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# CBSE 12th Accountancy 2016 Unsolved Paper Delhi Board

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# CBSE 12th Accountancy 2016 Unsolved Paper

## Delhi Board

TIME - 3HR. | QUESTIONS - 23

THE MARKS ARE MENTIONED ON EACH QUESTION

### PART – A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

- Q.1. What is the maximum number of partners that partnership firm can have? Name the Act that provides for the maximum number of partners in a partnership firm. 1 mark**
- Q.2. A, B and C were partners in a firm sharing profit in the ratio of 3:2:1. They admitted D as a new partner for 1/8th share in the profits, which he acquired 1/16th from B and 1/16th from C.  
Calculate the new profit sharing ratio of A, B, C and D. 1 mark**
- Q.3. Distinguish between 'Dissolution of Partnership' and 'Dissolution of Partnership Firm' on the basis of 'Economic Relationship'. 1 mark**
- Q.4. State the provisions of the Companies Act, 2013 for the creation of 'Debenture Redemption Reserve'. 1 mark**
- Q.5. On 1-1-2016 the first call of Rs3 per share became due on 1,00,000 equity shares issued by Kamini Ltd. Karan a holder of 500 shares did not pay the first call money. Arjun a shareholder holding 1000 shares paid the second and final call of ( 5 per share along with the first call.  
Pass the necessary journal entry for the amount received by opening 'Calls-in-arrears' and 'Calls-in-advance' account in the books of the company. 1 mark**
- Q.6. Nusrat and Sonu were partners in a firm sharing profits in the ratio of 3 : 2. During the year ended 31-3-2015 Nusrat had withdrawn Rs15,000. Interest on her drawings amounted to Rs300. Pass necessary Journal entry for charging interest on drawings assuming that the capital of the partners were fixed. 1 mark**
- Q.7. KTR Ltd., issued 365, 9% Debentures of Rs1,000 each on 4-3-2016. Pass necessary Journal entries for the issue of debentures in the following situations: 3 marks**  
(a) When debentures were issued at par redeemable at a premium 10%.  
(b) When debentures were issued at 5% discount redeemable at 5% premium.
- Q.8. State any three circumstances other than**  
(i) admission of a new partner,  
(ii) retirement of a partner and  
(iii) death of a partner, when need for valuation of goodwill of a firm may arise. 3 marks



**Q.9. Sandesh Ltd. took over the assets of Rs7,00,000 and liabilities of Rs2,00,000 from Sanchar Ltd. for a purchase, consideration of Rs4,59,500. Rs8,500 were paid by accepting a draft in favour of Sanchar Ltd. payable after three months and the balance was paid by issue of equity shares of Rs10 each at a premium of 10% in favour of Sanchar Ltd.**

**Pass necessary Journal entries for the above transactions in the books of Sandesh Ltd. 3 marks**

**Q.10. To provide employment to the youth and to develop the Naxal affected bankward areas of Chhattisgarh. X Ltd. decided to set-up a power plant. For raising funds the company decided to issue 7,50,000 equity shares of Rs10 each at a premium of 50%. The whole amount was payable on application. Applications for 20,00,000 shares were received. Applications for 50,000 shares were rejected and shares were allotted to the remaining applicants on pro-rata basis.**

**Pass necessary journal entries for the above transactions in the books of the company and identify any two values which X Ltd. wants to propagate. 3 marks**

**Q.11. P and Q were partners in a firm sharing profits in the ratio of 5:3. On 1-4-2014 they admitted R as a new partner for  $\frac{1}{8}$ th share in the profits of Rs75,000. The new profit sharing ratio between P and Q will remain the same but they agreed to bear any deficiency on account of guarantee to R in the ratio 3:2. The profit of the firm for the year ended 31-3-2015 was Rs4,00,000. Prepare Profit and Loss Appropriation Account of P, Q and R for the year ended 31-3-2015. 4 marks**

**Q.12. Vikas, Vishal and Vaibhav were partner's in a firm sharing profits in the ratio of 2:2:1. The firm closes its books on 31<sup>st</sup> March every year. On 31-12-2015 Vaibhav died. On that Capital account showed a credit balance of Rs3,80,000 and Goodwill of the firm was valued at Rs1,20,000. There was debit balance of Rs50,000 in the profit and loss account. Vaibhav's share of Profit in the year of his death was to be calculated on the basis of the average profit of last five years. The average profit of last five years was Rs75,000.**

**Pass necessary Journal entries in the books of the firm on Vaibhav's death.**

**Q.13. L and M were partner's in a firm sharing profit in the ratio of 2 : 3. On 28-2-2016 the firm was dissolved. After transferring assets (other than cash) and outsiders, liabilities to realization account you are given the following information:**

- (a) A creditor for Rs1,40,000 accepted building value at Rs1,80,000 and paid to the firm 10,000.
- (b) A second creditor for Rs30,000 accepted machinery valued at Rs28,000 in full settlement of his claim.
- (c) A third creditor amounting to Rs70,000 accepted Rs30,000 in cash and investments of the book value of Rs45,000 in full settlement of his claim.
- (d) Loss on dissolution was Rs4,000.

**Pass necessary journal entries for the above transactions in the books of the firm assuming that all payments were made by cheque. 6 marks**

**Q.14. Ashok, Bhim and Chetan were partners in a firm sharing profits in the ratio of 3 : 2 : 1. Their Balance Sheet as on 31-3-2015 was as follows: 6 marks**

**Balance Sheet of Ashok, Bhim and Chetan as on 31-3-2015**

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	1,00,000	Land	1,00,000
Bills Payable	40,000	Building	1,00,000
General Reserve	60,000	Plant	2,00,000
Capital :		Stock	80,000
Ashok	2,00,000	Debtors	60,000
Bhim	1,00,000	Bank	10,000
Chetan	50,000		
	3,50,000		
	5,50,000		5,50,000

Ashok, Bhim and Chetan decided to share the future profits equally, w.e.f. April 1,2015. For this this it was agreed that:

- Goodwill of the firm be valued at Rs3,00,000.
- Land be revalued at Rs1,60,000 and building be depreciated by 6%.
- Creditors of Rs12,000 were not likely to be claimed and hence be written off.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the reconstituted firm.

**Q. 15. On 1-4-2014 JN Ltd. had 10, 000 9% Debentures of Rs100 each outstanding.**

- On 14-2014 the company purchased in the open market 2000 of its own debentures for Rs101 each and cancelled the same immediately.
- On 1-4-2015 the company redeemed at per debentures of Rs4,00,000 by draw of a lot.
- On 28-2-2016 the remaining debentures were purchased for immediate cancellation for Rs3,97,000.

Pass necessary journal entries for the above transactions in the books of the company ignoring debenture redemption reserve and interest on debentures. 6 marks

**Q.16. KS Ltd. invited applications for issuing 1,60,000 equity shares of Rs10 each at a premium of Rs6 per share. The amount was payable as follows:**

- On Applications Rs4 per share (including premium Rs1 per share)
- On Allotment Rs6 per share (including premium Rs3 per share)
- One First and Final Call – Balance.

Applications for 3,20,000 shares were received. Applications for 80,000 share were rejected and application money refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received with applications was adjusted towards sums on due on allotment. Jain holding 800 shares failed to pay the allotment money. His shares were forfeited immediately after-allotment. Afterwards the final call was made. Gupta who had applied for 1,200 shares failed to pay the final call.



This shares were also forfeited. Out of the forfeited shares 1000 shares were re-issued at Rs8 per share fully paid up. The re-issued shares included all the forfeited shares of Jain.

Pass necessary journal entries for the above transactions in the books of KS Ltd. 8 marks

OR

GG Ltd. had issued 50,000 equity shares of Rs10 each at a premium of Rs2 per share-payable with application money. The incomplete journal entries related to the issue are given below You are required to complete these blanks. 8 marks

**Books of CG Ltd.  
JOURNAL**

Date	Particulars	L. F.	Debit Amount (₹)	Credit Amount (₹)
2015	.....	...Dr.	.....	.....
Jan. 10	To ..... (Amount received on application for 70,000 shares @ ₹ 5 per share Including premium)			.....
" 16	Equity share Application A/c	...Dr.	.....	
	To .....			.....
	To .....			.....
	To .....			.....
	To .....			.....
	(Transfer of application money to share capital, securities premium, money refunded for 8000 shares for rejected applications and balance adjusted towards amount due on allotment as shares were allotted on Pro-rata basis).			
" 31	.....	...Dr.	.....	
	To ..... (Amount due on allotment @ ₹ 4 per share)			
Feb. 20	.....	...Dr.	.....	
	To ..... (Balance amount received on allotment)			.....
April 01	.....	...Dr.	.....	

	To .....			.....
	(First and final call money due)			
"20	.....	...Dr.		
	Call-in-arrears A/c.	...Dr.	1,500	
	To .....			
	(Money received on first and final call)			
Aug. 27	.....	...Dr.		
	To .....			
	To .....			
	(Forfeited the shares on which call money was not received)			
Oct. 3	.....	...Dr.		
	.....	...Dr.		
	To .....			
	(Re-issued the foreited shares @8 per share fully paid up)			
.....	.....	...Dr.		
	To .....	...Dr.		
	(.....)			

**Q.17. A, B and C were partners in a firm sharing profits in the ratio of 3 : 2 : 1. On 31-3-2015 their Balance Sheet was as follows:**

**Balance Sheet of Ashok, Bhim and Chetan as on 31-3-2015**

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		84,000	Bank		17,000
General Reserve		21,000	Debtors		23,000
Capital:			Stock		1,10,000
A	60,000		Investment		30,000
B	40,000		Furniture & Fittings		10,000
C	20,000	1,20,000	Machinery		35,000
		2,25,000			2,25,000

**On the above data D was admitted as a new partner and it was decide that:**

- The new profit sharing ratio between A, B, C and D will be 2:2:1:1.
- Goodwill of the firm was valued Rs90,000 and D brought his share of goodwill premium in cash.
- The market value of investment was Rs24,000.
- Machinery will be reduced to Rs29,000.
- A creditor of Rs3,000 was not likely to claim the amount and hence to be written-off.
- D will bring proportionate capital so as to give him 1/6th the share in the profit of the firm.



**Prepare Revaluation Account, partner's Capital Accounts and the Balance Sheet of the reconstituted firm.**

**OR**

**X, Y and Z were partners in a firm sharing profit's in the ratio of 5:3:2. On 31-3-2015 their Balance Sheet was as follows:**

**Balance Sheet of X, Y and Z as on 31<sup>st</sup> March, 2015**

Liabilities		Amount	Assets		Amount
		₹			₹
Creditors		21,000	Land and Building		62,000
Investment			Motor Vans		20,000
Fluctuation Fund		10,000	Investments		19,000
P & L Account		40,000	Machinery		12,000
Capitals :			Stock		15,000
X	50,000		Debtors	40,000	
Y	40,000		Less : Provision	3,000	37,000
Z	20,000	1,10,000	Cash		16,000
		1,81,000			1,81,000

**On the above date Y retired and X and Z agreed to continue the business on the following terms:**

- (1) Goodwill of the firm was valued at Rs51,000.
- (2) There was a claim of Rs4,000 for Workmen's Compensation.
- (3) Provision for bad debts was to be reduced by Rs1,000.
- (4) Y will be paid Rs8,200 in cash and the balance will be transferred in his loan account which will be paid in four equal yearly instalments together with interest @ 10% p.a.
- (5) The new profit sharing ratio between X and Z will be 3 : 2 and their capitals will be in their new profit sharing ratio. The capital adjustments will be done by opening-current accounts.

**Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.**

#### **PART – B : ANALYSIS OF FINANCIAL STATEMENTS**

**Q.18. 'An enterprise may hold securities and loans for dealing or trading purposes in which case they are similar to inventory acquired specifically for resale.' Is the statement correct? Cash flows from such activities will be classified under which type of activity while preparing Cash Flow Statement? 1 mark**

**Q.19. Give the meaning of 'Cash Equivalents' for the purpose of Statement. 1 mark**

**Q.20. (a)** One of the objectives of 'Financial Statements Analysis' is to identify the reasons for change in the financial position of the enterprise. State two more objectives of this analysis.

**(b)** Name any two items that are shown under the head 'Other Current Liabilities' and two items that are shown under the head 'Other Current Assets' in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013. *4 marks*

**Q. 21. (a)** What is meant by solvency of business?

**(b)** From the following details obtained from the financial statements of Jeev Ltd., calculate interest coverage ratio:

Net Profit after tax Rs1,20,000,

12% Long-term Debt Rs20,00,000,

Tax Rate 40%. *4 marks*

**Q.22.** Following is the statement of Profit and Loss of Sun India Ltd. for the year ended 31<sup>st</sup> March, 2015:

Particular	Note No.	31-3-2015 (₹)	31-3-2014 (₹)
Revenue from operations		25,00,000	20,00,000
Other Income		1,00,000	5,00,000
Employee benefit-expenses		60% of total Revenue	50% of total Revenue
Other expenses		10% of employee benefit expenses	20% of employee benefit expenses
Total Rate		50%	40%

The motto of Sun India Ltd. is to produce and supply green energy in the rural areas of India. It has also taken up a project of constructing a road that will pass through five village, so that these village could be connected to the nearby town.

You are required to prepare a Comparative Statement of Profit and Loss of Sun India Ltd. from the given statement of profit and Loss. Also identify any two values that the company wishes to convey to the society. *4 marks*

**Q.23.** Following is the Balance sheet of K.K. Ltd. as at 31-3-2015:

**K.K. Ltd. Balance Sheet as at 31-3-2015**



Particulars	Note No.	31-3-2015 (₹)	31-3-2014 (₹)
<b>I. Equity and Liabilities :</b>			
(1) Shareholders' Funds :			
(a) Share Capital		10,00,000	8,00,000
(b) Reserves and Surplus	1	4,00,000	(1,00,000)
(2) Non-current Liabilities :			
Long-term Borrowings	2	9,00,000	10,00,000
(3) Current Liabilities :			
(a) Short-term Borrowing	3	3,00,000	1,00,000
(b) Short-term provisions	4	1,40,000	1,80,000
<b>Total</b>		<b>27,40,000</b>	<b>19,80,000</b>
<b>II. Assets :</b>			
(1) Non-current Assets :			
(a) Fixed Assets :			
(i) Tangible	5	20,06,000	14,40,000
(ii) Intangible	6	40,000	60,000
(b) Non-current Investments		2,00,000	1,50,000
(2) Current Assets :			
(a) Current Investments		1,00,000	1,20,000
(b) Inventories	7	2,14,000	90,000
(c) Cash and Cash Equivalents		1,80,000	1,20,000
<b>Total :</b>		<b>27,40,000</b>	<b>19,80,000</b>

**Note to Accounts:**

Note No.	Particulars	31-3-2015 (₹)	31-3-2015 (₹)
1.	Reserves and Surplus (Surplus i.e. Balance in statement of Profit and Loss)	4,00,000	(1,00,000)
		4,00,000	(1,00,000)
2.	Long-term Borrowing : 12% Debentures	9,00,000	10,00,000
		9,00,000	10,00,000

3.	<b>Short-term provisions : Bank Overdraft</b>	3,00,000	1,00,000
		3,00,000	1,00,000
4.	<b>Short-term provisions : Provision for tax</b>	1,40,000	1,80,000
		1,40,000	1,80,000
5.	<b>Tangible Assets : Machinery Accumulated Depreciations</b>	24,06,000	16,42,000
		(4,00,000)	(2,02,000)
		20,06,000	14,40,000
6.	<b>Intangible Assets : Goodwill</b>	40,000	60,000
		40,000	60,000
7.	<b>Inventories : Stock in trade</b>	2,14,000	90,000
		2,14,000	90,000

**Additional Information:**

(i) 12% Debentures were redeemed on 31-3,2015.

(ii) Tax Rs1,40,000 was paid during the year.

**Prepare Cash Flow Statement.**





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