Class

XII

ACCOUNTANCY

SAMPLE PAPER

CBSE / ISC

Examination 2016

Dr. VISHAL SAXENA

Dr. VISHAL SAXENA'S COMMERCE CLASSES

H.O- SAHARA STATES, JANKIPURAM B.O- LEKHRAJ PANNA, VIKASNAGAR

SAMPLE QUESTION PAPER

XII - Accounts

Dr. VISHAL SAXENA

OnlineGatha – The Endless Tale

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XII - Accounts

[Time Allowed: 3 Hours]
[Max. Marks : 90]

1. (i) Mention any two differences between Revaluation Account and Realisation Account.

(ii) Give any two differences between fixed capital method and fluctuating capital method.

(iii) What is the accounting treatment when debentures are issued as a collateral security?

(iv) Give any two differences between Revaluation Account and Realization Account.

(v) State with reason whether a company can issue a share having a face value of ` 20 at `17.

(vi) Give the adjusting and closing entry for interest on calls in arrears due from a share holder.

(vii) State the provisions of the Indian Partnership Act, 1932, regarding charging of interest on drawings from a partner when :

(a) The firm has a partnership deed.

(b) The firm does not have a partnership deed.

(viii) What is meant by number of years purchase in the valuation of a firm's goodwill?

(ix) List any four items that may have to be deducted from a deceased partner's capital account while computing the amount payable to his legal representatives. (2 marks)

(x) Why is premium received on the issue of debentures considered a capital profit? (2 marks)

2. Basu, Harish and Jadav are partners in a firm with capital contributions of ` 50,000,

` 40,000 and ` 30,000 respectively.

Their partnership agreement provides for the following :

(i) Interest on capitals to be allowed @ 10% p.a.

(ii) Interest on drawings to be charged @ 10% p.a.

(iii) Harish and Jadav are each to be paid salaries @ ` 500 per month.

(iv) Basu is to be paid a commission of 5% of the net profit.

(v) The remaining profits are to be divided as follows :

40% to Basu; 30% to Harish; 20% to Jadav and 10% carried to a Reserve Account. The net profit for the year ended 31.12.08 was ` 50,000. Basu withdrew ` 1,000 per month of the beginning of each month, Harish withdrew ` 1,000 per month in the middle of each month and Jadav withdrew ` 1,000 per month at the end of each month.

You are required to prepare the Profit and Loss Appropriation Account for the year ended 31.12.08 only. (10 marks)

3. Mitra Ltd. invited applications from the public for the issue of 60,000 shares of

` 10 each, at a discount of 10%, payable as:

` 3 per share on application.

` 5 per share on allotment. Balance on Call.

The public subscribed for 50,000 shares ` 2,49,000 were received by the company on allotment and ` 49,000 on call. The company forfeited those shares on which both, allotment and call money was not received. 7% of the forfeited shares were reissued at ` 7 per share, fully called up.

The company had ` 45,000 in its Security Premium Reserve Account which it used to write off any miscellaneous expenditure incurred during the year.

You are required to pass the necessary journal entries to record the above transactions. (10 marks)

4. Angad, Kunal and Nitin were partners sharing profit and losses in the proportion of 2 : 2 :1

Liabilities		Amount (`)	Assets		Amount (`)
Capital Accounts:			Stock		12,500
Angad	12,500		Machinery		17,500
Kunal	15,000		Motor Van		4,000
Nitin	20,000	47,500	Buildings		22,500
Creditors		10,000	Bank		1,250
Bills payable		2,000	Debtors	8,000	
General Reserve		6,000	Less provision for doubtful debts	(250)	7,750
		65,500			65,500

Kunal retires on 1st April, 2013, subject to the following adjustments:

(a) Provision for bad and doubtful debts to be increased by ` 975.

(b) Stock to be appreciated by 20% and Building by 10%.

(c) Machinery to be depreciated by 10% and Motor Van by 15%.

(d) Goodwill of the firm to be valued at ` 9,000.

(e) The capitals of the continuing partners are to be adjusted according to the new profit sharing ratio which is agreed between Angad and Nitin as 3 : 2 respectively.

(f) Excess or shortfall in Angad's and Nitin's Capital Accounts to be transferred to their respective Current Accounts.

You are required to prepare:

(i) Revaluation Account.

(ii) Partners' Capital Accounts.

(iii) Balance Sheet of the reconstituted firm.

5. **]** The Balance Sheet of Arun, Tarun and Varun who were sharing profits in the ratio of 4:3:2 stood as follows on 31st December 2004.

Balance Sheet

(as on 31st December 2004)

Liabilities	**Amount** `	**Assets**	**Amount** `
Creditors	19,000	Stock	25,000

Provident Fund	12,500	Cash at Bank	2,500
General Reserve	4,500	Debtors	15,500
Capital:		Advertising Expenditure A/c	9,000
Arun 40,000		Plant & Machinery	34,000
Tarun 30,000		Building	45,000
Varun 25,000	95,000		
	1,31,000		1,31,000

Tarun retired on the above date on the following terms:

(i) The assets and liabilities need not be revalued.

(ii) The Goodwill of the entire firm be fixed at ` 10,800 and Tarun's share of the same be adjusted into the accounts of Arun and Varun who are to share the profits in future in the ratio of 5:3.

(iii) The entire capital of the new firm be fixed at ` 56,000 and the capitals of Arun and Varun to be proportionate to their new profit sharing ratio. For this purpose actual cash is to be brought in or paid off.

Prepare:

(a) The Capital Accounts of Arun and Varun and after the retirement of Tarun.

(b) The Balance Sheet of Arun and Varun after the retirement of Tarun (10 marks)

6. You are required to pass journal entries for the issue of debentures in the following conditions:

(a) Ben Ltd. issued 5,000, 12% Debentures of ` 100 each at par, redeemable at 5% premium after five years.

(b) Rex Ltd. Issued ` 2,00,000, 12% Debentures of ` 100 each at a discount of 2%, redeemable at a premium of 5% after 10 years.

(c) Josh Ltd. Issued 6000, 12% Debentures of ` 100 each at a premium of 5%, redeemable at a premium of 10% after 6 years.

(d) Oxygen Ltd. issued ` 30,000, 7% debentures of ` 100 each to a Creditor for ` 25,000 in full satisfaction of his claim. The company had purchased machinery from him.

7. (a) In 2010, Ganga Ltd. was registered with an authorized capital of ` 1,00,000 in Equity shares of ` 10 each. Of these, 4,000 equity shares were issued as fully paid to vendors for the purchase of Plant and Machinery and the remaining 6,000 shares were subscribed for, by the public for cash. During the first year, ` 6 per equity share

was called up, on these 6,000 shares, payable ` 3 on application, ` 1 on allotment and ` 2 on the first call. The amount received in respect of these shares were as follows: On 5,000 shares, the full amount called. On 600 shares, ` 4 per share. On 400 shares, ` 3 per share.

The company forfeited all those shares on which only ` 3 had been received and reissued them at ` 4 per share, ` 6 called up.

Journalize the transactions in the books of the company and prepare a Calls-in Arrear Account.

(b) Under which heads and sub heads will the following items appear in the Balance Sheet of a company as per Revised Schedule VI of the Companies Act, 1956:

(i) Bills Receivable
(ii) Interest accrued and due on debentures
(iii) Trade Creditors
(iv) Provision for Taxation
(v) Stores and spares

8. Aman and Harsh were partners in a firm. They decided to dissolve their firm. Pass necessary journal entries for the following after various assets (other than Cash and Bank) and third party liabilities have been transferred to Realisation A/c.

(a) There was furniture worth ` 50,000. Aman took over 50% of the furniture at 10% discount and the remaining furniture was sold at 30% profit on book value.

(b) Profit and Loss Account was showing a credit balance of ` 15,000 which was distributed between the partners.

(c) Harsh's loan of ` 6,000 was discharged at ` 6,200.

(d) The firm paid realization expenses amounting to ` 5,000 on behalf of Harsh who had to bear these expenses.

(e) There was a bill for ` 1,200 under discount. The bill was received from Soham who proved insolvent and a first and final dividend of 25% was received from his estate.

(f) Creditors, to whom the firm owed ` 6,000, accepted stock of ` 5,000 at a discount of 5% and the balance in cash.

(g) The loss on dissolution was ` 8,000.

9. (a) How does the quality of Ratio Analysis of a business depend upon the accuracy of its financial statements `

(b) From the following information, calculate Trade Receivables Turnover Ratio:

Particulars	Amounts
Credit Revenue from Operations	` 9,60,000
Gross Debtors	` 1,90,000
Bills Receivable	` 50,000
Provision for Doubtful Debts	` 10,000

(c) From the following information, calculate the following ratios (up to two decimal places):

(i) Debt-Equity Ratio

(ii) Interest Coverage Ratio

(iii) Proprietary Ratio

Particulars	Amount (`)
Equity Share Capital	2,00,000
5% Preference Share Capital	60,000
General Reserve	1,20,000
fixed Assets	5,05,000
Current Assets	1,20,000
Current Liabilities	40,000
Loan @ 10% Interest	5,00,000

Tax paid during the year	30,000
Profit for the current year after interest and tax (available for the	–
shareholders)	90,000

10. From the following data, prepare a Common Size Balance Sheet of Teak Wood Ltd: (Note : Current year's figures appear in the first column and the previous year's figures are in the second column.)

Particulars	**31.03.2013 (`)**	**31.03.2013 (`)**
Share Capital	3,00,000	2,40,000
Reserves and Surplus	80,000	70,000
Trade Payables	1,00,000	1,10,000
Trade Receivables	1,90,000	1,80,000
Short Term Provision	40,000	15,000
Fixed Assets	2,90,000	2,30,000
Long Term Provision	80,000	65,000
Current Investments	10,000	8,000
Inventory	1,01,000	72,000
Cash and Cash Equivalents	9,000	10,000

(10 marks)

11. (a) State with reason whether the following would result in inflow, outflow or no flow of cash:

(i) Charging depreciation on furniture.

(iii) Cash withdrawn for bank for office use.

(b) From the following extracts of company's Balance Sheets, calculate for the year ending 31st March, 2013 :

(i) Cash from investing activities.

(iii) Cash from financing activities.

(**Note:** Current year's figures appear in the first column and the previous year's figures are in the second column.)

Particulars	**2012-13 (`)**	**2011-12 (`)**
Equity Share Capital	13,00,000	12,00,000
Long Term Borrowing (10% Bank Loan)	60,000	1,00,000
Proposed Dividend	20,000	21,000
Fixed assets:		
Plant and Machinery	1,70,000	1,40,000
Less Accumulated Depreciation	(24,000)	(40,500)
	1,46,000	99,500
Non-current investments	. 1,00,000	20,000

Land (at cost)	5,00,000	7,00,000
Goodwill	30,000	40,000

Additional information:

(i) The Loan instalment and interest on loan was paid at the end of the financial year.

(ii) During the year 2012-13:

(a) Dividend of ` 17,000 was proposed.

(b) The company provided depreciation on Plant and machinery amounting to ` 13,500.

(c) The company sold 70% of its non-current investments which it held at the beginning of the year, at a profit of 20% on its book value.

All the Best !

Dr. Vishal Saxena

MBA (Finance), M.Com, UGC-NET (Comm.), M.Phil. (Comm.), Ph.D. (L.U.)

Renowned Author & Career Counsellor

Senior Assistant Professor & Faculty In-charge B.Com Honors

National P.G. College, Lucknow