

ACCOUNTANCY

Class XII

Time: 3 hrs

M.M 80

General Instructions:

1. This question paper contains two parts A and B.
2. Part A is compulsory for all.
3. Part B has two options – Analysis of Financial statements and Computerised Accounting. Attempt only one option of Part B.
4. Question nos. 1 to 13 and 23 to 29 are very short answer type questions carrying 1 mark each.
5. Question nos. 14 and 30 are short answer type – I questions carrying 3 marks each.
6. Question nos. 15 to 18 and 31 are short answer type – II questions carrying 4 marks each.
7. Question nos. 19, 20 and 32 are long answer type – I questions carrying 6 marks each.
8. Question nos. 21 and 22 are long answer type – II questions carrying 8 marks each.
9. There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, 2 questions of four marks and 2 questions of 8 marks.
10. Attempt all parts of a question at one place.
11. Computerised accounting is not covered in this question paper.

SECTION A

(Accounting for not-for-Profit Organisations Partnership Firms and Companies)

Q 1. Which of the following cannot be recorded in the receipt and payment account of a club?

- (A) Payment made to workers
(B) Sale of old newspaper
(C) Loss on sale of fixed asset
(D) All of these

Q 2. A, B and C are partners sharing profits and losses in the ratio of 4/10, 4/10 and 1/5. B retires from the firm. A and C decided to share future profits and losses in the ratio of 3:2. Calculate the gaining ratio.

- (A) 1:2
(B) 1:1
(C) 3:2
(D) 2:1

Q 3. If debentures are issued at premium, then they can be redeemed at

- (A) Par
(B) premium
(C) Both (a) and (b)
(D) can't be redeemed

Q 4. Total capital specified in Capital clause is ₹ 50,00,000 which is divided in 35,000 equity shares of ₹ 100 each and 15,000, 10% preference shares of ₹100 each. The company issued 10,000 equity shares and 5,000 preference shares. The public subscribed for 9,000 equity shares and 4,500 preference shares out of the issued shares. What will be the subscribed capital amount?

- (A) 50,00,000
(B) 50,000
(C) 9,00,000
(D) 13,50,000

Q 5. With context to debit of partners' current account, pick the odd one out

- (A) Drawings
(B) Interest on Drawings
(C) Salary
(D) None of these

Q6. Vijay a director of the company proposed in a board meeting that to inculcate the habit of savings amount people he wanted to bring a special Issue of shares. His proposal was accepted by the company. The company issued 35,000 shares of ₹ 100 each payable ₹ 30 on application, ₹ 50 on allotment and ₹ 20 on call.

Tarun, a shareholder holding 25 shares could not pay his call money and Arjun another shareholder holding 30 shares paid the call money with allotment. Tarun, paid the amount due to him after four months explaining the reason for this delay, the company did not charge any interest from him.

Calculate the amount received by the company on allotment.

- (A) ₹17, 50,000 (B) ₹ 10, 50,000
(C) ₹ 17, 50,600 (D) ₹ 24, 50,000

Q 7. Issued 10,000 shares of ₹ 100 each to the Narayan Ltd. @ 10% premium and paid ₹ 2,00,000, in cash for a consideration of running business purchased Journalise this transaction.

(a)	Narayan Ltd.	Dr	13,00,000	
	To Share Capital A/c			10,00,000
	To Share Premium Reserve A/c			1,00,000
	To Cash A/c			2,00,000
(b)	Narayan Ltd.	Dr	13,00,000	
	To Share Capital A/c			13,00,000
(c)	Narayan Ltd.	Dr	13,00,000	
	To Cash A/c			13,00,000
(d)	Share Capital A/c	Dr	10,00,000	
	Share Premium Reserve A/c	Dr	1,00,000	
	Cash A/c	Dr	2,00,000	
	To Narayan Ltd.			13,00,000

Q8. Uttam Charitable gets surplus form his income and expenditure account of ₹ 60,000 in 2018-19. It will be recorded in debit side of the account.

- (a) Receipts and Payments (b) Income and Expenditure
(c) Both (a) and (b) (d) None of these

Q9. A company 'Vansh Ltd' has purchased an asset costing ₹ 22,00,000. Vendor issued 10% debentures of ₹ 100 each at 10% premium as consideration against asset purchased. Calculate number of debentures to be issued.

- (a) 26,000 debentures (b) 24,000 debentures
(c) 20,000 debentures (d) 22,000 debentures

Q10. During the year 2019-20, Network 10 Ltd. Issued 12% debentures of ₹ 100 each as per the details given. A machine was purchased for ₹ 2, 18,500. The Vendor was paid by the issue of 1,900 debentures at a premium of 15% to be redeemed at par. The entry for the payment will be

(a)	Machinery A/c.	Dr	2,18,500	
	To Vendor's A/c			2,18,500
(b)	Vendor's A/c.	Dr	2,18,500	
	To 12% Debentures A/c			1,90,000
	To Securities Premium Reserve			28,500
(c)	Vendor's A/c	Dr	2,18,500	
	To Machinery A/c.			2,18,500

(d)	12% Debentures A/c	Dr	1,90,000	
	Securities Premium Reserve	Dr	28,500	
				2,18,500
	To Vendor's A/c.			

Q11. An asset which is not transferred to debit side of realisation account, but brings certain amount of cash against its disposal at the time of dissolution of the firm is..... .

Q 12. There are 1,000 members in Alkali club, paying an annual subscription of ₹ 100 each. Subscription received during the year ₹40,000 includes ₹4,000 for the next year. The amount to be shown as outstanding subscription will be.....

Q13. State the conditions under which the capital balances may change under the system of fixed capital account.

Q14. Subscription received during the year 31st March, 2019 at Youth Club were as under

2017-18	₹ 5,000	
2018-19	₹ 90,000	
2019-20	<u>₹ 2,500</u>	₹ 97,500

The club has 1,000 members each paying ₹100 each as annual subscription. Subscription outstanding as on 31st March, 2018 were ₹9,000. Calculate the amount of subscription to be shown in the Income and Expenditure account and total outstanding subscription on 31st March, 2019.

OR

From the following information calculate outstanding subscription for the year 2019

Particulars	1 st January, 2019	31 st December, 2019
Advance subscription received	14,000	5,600

TOTAL Subscription received during the year is ₹ 56,000. There are total 300 members each paying ₹ 300 p.a.

Q15. Krishna, Arun and Reeta are partners sharing profits and losses in the ratio of 5:3:2 respectively. On 31st March, 2020 their Balance sheet was as under

Balance Sheet

As at 31 st March ,2020

Liabilities	Amount	Assets	Amount
Creditors	1,10,000	Goodwill	50,000
Reserve Fund	60,000	Buildings	2,00,000
Capital A/c		Patents	60,000
Krishna	3,00,000	Machinery	3,00,000
Arun	2,50,000	Stock	1,00,000
Reeta	1,50,000	Debtors	80,000
		Cash	80,000
	8,70,000		8,70,000

Reeta retires on the above date. Goodwill of the firm was valued at ₹ 2, 50,000.
Record the necessary journal entries on Rita's retirement assuming that goodwill is to be adjusted through partner's Capital accounts.

OR

Sushant and Salim are partners in a firm sharing profit and losses in the ratio of 3:2. At the time of distributing the net profit between the partners, interest on capital was credited @ 18% instead of 8% wrongly. Pass an adjusting journal entry to correct this error. Partners' Capitals are given on 31st March, 2019 as ₹ 5, 00,000 and ₹3, 00,000 respectively. Profit for the year amounted to ₹2,00,000.

Q16. The following is the Receipts and Payments Account of Surya Sports Club for the year ended 31st March, 2020.

Receipts and Payments Account
For the year ending 31st March ,2020

Receipts	Amount	Payments	Amount
To advertisement in club's year book	39,900	By Rent	1,12,000
To Grant	70,000	By Salary	1,96,000
To Entrance fees	24,500	By Telephone	17,500
To table tennis fees	28,000	By Postage	22,400
To Billiard fees	36,400	By Rent and Tax	50,400
To Bar Receipts	4,20,000	By Bar Purchase	3,15,000
To subscription	1,75,000	By Furniture	35,000
To Donation	84,000	By Stationery	56,000
		By Balance c/d	
		Cash	19,600
		Bank	53,900
	8,77,800		8,77,800

Additional Information

1. Donations are for specifically building fund
 2. Salary is paid @₹17,500 p.m. and salary of ₹ 7,000 is prepaid.
 3. Subscription in arrears ₹ 21,000 and received in advance ₹ 3,500
 4. Rent is paid for 3 years in advance.
 5. A person owed ₹ 10,500 for advertisement in club's year book
 6. Bar stock at the end ₹ 56,000 and stationery at the end ₹ 7,500
- You are required to prepare Income and Expenditure account for the year ended 31st March 2020.

Q17. P, Q and R are partners sharing profits and losses in the ratio of 3:1:1. On 1st April 2019 their Balance sheet stood as under

Balance sheet
as at 1st April, 2019

Liabilities	Amt₹	Assets	Amt(₹)
General Reserve	25,000	Land and Building	1,50,000
Profit and loss A/c	35,000	Machinery	50,000

Machinery Replacement fund	17,000	Machinery Replacement Fund Investments	17,000
Investments Fluctuation Fund	20,000	Furniture	10,000
Workmen's compensation Reserve	23,000	Investment (Market value ₹ 28,000)	30,000
Employees' provident Fund	30,000	Current Assets	1,18,000
Creditors	1,00,000	Advertisement Expenditure (Deferred revenue)	25,000
Capital			
P	1,00,000		
Q	30,000		
R	20,000		
	1,50,000		
	4,00,000		4,00,000

They admitted S into partnership for 1/5 th share of profits on the above date. A claim on account of workmen's compensation is estimated at ₹ 13,000. Give the necessary journal entries to adjust the accumulated profits and losses.

Q18. A B and C entered into partnership on 1st April 2019 beta capital of ₹ 300000, ₹ 200000 and ₹ 1, 00,000 respectively. In addition to Capital, C has advanced a loan of ₹ 100000. Since they had no agreement guide they faced following issues at the end of the year.

1. A wanted interest on capital to be provided @ 8% per annum but B and C did not agree.
 2. C wanted that interest on loan be paid to him @ 10% per annum but A and C wanted to pay @5% p.a.
 3. A and B demanded to share profits ratio of their capital contribution but C is not in agreement with this proposal.
 4. B, Being working partner demands lump sum payment of 40000 as remuneration which other partners are not in agreement.
- You are required to suggest and help them resolve these issues.

Q19.

Realisation Account

Particulars	Amount (₹)	Particulars	Amount (₹)
To Sundry Assets A/c	2,36,000	By Creditors	40,000
To Cash A/c (Creditors)	40,000	By Cash A/c (Assets realised)	2,00,000
To Cash A/c (Expenses)	6,000	By	
		
		42,000
	2,82,000		2,82,000

Partners' Capital Account

Particulars	S (₹)	T (₹)	Particulars	S (₹)	T (₹)
.....	By Balance b/d	1,24,000	72,000
To Cash A/c (Final payment)	98,800	55,200			

	1,24,000	72,000		1,24,000	72,000
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Cash Account

Particulars	Amt(₹)	Particulars	Amt(₹)
To Realisation a/c	2,00,000	By
		By
		By S Capital A/c (Final payment)
		By T Capital A/c (Final payment)
	2,00,000		2,00,000

Q20. VK Ltd issued 5,000, 9% debentures of ₹ 100 each at par for cash which are redeemable at 10% premium and also raised a loan of ₹ 80,000 from Shanghai bank; for which the company placed with the bank ₹1, 00,000, 95 debentures as collateral security.
Pass necessary journal entries.

Q21.

Anuj, Vishal and Shekhar were equal partners. Their balance sheet as at 31st March,2019 was

Balance sheet

as at 1st April, 2019

Liabilities	Amt₹	Assets	Amt(₹)
Bills payable	10,000	Bank	10,000
Sundry Creditors	20,000	Stock	10,000
General Reserve	15,000	Furniture and Fixtures	14,000
Profit and Loss A/c	3,000	Sundry Debtors	22,500
Capital A/c		(-) Provision for Doubtful Debts (2,500)	20,000
Anuj	30,000	Buildings	60,000
Vishal	20,000		
Shekhar	16,000		
	66,000		
	1,14,000		1,14,000

Vishal retired on 1st April, 2019. Anuj and Shekhar decided to continue the business as equal partners on the following terms

(i) Goodwill of the firm was valued at ₹ 28,800.

(ii) The provision for bad and doubtful debts to be maintained @ 10% on debtors.

(iii) Buildings to be increased to ₹ 66,000.

(iv) Furniture and fixtures to be reduced by ₹ 4,000.

(v) Rent outstanding (not provided for as yet) was ₹ 750.

The partners decided to bring in sufficient cash in the business to pay –off Vishal. For this purpose, Anuj brought ₹ 12,250 and Shekhar ₹ 26,250.

Prepare the necessary ledger accounts and the balance sheet.

OR

Anita and Sanjay are partners dealing in manufacturing plastic polythenes, with profit sharing ratio of 2 : 1. Their balance sheet as at 31st March 2019 was as under when the government banned the plastic polythene and therefore. They shifted to manufacturing paper bags.

Balance sheet

as at 1st April, 2019

Liabilities	Amt₹	Assets	Amt(₹)
Bills payable	60,000	Cash in hand	20,000
Sundry Creditors	60,000	Cash in Bank	80,000
Salaries Outstanding	10,000	Sundry Debtors	40,000
profit and Loss A/c	30,000	Stock	60,000
Capital A/cs		Machinery	1,70,000
Anita 30,000		Goodwill	90,000
Sanjay 20,000	3,00,000		
	4,60,000		4,60,000

They admitted Sonu into partnership on 1st April, 2019. The new profit sharing ratio is agreed as 2: 1:
1. Other terms of Sonu's admission were as under

(i) He will bring in ₹ 1,20, 000 through cheque. As his share of capital and ₹ 30,000 as his share of goodwill.

(ii) Machinery is to be appreciated by 10%

(iii) Stock overvalued by ₹ 2,000.

(iv) A provision for doubtful debts is to be created at 5% on debtors.

(v) Creditors are unrecorded to the extent of ₹ 7,000.

Prepare the revaluation account. Partners' capital accounts and Bank account.

Q22. XYZ company ltd offered for public subscription 10,000 shares of ₹10 each at ₹11 per share. Money was payable as follows: ₹3 on application, ₹ 4 on allotment including premium, ₹ 4 on first and final call. Applications were received for 12,000 shares and the directors made pro-rata allotment. Akanksha an applicant for 120 shares could not pay allotment and call money. Shalu, a holder of 200 shares failed to pay the call. All these shares were forfeited.

Out of the forfeited shares 150 shares (the whole of Akanksha's shares being included) were issued at ₹8 per share. Record journal entries for the above transactions

OR

Hindustan Ltd invited application for 1, 40,000 equity shares of ₹ 12 each payable as under Application ₹2; on allotment ₹2; on first call ₹3; on final call ₹3.

Applications were received for 2, 10,000 shares and pro-rata allotment was made to all the applicants. All the shareholders paid the amount due with the following exceptions

I. Rajeev who was allotted 1400 shares failed to pay allotment and calls.

ii. Sanjeev who was allotted 1050 shares paid only application and allotment.

These shares were forfeited and subsequently 1800 shares were reissued as fully paid at a discount of 20%. Shares reissued include 1000 shares of Rajeev and 800 shares of Sanjeev. Pass necessary journal entries.

SECTION B FINANCIAL STATEMENT ANALYSIS

Q23. The assets which cannot be realised in cash or from which no further benefit can be derived are known as

A. Tangible assets

- B. Intangible Assets
- C. Fictitious Assets
- D. None of the above

Q24. Livestock is an item of _____ assets under subhead _____ assets.

- A. Intangible, current
- B. Inventories, current
- C. Trade receivables, fixed
- D. Tangible, fixed

Q25. If cash balance is given as ₹10,000; Trade payables ₹80,000; Inventory ₹ 1, 00,000; Trade receivables ₹1, 30,000; prepaid expenses ₹ 20,000 and Creditors ₹60,000. What will be the amount of current assets?

Q26. Ratio analysis under financial statement analysis is significant as it:

- A. Helps in window dressing
- B. Does not requires any standards
- C. Ignores qualitative factors
- D. Helps in locating weak points of the firm

Q27. If current assets are ₹ 1, 00,000, current liabilities are ₹ 50,000, inventories ₹ 6,000 and prepaid expenses ₹ 10,000. What is the value of quick assets?

- A. ₹ 50,000
- B. ₹ 94,000
- C. ₹ 90,000
- D. ₹ 84,000

Q28. Complete this formula

Opening stock+ Net Purchases + Direct expenses –Closing stock= _____.

Q29. The accountant of HP Ltd while preparing cash flow statement added loss on sale of fixed assets to net profit for calculating cash flow from operating activities. Was he correct in doing so?

Q. 30 On the basis of the following information, calculate any two ratios:

- (a) Operating Ratio;
- (b) Inventory (Stock) Turnover Ratio;
- (c) Proprietary Ratio.

Information:

Cash Revenue from Operations		₹ 10, 00,000
Credit Revenue from Operations	120% of Cash Revenue from Operations	
Operating Expenses	10% of total Revenue from Operations	
Gross Profit Ratio		40%
Opening Inventory		₹ 1, 50,000
Closing Inventory	₹ 20,000 more than Opening Inventory	
Current Assets		₹ 3, 00,000
Current Liabilities		₹ 2, 00,000
Share Capital		₹ 6, 00,000
Fixed Assets		₹ 5, 00,000

OR

Under which head and sub-head will the following items appear in the Balance Sheet of a Company?

- I. Share option outstanding account
- II. Interest accrued and due on secured loans
- III. Advances recoverable in cash

Q31. Prepare common size statement of profit and loss from the following statement of profit and loss

Statement of profit and loss
For the year ending 31st March ,2020

	Particulars	Note No.	31st March, 2020 Amt (₹)
I	Income		
	Revenue from Operations		10,00,000
	Other Income		2,00,000
	Total Revenue		12,00,000
II	Expenses		
	Purchases of stock-in-trade		5,00,000
	Change in Inventories of Stock-in-trade		2,50,000
	Other Expenses		1,50,000
	Total		9,00,000
III	Net Profit before Tax (I - II)		3,00,000

OR

Prepare a Comparative Statement of Profit and Loss from the following:

Particulars	31st March 2019	31st March 2020
Revenue from Operations	20,00,000	25,00,000
Cost of materials consumed	10,00,000	13,00,000
Other expenses	Nil	1,20,000
Tax rate	50%	50%

Q32. From the following Balance Sheets of P Ltd. as at 31st March, 2016 and 31st March, 2015 prepare Cash Flow Statement:

BALANCE SHEET OF P LTD.
(As at 31st March, 2016 and 31st March, 2015)

Particulars	Note No.	31 st March, 2016(₹)	31 st March, 2015 (₹)
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I. EQUITY AND LIABILITIES			
1. Shareholders' fund			
(a) Share Capital		6,00,000	4,00,000
(b) Reserve and surplus	1	2,00,000	1,00,000
2. Non-Current Liabilities			
Long Term borrowings: Bank Loan			
3. Current Liabilities		1,00,000	2,00,000
(a) Trade Payable (Creditors)		45,000	60,000
(b) Short Term Provisions	2	1,30,000	1,20,000
Total			
		10,75,000	8,80,000
II Assets			
1. Non-Current Assets			
(a) Fixed Assets:			
(i) Tangible Assets: Machinery(Net)		6,00,000	6,00,000
(ii) Tangible Assets: Patents		45,000	50,000
(b) Non-Current Investment		75,000
2. Current Assets			
(a) Inventories			
(b) Trade Receivable		15,000	10,000
(c) Cash and Cash equivalents		2,55,000	2,00,000
Total		85,000	20,000
		10,75,000	8,80,000

Notes to Account:

Particulars	31 st March, 2016(₹)	31 st March, 2015 (₹)
1. Reserves and Surplus Surplus, i.e. Balance in Statement of Profit and Loss	2,00,000	1,00,000
2. Short-term Provisions Provision for tax Proposed Dividend	70,000 60,000	40,000 80,000
	1,30,000	1,20,000

Additional Information:

- (i) During the year, a machine costing ₹ 75,000 was purchased. Loss on sale of Machinery was ₹ 5,000. Depreciation charged on machinery was ₹ 12,000.
- (ii) Tax paid during the year was ₹ 50,000.

Sample Question Paper 2020-21

Accountancy-XII

M.M : 80

General Instructions:

This question paper comprises two Parts – A and B.

There are 32 questions in the question paper.

All questions are compulsory.

Question nos. 1 to 13 and 23 to 29 are very short answer type questions carrying 1 mark each.

Question nos. 14 and 30 are short answer type–I questions carrying 3 marks each.

Question nos. 15 to 18 and 31 are short answer type–II questions carrying 4 marks each.

Question nos. 19, 20 and 32 are long answer type–I questions carrying 6 marks each.

Question nos. 21 and 22 are long answer type–II questions carrying 8 marks each.

There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, 2 questions of four marks and 2 questions of eight marks.

Part-A

(Accounting for Not-for-Profit organizations, Partnership firms and Companies)

Q.1 Opening balance of prize fund was Rs. 16,400. During the year, donations received towards this fund amounted to Rs. 7,700, while amount spent on prize was Rs. 6,150 and interest received on prize fund investment was Rs. 2,000. The closing balance of prize fund will be: (1)

(A) Rs. 28,250

(B) Rs. 32,250

(C) Rs. 19,950

(D) Rs. 15,950

Q.2 Ram, Raghav and Raghu are partners in a firm sharing profits in the ratio of 5:3:2. As per partnership deed, Raghu is to get a minimum amount of Rs. 10,000 as profit. Net profit for the year is Rs. 40,000. Calculate deficiency, if any, to Raghu: (1)

(A) Rs. 750

(B) Rs. 2,000

(C) Rs. 1,500

(D) None of these

Q.3 'X' Ltd. Purchased the assets from 'Y' Ltd. for Rs. 16,20,000. 'X' Ltd. issued 10% debentures of Rs. 10 each at 10% discount against the payment. The number of debentures issued by 'X' Ltd. will be: (1)

(A) 16,200

(B) 18,000

(C) 1,80,000

(D) 1,62,000

Q.4 Aman is a partner of a partnership firm with a fixed capital of Rs. 9,00,000. He withdrew Rs. 60,000 during financial year 2018-19. What will be the journal entry? (1)

(A) Drawing A/c Dr. 60,000

To Aman's Current A/c 60,000

(B) Drawing A/c Dr. 60,000

To Aman's Capital A/c 60,000

(C) Aman's Current A/c Dr. 60,000

To Drawings A/c 60,000

(D) Aman's Capital A/c Dr. 60,000

To Drawings A/c 60,000

Q.5 A, B and C are partners with capitals Rs. 1,00,000, Rs. 75,000 and Rs. 50,000 respectively. On C's retirement, his share is acquired by A and B in the ratio of 5:3. Gaining ratio will be: (1)

(A) 3:2

(B) 2:2

(C) 5:3

(D) None of these

Q.6 'X', 'Y' and 'Z' are partners sharing profits in the ratio of 3:2:1. They agree to admit 'G' into the firm. 'X', 'Y' and 'Z' agreed to give $\frac{1}{3}$ rd, $\frac{1}{6}$ th and $\frac{1}{9}$ th share of their profits respectively. The share of profit of 'G' will be: (1)

(A) $\frac{11}{54}$

(B) $\frac{13}{54}$

(C) $\frac{1}{10}$

(D) $\frac{12}{54}$

Q.7 A, B and C are partners sharing profits equally. A drew regularly Rs. 4,000 in the beginning of every month for the six months ended 30th September, 2020. Calculate interest on A's drawing @ 5% p.a. (1)

- (A) Rs. 200 (B) Rs. 1,200
 (C) Rs. 350 (D) Rs. 700

Q.8 When debenture amount is received in lumpsum, Is credited with bank account. (1)

- (A) Debenture application and allotment A/c (B) Debenture A/c
 (C) Debenture Allotment A/c (D) Debenture Application A/c

Q.9 V, W and X are partners in a firm with profit sharing ratio of 3:2:1 respectively. The extract of their Balance Sheet is as follows: (1)

Liabilities	Amount	Assets	Amount
Workmen Compensation Reserve	48,000		

At the time of retirement of X, if liability for workmen compensation to the extent of Rs. 24,000 is to be created, then at what amount will workmen compensation reserve is shown in new balance sheet?

- (A) Rs. 48,000 (B) Rs. 24,000
 (C) Rs. 72,000 (D) Not to be shown in new balance sheet

Q.10 The 'share of premium for goodwill' brought in by the new partner is divided in which ratio? (1)

- (A) In new ratio (B) In old ratio
 (C) In sacrificing ratio (D) None of these

Q.11 Ashish and Avinash are partners sharing profits in the ratio of 10:2. Ankit is admitted and the new profit sharing ratio is now 10:6:4. Date of admission, general reserve appears in the books at Rs. 48,000. Avinash's share in the Reserve will be: (1)

- (A) Rs. 8,000 (B) Rs. 40,000

(C) Rs. 14,400 (D) None of these

Q.12 If a partner withdraws equal amount at the end each quarter, then..... Are to be considered for interest on total drawings. (1)

(A) 5.5 months (B) 6 months

(C) 4.5 months (D) 7.5 months

Q.13 Salaries Rs. 4,00,000; salaries outstanding at the end of the year Rs. 48,000; salaries paid in advance Rs.30,000. Income and expenditure account will show..... balance of salaries. (1)

Q.14 Subscription received during the year ended 31st March, 2019 at youth club who are as under: (3)

2017-18 Rs.5000

2018 19 Rs.90000

2019-20 Rs. 2500

The club has 1,000 members each paying rupees hundred as annual subscription. Subscription outstanding as on 31st March, 2018 were Rs. 9000. Calculate the amount of subscription to be shown in the Income and Expenditure Account and total outstanding subscription on 31st March 2019.

OR

From the following information, calculate outstanding subscription for the year 2019.

Particulars	1 st January, 2019	31 st December, 2019
Advance subscription received	14,000	5,600

Total subscription received during the year is Rs. 56000. There are total 300 members each paying Rs. 300 per annum.

Q.15 X, Y and Z were partners in a firm sharing profits in the ratio of 5:3:2. Goodwill appeared in their books at a value of Rs. 60,000 and general reserve at Rs. 20,000. Y decided to retire from the firm. On the date of his retirement, goodwill of the firm was valued at Rs. 2,40,000. The new profit-sharing ratio decided among x and z was 2:3. Recording necessary journal entries on Y's retirement. (4)

Q.16 Prabhu Darbar Pvt. Ltd. issued 20,000, 9% debentures of Rs.100 each to the public at 10% discount on 1st April 2018. These debentures are redeemable after 6 years at a premium of 10%.

Pass the necessary journal entries for issue of debentures and writing off loss on issue of debentures in same year of issue, if company has a balance of Rs. 1,60,000 securities premium reserve account. (4)

Q.17 Khushi, Avni and Rita are partners sharing profits and losses in the ratio of 5:3:2 respectively. On 31st March, 2020 their balance sheet was as under: (4)

Balance Sheet
(As at 31st March, 2020)

Liabilities	Amount	Assets	Amount
Sundry Creditors	1,10,000	Goodwill	50,000
Reserve Fund	60,000	Buildings	2,00,000
Capital A/cs:		Patents	60,000
Khushi	3,00,000	Machinery	3,00,000
Avni	2,50,000	Stock	1,00,000
Rita	1,50,000	Debtors	80,000
		Cash	80,000
	8,70,000		8,70,000

Rita retires and above date. Goodwill of the firm valued at Rs.250000. Record the necessary journal entries on Rita's retirement, assuming that goodwill is to be adjusted through partners' capital account.

OR

S and P are two partners in a firm sharing profits and losses in the ratio of 3:2. At the time of distributing the net profit between the partners, interest on capital was credited @ 18% instead of 8% wrongly. Now, pass an adjusting journal entry to correct this error.

Partners' capitals are given on 1st April 2018 as Rs. 5,00,000 and Rs.3,00,000 respectively. Profit on 31st March 2019 is Rs. 2,00,000.

Q.18 What journal entries would be passed for the following transactions On The dissolution of a firm of partners Raju and Priya, after various Assets and third-party liabilities have been transferred to Realisation Account? (4)

- (i) workmen compensation reserve stood at Rs. 6,000 and a liability in respect of it was ascertained at Rs. 6,000.
- (ii) there was no workmen compensation reserve and firm had to pay Rs. 1,500 as compensation to the workers.
- (iii) Building (Book value Rs. 50,000) sold for Rs. 80,000 through a broker who charged 2% Commission.
- (iv) investments (Book value Rs. 4,000) Realised 150%.

Q.19 Following is the Receipts and Payments Account of Star Club for the year ending 31st March, 2020. (6)

Receipts and Payments Account
(For the year ending 31st March, 2020)

Receipts	Amount	Payments	Amount
To Balance b/d	984	By Salaries	4,992
To Subscriptions (including Rs. 160 for 2018-19 and Rs. 240 for 2020-21)	7,280	By Stationery	456
To Interest on investments	3,240	By Meeting Expenses	720
To Sale of Machinery (Book value Rs. 400)	480	By Books	1,600
		By Investments	1,600
		By Balance c/d	2,616
	11,984		11,984

Additional Information:

(i) on 1st April 2019 the club had investments Rs. 64,000, machinery Rs. 4,800, books Rs. 8,000.

(ii) salary outstanding on 31st March 2019 Rs. 416 and on 31st March, 2020 Rs. 528.

Prepare Income and Expenditure account for the year ending 31st March, 2020 and a balance sheet as on that date.

Q.20 (i) Sultan Ltd. purchased from Maxima Ltd. a plant for Rs. 3,60,000 payable in 15% Debentures of Rs. 100 each. Give necessary journal entries in the books of Sultan Ltd. if debentures are issued at 20% premium and at 10% discount. (6)

(ii) Caring wishes Ltd. issued 2,000, 6% debentures of Rs. 100 each at a discount of 10% on 1st April, 2017 redeemable at par after four years. All the debentures were subscribed. The company has a balance of Rs. 12,000 in Securities Premium Reserve. The company decided to use securities premium reserve for writing off the loss and also decided to write off the remaining discount in the first year itself.

Pass the Journal Entries for the issue of debentures and writing off the discount.

Q.21 CANDID Ltd. Invited applications for issuing 75,000 equity shares of Rs. 100 each of at a premium of of Rs. 30 per share. The amount was payable as follows: (8)

On application and allotment- Rs. 85 per share.

On first and final call- the balance amount.

Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on Pro Rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards some due on first and final call. The calls were made.

A shareholder, applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. Call the forfeited shares were re- issued at Rs. 150 per share fully paid up.

Necessary journal entries for the above transactions in the books of CANDID Ltd.

OR

Jatin Limited has been registered with an Authorised capital of Rs. 2,00,000 divided into 2,000 shares of Rs. 100 each of which 1,000 shares were offered for public subscription at a premium of Rs. 5 per share payable as under

On application Rs. 10; on allotment Rs. 25 (including premium); on first call Rs. 40 and on final call Rs. 30.

Applications were received for 1,800 shares of which applications for 300 shares were rejected outright, the rest of the applications were allotted 1,000 shares on Pro Rata basis. Excess application money was transferred to allotment.

All the money were duly received except from Sachin, holder of 200 shares, who failed to pay allotment and first call money. His shares were later on forfeited and re-issued to Shyam at Rs. 60 per share, as Rs. 70 paid up. Final call has not been made. Record necessary journal entries.

Q.22 A and B are partners sharing profits and losses in the ratio of 1:1. Following is their Balance Sheet.

(8)

Balance Sheet
(As at 31st March, 2019)

Liabilities	Amount	Assets	Amount
Creditors	1,00,000	Cash	50,000
General Reserve	60,000	Debtors	60,000
Workmen Compensation Reserve	40,000	Building	2,00,000
Employees Provident Fund	50,000	Machinery	1,00,000
Bills Payable		Stock	80,000
Capital A/cs:		Patents	20,000
A	2,00,000	Investments	50,000
B	1,00,000	Goodwill	20,000
		Profit and Loss	20,000
	6,00,000		6,00,000

Adjustments:

(i) C comes for 1/6th share and brings capital of Rs. 1,00,000 and proportionate share in goodwill.

(ii) Goodwill of the firm is valued at Rs. 1,20,000.

(iii) Half of the premium is withdrawn by the old partners.

(iv) Rs. 20,000 unrecorded typewriters brought into books.

(v) Make Rs. 5,000 provision for unforeseen liabilities.

(vi) Bills payable paid off.

(vii) Building was found undervalued by Rs. 40,000.

Prepare Revaluation Account, Partner's Capital Account and Balance Sheet.

OR

Randhir, Rishi and Rajeev are partners with 2:2:1 ratio.

Balance Sheet

(As at 31st March, 2019)

Liabilities	Amount	Assets	Amount
Creditors	60,000	Cash	30,000
General Reserve	20,000	Bank	20,000
Workmen Compensation Reserve	10,000	Building	1,00,000
Capital A/cs:	60,000	Debtors	50,000
Randhir	40,000	Investments	20,000
Rishi	40,000	Deferred Revenue Expenses	10,000
Rajeev			
	2,30,000		2,30,000

Adjustments:

(i) Rajeev takes retirement.

(ii) New profit-sharing ratio between Randhir and Rishi is 11:9 and goodwill of the firm is valued at Rs. 40,000.

(iii) Investment is taken over by Rajeev at Rs. 15,000.

(iv) Rs. 6,000 worth unrecorded typewriter is taken by Randhir at Rs. 5,000.

(v) Building increased by 10%.

(vi) Rs. 10,000 paid to Rajeev in cash and the balance transferred to his loan account.

Prepare necessary accounts and Balance Sheet.

Part – B

(Analysis of Financial statements)

Q.23 Apex Ltd. is a financial company which provides loan and invest into shares. At the year end, company received Rs. 80,000 interest on loan. Where will be the amount of interest presented?

- (A) Amount of interest will be shown in investing activities. (1)
- (B) Amount of interest will be shown in financing activities.
- (C) Amount of interest will be shown in operating activities.
- (D) None of the above

Q.24 Live stock is an item of assets under sub-head fixed assets and the major head non-current assets. (1)

- (A) Tangible (B) Inventories
- (C) Trade receivables (D) Intangible

Q.25 If cash balance is given as Rs. 10,000; Trade payable Rs. 80,000; Inventory Rs. 1,00,000; Trades receivable Rs. 1,30,000; Prepaid expenses Rs. 20,000 and Creditors Rs. 60,000. What will be the amount of current assets? (1)

- (A) Rs. 2,50,000 (B) Rs. 2,60,000
- (C) Rs. 3,20,000 (D) Rs. 2,40,000

Q.26 Which of the following is not an item of sub-head other current liabilities in balance-sheet? (1)

- (A) Creditors (B) Outstanding expenses
- (C) Advance Income (D) Both (a) and (b)

Q.27 Ratio Analysis and Cash Flow are used for in accounting. (1)

Q.28 Ratio Analysis under financial statement analysis is significant as it: (1)

- (A) helps in window dressing (B) Does not require any standards
- (C) Ignores qualitative factors (D) Helps in locating weak points of the firm

Q.29 Which activities result in changes in the size and composition of the owners' capital and borrowings of the enterprise? (1)

Q.30 From the following information, calculate any two of the following ratios: (3)

- (i) Debt to Equity Ratio (ii) Working capital turnover ratio

Additional information:

Equity share capital Rs.25,000, general reserve Rs. 2,500, balance of statement of profit and loss after interest and tax Rs. 7,500, 9% debentures Rs. 10,000 creditors Rs. 7,500, land and building Rs. 32,500, equipment Rs. 7,500, debtors Rs. 7,250, cash Rs. 2,750, revenue from operation, i.e. sales for the year ended 31st March, 2020 was Rs. 50,000, tax rate is 50%.

OR

Assuming that debt equity ratio is 2:1. State giving reasons, whether this ratio will increase or decrease or will have no change in each of the following cases:

- (i) Sales of fixed assets (book value Rs. 40,000) at a loss of Rs. 5,000.
(ii) Issue of new shares for cash.
(iii) Redemption of debentures for cash.

Q.31 From the following information given, prepare common size statement of profit and loss (4)

Particulars	2019 (Amount)	2020 (Amount)
Revenue from operations	10,00,000	12,50,000
Depreciation and amortization	20,000	30,000
Changes in inventories of stock-in-trade	30,000	(20,000)
Other expenses	30,000	50,000
Purchase of stock-in-trade	7,20,000	8,70,000
Tax	50,000	50,000

OR

Prepare comparative statement of profit and loss from the following statement of profit and loss.

Particulars	2019 (Amount)	2020 (Amount)
Revenue from operations	3,00,000	3,50,000
Changes in inventories of stock-in-trade	20,000	15,000
Other expenses	5,000	7,500
Purchase of stock-in-trade	1,80,000	2,10,000

Employees Benefit expenses	15,000	17,500
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Q.32 From the following balance sheet of Vikash Ltd. as on 31st March, 2019 and 2020, prepare a cash flow statement (6)

Balance Sheet

(As at 31st March, 2019 and 2020)

Particulars	Note No.	31 st March, 2019	31 st March, 2020
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		90,000	1,30,000
(b) Reserves and Surplus		48,000	84,000
2. Current Liabilities			
Trade Payables		17,400	22,000
Total		1,55,400	2,36,000
II. ASSETS			
1. Non-Current Assests			
Fixed Assets		93,400	1,66,000
2. Current Assets			
(a) Inventories		22,000	26,000
(b) Trade receivables		36,000	39,000
(c) Cash and Cash Equivalents		4,000	5,000
Total		1,55,400	2,36,000

Notes to Accounts:

Particulars	2019(Amount)	2020 (Amount)
1. Reserves and Surplus		
General Reserve	30,000	55,000
Balance of statement of profit and loss	20,000	30,000
Preliminary Expenses	(2,000)	(1,000)

Additional Information:

- a) Depreciation charged on fixed assets for the year 2019-20 was Rs. 20,000
- b) Income tax Rs. 5,000 has been paid during the year.