

## ACCOUNTANCY: XII

## {Practice Paper}

Time Allowed: 3 Hrs.]

[ Max. Marks: 80

### Part-A (NPO, Partnership and Company Accounts)

**Note:** ₹ is used for Rupee, as pdf is not accepted new Indian Rupee logo so ₹ sign refers to rupee.

- How will sale of furniture costing ₹ 25000, sold for ₹ 20,500, be dealt in case of not-for-profit organisation. (1)
- Give any two factors that effect goodwill of a restaurant. (1)
- When a partner withdraws same amount at the end of every month for six month, interest on drawings will be charged for how many month. (1)
- If the amount due to the retiring partner is ₹ 60000 out of which half amount paid in cash, what will be the treatment of remaining amount. (1)
- Give any one difference between registered debenture and bearer debenture. (1)
- compute the income from subscription for the year 2007 from the following information relating to Inder Puri sport club:
 

	1.1.2007	31.12.2007
Subscription outstanding	₹ 6000	₹ 8000

Total subscription received during the year 2007 is ₹ 24000. there are three hundred members in the club each paying ₹ 100 per annum. some members paid subscription in advance for 2007 in 2006 it self. Calculate this amount of subscription paid in advance by the members. (3)
- Vikas Ltd. purchased machinery costing ₹ 74,000 from Pooja trading corporation. In consideration, accepted a bill {B/P} for ₹ 20000 for three months and for remaining months they issued fully paid equity shares of ₹ 10 each at discount of 10%. Pass necessary journal entries in the books of Vikas Ltd. (3)
- Briefly explain the of reserve capital, with example. (3)
- Dhoni and Yuvraj started a partnership business on 1<sup>st</sup> January 2007. their capital contribution were ₹ 200000 and ₹ 1,50,000 respectively. As per the partnership deed following it is to be provided: {i} interest on capital @ 10% p.a ; {ii} Dhoni to get a salary to ₹ 2000 p.m. and Yuvraj ₹ 3,000 p.m.; {iii} profit are to be shared in the ratio of 3:2. The profit for the year ended 31 December, 2007 before making above appropriations were ₹ 2,16,000. Firm has to pay commission @ 5% on net profit of their manager and rent to Mr. Dhoni @ ₹ 2500 p.m. for using his building for office purpose. Interest on drawings amounted to ₹ 2,200 for Dhoni and ₹ 2,500 for Yuvraj. Prepare profit and loss appropriation account. (4)
- what journal entries would pass for the following transactions on the dissolution of a firm of partners A and B:
  - Dissolution expenses amounted to ₹ 5,000.
  - An unrecorded asset realized ₹ 3,000.
  - stock worth ₹ 20,000 already transferred to realisation was taken over by a partner A.
  - profit on realisation ₹ 6,000 is to be transferred to partners capital account in the ratio of 3:1. (4)
- Ambuja cement ltd. had an outstanding balance of ₹ 10,000 12% debenture of ₹ 100 each on 1<sup>st</sup> January 2009. on 31<sup>st</sup> march 2009 ₹ 200000 debenture were purchased @ ₹ 92 and ₹ 1,00,000 debenture were purchased @ ₹ 98 for immediate cancellation. Expenses on purchase amounted to ₹ 2,500. There was a balance of ₹ 2,80,000 in the debenture redemption reserve account on the day of redemption. Pass necessary journal entries. (4)
- From the following receipts and payment account of Leo club for the year ended 31<sup>st</sup> December 2008 and the additional information, prepare an income and expenditure account for the year ended 31<sup>st</sup> December 2008 and the balance sheet as on the date:

receipts		payments	
To balance c/d	2000	By salaries	2500
To subscription for		By entertainment expenses	500
2007	200	By general expenses	200
2008	2200	By investment	1500
2009	300	By printing and stationery	150
To entertainment receipt	300	By news paper	300
To sale of old furniture	1500	by furniture	500
{book value of ₹ ,500}	400	By balance b/d	950
	<b>6600</b>		<b>6600</b>

The club has here hundred members each paying an annual subscription of ₹ 50 is still in arrears for subscription for 2007. In 2007, ten members had paid their subscription for 2008. Salaries paid included ₹ 150 for 2007 and outstanding salaries for 2008 was ₹ 250. on 31<sup>st</sup> December, 2007 the club had land and building worth ₹ 20,000 and furniture worth ₹ 20,00. Interest for 4 month at 10% p.a. has accrued on investments. (6)

13. {a}. Mittals Ltd. invited application for issue of 2,00,000 9% debenture of ₹ 100 each at par on 25<sup>th</sup> January, 2009, redeemable at 5% premium after three years. The full amount was payable on application and debentures were issued on 25<sup>th</sup> February 2009. The debenture were redeemed on the maturity date. Pass journal entries for issue of debenture.  
 {b}. A company redeemed its 2400 14% debentures of ₹ 500 each by converting them in to equity shares of ₹ 10 each to be issued at a premium of ₹ 2 per share. Pass the journal entries for conversation. (3+3=6)
14. S and R were sharing profits and losses in the ratio of 3:2:1. their balance sheet as on 31<sup>st</sup> December, 2008 as follows.

Balance sheet

Liabilities			Assets	
Capital accounts			Building	10000
J	12000		Plant	22000
S	8600		Stock	6000
R	<u>10400</u>	31000	Joint life policy	6200
Reserve fund		3000	Debtors	5000
Employees' Provident Fund		3000	Accrued interest	1000
Depreciation Reserve		5000	cash	2800
Creditors		11000		
		<b>53000</b>		<b>53000</b>

It was agreed to dissolve the firm, and the terms of the dissolution were:

- J took over building at book value and agreed to pay off creditors.
- Accrued interest was not collected whereas there was a contingent liability of ₹ 600 which was met.
- Other assets realised: Plant ₹ 25,000; Stock ₹ 25,000; Debtors ₹ 25,000,
- Realisation expenses ₹ 600.

Prepare Realisation Account; Capital Accounts of Partners' and Cash Account. (6)

15. TPT Ltd. invited applications for issuing 1,00,000 equity shares of ₹ 10 each at 20% premium, amount was payable as follows:  
 On Application ₹ 3 per share; On Allotment ₹ 7 per share (including premium); and  
 On First and Final Call ₹ 2 per share.

Applications for 1,50,000 shares were received and pro-rata allotment was made to all the applicants on the following basis:

Applications for 1,00,000 shares were allotted 75,000 shares.

Applications for 50,000 shares were allotted 25,000 shares.

Kriti, who was allotted 1,500 shares out of group applying for 1,00,000 shares failed to pay allotment money. Her shares were forfeited immediately after allotment.

Sanchi, who had app for 1,000 shares out of the group applying for 50,000 shares failed to pay the first and final call and her shares were also forfeited.

Out of the forfeited shares 1,750 shares were re-issued as fully paid up @ ₹ 8 per share. The reissued shares included all the forfeited shares of Kriti. Pass the necessary Journal Entries to record the above transactions.

**Or**

Jingle Bells Ltd. invited applications for issuing 2,00,000 shares of Rs. 10 each at a discount Re. 1 payable as follows:

On application ₹ 2 per share; On allotment ₹ 3 per share and On first and final call ₹ 4 per share

Applications for 3,00,000 shares were received and pro-rata allotment was made to all applicants as follows

Applicants for 1,60,000 shares were allotted 1,20,000 shares.

Applicants for 1,40,000 shares were allotted 80,000 shares.

Ekta to whom 1,200 shares were allotted out of the group applying for 1,60,000 shares, failed to pay the allotment money. Her shares were forfeited immediately after allotment. Minsha had applied for 2,800 shares out of the group applying for 1,40,000 shares failed to pay the first and final call. Her shares were also forfeited.

Out of the forfeited shares, 2,000 shares were reissued ₹ 8 per share fully paid up. The reissued shares included all the forfeited shares of Ekta. Pass necessary journal entries to record the above transactions. (8)

16. Following is the Balance Sheet on 31st March, 2008 of Sahil and Tarun who are in partnership sharing profits and losses in the ratio of 3:2 respectively:

Liabilities			Assets		
Creditors		18,400	Freehold Premises		10,000
Capitals Accounts:			Machinery		5,400
Sahil	25,000		Stock		12,500
Tarun	<u>9,000</u>	34,000	Debtors	22,500	
			Less : Provision	<u>4,000</u>	18,500
			Cash at Bank		6000
		<b>52,400</b>			<b>52,400</b>

They admit Ravit into partnership with effect from 1st April, 2008 on the following conditions:

- Ravit brings in proportionate capital out of the total capital of the new firm and ₹ 4,800 as premium for two-seventh share in profits.
- Freehold Premises have been revalued at ₹ 15,000, Stock to be discounted at 10% Debtors are all good.
- The firm lost a court case in which it was agreed that firm has to pay ₹ 5,000 compensation to the workers.
- There was an accrued commission yet to be received by firm ₹ 16,000.
- Creditors include interest received on bank deposit ₹ 1,000.

Pass necessary journal entries and prepare Revaluation A/c, Partners' Capital A/cs, Bank A/c the Balance Sheet of new firm.

**Or**

A, B and C were partners in a firm whose Balance Sheet as on 31st December, 2008 was as follows

Liabilities			Assets		
Creditors		10,096	Cash at Bank		6,496
General Reserve		3,000	Debtors		9,000
Capitals:			Stock		10,600
A	8,000		Furniture		2,000
B	6,000		Profit & Loss A/c		3,000
C	<u>4,000</u>	18,000			
		<b>31,096</b>			<b>31,096</b>

B retires on that date and in this connection it was decided to make the following adjustments:

- To reduce stock and furniture by 5% and 10% respectively.
- To provide for doubtful debts at 5% on debtors.
- Rent outstanding (not provided for as yet) was ₹ 260.
- Goodwill of the firm was valued at ₹ 15,000.

A and C decided:

- To share profits and losses in 3:2.
- B's share of goodwill to be adjusted among A and C's Capital A/c;
- To readjust their capitals in the new profit sharing ratio; and
- To bring in sufficient cash to pay off B immediately and to Leave a balance of ₹ 1,000 in the bank. B was paid off.

Prepare Revaluation Account, Partners' Capital Accounts, Bank Account and Balance Sheet of the new firm. (8)

## **Part-B (Financial Statements Analysis)**

- If the current ratio of a company is 2:1, what will be the change in it if goods are purchased on credit? (1)
- Give any two examples of Cash Equivalent. (1)
- Name the head under which the dividend paid by a financing company is placed in Cash Flow Statement. (1)
- Under which of the major heads will the following items be shown while preparing the Balance Sheet of a company: (3)
  - Public deposit;
  - Bills Receivables
  - Calls-in-arrear.
- From the following information, prepare a Comparative Income Statement of Rainbow Ltd.: (4)

	2004	2005
Sales	120% of cost of goods sold	150% of cost of goods sold
Cost of goods sold	₹ 5,00,000	₹ 4,00,000
Indirect Expenses	10% of gross profit	5% of gross profit
Rate of Income Tax	50% of net profit before tax	

22. Calculate any two of the following ratios from the given information

(i) Quick Ratio (ii) Stock Turnover Ratio and (iii) Operating Ratio

Sales ₹ 30,00,000; Cost of goods sold ₹ 21,00,000; Operating Expenses ₹ 2,00,000; Profit before tax ₹ 3,20,000;  
 Current assets ₹ 4,80,500; Current liabilities ₹ 3,20,000; Fixed assets ₹ 2,60,500; Opening stock Rs. 2,00,000;  
 Closing stock Rs. 2,50,000. (4)

23. From the following particulars, prepare a Cash Flow Statement of Thukral Sons Ltd.:

Liabilities	2008 (₹)	2009 (₹)	Assets	2008 (₹)	2009 (₹)
Equity Share Capital	2,60,000	4,00,000	Fixed Assets	4,10,000	4,00,000
12% Pre. Share Capital	1,25,000	1,00,000	Less: Accumulated Dep.	(1,10,000)	(1,50,000)
Profit & Loss A/c	10,000	8,000		3,00,000	2,50,000
General Reserve	20,000	24,000	Stock	2,85,000	3,50,000
15% Debentures	60,000	70,000	Debtors	2,00,000	2,40,000
Creditors	1,20,000	1,20,000	Prepaid Expenses	3,000	5,000
Proposed Dividend	50,000	58,000	Cash	12,000	45,000
Provision for Tax	30,000	42,000			
Bank Overdraft	1,25,000	68,000			
<b>Total</b>	<b>8,00,000</b>	<b>8,90,000</b>	<b>Total</b>	<b>8,00,000</b>	<b>8,90,000</b>

Additional Information:

- A part of fixed assets costing ₹ 80,000 (accumulated depreciation ₹ 20,000) sold at a profit of 10%.
- Tax paid during the year ₹ 14,000.