

CBSE TEST PAPER 11
Class XII (Accountancy)

Time 3 Hours.

M.M. :80

General Instructions :

1. All the questions are compulsory.
2. Marks of each question are indicated against it.
3. All parts of questions should be attempted at one place.

1. What do you mean by revenue receipts and capital receipts? [1]
2. Alka, Ankita and Seema are partners in a firm having no partnership agreement. Alka Ankita and Seema contributed Rs. 2,00,000, Rs. 3,00,000 and Rs.1,00,000 respectively. Alka and Ankita desire that the profits should be divided in the ratio of capital contribution. Seema does not agree to this. How will you settle the dispute? [1]
3. Give the formula for 'calculating gaining share' of a partner in a partnership firm. [1]
4. Pawan and jayshree are partners. Bindu is admitted for $\frac{1}{4}$ th share. What is the ratio in which pawan and jayshree will sacrifice their share in favour of Bindu? [1]
5. What is 'Escrow a/c'? [1]
6. Show the following information in the Balance Sheet of the Cosmos Club as on 31st March, 2007: [3]

Particulars	Debit Rs.	Credit Rs.
Tournament Fund	-	1,50,000
Tournament Fund Investment	1,50,000	-
Income from Tournament Fund Investment	-	18,000
Tournament Expenses	12,000	-

Additional Information :

Interest Accrued on Tournament Fund Investment Rs. 6,000.

7. A, B and C are the partners sharing profits and losses equally. They have admitted D for $\frac{1}{4}$ th share in profits. To get this share, he has to contribute Rs. 80,000 for capital and Rs. 40,000 share for his share of goodwill, half the amount was brought in cash. Pass necessary journal entries in the books of the firm and also calculate the new profit sharing ratio. [3]

8. 20,000 Shares of Rs. 10 each were issued for public subscription at a premium of 10% Full amount was payable on application. Applications were received for 30,000 shares and the Board decided to allot the shares on a pro-rata basis. Pass Journal entries. [3]

9. A, B and C are partners in a firm. They have omitted interest on capital @ 10% pa.a. for three years ended 31st Marc, 2007. Their fixed capitals on which interest was to be calculated throughout were: [4]

A	Rs. 1,00,000
B	Rs. 80,000
C	Rs. 70,000

Give the necessary adjusting journal entry wit working notes.

10. 'X, Y' and Z will sharing profits and losses in the ratio of 5:3:2. They decided to share future profits and losses in the ratio of 2:3:5. with effect from 1.4.2007. They decided to record the effect of the following, without affecting their book values:- [4]

i) Profit and Loss Account (Cr. Balance)	Rs. 24,000
ii) General Reserve	Rs. 36,000

Pass the necessary adjusting entry.

11. Sajal Limited had issued shares of Rs. 100 each at a discount of 5% payable as follows: [4]

On application	Rs. 25 per share
On allotment	Rs. 24 pre share
On first and final call	Balance

One shareholder, Pran holding 50 shares did not pay his first and final call. As a result his shares were forfeited.

Of these, 40 shares were reissued to Ram as fully paid up @ Rs. 110 per share, Pass, necessary journal entries to record the forfeiture and reissue of shares in books of Sajal Limited.

12. (a) 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 equity shares of Rs. 100 each at 20% premium. [6]

The assets and liabilities consisted of the following:

	Rs.
Plant and Machinery	4,00,000
Buildings	6,00,000
Stock	5,00,000
Sundry Debtors	3,00,000
Sundry Creditors	2,00,000

Record necessary journal entries in the books of Raghav Limited.

13. From the following Receipts and Payments Account of Shine Club and from the given additional information; prepare Income and Expenditure Account for the year ending 31st March, 2009 and the Balance Sheet as on that date: [6]

RECEIPTS AND PAYMENTS ACCOUNT

for the year ending 31st March, 2009

Cr.

Dr.

Receipts	Rs.	Payments	Rs.
To Balance b/d	1,90,000	By Salaries	3,30,000
To Subscriptions	6,60,000	By Sports Equipment	30,000
To Interest on Investments		By Balance c/d	1,60,000
@ 8% p.a. for full year	40,000		3,70,000
	8,90,000		8,90,000

Additional Information :

- (a) The club had received Rs. 20,000 for subscription in 2006 for 2007.
- (b) Salaries had been paid only for 11 months
- (c) Stock of Sports Equipment on 31st March, 2008 was Rs. 3,00,000 and on 31st March, 2009 Rs. 6,50,000.

14. Ram, Mohan and Sohan were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2006 their Balance Sheet was as under: [6]

Liabilities	Rs.	Assets	Rs.
Capitals: Rs.		Leasehold	1,25,000
Ram 1,50,000		Patents	30,000
Mohan 1, 25,000		Machinery	1,50,000
Sohan 75,000	3,50,000	Stock	1,90,000
Creditors	1,50,000	Cash at Bank	40,000
Workmen's Compensation	30,000		
Reserve	5,000		
	5,35,000		5,35,000

Sohan died on 1st August, 2006. It was agreed that:

- Goodwill of the firm is to be valued at Rs. 1,75,000.
 - Machinery be valued at Rs. 1,40,000; Patents at Rs. 40,000; Leasehold at Rs. 1,50,000 on this date,
 - For the purpose of calculating Sohan's share in the profits of 2006 – 07, the profits should be taken to have accrued on the same scale as in 2005 – 06, which were Rs. 75,000. Prepare Sohan's Capital Account and Revaluation Account.
15. Star Limited issued Rs. 10,00,000 new capital divided into Rs. 100 shares at a premium of Rs. 20 per share, payable as under: [8]

On Application	Rs. 10 per share
On Allotment	Rs 50 per share (including premium of Rs, 10 per share)
On First and Final Call	Balance

Over-payments on application were to be applied towards sums due on allotment and first and final call. Where on allotment was made, money was to be refunded in full. The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and

application for 3,000 shares were sent letters of regret and application money was returned to them. All the money due was duly received.

Give Journal Entries to record the above transactions (including cash transactions) in the books of the company.

OR

Sangita Limited invited application for issuing 60,000 shares of Rs. 10 each at par. The amount was payable as follows:

On Application	Rs. 2 per share
On Allotment	Rs. 3 per share
On First and Final Call	Rs. 5 per share

Applications were received for 92,000 shares. Allotment was made on the following basis:

- To applicants for 40,000 shares – Full
- To applicants for 50,000 shares – 40%
- To applicants for 2,000 Shares – Nil Rs. 1,08,000 was realised on account of allotment (excluding the amount carried first application money)

The directors decided to forfeit shares of those applicants to whom full allotment^ made and on which allotment money was overdue.

Pass journal entries in the books of Sangita Limited to record the above transactions.

16.

[8]

L and M share profits of a business in the ratio of 5:3. They admit N into the firm for a fourth share in the profits to be contributed equally by L&M. On the date of admission the Balance Sheet of L&M is as follows :

BALANCE SHEET

as atMarch 31st march 2009

Liabilities	Rs.	Assets	Rs.
L's Capital	30,000	Machinery	26,000
M's Capital	20,000	Furniture	18,000
Reserve Fund	4,000	Stock	10,000

Bank Loan	12,000	Debtors	8,000
Creditors	2,000	Cash	6,000
	68,000		68,000

Terms of N's admission were as follows :

- N will bring Rs. 25,000 as his capital.
- Goodwill of the firm is to be valued at 4 years purchase of the average super profits of the last three years. Average profits of the last three years are Rs. 20,000; while the normal profits that can be earned on the capital employed are Rs. 12,000.
- Furniture is to be appreciated to Rs. 24,000 and the value of stock into by 20%.

Prepare Revaluation-Account, Partners Capital Accounts and the Balance Sheet of the firm after admission of N.

OR

On 31st December, 2008 the Balance Sheet of A, B and C, who were sharing profits and losses in proportion to their capitals, stood as follows:

Liabilities	Amount	Assets	Amount
Creditors	10,800	Cash at Bank	8,000
Capitals	Rs.	Debtors	Rs. 10,000
A		Less : Provision	200
45,000			9,800
B	30,000	Stock	9,000
C	15,000	Machinery	24,000
	90,000	Land and Buildings	50,000
	1,00,800		1,00,800

B retires and the following readjustments of assets and liabilities have been agreed upon before the ascertainment of the amount payable to B :

- i) That Land and Buildings be appreciated by 12%.
- ii) That provision for Doubtful Debts be brought up to 5% of debtors.
- iii) That a provision of Rs. 3,900 be made in respect of an 'outstanding bill for repairs,
- iv) That Goodwill of the entire firm be fixed at Rs. 18,000 and B's share of the same be adjusted into the accounts of A & C, who are going to share future profits in the proportion of $\frac{3}{4}$ th and $\frac{1}{4}$ th respectively,
- v) That B be paid Rs. 5,000 immediately and the balance to be transferred to his Loan Account.

Prepare Revaluation Account, Capital Accounts of Partners and the Balance Sheet of the firm of A and C.

17. Give one difference between dissolution of partnership business and dissolution of partnership? [1]
18. State two circumstances in which the fixed capital of the partners can change. [1]
19. Give journal entry to be passed when new partner fails to bring the amount of goodwill in cash and he is asked to bring proportionate capital in the business? [1]
20. Prepare one Profit and loss appropriation account by taking your own example? [3]
21. Pass journal entries in the books of the business at the time of dissolution of a partnership business: [4]
 - a. Bank loan paid by the business Rs. 30,000
 - b. Mr. Z who is a partner in the firm, agrees to pay his wife's loan Rs. 20,000.
 - c. Mr. Y a partner agrees to take the stock of the business Rs. 40,000 at its 80% value.

D. Realization profit Rs. 50,000 to Y and Rs. 30,000 to Z is distributed.
22. Mr. X with draw Rs. 10,000 in the following cases. Calculate his interest on drawings: [4]

- i. When the amount is withdrawn at the beginning of each month.
- ii. When the amount is withdrawn at the middle of each half year.
- iii. When the amount is withdrawn at the beginning of each quarter.
- iv. When the amount is withdrawn at the end of each half year.

The rate of interest on drawings is 6% p.a.

23.

[6]

Q 11. Mahesh, Kamlesh and Hafeejuddin are the partners sharing profits and losses in the ratio of 2:1:1. They decided to dissolve their partnership firm. On that date their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Reserve fund	1,50,000	Cash at bank	40,000
Bills payable	30,000	Debtors	1,50,000
Sundry Creditors	60,000	Stock	50,000
Capital:		Goodwill	70,000
Mahesh- 1,00,000		Plant & Machinery	60,000
Kamlesh 50,000		Land & Building	70,000
Hafeejuddin 50,000	2,00,000		
	4,40,000		4,40,000

On the dissolution following proceedings took place:

1. The stock will be take by kamlesh for Rs. 36,000, and plant & machinery taken by Mahesh for Rs. 55,000
2. The firm had bal debts of Rs. 10,000
3. The building was sold to Mohan at a price more than 20% of book value.
4. The liability for creditors now decided to be Rs. 65,000.
5. The realization expenses were Rs. 5,000 which were paid by Mahesh.

Prepare realization a/c, Partners capital a/c and cash a/c.