Roop Nagar Public School, Jhalawar (Raj.)

SAMPLE PAPER

Class- XII **Subject: Accountancy** **Time: 3 hrs** **MM: 80**

Note: Show proper working notes and draw applicable formats.

(Q1 to Q5 - 1 marks each; Q6 to Q8- 3marks each; Q9 to Q11 are of 4 marks each; Q12 to Q14 are of 6 marks each; Q15 and Q16 are of 8 marks each)

1. A firm earns a profit of Rs.2000 at the end of its accounting year. The opening capitals of the partners A and B were Rs.10, 000 and Rs.20, 000 respectively. The partnership deed provides for Interest on capital @10%p.a even if it involves the firm in loss. What will be the amount of Interest on Capital?
2. If firm earns more average profits than the normal profits earned by other firms, than Goodwill is calculated on the basis of: which method?
3. When is the new ratio calculated -at the time of Dissolution , Reconstitution or Amalgamation
4. When issued shares are more than subscribed it is known as________
5. What is the nature of Interest on debentures charge or appropriation?
6. D ltd took over assets of Rs. 5,60,000 and trade payables of Rs.80,000 from E ltd.. D ltd issued shares of Rs.20 each at a premium of 20% as purchase consideration to E ltd. Journalize.
7. State any three purposes for which Securities premium can be utilized.
8. X,Y and Z were partners in 3:2:1. Y died on 30^{th}September. The sales for last financial year were Rs. 20,00,000 and the profit were Rs.5,00,000. Sales for the intervening period were Rs.18,00,000. Calculate Y's share in current year's profit and pass the Journal entry for it.
9. A ,B and C were partners in the ratio 3:3:2. They wanted to share there profits equally with effect from 1^{st} April 2007. On this date they had a General Reserve of Rs.78,000. Goodwill was valued at 4 ½ years purchase of average profits of the last five years which were 14,000, 17,000, 20,000, 22,000, and 27,000. Partners neither want to distribute the General reserve nor want to show the goodwill in books. Pass single entry to show the effect.
10. X limited invited applications for 11,000 shares of Rs.10 each issued at a premium of 20%, payable as follows:-

    Application Rs. 3 (including Re. 1 premium); Allotment Rs.4 (including Rs.1 premium)

    First call Rs.3 and Final call Rs.2

    Applications were received for 24,000 shares and allotment was made as follows:-

    Category 1- $1/4^{th}$ of the shares applied for allotted 2000 shares.

    Category 2- $3/4^{th}$ of the shares applied for allotted 9,000 shares.

    Mr. Mohan holding 300 in category 2 failed to pay allotment and two calls. His shares were forfeited and 200 shares were @ Rs.11 per share as fully paid up. Pass entries for forfeiture and reissue.
11. A, B and C were partners in a firm having capitals of Rs.60,000; Rs.60,000 and Rs.80,000 respectively. There current account balances were A Rs.10,000; B Rs.5000 and C Rs.2000. According to partnership deed the partners were entitled to interest on capitals @ 5%. pa. C being a working partner was also entitled to a salary of Rs.6000 p.a. the profits were to be divided as follows: (a) The first Rs.20000 in proportion to their capitals. (b) Next 30,000 in the ratio of 5:3:2. (c) Remaining profits to be shared equally. The firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare P/L appropriation A/c.

12. P ,K and R were partners in a firm sharing profits in 6:4:2. There Balance sheet on 31st March 2007 was as under:-

Liabilities	Amount	Assets	Amount
Creditors	25,000	Cash	2000
Bills Payable	10,000	Debtors 20,000	
General reserve	27,000	Less: Provision 2000	18,000
Workman compensation Fund	3,000	Stock	25,200
Capital of P	60,000	Machinery	60,000
Capital of K	40,000	Investments	20,000
Mrs. P's Loan	5,000	Goodwill	5,500
		Prepaid insurance	500
		Bills Receivables	8,000
		P/L account	19,800
		R's Capital account	11,000
	1,70,000		**1,70,000**

On the above date the firm was dissolved on following conditions:-

1. The assets were sold off as follows:- Stock 18,200; Debtors 18,000; Machinery 50,000; Investments 8,000
2. K took over the Bills receivables at Rs.7,000 and Bills Payable at its Book value.
3. There were an unrecorded asset of Rs.9,000 which were sold at Rs.1,200.
4. P agreed to pay off his wife's loan.
5. A contingent liability for bill discounted at Rs.8,000 was settled by P.
6. Creditors were settled at a discount of 10% and Goodwill realized Rs.4,000.
7. Realization expenses were Rs.2,100 which were met by K.

Prepare necessary accounts to close the books of the firm.

13. Pass entries for redemption in each of the following cases:-

1. Purchased 100 8% own debentures of Rs.100 each at Rs.95 per debenture for immediate cancellation.
2. Redeemed 10,000 9% debentures of Rs.100 each when there was already an existing balance of Rs.2,00,000 in Debenture Redemption Reserve.

14. Pass entries for issue of debenture:

1. 1000 7% debentures of Rs.1000 as collateral security against a bank loan of Rs.12,00,000.
2. 500 6% debentures of Rs.100 each at Rs.90 each to be redeemed at Rs.105 each.
3. 200 8% debentures of Rs.100 each at Rs.120 each.

15. Ajay and Vijay were partners in 5:3. They admit Raju as partner for $1/5^{th}$ share in profits. The Balance sheet was:-

Liabilities	Amount	Assets	Amount
Creditors	19,000	Cash	2,400
Bills Payable	8,000	Debtors	25,000
General reserve	16,000	Investments	14,000
Outstanding salary	2,400	Stock	20,000
Capital of Ajay	55,000	Machinery	35,000
Capital of Vijay	30,000	Buildings	25,000
Provision for bad debts	1 500	Goodwill	10,000
		Prepaid insurance	500
	1,31,900		**1,31,900**

Raju was admitted on following terms :-

- He brings Rs.5,200 as his share of goodwill in cash and propionate amount of capital.
- Building and Machinery were to be valued at Rs.38,000 and Rs.30,000 respectively.
- The provision for bad and doubtful debts was to be maintained at Rs.1000.
- A liability of Rs.1,200 included in creditors was not likely to be arrived.
- Rs.10,000 investments were taken by old partners in there old ratio.
- Vijay is to withdraw Rs.2400 in cash.
- An amount of Rs.100 is outstanding for repairs.
- The capitals of all partners were to be adjusted in new profit sharing ratio by opening current accounts.
- Prepare Revaluation A/c, Partners capital A/c and new Balance Sheet.

OR

A, B and C were partners in equal ratio. There Balance sheet on 31^{st} December 2002 was as under:-

Liabilities	Amount	Assets		Amount
Creditors	40,000	Bank		20,000
Bills Payable	20,000	Debtors	45,000	
General reserve	30,000	Less :provision for Bad debts	5000	40,000
Profit and loss A/c	6,000	Stock		20,000
Capital of A	60,000	Furniture		28,000
Capital of B	40,000	Buildings		1,20,000
Capital of C	32,000			
	2,28,000			**2,28,000**

B retired on this date on following terms:-

- Goodwill of the firm is valued at Rs.57,600.
- Building were to be valued at Rs.1,30,000 and Furniture at Rs.8,000 less.
- The provision for bad and doubtful debts was to be maintained at 10% on debtors.
- A liability of Rs.10,000 included in creditors was settled at Rs.8,000.
- An amount of Rs.15,00 is outstanding for rent.
- Remaining partners decided to bring in sufficient cash to pay off B and to maintain Cash Balance of Rs.24,800
- They also decided to readjust there capitals as per their new profit sharing ratio.
- Prepare Revaluation A/c, Partners capital A/c and new Balance Sheet.

16. Hena ltd. invited applications for 2,00,000 shares of Rs.10 each, payable as follows:-

Application Rs.2.50 ; Allotment Rs.5.00 ; Balance on First & Final call.

Applications were received for 3,50,000 shares and allotment was made as follows:-

Applied	**Allotted**
Category 1- 50,000-----------	40,000
Category 2- 1,00,000-------------	60,000.
Category 3 – 2,00,000------------	1,00,000

All the shares were allotted on PRORATA basis and excess application money was adjusted towards sums due on allotment. Madhu who belonged to Category1 failed to pay allotment money. Her all allotted 800 shares were immediately forfeited. Pooja who belonged to Category3 and who had applied for 400 shares failed to pay the final call. Her shares were forfeited after the final call. All the forfeited shares were reissued @ Rs.9 per share as fully paid. Pass necessary Journal entries.

OR

D. ltd Offered to the public 20,000 shares of Rs.100 each at a premium of Rs.20 per share payable as follows:

On Application Rs.30 ; On allotment Rs.40 (including premium) I call Rs.25 and Final call Rs.25

Issue was over subscribed and PRORATA allotment was made to all applicants. Final call was not made. A shareholder holding __________ shares to whom allotment was made on PRORATA basis failed to pay the allotment and first call money. His shares were forfeited and reissued at __________ per share as Rs.75 paid up. Fill up the given cash book and pass entries.

Other information: Amount transferred to Capital Reserve : 26,000

Amount credited to Share forfeiture A/c in the forfeiture entry : Rs.30,000

Cash Book

Particulars	**Amount**	**Particulars**	**Amount**
To Equity share application (__________ *30)	7,50,000	By Balance b/d	----
To Equity share allotment	6,24,000		
To Equity share First call	--------		
To Share Capital	-----		

PART B (20 MARKS)

(Q17 to Q19 are of 1 marks each; Q 20 is of 3 marks ; Q 21 and Q22 are of 4 marks each and Q 23 is of 6 marks)

17. How will you calculate Average collection period?
18. "Cash received from debtors" This transaction will effect the Current Ratio in what manner and how?
19. " Purchased stock on long term deferred payment basis". How will this transaction effect the Quick ratio?

20. State all items which are shown under the headings of “Current Liabilities" in the Balance Sheet of a company as Schedule VI Part 1 of the Companies Act, 1956.

21. (a) From the following information calculate Return on Capital employed:

	Rs.
10% Preference Shares of Rs.10 each	2,00,000
Equity shares of Rs.10 each	3,00,000
Profit (before Tax)	5,00,000
Depreciation	1,80,000
Tax Rate 50% of Net profit	

(b). Stock turnover Ratio 5 times; Stock at the end is Rs.8000 more than the stock at the beginning Sales is Rs.4,00,000 ; Gross Profit Ratio is 25% on cost. Calculate Cost of Gods sold, opening Stock and closing stock.

22. From the following data prepare Comparative Statement of Profit and Loss Account of Ahmed ltd and identify the values involved if the company donates 10% of their annual income every year an organization which run orphanage homes and old age homes.

Particulars	**31-03-2013**	**31-03-2012**
Revenue from Operations	8,00,000	5,00,000
Purchase of Stock in Trade	4,20,000	2,40,000
Changes in Inventories	80,000	60,000
Employee Benefit Expenses	20,000	40,000
Other Expenses	40,000	30,000
Income Tax	50%	40%

Q23 Fill in the missing information in the given Common Size Profit and loss statement:

Particulars	Note	Absolute Amounts		% of Revenue from operations	
		2009	2010	% 2009	% 2010
Revenue from Operations		-----	-----	----	----
Less: Expenses:					
Cost of Material Consumed		7,20,000	9,60,000	45	48
Employee Benefit Expenses		-------	-----	10	8
Depreciation		-------	-------	7.5	6
Other Expenses		80,000	1,00,000	----------	---------
Total expenses		-----	-----	------	------
Profit Before Tax		-----	-----	------	------
Less: Tax		2,08,000	2,97,000	-----	------
Profit After Tax		-----	-----	------	------

****