7,500.
- Jagrit is to bring ₹5,000 as Goodwill and ₹10,000 as capital for a 1/5th share.
- Capitals of partners be made proportionate taking Jagrit's capital as base.

Prepare Revaluation A/c, Partners Capital A/c and Balance Sheet of the new firm.

OR

- The capitals of Vimal and Vivek are ₹60,000 and ₹40,000 as on 31st March 2015. However it was ascertained that interest on capitals and on drawings @10%p.a. were omitted to be recorded. Salary of ₹18,000 to Vimal was also not taken into consideration. The net profits of ₹30,000 were divided equally. Vimal withdrew ₹1,000 per month in the beginning and Vivek withdrew ₹1,000 per month at the end of every month. Pass necessary journal entry.
- Albert, John and Francis are partners sharing profits and losses in the ratio 5:3:2. Due to some financial difficulties faced by Francis, they decided to share future P&L equally with the motive of some financial support to Francis. For this purpose Goodwill was valued at 3 years' purchase of average profits of last 4 years. Average profits were ₹80,000.

The following balances were also appearing in the books as on the date of reconstitution.

General Reserve	₹50,000
Profit and Loss (Dr.)	₹1,70,000
Deferred Revenue Expenditure	₹1,80,000

The partners decided to pass necessary adjustment entry for the above and keep all the balances of reserves and accumulated profits/losses unchanged.

Pass necessary adjustment entry.

(4+4)

17. Mars Ltd issued 40,000 shares of ₹10 each at a premium of ₹4 per share, payable as ₹5 on application and ₹9 including premium on allotment. Applications were received for 1,00,000 shares and the allotment was done as under

Applicants of 60,000 shares – Allotted 20,000 shares

Applicants of 40,000 shares – Allotted 20,000 shares

Money overpaid on application to be utilized towards sum due on allotment. Mani who had applied for 1,200 shares, failed to pay his dues and his shares were forfeited. His shares were reissued at ₹5, fully paid up. Journalise

OR

- a) Baba Wool Garments Ltd. forfeited 300 shares of ₹10 each, on which ₹8 was called for the non-payment of first call of ₹3. Of the forfeited shares, 200 shares were reissued at ₹7 per share ₹8 paid-up, 60 shares were re-issued at ₹9 per share, ₹8 paid-up and the remaining shares were reissued at ₹10 per share fully paid-up. Give journal entries.
- b) Modern Food Products Ltd. forfeited 400 shares of ₹10 each issued at premium of ₹2 per share for the non-payment of allotment ₹5 (including premium) and first and final call of ₹2 per share. Out of the forfeited shares, 200 shares were reissued at ₹9 per share, 100 shares were re-issued at ₹10 per share, 80 shares at ₹12 per share and the rest 20 shares remained un-issued. Pass the necessary Journal entries.
- c) B Ltd. issued 2,000 equity shares of ₹100 each payable ₹25 on application, ₹45 on allotment and the balance on first and final call. Public applied for 2,500 shares, 500 shares were outrightly rejected and balance shares were duly allotted. All money was received on due time. Show Cash Book of the company. (3+3+2= 8)

PART B

18. State any one transaction which does not involves inflow and outflow of funds. (1)
19. Why is depreciation added back for calculating cash flow from operating activities (1)
20. (a) Under which head "Claim against the company not acknowledged as debts" shown?
(b) Mystic Ltd has the following balances in Reserves and Surplus:

Debenture Redemption Reserve	₹4,00,000
General Reserve	₹2,00,000
Surplus i.e. Balance in Statement of Profit and Loss	₹6,00,000

During the year the company earned a profit of ₹3,00,000. It decided to appropriate ₹1,20,000 towards Debenture Redemption Reserve and ₹80,000 towards General Reserve. Show how it will be shown in Notes in Accounts on Reserves and Surplus (1+3=4)

21. From the following information of Ciber Ltd. for the years ending 31st March 2015 and 2014, prepare a Common Size Statement of Profit and Loss and comment upon the changes: (4)

Particulars	Note No.	31 st March 2015 (₹)	31 st March 2014 (₹)
Revenue from operations		10,00,000	8,00,000
Employees Benefit Expenses		5,00,000	4,00,000
Other Expenses		50,000	1,00,000
Tax		40%	40%

22. (a) The Inventory turnover ratio is given as 4 times. The opening inventory is 1/3rd of the closing inventory. The gross profit is 25% of the cost, where the revenue from operations is ₹2,00,000. Calculate Cost of Revenue from Operations, Opening Inventory and Closing Inventory.
- (b) If in the above case for calculating Inventory turnover ratio, instead of cost of revenue of operation, Revenue from operation is taken then which value is affected in such case? (3+1=4)
23. Compute Net Cash Flow from Operating Activities from the following information:

Profit during the year	₹25,000
Transfer to General Reserve	₹10,000
Depreciation	₹7,000
Incorporation expenses written off	₹5,000
Interim dividend paid	₹3,500
Tax paid ₹13,000 and Tax refund	₹5,600

Additional Information:

Particulars	31.03.2014 (₹)	31.03.2015 (₹)
Stock	20,000	17,000
Accounts Receivable	40,000	45,000
Marketable Securities	10,000	12,000
Accounts Payable	35,000	42,000
Provision for Taxation	12,000	14,000
Proposed Dividend	9,500	10,000

(6)

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