

Bharatiya Vidya Bhavan's V.M Public School Vadodara

Accountancy

Class XII

2017-18

Sample Paper-9

Set-9

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.**

PART A (Accounting for partnership and companies)

- Q.1 Will interest paid to a partner on loan be debited to Profit & Loss Account even if there is a loss? 1
- Q.2 Mention any two purposes for which the securities premium can be utilized 1
- Q.3 What is the main purpose of admitting a new partner into partnership? 1
- Q.4 What do you mean by redemption of debenture? 1
- Q.5 Give one point of difference between capital reserves and reserve capital. 1
- Q.6 Give any two circumstance in which gaining ratio may be applied. 1
- Q.7 Priya, Surya and Meenu are in a firm sharing profits and losses in the ratio of 2:1:2. Their fixed capitals were Rs. 3,00,000, Rs. 2,00,000 and Rs. 1,00,000 respectively. For the year 2012 interest on capitals was credited to them @ 9% p.a. instead of 10% p.a. The profit for the year before charging interest was Rs. 2,50,000. Showing your working clearly, pass the necessary adjustment journal entry. 3

Q.8 Dalal Ltd. issued 10000, 9% Debentures of Rs.100 each at par and also raised a loan of Rs.200000 from bank, collaterally secured by Rs.250000, 9% Debentures. How will you show the Debentures in Balance Sheet of the Company assuming that the company has recorded the issue of Debentures as collateral in the books? 3

Q. 9(a) Distinguish between fixed capital and fluctuating capital. 1+2 =3

(b) A and B are partners in a firm sharing profits in the ratio of 3 : 2. C joins the firm. A surrenders 1/6 of his share and B surrenders 1/5 of his share in favour of C. Find the new ratio.

Q.10 Distinguish between equity share and Preference share. 3

Q.11 Rock and Jack were partners in a business with a profit sharing ratio of 4 : 1. They decided to dissolve the partnership on January 31st, 2009. On that date the assets (other than cash Rs. 6,000) of the firm realized Rs. 3,40,000. The liabilities and other particulars on that date of the firm were as follows :
Bills payable Rs. 30,000, General Reserves Rs. 1,500, Rock's capital Rs. 1,20,000, Jack's capital Rs. 30,000.

Expenses on realization were Rs. 1,000 paid by Mr. Jack. Bills payable was settled for Rs. 37,000.

Prepare Realisation Account and show your workings clearly.

4

Q.12 Chand Ltd. purchased asset from Karuna & co. worth Rs 4,00,000 at 10% trade discount. A sum of Rs 90,000 was paid by means of the draft and for the balance due to Chand Ltd. issued Debentures of Rs 100 each at a discount of 10%. Journalise the above transaction in the book of the company. How will you disclose these transactions in the balance sheet of Chand Ltd.,

Q.13 Wind and Cloud are partners in a firm Sharing profits and losses in the ratio of 3:2. The balance in their capital and current accounts as on April 01, 2006 were as under:

6

	Wind (Rs.)	Cloud (Rs.)
Capital Accounts	3,00,000	2,00,000
Current Accounts (Cr.)	1,00,000	80,000

The partnership deed provides that Wind is to be paid salary @ Rs, 500 per month where as Cloud is to get a commission of Rs. 8,000 for the year. Interest on capital is to be credited at 6% p.a. The drawings of Wind and Cloud for the year were Rs. 30,000 and Rs. 10,000 respectively. The net profit of the firm before making these adjustment was Rs, 2,49,000. Interest on Wind's drawings was Rs. 750 and Cloud's drawings, Rs. 250. Prepare Profit and Loss Appropriation Account and Partner's Capital and Current Accounts.

Q.14 Give necessary journal entries in each of the following alternative cases:

6

(a) A 12% Debenture issued at Rs. 140 repayable at Rs. 130

(b) A 12% Debenture issued at Rs. 100 repayable at Rs. 110.

(c) A 12% Debenture issued at Rs. 125 repayable at Rs. 100.

Note : The face value of each debenture is Rs. 100 and pass only issue of debenture entries.

Q.15 On 31st March, 2012 the balance sheet of X, Y and Z showed as under;

6

Liabilities	Rs.	Assets	Rs.
Sundry creditors	20,000	Buildings	26,000
Reserve fund	30,000	Investments	5,000
Capitals ;		Debtors	15,000
X	15,000	Bills receivable	6,000
Y	10,000	Stock	12,000
Z	15,000	Cash	26,000
	90,000		90,000

The partnership deed provides that the profit be shared in 2 : 2 : 1. Y died on July 1 2012. The Partnership deed provides that in the event of death of a partner, his executors be entitled to be paid out: a) The capital of his credit at the date of last balance sheet.

b) Interest on capital @ 12%p.a.

c) His proportion of reserves at the date of last balance sheet

d) His proportion of profits to the date of death based on the average profits of the last three completed years and

e) By way of goodwill his proportion of the total profits for the three preceding years.

Profit for 2009-2010, 2010-2011 and 2011-2012 were Rs. 8,500, Rs. 7,500 Rs. 8,000 respectively. Rs. 15,000 paid immediately and the balance transferred to his (executor) Loan a/c. Prepare Y's Capital a/c and his Executor's Account.

Q.16 Jayashri Ltd. invited applications for 12,000 equity shares of Rs. 10 each issued at a premium of 10%. The amount was payable as under :

On application—Rs. 4 On allotment--- 7 (including premium). Applications were received for 17,000 shares. First 2000 applicants were allotted no shares and remaining applicants were allotted shares on pro-rata basis. Excess money received on application was adjusted towards sums due on allotment. Lakshmi to whom 400 were allotted failed to pay allotment money. Her shares were accordingly forfeited. The forfeited shares were re-issued @ Rs. 8 per share fully paid up. Pass necessary journal entries in the books of Jayashri Ltd. **What value do you find affected? suggest the different alternatives to allot the shares.**

Or

Jothi Ltd. issued for public subscription 50,000 equity shares of the value of Rs.10 each at the discount of 10% payable as follows. Rs.2 on application, Rs.3 on allotment, Rs. 2 on first call, Rs. 2 on final call. The company received application for 1,25,000 shares . The allotment was done as follows. Applicants of 25,000 shares were refunded the application money.

Applicants of 60,000 shares were allotted 30,000 shares

Remaining applicants were allotted 20,000 shares

The excess application money to be adjusted allotment and call if any.

Mohan, A share holder who had applied for 3000 shares (Group B) failed to pay the allotment money and both calls. Babu a holder (Group C) who was allotted 1500 paid the calls money along with allotment money. Pass journal entry to record the above. **What value do you find affected?**

Suggest any two alternatives to allot the shares.

8

Q.17 Rain, Winter and Summer were partners in a firm sharing profits in the ratio of 2 : 1 : 1. on 31.12.2012 their balance sheet was as follows :

Liabilities	Rs.	Assets	Rs.
Bills Payable	70,000	Plant and Machinery	1,40,000
Sundry Creditors	1,00,000	Debtors	1,20,000
General Reserves	40,000	Land and Building	1,50,000
Provision for bad debts	10,000	Bills Receivable	1,15,000
Profit & Loss A/c	60,000	Stock	1,10,000
Capitals : Rain	2,00,000	Cash in hand	87,000
Winter	1,30,000	Advertisement Suspense A/c	8,000
Summer	1,20,000		
	7,30,000		7,30,000

- Winter retired on the date of balance sheet and the following adjustments were made: a)The goodwill of the firm was valued at Rs. 80,000.
- b)Stock was appreciated by 10%; Plant and machinery was to be depreciated by 10% and Building was to be appreciated by 10%
- c)10% provision for doubtful debts was to be maintained on sundry debtors.
- d)Winter was to be paid Rs. 50,000 in cash and the balance was to be transferred to his Loan account. Prepare necessary ledger account and the initial balance sheet of reconstituted firm after transferring the balance in Winter's capital account to his loan account.

8

Or

On 31st December, 2012 the balance sheet of A and B showed as under;

Liabilities	Rs.	Assets	Rs.
Bills Payable	15,000	Land and Buildings	11,000
Reserves and Surplus	36,000	Plant and Machinery	35,000
Capitals :		Trade Mark	1,500
A	30,000	Debtors	35,000
B	25,000	Less: Provision for	
Creditors	5,000	Bad Debts	2,500
		Stock	16,000
		Cash	15,000
	1,11,000		1,11,000

On the above date they admitted C as a new partner in the firm for 1/4th share in the profit on following terms :

- (a) Goodwill of the firm was valued at Rs. 12,000. C brought Rs. 40,000 for his capital and the necessary amount of cash as premium for his share of goodwill.
- (b) Provision for bad debts was to be maintained at 10% on debtors.
- (c) Building was to be valued at Rs. 25,000 and Stock to be reduced by 5%.
- (d) Plant and Machinery valued at Rs. 33,000.
- (d) Trade Mark is valueless.
- (e) A and B have decided to adjust their capital on the basis of C's capital in their new profit sharing ratio, surplus/deficit if any adjusted through actual cash. Prepare the Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the firm.

8

PART –B (Analysis of financial statements)

Q.18 What is meant by a 'Cash Flow Statement'?

1

Q.19 What do you mean by cash from Financing Activities?

1 Q.20 a)What are the Limitations of financial Statements (Any Two) ?

1+1+2= 4

b)What is the importance of Financial Statement analysis for Creditors?

c) Enumerate any two items of Other Current assets and any Two items of Other Current liabilities in the Balance Sheet of a company as per Schedule VI of the Companies Act 1956.

Q.21 From the following information, prepare a comparative income statement:

4

Particulars	2011	2012
Sales	4,00,000	6,00,000
Cost of goods sold	2,00,000	3,00,000
Indirect expenses	50,000	1,00,000
Wages & Salaries paid	2,000	4,000
Dividend received	5,000	10,000
Income tax	40%	50%

Q.22 A firm had a current ratio of 4 : 1 and quick ratio of 2 : 1 and Inventory Turnover Ratio 6 times. It has current assets of Rs. 8,00,000 in the year 2006. Find out annual sales if goods are sold at 25% Profit on Cost. 4

Q.23 Prepare cash flow statement from the following balance sheets of December 31 2011 and 2012:

6

Liabilities		2011 Rs.	2012 Rs.
Equity and Liabilities			
Share holder's Funds:			
Share capital		3,00,000	4,00,000
Profit & Loss A/c		40,000	70,000
Reserve fund		1,00,000	1,50,000
Non-Current Liabilities:			
10% Debentures		15,000	6,000
	Total		
Current Liabilities:			
Bills Payable		50,000	80,000
Creditors		30,000	40,000
Short-Term Provisions:			
Proposed dividend		30,000	50,000
		5,65,000	7,96,000
		2011 Rs.	2012 Rs.
Fixed Assets	Assets	Total	

Investments	3,75,000	5,00,000
Debtors	50,000	1,20,000
Bank	65,000	1,05,000
Goodwill	65,000	66,000
Preliminary expenses	5,000	2,500
	5,000	2,500
	5,65,000	7,96,000

Additional information:

Depreciation on fixed assets Rs. 28,000 and a part of fixed assets book value Rs. 30,000 was sold for Rs. 27,000. Dividend paid during the year was Rs. 40,000.

Mr. Mukesh Singh Shekhawat