

Accountancy XII
Sample Paper I

Time 3 hrs

M.M-80

Part A

- Q1. Why should a new partner contribute towards Goodwill on his admission? (1)
- Q2. List any two contents of a partner ship deed? (1)
- Q3. Can a company issue a share having face value of Rs 10 at Rs 8 (1).
- Q4. Give two examples of 'Capital receipts'. (1)
- Q5. Give two circumstances in which sacrificing ratio may be applied (1)
- Q6. Show how you would deal with the following items in the final accounts of a club: (3)

	Debit	credit
Prize fund		
Prize fund Investments	1,20,000	1,20,000
Income from Prize fund Investments		12000
Prizes awarded	9000	

- Q7. A,B and C are partners sharing profits and losses in the ratio of 1 : 2: 3. They have omitted interest on capital @ 8% p.a. for two years ended 31st March, 2008. Their fixed capitals were Rs. 400000, Rs 600000 and Rs 800000 respectively. Pass the necessary adjusting entry. (3)
- Q8. Raghav limited purchased a running business from Krishna traders for a sum of Rs. 15,00,000 payable Rs 3,00,000 by cheque and for the balance issued 9% debentures of Rs. 100 each at par. (3)

The assets and Liabilities consisted of the following:

	Rs
Plant and Machinery	400000
Buildings	600000
Stock	500000
Sundry Debtors	300000
Sundry Creditors	200000

Record necessary journal entries in the books of Raghav Limited.

- Q9. A and B are partners in a firm sharing profits in the ratio of 7:5. On April 1,2004 they admit C as a new partner for (1/6)th share. The new ratio will be 13:7:4. C contributed the following assets towards his capital and for his share of Goodwill. Stock Rs. 60000; debtors RS 80000; Land 20000; Plant and Machinery Rs 120000. On the date of admission of C, the Goodwill of the firm was valued at Rs 750000. Record necessary journal entries in the books of the firm on C's admission and prepare C's capital account.

Q10. CMC Ltd. Invited applications for issuing 100000 equity shares of Rs. 10 each at a premium of Rs 3 per share. The whole amount was payable on application. The issue was over subscribed by 30000 shares and allotment was made on pro-rata basis. Pass journal entries. (4)

Q11. X and Y are partners in a firm sharing profits in 3:2 ratios. They admitted Z as a new partner and the new profit- sharing ratio will be 2:1:1. Z brought Rs 10000 for the share of Goodwill. Goodwill appeared in the books of X and Y at Rs. 5000. Pass the necessary Journal entries in the books of the new firm for the above transactions. (4)

Q12. X Ltd. Made on issue of 2000. 15% debentures of Rs. 100 each of these, debentures of the face value of Rs. 50000 are to be redeemed annually commencing from 1996, either by drawings at par or by purchase in the open market at the company's option. During 1996, the company purchased for cancellation of Rs 40000 debentures at Rs 95 and Rs 10000 debentures of Rs. 98. The expenses of purchases amounted to Rs. 500

Make necessary journal entries to be passed 1996.

Q13. From the following receipts and payments Account of Sonic club and from the given additional information prepare the expenditure on account of salaries for the year ending 31st December, 2006 and show the salaries item in the income and expenditure Account and the balance sheet as on 31st December, 2006.

AN EXTRACT OF RECEIPTS AND PAYMENTS ACCOUNT

For the year ending 31st December, 2006

Receipts	Rs	Payments	Rs
		By salaries:	
		2005	20000
		2006	280000
		2007	18000

Additional Information

(i) Salaries outstanding on 31 st Dec, 2005	Rs. 25000	
(ii) Salaries outstanding on 31 st Dec, 2006	45000	
(iii) Salaries paid in advance on 31 st Dec, 2005	10000	(6)

Q14. A, B and C were partners in a firm sharing profits in the ratio of 5:3:2. On 31st March, 2003 their Balance sheet was as under:

Liabilities	Rs	Assets	Rs
Creditors	11000	Buildings	20000
Reserves	6000	Machinery	30000
A's capital 30000		Stock	10000
B's capital 25000		Patents	11000
C's capital 150000	<u>70000</u>	Debtors	8000

	<u>87000</u>	Cash	<u>8000</u>
			87000

A died on 1st October, 2003. It was agreed between his executors and the remaining Partners that:

- a) Goodwill to be valued at 2 and a half years purchase of the average profit of the previous four years, which were :
2000:Rs.13, 000; 2001:Rs.12000; 2002:Rs.20, 000 and 2003:Rs.15, 000.
- b) Patents be valued at Rs.8000 ; Machinery at Rs.28000; and buildings at Rs.25000.
- c) Profit for the year 2003 to 2004 be taken as having accrued at the same rate as that of previous year.
- d) Interest on capital be provided at ten percent p.a.
- e) Half of the amount to A to be paid immediately to the executor and the balance transferred to his loan A/c.

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

(6 marks)

Q.15) Y Ltd. issued 10000 shares of Rs. 10 each at par. Amounts were due as follows :
Rs. 2.50 on application, Rs. 2.50 on allotment;
Rs. 3 on first call and Rs. 2 on final call.

A, holding 200 shares did not pay the amount due on allotment and first call; and his shares were forfeited .

Final call was made after the forfeiture. B, holding 500 shares failed to pay the amount due on final call and his shares were also forfeited. Show the in the Journal of the company. Also prepare the balance sheet.

(8 marks)

Or

Pass necessary journal entries in the books of Roman Ltd. For the following transactions:

- (1) 400 equity shares of Rs.100 each issued at a discount of 10% were forfeited for the non-payment of final call of Rs. 20 per share .The forfeited shares were reissued for Rs.38000 fully paid up.
- (2) 300 equity shares of Rs.100 each were forfeited for the non- payment of the allotment money of Rs. 40 per share.The first and final call of Rs. 20 per share was not paid . The forfeited shares were reissued for Rs. 29000 fully paid up.

(8 marks)

Q16) X&Y share profits in the ratio of 3:1.Their balance sheet as on 31st December,1996,was as under :

Liabilities	Rs.	Assets	Rs.
Outstanding Expenses	5000	Cash	7800
Sundry Creditors	36000	Sundry Debtors	24000
Capital Accounts:	68000	Less provision	800
X	31000	Stock	80000
Y		Fixed Assets	8000
	<u>140000</u>	Goodwill	16000
		D & L A/c	
			<u>140000</u>

Z is admitted into partnership on the following terms:-

- (i) Fixed assets are to be depreciated by 20 % .
- (ii) Provision for doubtful debts should remain at 5% on debtors.
- (iii) The new profit sharing ratio will be 5:3:2.
- (iv) Z will pay Rs. 20,000 as capital and the capitals of old partner will be adjusted on the basis of new partners capital and his share in the business, actual cash to be brought in or withdrawn by old partners, as the case may be .
- (v) Goodwill of the firm is valued at Rs. 20000. Prepare capital Accounts and the balance sheet of the new firm. (8 marks)

OR

P, Q and R sharing profits and losses equally with effect from 1st April, 2008. Following is an extract of their Balances sheet as at 31st March, 2007:

Liabilities	Rs	Assets	Rs
Investment fluctuation	30000	Investments (At last)	500000

Reserve

Show the accounting treatment under the following alternative cases:-

- Case(i) If there is no other information
- Case(ii) If the market value of Investment is: Rs 500000
- Case(iii) If the market value of investment is Rs. 488000.

(8 marks)

PART B

Q17 Give two examples of non-cash transactions.

(1)

Q18. State the two advantage of financial statement analysis. (1)

Q19 Define cash equivalents. (1)

20. The following figures use extracted from the trial balance of x Ltd:
Share capital: 10,000 Equity share of Rs.10 each fully paid.

Securities premium	Rs.10,000
12% Debentures	Rs.50,000
Fixed Deposits	Rs.25,000
Creditors	Rs. 5,000

You are required to draw up the liability side of the Balance sheet according requirement of the companies Act. (3)

21. Prepare a comman size Balance sheet of x Ltd.& Y Ltd as on 31st March 2007; The Balance sheet of Kewal Ltd. As on 31st ,2006 and 31st Decmber ,2006 were as follows:
(4)

Liabilities	X Ltd(Rs)	Y Ltd(Rs)	Assets	X Ltd (Rs)	Y Ltd.(Rs)
Share capital	9,00,000	12,00,000	Fixed Asset	10,00,000	16,00,000
Reserves	4,00,000	3,50,000	Current Asset	5,00,000	2,00,000
Current liabilities	2,00,000	2,50,000			
S					
	15,00,000	18,00,000		15,00,000	18,00,000

22. calculate Debtors turnover ratio : (4)

(in Rs)

Opening Debtors	30,000
Received from Debtors	2,10,000
Closing Debtors	45,000
Sales return	15,000

23. The following balance appeared in the balance sheet of P.K.Ltd. (6)

	31.03.06(Rs)	31.03.07(Rs)
Plant and Machinery	48,00,000	65,40,000
Accumulated Depreciates	14,05,000	22,10,000
Proposed Divided	80,000	90,000

Additional Information :

- (i) Plant and Machinery costing Rs 12,80,000 accumulated depreciation there on Rs 5,30,000 was sold at a loss of Rs 2,60,000.
(ii) Dividend provided during the year Rs 95,000.

You are required to compute :

- (a) The amount of plant and Machinery purchased, sold and depreciation charged for the year.
(b) Dividend paid during the year.
(c) How each of the item related to plant & machinery and dividend will be recorded in the cash flow statement.

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