Bharatiya Vidya Bhavan's V.M Public School Vadodara

Accountancy

Class XII

2017-18

Sample Paper-3

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.

PART-A

(PARTNERSHIP AND COMPANY ACCOUNTS

1. Can a partner be exempted from sharing the losses in a firm? If yes, under whatcircumstances? (1)
2. When an asset is taken over by a partner, why is his capital account debited? (1)
3. Apart from location and profitability, list any two other factors affecting Goodwill of a firm. (1)
4. Can 'Securities premium' be used as working capital? Give reason in support of your answer. (1)
5. What is the nature of interest on Debentures? (1)
6. What is Reserve Capital ?

7Vikas Limited purchased assets of Fukrey Limited for Rs.8,40,000 and took over the liabilities (creditors) of Rs.80,000 for an agreed purchase consideration of Rs.8,00,000. Vikas Limited issued 12% debentures of Rs.100 each at 25% premium for purchase consideration.Pass necessary Journal entries. (3) 8. A and B were partners in a firm sharing profits in 3:2 ratio. They admitted C and D as newpartners. The new profit sharing ratio will be 2:2:1:1. C and D brought Rs.2, 75,000 each for their respective capitals and also necessary amount of premium for goodwill in cash. Goodwill was valued at Rs.2,40,000 for the firm. Calculate sacrificing ratio of A and b and pass necessary Journal entries in the books of the firm. (3) 9. Amay Limited has 80,000; 8% Debentures of Rs.100 each due for redemption on 31st March, 2014. Assume that Debenture Redemption Reserve has a balance of Rs.38,00,000 on that date.

Record necessary journal entries at the time of Redemption of Debentures. (3)

10. Vibhor Limited forfeited 1,000 shares of Rs.10 each, issued at a discount of Rs.1 per share, for the non-payment of the first call of Rs.2 per share. The final call of Rs.3 per share has not yet been made. Subsequently, 400 of these shares were reissued at Rs.5 per share, Rs.7 paid-up, and 600reissued at Rs.7 per share fully paid. Journalise the transactions to record the forfeiture and reissue of shares.
(3)

11. DK, EK and FK were partners in a firm sharing profits in the ratio of 5:7:8. Their fixed capitals were ; DK Rs.10,00,000; EK Rs.14,00,000 and FK Rs.16,00,000. Their Partnership deed provided for the following:

(i) Interest on capital @ 10% per annum and Interest on drawings @12% per annum.

(ii) Salary of Rs.20,000 per month to FK.

DK Withdrew Rs.80,000 on 31st January, 2013; EK withdrew Rs.1,00,000 on 31st March, 2013 and FK withdrew Rs.60,000 on 31st December, 2013.

During the year ended 31st December, 2013, the firm earned a profit of Rs.7,00,000.

Prepare P/L Appropriation Account. Partners have also decided to give more jobs in their business to the economically backward women. Identify the values disclosed by the partners. (4)

12. X Ltd. has an Authorized capital of Rs.15,00,000 divided into 1,00,000 Equity shares of Rs.10 each and 50,000 9% preference share of Rs.10 each .

The company invited applications for all the preference shares but only 90,000 equity shares.

All the preference shares were subscribed, called and paid while subscriptions were received for only 85,000 equity shares. During the first year Rs.8 per share were called.Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay first call of Rs.2.Shyam's shares were forfeited after the first call and later on 1,500 of the forfeited shares were reissued at Rs.6 per share Rs.8 called up.

(a) Show share capital in the Balance Sheet as per revised Schedule VI as at 31st March 2013.

(b) Prepare relevant 'Notes to Accounts' (4)

13. A, B and C are partners in a firm sharing profits in the ratio of 3 : 2: 1. Their balance sheet as at 31.12.2004 was as under:

Liabilities	Amount	Assets	Amount
Creditors	46,000	Cash in hand	18,000
General Reserve	12,000	Debtors 25,000	
Capitals : A 40,000		Less: Provision 3,000	22,000
B 40,000		Stock	18,000
C 30,000	1,10,000	Furniture	30,000
		Machinery	68,000
		Goodwill	12,000
	168000		1,68,000

B retires on 1.1.2005 on the following terms:

(a) Provision for doubtful debts will be raised by Rs.1,000.

(b) Stock will be depreciated by 10% and Furniture by 5%.

(c) There is an outstanding claim for damages of Rs.1,100 and it is to be provided for in the books.

(d) Creditors will be written back by Rs.6,000.

(e) Goodwill of the firm is valued at Rs.24,000, which is not to be shown in the books of the new firm. (f) B is paid in full with the cash brought in by A and C in such a manner that their capitals are in proportion to their profit sharing ratio 3:2.

Prepare Revaluation A/c, Partners Capital A/cs and Balance Sheet. (6)

14. A, B and C are partners in a trading firm. The firm has a fixed total capital of Rs.60,000 held equally by all the partners. Under the partnership deed the partners were entitled to: (a) A and B to a salary of Rs.1,800 and Rs.1,600 per month respectively.

(b) In the event of the death of a partner, Goodwill was to be valued at 2 years purchase of the Average profits of the last 3 years.

(c) Profit upto the date of the death based on the profit of the previous year.

(d) Partners were to be charged interest on drawings at 5% p.a. and allowed interest on capitals at 6% p.a. B died on 1.1.2011. His drawings to the date of death were Rs.2,000 and the interest thereon was Rs.60. The profits for the three years ending 31.3.2008, 2009 and 2010 were Rs.21,200; Rs.3,200 (Dr.) and Rs.9,000 respectively. Prepare A's Capital Account to calculate the amount to be paid to his executors. (6)

15. Following is the Balance Sheet of X and Y, who share profits and losses in the ratio of 4 : 1, as at 31_{st} March 2012 :

Liabilities	Amount	Assets	Amount

Sundry Creditors Bank Overdraft X's Brother's Loan Y's Loan Investment Fluctuation fund Capitals : X -50,000 Y -40,000	8,000 6,000 8,000 3,000 5,000 90,000	Bank Debtors 17,000 Less : Provision 2,000 Stock Investments Buildings Goodwill Profit and Loss A/c	20,000 15,000 15,000 25,000 25,000 10,000 10,000
	1,20,000		1,20,000

The firm was dissolved on the above date and the following arrangements were decided upon :
(i) X agreed to pay off his brother's loan. (ii) Debtors of Rs.5,000 proved bad.
(iii) Other assets realized :- Investments 20% less ; and goodwill at 60%.
(iv) One of the creditors for Rs.5,000 was paid only Rs.3,000.
(v) Buildings were auctioned for Rs.30,000 and the auctioneer's commission amounted to Rs.1,000.
(vi) Y took a part of stock at Rs.4,000 (being 20% less than the book value) and balance stock was realized 50%.
(vii) Realisation expenses amounted to Rs.2,000.
Prepare Realisatiion Account, Partners Capital Account and Cash Account. (6)

16. X and Y were partners in a firm sharing profits in 3 : 1 ratio. They admitted Z as a new partner for $1/4_{th}$ share in the profits. Z was to bring Rs.20,000 as his capital and the capitals of X and y were to be adjusted on the basis of Z's capital in the profit sharing ratio. The balance sheet of X and Y on 31.3.2006 was as follows:

Liabilities		Amount	Assets	Amount
Sundry Creditors		18,000	Cash	5,000
Bills Payable		10,000	Debtors	17,000
General Reserve		12,000	Stock	12,000
Capitals :	X -25,000		Machinery	21,000
	Y -10,000	35,000	Building	20,000
		75,000		75,000

Other terms of agreement on Z's admission were as follows: (i)
Z will bring Rs.6,000 for his share of goodwill.
(ii) Building will be valued at Rs.25,000 and Machinery at Rs.19,000.
(iii)A Provision at 5% on debtors will be created for bad debts.
(iv)Capital accounts of X and y were adjusted by opening current accounts.
Prepare Revaluation A/c, Partners Capital A/cs and Balance Sheet of new firm. (8)

17. Vinod Limited issued 30,000 shares of Rs.10 each at 20% premium, payable as follows:
Rs.3 per share on Application Rs.5 per share including premium on Allotment Balance on first and final call
Applications were received for 50,000 shares.
Applications for 10,000 shares were rejected and allotment was made on pro-rata basis to the remaining applicants.

Harish who applied for 1,600 shares failed to pay the amount due on allotment and call. Company forfeited his shares. Later on out of the forfeited shares company reissued 800 shares at Rs.10 per share fully paid up.
Pass necessary journal entries in the books of Vinod Limited. (8)

Part – B

Financial Statement Analysis

18. State with reason whether charging of depreciation on furniture will result into inflow, outflow or no flow of cash. (1)

19. Interest received by a finance company is classified under which king of activity while preparing Cash Flow Statement. (1)

20a). State how qualitative aspects are ignored in Financial Statement Analysis.
b)Give major heads and sub heads under which following items will be disclosed in the Balance Sheet as per Revised Schedule VI of the Companies Act, 1956: (3+1)

(i) Tax Reserve
(ii) Interest on calls in advance
(iii) Stores and spares
(iv) Premium on Redemption of debentures
(v) Loose Tools
(vi) Bank Balance

21. From the following statement of profit and loss of VK Limited for the years ended 31st March 2012 and 2011

Particulars	31 March 2011	31 March 2012
Revenue from operations cost	300% of cost of material consumed	200% of cost of material consumed
of material consumed	1200000	1000000
Other Expenses	20% of cost of material consumed	10%of cost of material consumed
Tax Rate	50%	50%

Prepare a comparative statement of profit and loss. (4)

22. Calculate 'Return on Investment' and 'Debt Equity Ratio' from the following information: Net Profit after interest and tax 3, 00,000
10% Debentures 5, 00,000
Tax Rate 40%
Capital Employed 40, 00,000 (4)

23. Following is the Balance Sheets of Greenland Limited as on 31st March 2012:

Particulars	Note No.	31-3-2012	31-3-2011

I. EQUITY AND LIABILITIES :			
1. Shareholders' Funds			
(a) Share Capital		12,00,000	8,00,000
(b) Reserves and Surplus (Profit Balance)	1	3,50,000	4,00,000
2. Non-current Liabilities			
Long-term Borrowings : Bank Loan		4,40,000	3,50,000
3. Current Liabilities			
(a) Trade Payables (Creditors)		60,000	50,000
Total		20,50,000	1600000
II Assets			
1. Non-current Assets			
(a) Fixed Assets:			
(i) Tangible Assets : Machinery		12,00,000	9,00,000
2. Current Assets			
(a) Inventories (Stock)		2,00,000	1,00,000
(b) Trade Receivables (Debtors)		3,10,000	2,30,000
(c) Cash and Cash Equivalents		3,40,000	3,70,000
Total		20,50000	1600000

Adjustments:

(i) The Company paid interest Rs.36,000 on its long term borrowings.

(ii) Depreciation provided on fixed assets during the year amounted to Rs.1,20,000. (6)

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