Bharatiya Vidya Bhavan's V.M Public School Vadodara

Accountancy

Class XII

2017-18

Sample Paper-10

TIME: 3 HOURS **MARKS: 80**

GENERAL INSTRUCTIONS:

1. This question paper contains three parts A, B & C.
2. Part A is compulsory for all candidates.
3. Candidates can attempt *one* part of the remaining parts B & C.
4. All part of the questions should be attempted at one place.

1.Under what circumstances the fixed capital of partnership firm changes? **(1)**

2.P and J are partners. They admitted B for 1/4th share. What is the ratio in which P and J will sacrifice their share in favour of B? **(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 reissued? **(1)**

6.What is meant by 'Minimum Subscription'? **(1)**

7.A, B and C are partners in a firm. They had omitted interest on capital @ 10% p.a. for three years ended 31st March, 2012. 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 entry with working notes. **(3)**

8.X Ltd. had issued 10,000, 12% debentures in 2009, each ₹100, interest payable on 30th September and 31st March each year, till the date of redemption.
It redeemed, 1,000 debentures by paying back the money on 31st March, 2012. on the same date, it also converted 2,000 debentures into 20,000 equity shares of ₹10 each at par. Give journal entries for recording these transactions on 31st March 2012 in the books of X Ltd. **(3)**

9.What journal entries will be made at the time of issue of debentures in the following cases: (3)

i) A company issued ₹40,000, 12% debentures at a premium of 10% redeemable at premium of 5%.
ii) A company issued ₹40,000, 12% debentures at a premium of 5% redeemable at par.
iii)A company issued ₹40,000, 12% debentures at par redeemable at 10% premium.

10.Jai Ltd. had an authorised capital of ₹2,00,000 divided into equity shares of ₹10 each. The company offered for subscription ₹ 1,00,000 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 shareholder holding 100 shares failed to pay the allotment money. His shares were forfeited. The company did not make the final call. Show how the share capital will be shown in the company's Balance sheet. Also prepare notes to accounts
for the same. **(3)**

11.Give answer to the following:

i)Pragati Ltd. issued 50,000 shares of ₹10 each for public subscriptions at a discount of 10%.
Full amount was payable on application. Pass entries.

ii)Akash Ltd. issued 1,00,000 shares of ₹10 each, payable as follows:

On application ------------------ ₹2 (on 1st March, 2011)

On allotment -------------------- ₹3 (on 1st May, 2011)

On first call ---------------------- ₹2 (on 1st August, 2011)

On second and final call ----- ₹3 (on 1st December, 2011)

All the shares were subscribed for and amount duly received. Ramesh, who had 8,000 shares, paid the amount of both the calls alongwith allotment. Jitender, who had applied for 4,000 shares, paid the amount of second and final call with the first call.

Calculate the amount of interest on calls in advance payable to Ramesh and Jitender. **(4)**

12.A, B and C were partners sharing profits in the ratio of 5:3:2. Their Balance Sheet as on 1st April, 2011 was as follows

Balance Sheet of A, B and C as on 31st March, 2012

Liabilities	₹	**Assets**	₹
Creditors	20,000	Cash	16,000
Employees Provident Fund	26,000	Debtors	16,000
Capital A/c's:		Stock	80,000
A	1,00,000	Furniture	34,000
B	70,000	Building	1,20,000
C	50,000		
	2,66,000		**2,66,000**

C retires on the above date and it was agreed that: i) C's share of Goodwill was ₹8,000. ii) 5% provision for doubtful debts was to be made on debtors.

iii) 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.Shabir and David were partners in a firm supplying school uniform. They share profits in the ratio of 4:3. Their capitals as on 1st April, 2011 were ₹1,00,000 and ₹50,000 respectively. On this date Shabir suggested David to start supplying low cost school uniforms also to the students who belong to low income group and have been admitted to the private schools of the city as per the provisions of Right to Education Act 2009. David agreed and requested to admit his friend Charu, a visually handicapped unemployed person into the firm; however Charu will not contribute any capital. Shabir agrees to it. They were in need of more capital. Shabir, therefore persuaded a rich friend of his, Rafiq, who hailed from Assam to be a partner.

i)Rafiq contributed ₹7,00,000 in cash, Delivery Van of ₹2,75,000 and Furniture of ₹25,000 as capital. The new profit sharing ratio is 3:2:1:1.

ii)Identify any four values which according to you motivated them to form the partnership firm.

iii)Calculate Sacrificing ratio and pass necessary journal entry. **(2+2+2=6)**

14.X, Y and Z were partners in a firm. Their capitals on 1st April, 2011 were: X ₹2,00,000; Y ₹2,50,000 and Z ₹3,00,000. Their Current Account Balances were: X Rs. 12,000; Y Rs. 10,000 and Z Rs. 5,000 (Dr.). The partnership deed provided for the following:

i)They will share profits in the ratio of 2:3:3. ii)X will be allowed a salary of ₹12,000 p.a.

iii)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 31st March, 2012 the firm earned a profit of ₹5,00,000.Prepare Profit and Loss Appropriation Account and Partners Current Accounts. **(6)**

15.X and Y share profits and losses in the ratio of 3:2. They have decided to dissolve the firm. Assets and external liabilities have been transferred to Realisation Account. Pass the journal entries to effect the following:

i) Bank Loan ₹15,000 is paid.

ii) X was to bear all expenses of realisation for which he is given a commission of ₹ 5,000.

iii) Deferred Advertisement Expenditure Account appeared in the books at ₹ 20,000.

iv) Stock worth ₹2,000 was taken by Y at ₹1,700. v) An unrecorded computer realised ₹ 7,000.

vi)There was an unrecorded liability of ₹ 3,000, which was settled at ₹2,500. **(6)**

16.Shivaji Ltd. issued ₹10,00,000 new capital divided into ₹100 shares at a premium of ₹20 per share, payable as follows:

On application 10 per ₹ share

On allotment 40 per share ₹ (including premium of 10 per ₹ share)

On First and Final Call 70 ₹ per share (including premium of ₹ 10 per share)

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 over subscribed to the extent of 13,000 shares. Applications 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. All money was duly received.

a)Which value has been affected by rejecting the applications of the applicants who had applied for 3,000 shares? Suggest a better alternative for the same.

b) Give journal entries to record the above transactions in the books of the company.

OR

Sambhav Ltd. invited applications for 1,00,000, 12% preference shares of ₹100 each issued at a discount of 10%. The amount was payable as follows:

On application 30 ₹

On allotment 20 ₹

On first and final call Balance

Applications for 1,50,000 shares were received. Applications for 30,000 shares were rejected and pro-rata allotment was made to the remaining applicants. All calls were made and were duly received except the first and final call on 1,000 shares held by Laxman. His shares were forfeited. Out of the forfeited shares 700 shares were reissued at ₹120 per share as fully paid up.

a)Which value has been affected by rejecting the applications of the applicants who had applied for 30,000 shares? Suggest a better alternative for the same.

b)Give journal entries to record the above transactions in the books of the company. **(8)**

17.A firm has two partners B and C sharing profits in the ratio of 3:2. They admit A into the partnership on 1st April, 2012, when the Balance Sheet of the firm was as follows:

Liabilities	₹	**Assets**	₹
B’s Capital	30,000	Machinery	18,000
C’s Capital	10,000	Furniture	18,000
Profit & Loss A/c	7,500	Investments	9,000
Creditors	7,000	Stock	6,000
Bills Payable	2,500	Debtors	4,000

		Cash	2,000
	57,000		**57,000**

Terms of admission are:

1.A is to bring in ₹20,000 as capital for 1/3rd share of profit and ₹3,500 as his share of goodwill.

2.Value of machinery and stock are to be reduced by ₹7,000 and ₹1,000 respectively. Value of furniture to be increased by ₹3,000.

3.Capitals of partners shall be proportionate to their profit sharing ratio, taking A's capital as the base. Excess capital is to be withdrawn in cash by the partners concerned and deficiency is to be made up by bringing in cash.

Prepare Revaluation A/c, Partner's Capital Accounts and Opening Balance Sheet of new firm.

OR

A, B and C carrying on business with the following assets with effect from 1st April, 2012: Furniture ₹1,80,000; Machinery ₹7,20,000; Cash ₹1,00,000; Debtors ₹2,00,000. Their profit sharing ratio was 5:3:2. Capital is also shared in the same ratio. B died on 30th September, 2012. His son claimed his father's interest in the firm. The following was the settlement:

i)Allow his capital to his credit on the date of death. ii)Give 5% p.a. interest on his capital.

iii)He had been drawing @ ₹6,000 per month which he withdrew at the beginning of each month. He be allowed to retain these drawings as a part of his share of profit. iv)Interest @ 6% p.a. be charged on his drawings.

v)They had separate life policies for which the premium had been paid out of profit and loss A/c of the firm: A ₹5,00,000; B ₹6,00,000; C ₹4,00,000. The surrender value of A's policy was 50% whereas of C's policy it was 60%.

vi)Goodwill was evaluated twice the average of profits which were ₹2,10,000. Prepare B's Capital Account and show yours working clearly. **(8)**

Part – B: Financial Statement Analysis

18.State with reason whether cash withdrawn from bank will result in inflow, outflow or no flow of cash. **(1)**

19.Dividend received by Mutual Fund Company is classified under which kind of activity while preparing cash flow statement? **(1)**

20.a)How will you disclose the following items while preparing the Balance Sheet of a Company:
(i) Bank Overdraft (ii) 12% Debentures (iii) Calls in Arrears (iv) Provident Fund (v) Loose Tools (vi) Shares in HCL Ltd.

b) X Ltd. has a Debt-Equity Ratio at 2.5:1. According to the management it should be maintained at 1:1. What are the two choices to do so? **(3+1=4)**

21.Prepare a 'Common size Statement of Profit and Loss' with the help of following information:

Particulars	2011	2012
Revenue from operation	8,00,000 ₹	17,00,000 ₹
Interest on Investments	2,00,000 ₹	3,00,000 ₹
Expenses	₹ 6,00,000	₹ 8,00,000
Income Tax	50%	50%

(4)

22.From the following information, calculate any two of the following ratios:

(i) Acid Test Ratio (ii) Debt Equity Ratio (iii) Working Capital Turnover Ratio **Information:**

Net Sales ₹ 3,00,000; Gross Profit ₹ 1,00,000; Total Current Assets ₹ 2,00,000; Closing Inventory ₹ 20,000; Prepaid Insurance ₹ 4,000; Total Current Liabilities ₹ 1,20,000; Share Capital ₹ 3,50,000; Reserve & Surplus ₹ 40,000; Preliminary Expenses ₹ 7,000; Fixed Assets ₹ 4,30,000. **(4)**

23. Following are the Balance Sheets of Sewak Ltd. as on 31-3-2011 and 31-3-2012:

Particulars	**Note No.**	**31-3-2011**	**31-3-2012**
1. EQUITY AND LIABILITIES :		₹	₹
Shareholders' Funds:			
Share Capital	**1**	4,00,000	7,00,000
Reserve and Surplus		(50,000)	(3,20,000)
Non-Current Liabilities:			
Long-term Borrowings	**2**	2,00,000	4,00,000
Current Liabilities:			
Trade Payables		1,10,000	1,50,000
Outstanding Expenses		10,000	20,000
TOTAL		6,70,000	9,50,000
2. ASSETS:			
Non-Current Assets:			
Fixed Assets		3,00,000	5,00,000
Non-Current Investments		2,00,000	1,40,000
Current Assets:			
Inventory		50,000	1,00,000
Trade Receivables		1,00,000	1,70,000
Cash & Cash Equivalents		20,000	40,000
TOTAL		6,70,000	9,50,000

Notes to Accounts: 1. Reserve and Surplus:	31-3-2011	31-3-2012
Profit and Loss A/c	(50,000)	(3,20,000)
2. Long-term Borrowings:		
9% Debentures	2,00,000	4,00,000

Additional Information: Included in the fixed assets was a piece of machinery costing ₹70,000 on which depreciation charged was ₹40,000 and it was sold for ₹30,000. During the year ₹1,40,000 depreciation was charged on fixed assets. **(6)**