CBSE UNIT TEST PAPER-13

CLASS - XII (ACCOUNTANCY)

Time :3 Hours **M.M.80**

General Instructions :

1. The Question paper is divided into two parts –A
2. Attempt all parts of the questions at one place.
3. This Question paper has 6 pages. Make sure you have them all.
4. There is a choice in Question no. 15 and 16.

Part A

1. Give two examples of Capital receipts for Not for Profit Organization. [1]

2. Why is Profit and Loss Appropriation a/c prepared by a partnership firm? [1]

3. State any two purposes from which Securities Premium amount can be used by a company. [1]

4. State one point of difference between Partners' Capital a/c and Partners' Current a/c [1]

5. X Led. wants to redeem 5,000,%% Debenture of Rs. 100 each at 5% premium. How much amount it must transfer to Debenture Redemption Reserve, if it has already a balance of Rs. 1,00,000 in its Debenture Redemption Reserve Account? [1]

6. On the basis of the following, calculate the amount of the stationery to be shown in the Income and Expenditure Account for the year ended 31st March. 2007:- [3]

Stock of stationery on 1-4-2006	50,000
Stock of stationery on 31-32007	40,000
Amount paid for stationery during the year	2,00,000
Creditors for stationery on 1-4-2006	20,000
Creditors for stationery on 31-3-2007	10,000 (Amt in Rs)

7. Anil and Ajay were partners in a firm sharing profits in the ratio of 7:3. Their fixed capital were : Anil Rs9,00,000 and Ajay Rs4,00,000. The Partnership deed provided for the following but the profits were divided without providing for: [3]

(i) Interest on capital @9% per annum.

(ii) Anil's salary Rs 50,000 per year and Ajay's salary Rs3,000 per month. The profit for the year the year ended 31.3.2008 was Rs2,78,000

Pass the adjustment entry.

8. AB Ltd. Issued 5,00,000 7% Debentures of Rs. 50 each. Pass necessary journal Entries in the books of the company for the issue of debentures when debentures were: [3]

(i) Issued at par redeemable at 8% premium.

(ii) Issued at 4% premium redeemable at 5% premium.

(iii) Issued at a discount of 4% redeemable at a premium of 5%.

9. On 1-4-1999, A Ltd, issued 2,000 7% debentures of Rs 100 each at a discount of 10% redeemable at per after 4 years by converting them into equity shares of rs.100 each issued at a premium of 25%.Pass necessary Journal entries for the issue and Redemption of debentures. [4]

10. Pass the necessary Journal entries in the books of Arun Ltd for the following transactions (issue and redemption): [4]

600,8% preference shares of Rs100 each issues at a discount of Rs5 per share were forfeited for no-payment of the final call of Rs30 per share. The forfeited shares were reissued for Rs66,000 fully paid up.

11. A company purchased assets of the book value of Rs6,00,000 and took over Liabilities of Rs1,50,000 from Golden Ltd. It was agreed that the purchase consideration settled at Rs4,80,000 be paid by issuing debentures of Rs100 each at a premium of 10%. It was further decided that any fraction debenture be paid in cash. Give journal entries in the books of the purchasing company. [4]

12. X and Y were partners sharing profits in the ratio of 3:2. On the date of dissolution, Their capitals were –X- Rs. 7,650 and Y-Rs. 4,300. [6]

The creditors amounted to Rs. 27,500. The balance of cash was Rs. 760.

The assets realized Rs. 25,430. The expenses on dissolution were Rs. 1,540.

Close the books of the firm showing the Realization, Capital and cash account. Show the workings clearly.

13. (a) Subhash, Mohan, Usha and Rinku were partners sharing profits in the ratio of 3:2:3:2. On the retirement of Usha, goodwill was valued at Rs. 2,40,000. Usha's Share of goodwill will be given to her by adjusting it into the Capital account of Subhash, Mohan and Rinku. Give the necessary entries for the treatment of Goodwill when the new profit sharing ratio is 3:1:6. [6]

(b) A, B and C are equal partners in a firm whose books are closed every year on 31st December. A died on 31st March 2007 and according to on 31st December. A died on 31st March 2007 and according to the agreement His share of profits from the close of the last accounting year till the date of death is to be calculated on the basis of the average profits of the last three years.

Net profit of the last three years were Rs.8,00; Rs.11,000; and Rs. 17,000

Calculate A's share of profits and pass the necessary journal entry.

14. Following is the Receipt and Payment Account of Chennai Sports Club for the year Ended 31-12-2006: [4]

Receipts	Rs.	Payments	Rs.
Balance b/d	5,000	Salary	12,000
Subscriptions	26,000	Furniture	10,000
Entrance fees	4,000	Office expenses	8,000
Tournament fund	15,000	Tournament expenses	21,000
Sale of old newspapers	2,000	Sports equipment	20,000
Legacy	35,000	Balance c/d	16,000
	87,000		87,000

Other information:

On 31-12-2006 subscriptions outstanding were Rs. 4,000 and on 31-12-

2005 subscription outstanding were Rs. 3,000. Salary outstanding on 31-12-2006 were Rs. 2,000.

On 1st April 2006 the club had building Rs.80,000, furniture Rs. 20,000, 10% investment for Rs. 45,000 and sports equipment for Rs25,ooo. Depreciation changed on these items including purchases was 10%

Prepare Income and Expenditure A/c of the club for the year ended 31st December 2006 and ascertain the capital fund on 31-12-2005. Also prepare Balance sheet on 31st December 2006

15. A and B are partners in a firm sharing profits and loses in the ratio of 7:3. Their Balance sheet as 31st March 2009 was as follows: [8]

Liabilities	Rs.	Assets	Rs.
Sundry creditors	40,000	Cash is hand	36,000
Bank overdraft	20,000	Sundry debtors 46,000	
Reserves	10,000	Less provision for	
Capital A/c:		Doubtful debts 2,000	44,000
A 50,000		Furniture	30,000
B 40,000	90,000	Stock in trade	50,000
	1,60,000		1,60,000

On 1st April 2009, C joins the firm as the third partner for 1/4th share of the future profits on the following terms and conditions:

(i) Goodwill is valued at Rs. 40,000 and C is to bring the necessary amount in cash as premium for goodwill.

(ii) 20% of the reserves is to remain as a provision against bad an doubtful debts

(iii) Stock in trade is to be reduced by 40% and furniture is to be reduced to 40%

(iv)A is to pay of the bank overdraft.

(v) C is to introduce Rs. 30,000 as his share of capital to which other partners' capital shall have to be adjusted

Prepare Revaluation a/c, Partners' capital a/c and the amended Balance sheet of the firm immediately after C became a partner.

OR

Following is the Balance Sheet of A,B and C who share profits and losses in the ratio 5:3:2 as on 1st April 2009:

Liabilities	Rs.	Assets	Rs.
Capital A/C :		Machinery	82,000
A 40,000		Furniture	
B 61,000		Sundry Debtors 70,000	
C 24,000	1,25,000	Less provision for	
Reserves	40,000	Doubtful debts 3,000	67,000
Sundry creditors	50,000	Bills Receivables	15,000
Profit and loss a/c	18,000	Stock	20,000
Bills Payable	5,000	Cash at bank	50,000
	2,38,000		2,38,000

On 1st April 2009, B retires due to some family problem and A and C continued in partnership, sharing profit and losses in the ratio 3:2. It was agreed that following adjustments were to be made on retirement of B:

(i) The value of Machinery be appreciated by Rs3,000

(ii) The stock should be reduced by Rs.1,000

(iii) The Furniture should be reduced to Rs.1,600.

(iv) The Provision of Doubtful Debts should be 6%.

(v) The Provision of Rs800 should be made for outstanding expenses.

(vi) A liability of account of damages of Rs. 7,000 included in creditors is settled at 12,000

The partnership agreement provides in case of retirement of a partner, Goodwill was to be valued at three years' purchase of average profits, which are Rs.10,000. B was paid in full. A and C were to bring such an amount in cash so as to make their capitals in proportion to the new profit sharing ratio, subject to the condition that a cash balance of Rs. 40,000 was to be maintained as working capital.

Prepare Revaluation a/c, Partners' capitals a/c as on 1st April 2009 and also the Balance Sheet after retirement.

16. Goodwill Ltd invited applications for 1,00,000 equity shares of Rs. each at a premium of Rs. 4 per share. The amount was payable as follows: [8]

On Applications Rs6 (including premium Rs2)

On Allotment Rs6 (including premium Rs2)

Balance on first and final call.

Applications for 1,50,000 shares were received. Allotment was made to all the applicants on the pro rata basis.

Sunny to whom 200 shares were allotted failed to pay allotment and call money. Bunny to whom 400 shares were allotted failed to pay the call money. Their shares were forfeited and afterwards reissued @ Rs8 per share fully paid up. Pass necessary journal entries.

OR

Y Ltd. Invited applications for issuing 10,000 equity shares of Rs. 100 each at a discount of 6%. The amount was payable as follows:

On application Rs. 20per share.

On allotment Rs. 44per share.

On first and final call-balance

Applications for 13,000 shares were received. Applications for 500 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments received with applications were adjusted towards sums due on allotment. All calls were made and were duly received except Kanwar who had applied for 250 shares failed to pay allotment and call money. His shares were forfeited. The forfeited shares were re – issued at Rs. 22,000 fully paid up.

Pass necessary journal in the book of the company.

Part B

17. What is meant by Cash Equivalents? [1]

18. Dividend paid by a fiancé company will be classified under which kind of activity while preparing Cash Flow Statement. [1]

19. The stock turnover ratio of a company is 5 times. State, giving reason, whether the ratio improves or declines or does not change if good costing Rs 20,000 are sold for 18,000. [1]

20. List any three items that can be shown as Contingent Liabilities in a company's Balance Sheet. [3]

21. From the following information, prepare a comparative Income Statement: [4]

	2006	2007
Sales	5,00,000	4,00,000
Cost of goods sold	3,00,000	2,50,000
Adm. Selling and Distribution expenses	80,000	70,000
Income Tax 40% of net profit		

22. From the following information, calculate the following ratios: [4]

(i) Debt Equity ratio
(ii) Proprietary ratio
(iii) Return on investment
(iv) Working Capital turnover ratio

Information:	Rs.
Equity Share capital	1,20,000
10% Preference Share capital	40,000
General reserves	1,60,000
Loan @ 15% interest	2,00,000
Sales for the year	5,60,000
Gross profit	1,79,200
Tax paid during the year	40,000
Profit for the current year after interest and	80,000

tax	
Fixed assets	5,20,000
Current Assets	1,05,000
Current Liabilities	25,000

23. From the following Balance Sheet of X Ltd. as on 31st March 2008 and 2009, Prepare a Cash Flow statement: [6]

Liabilities	31.32008 Rs	31.3.2009 Rs	Assets	31.32008 Rs	31.3.2009 Rs
Share Capital	5,00,000	8,00,000	Fixed Assets	7,50,000	10,00,000
7%Pref. Share			Stock	1,00,000	1,50,000
Capital	20,000	50,000	Debtors	50,000	1,00,000
9% debentures	3,00,000	3,50,000	Bank	1,00,000	2,50,000
Profit & loss a/c	1,00,000	25,000			
Creditors	50,000	2,25,000			
General Reserves	30,000	50,000			
	10,00,000	15,00,000		10,00,000	15,00,000

Additional information:

(i) During the year a machinery costing Rs. 30,000 was sold for Rs. 8,000

(ii) Dividend paid Rs. 60,000.

(iii) Debentures interest paid Rs. 27,000.