

Bharatiya Vidya Bhavan's V.M Public School Vadodara

Accountancy

Class XII

2017-18

Sample Paper-8

Set-8

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. What is sacrificing ratio. 1
 2. Why goodwill is considered an intangible assets but not a fictitious assets . 1
 3. X and Y are partners sharing profits in the ratio of 3:1. They admit Z as A partner. X surrender $\frac{1}{3}$ of his share and y $\frac{1}{4}$ of his share in favour of z. calculate new profit ratio? 1
 4. Name two items which are credited to the capital account of a partner upon his death. 1.
 5. Why would an investor prefer to invest in shares of a company rather than in its debentures. 1.
 6. Give one point of distinction between authorized capital and issued capital. 1.
 7. On April 1, 2012 an existing firm had assets of Rs.3, 00,000 including cash of 20,000. The partner's capital accounts showed a balance of Rs.2, 40,000 and reserve constituted the rest. If the normal rate of return is 10% and the goodwill of the firm is valued at Rs.96, 000 at year's purchase of super profits of the firm. 3.
 8. Issued 2,000, 12% debenture of Rs. 100 each at a discount of 2%, redeemable at a premium of 5%. Give balance sheet. 3.
 9. Universal Ltd. Issued 6,000, 10% debenture of Rs 100 each at 10% discount, redeemable at par and offered the holder's option to convert their holdings into equity shares of 10 each at 20% premium .60% holders exercised their option on due date. Give journal entries at the time of redemption. 3.
- 10(a) A, B and C were partner sharing profits in the ratio of 5:4:3. C retired due to his prolonged illness and his share was taken up by A and B in the ratio of 3; 2. Find out the new ratio.
- (b) C faced financial difficulties after his retirement. His son Rakesh was an unemployed commerce graduate and hence A and B decided to admit Rakesh into partnership by offering him $\frac{1}{5}$ share in profit. Mention the two values involved in admitting Rakesh as a partner. (1+2=3)
11. (a) D Ltd. Purchased machinery for Rs 10,00,000 and a motor van for Rs. 5,00,000 from E Ltd. On 1-1-2012. Rs 3,60,000 were paid immediately and balance was paid by issue of 12,000 fully paid equity shares of Rs 100 each. Pass the necessary journal entries for recordings the transactions in the books of D Ltd.
- (b) D Ltd. Decided to give free tablets worth Rs. 5,00,000 to the disabled students of nearby schools . state the values involved in such decisions. (2+2=4)
12. Vimal and Kamal are partners sharing profits in the ratio of 4:1 . they admit Amal as a new partner who brings Rs 1,50,000 as his share of goodwill (premium) . Amal is entitles to $\frac{1}{3}$ rd shares in profits. As between themselves , Vimal and Kamal agree to share future profits and losses equally.You are required to calculate the new ratio. And

pass journal entries of goodwill if half of the amount is withdrawn by old partners also.

(4)

13 (a) Z Ltd. Forfeited 300 shares of Rs. 100 each on which first call of Rs. 20 per share was not received, the second call of Rs. 30 per share has not yet been called. Out of these, 200 shares were reissued as Rs. 70 paid up for Rs. 55 per share.

Pass journal Entries related to Forfeiture and Reissue

(6)

b) Prepare share forfeiture account from the above part.
creation of DRR.

c) State the Provisions for

14. a) A, B and C are partner's profits in the ratio of 5:4:1. C is given a guarantee that his share of profits in any year would be Rs. 50,000. Deficiency if any, would be borne by A and B equally. The profits for the year ended 31st march 2012 amounted to Rs. 4, 00,000. Pass necessary journal entries in the books of the firm. (3+3=6)

b) Vicky , Devang and Neel are partners in a firm. Their Fixed capitals were ₹ 800000 ₹ 500000 and ₹ 200000 .At the end of the year ended 31.3.2017 it was found that interest on capital was not taken into consideration in the books of accounts for the last two years .It was decided to give the retrospective effect of omission of Interest on Capital for three years by passing a single adjusting entry . The profits and losses were distributed in the following ratio.

Year	Ratio
2015-16	2:2:1
2016-17	3:2:1

15. Following is the Balance sheet of X and Y, who share profits and losses in the ratio of 4 : 1, as at 31st March, 2009

Liabilities	Rs.	Assets	Rs.
Creditors	8,000	Buildings	25,000
Bank overdraft	6,000	Goodwill	10,000
X's brother loan	8,000	Stock	15,000
Y,s loan	3,000	Debtors 17,000	
Investment fluctuation fund	5,000	Less provision 2000	15,000
Capital :- X's capital	50,000	Cash at bank	20,000
Y's capital	40,000	Investment	25,000
		Profit and loss A/c	10,000

The firm was dissolved on the above data and the following arrangement was decided upon a)

X agreed to pay off his brother loan

b) Debtors of Rs. 5000 proved to be bad.

c) Other assets realized – investment 20%less, and goodwill at 60%

d) One of the creditors Rs 5,000 was paid only 3,000.

e) Building was auctioned for 30,000 and the auctioneer's commission amounted to Rs. 1,000.

f) Y took over part of the stock at Rs 4,000 (being 20% less the book value). Balance stock were realized 50%

g) Realization expenses of Rs. 2,000.

Prepare necessary A/c.

6.

16. Global tourism Ltd. Invited application for issuing 10,000 equity shares of 100 Rs. Each at a discount 6%. The amount the payable as follows:- On application Rs 20 per share.

On allotment Rs 44 per share.

On first and final call – balance.

Application for 13,000 shares was received. Application for 500 shares was rejected and pro- rata allotment was made to the remaining applicants. Over payment received with application were adjusted towards sum due on allotment. All call were made and were duly received except shivansh who had applied for 250 shares. Failed to pay allotment and call money. His shares were forfeited. The forfeited shares were reissued at Rs. 22,000, fully paid up. Pass necessary journal entries in the books of the Company. and prepare balance sheet also.

Or

Sheila cosmetics Ltd. Invited applications for 1, 00,000 equity shares of Rs 10 each at a premium of Rs 4 per share. the amount was payables as follows:-

On application: - 6 (including premium 2) On allotment Rs. 6 (including premium 2) Balance on first and final call. Application for 1, 50,000 shares were received. allotment was made to all the applicants on prorata basis. Alka , to whom 200 shares were allotted were failed to pay allotment and call money . suman to whom 400 shares were allotted failed to pay call money. Their shares were forfeited. pass the necessary journal entries. 8.

17 Following is the Balance sheet of X and Y, who share profits and losses in the ratio of 4 : 1, as at 31st march, 2009

Liabilities	Rs.	Assets	Rs.
Creditors	11,000	Buildings	20,000
Reserves	6,000	Machinery	30,000
A's capital	30,000	Stock	10,000
B'S capital	25,000	Patents	11,000
C's capital	15,000	Debtors	8,000
		Cash at bank	8,000

A died on 1st October on 2003 . it was agreed between his executors and the remaining partners that :

- Goodwill will be valued at 2 ½ years purchase of the average profits of the previous 4 years , which were 2000 :- Rs. 13,000 , 2001:- Rs. 12,000 , 2002 :- 20,000 and 2003 :- 15,000.
- Patents are valued at Rs. 8,000; machinery Rs. 28,000 and building Rs. 25,000.
- Profits for the year 2003-04 are taken as having accrued at the same rate as that of previous year. d) Interest on capital is provided at 10% p.a.
- Half of the amount due to A to be paid immediately to the executor and the balance transferred to his (executors) loan A/c.

Prepare A's capital A/c and A's executors A/c as on 1st October 2003.

Or

P and Q are in partnership sharing profits and loss in the ratio of 3:2 . their balance sheet as on 31st march , 2008, was as under:-

Liabilities	Amount	Assets	Amount
Creditors	1,50,000	Cash	50,000
General reserve Capital	1,20,000	Debtors 2,00,000	
account :		Less provision 8,000	1,92,000
P	6,00,000	Patents	1,48,000
Q	3,00,000	Investment	80,000
Current account		Fixed assets goodwill	7,20,000
P	1,00,000		1,00,000

Q	20,000		
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They admit R on the following terms:

- A provision of 5% is to be created on debtors.
- Accrued income of Rs. 15,000 does not appear in the books and RS. 50,000 are outstanding for salaries.
- Present market value of investment is Rs. 60,000 . p takes over the investment at this value.
- New profit sharing ratio of partners will be 4:3:2. R will bring in Rs. 2,00,000 as his capital.
- R is pay in cash an amount equal to his share in firm's goodwill valued at twice the average profits of the last 3 years which were Rs. 3,00,000 ; Rs. 2,60,000 and Rs. 2,50,000 respectively.
- Half the amount of goodwill is withdrawn by old partners.You are required to pass journal entries , prepare Revaluation account , capital account and balance sheet of the new firm

8.

Part - B

18. Give two examples of cash equivalents.

1.

19. A mutual fund company receives a dividend of Rs. 20 lakhs on its investments in another company's shares. Where will it appear in a cash flow statement? Give reason.

1.

20. a) Give the major headings under which the following items will be shown in company's balance sheet as per schedule VI part I of the Indian Companies Act, 2013:

3 +1

- i) Sundry creditors ii) Provision of tax iii) Preliminary expenses
iv) Loose tools v) Interest accrued on investment vi) Goodwill

b) State any two limitations of Analysis of Financial Statement.

21. Calculate the trend percentages from the following information taking year ending 2010 as the base year:

4

Current assets	2009	2010	2011	2012
Inventory	1,00,000	1,25,000	1,40,000	1,50,000
Trade receivable	50,000	60,000	75,000	1,00,000
Cash and cash equivalents	10,000	15,000	25,000	20,000
Other current assets	40,000	30,000	60,000	50,000

22. Calculate return on investment from the following information:-

Net profit after tax : Rs. 6,50,000 ; 12.5% convertible debentures : Rs. 8,00,000 ; income tax : 50% ; fixed assets at cost : Rs. 24,60,000; depreciation Reserve : 4,60,000 ; current assets : Rs. 15,00,000 ; current liabilities : Rs. 7,00,00

4

23. Following are the balance sheet of Ghosh Ltd. As on 31.3.2011 and 31.3.2012:

Particulars	Note no.	31.3.2011	31.3.2012
I EQUITY AND LIABILITIES			
Shareholders fund			
Share capital		4,00,00	7,00,000
Reserve and surplus	1	(50,000)	(3,20,000)
Noncurrent 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
II ASSETS			
Non-current assets Fixed			
assets non – current		3,00,000	5,00,000
investment Current		2,00,000	1,40,000
assets			
Inventory		50,000	1,00,000
Trade receivable		1,00,000	1,70,000
Cash and cash equivalents		20,000	40,000
TOTAL		6,70,000	9,50,000

NOTES : (1) reserve and surplus:
31.3.2011 31.3.2012
Profit & loss balance (50,000) (3,20,000)

(2) long term borrowings :
9% debenture 2,00,000 4,00,00

Additional information:-

Included in the fixed assets was a piece of machinery costing Rs. 70,000 on which depreciation charged was Rs. 40,000 and it was sold for Rs . 30,000 . during the year Rs. 1,40,000 depreciation was charged on fixed assets.

Prepare a cash flow statement.

6.

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