

## Sample Paper V

### Accountancy – XII

Max Time – 3 hours Max. Marks – 80

#### PART – A

1. Ravi, a partner, in the Firm has advanced a loan of Rs. 1,00,000 to the firm and has demand an interest @ 9% p.a. The Partnership deed is silent on the matter. How will you deal with it? (1)
2. Why depreciation on Fixed Assets is not recorded in Receipt and Payments Account (1)
3. Distinguish between firm's guarantee and Personal guarantee. (1)
4. State the ratio on which profit or loss on revaluation will be shared by the partners when a partner retires (1)
5. What is hidden good will? (1)
6. Show the following information in financial statements of a 'Non-for-Profit' Organization:  

Details	
Match Expenses	8,00,000
Match fund	4,00,000
Donation for Match Found	2,40,000
Sale of Match Tickets	3,60,000 (3)
7. JCM Ltd. Invited applications for issuing 20,000 equity shares of Rs. 20 each at a discount of 10%. The whole amount was payable on application. The issue was fully subscribed Pass necessary Journal Entries. (3)
8. L, M and N are partners in a firm sharing profits and losses in the ratio of 2:3:5. Their Fixed capitals were. Rs. 15,00,000, Rs. 30,00,000 and Rs. 60,00,000 respectively. For the year 2007 interest on capital was credited to them @ 12% instead of 10%. Pass the necessary adjustment entry. (3)
9. D Ltd. Forfeited 800 shares of Rs. 10 each fully called up, on which the holder has paid only the application money of Rs. 3 per share. Out of these, 500 shares were re-issued at Rs. 11 per share, fully paid up. (4)

10. E and F were partners in a Firm, sharing profits in the ratio of 3:1. They admitted G as a new partner on 1.3.2007 for  $\frac{1}{3}$ <sup>rd</sup> share. It was decided that E, F and G will share future profits equally. G brought Rs. 50,000 in cash and machinery worth Rs. 70,000 for his share of profit as premium for goodwill. Showing your calculations clearly, pass necessary journal entries in the books of the firm. (4)

11. X Ltd. Purchased assets of Y Ltd. As under:

Plant and Machinery of Rs. 20,00,000 at Rs. 18,00,000; Land and Building of Rs. 30,00,000 at Rs. 42,00,000 For purchase consideration of Rs. 55,00,000 and paid Rs. 10,00,000 in cash and remaining by issue of 8% debenture of Rs. 100 each at a premium of 20%. Record necessary Journal entries in the books of X Ltd. (4)

12. Extract of Receipts and Payment account for the year ended March 31, 2006 are given below:

Receipts

2004-05            3,000

2005-06            96,000

2006-07            2,500

Subscriptions Outstanding as on March 31, 2005      Rs. 5,000

Total Subscriptions Outstanding as on March 31, 2006      Rs. 12,000

Subscriptions received in Advance as on March 31, 2005      Rs. 2,800

Calculate the amount of subscription to be shown on the income side of Income and Expenditure A/c and show the relevant data in the balance sheet on 31<sup>st</sup> March 2005 and 2006.

13. Bakul and Gokul were partners in a firm sharing profits and losses in the Ratio of 2:1 with capitals of Rs. 40,000 and Rs. 30,000 respectively. They decide to admit Nakul into partnership on conditions that he would bring in Rs. 20,000 as his capital and Rs. 6,000 for his share of Goodwill for  $\frac{1}{4}$ <sup>th</sup> share of profit. Half of the amount of goodwill was withdrawn by the existing partners. The capital of the partners in the New Firm were to be arranged in profit sharing ratio on the basis of Nakul's capital and excess or deficit capital to be adjusted in cash. Show the capital Accounts of the Partners. (6)

14. Surya Ltd. Was formed with a nominal share capital of Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each. Out of these 3,000 shares were issued to the vendors as

fully paid up as purchase consideration for a building acquired. The company offers 13,000 shares to the public payable Rs. 30 per share on Application, Rs. 30 per shares on allotment and the balance on first and final call applications were received for 12,000 shares. All money payable on allotment was duly received, except on 100 shares held by X. First and final call was not made by the company. (6)

How would you show the relevant items in the Balance sheet of Surya Ltd?

15. A, B and C are partners in a firm sharing profits and losses in the ratio of 3:2:1 on April, 2007, D is admitted into the firm with  $\frac{1}{4}$ <sup>th</sup> share in the profits, which he gets  $\frac{1}{8}$ <sup>th</sup> from A and  $\frac{1}{8}$ <sup>th</sup> from B. Other terms of Agreement are as under:

- (i) D will introduce Rs. 60,000 as his capital and Pay Rs. 18,000 as his share of goodwill.
- (ii) 20% of the reserve is to remain as a provision against bad and doubtful debts.
- (iii) A liability to the extent of Rs. 1000 is created in respect of a claim for damages against the firm.
- (iv) An item of Rs. 4000 included in sundry creditors is not likely to be claimed.
- (v) Stock is to be reduced by 30% and patents to be written off in full.
- (vi) A is to pay off the Bank overdraft.

After making the above adjustment the capital accounts of old partners be adjusted on the Basis of D's capital to his share in the business, i.e., actual cash to be paid off to, or brought in by the old partners, as the case may be.

Their balance sheet as on 31<sup>st</sup> March, 2007 is as follow:

Liabilities	Amount	Assets	Amount
Creditors	36,000	Cash	14,000
Bank Overdraft	20,000	Debtors	50,000
Reserve	15,000	Less: Prov.	2,500
			47,500
Capital Accounts:		Stock	60,000
A.	60,000	Patents	6,000
B.	60,000	Fixed Assets	98,500

C.	50,000	170,000	Goodwill	15,000
		241,000		241,000

Prepare Revaluation A/c, Capital Accounts and the balance sheet of the new firm.  
(8)

(Or)

On 31<sup>st</sup> December 2007, the Balance Sheet of P, Q and R who were partners in a firm, is under:

Liabilities	Amount	Assets	Amount
Creditors	25,000	Building	26,000
Reserve Fund	20,000	Investment	15,000
Capital:		Debtors	15,000
P 15,000		B/R	6,000
Q 10,000		Stock	12,000
R 10,000	35,000	Cash	6,000

The partnership Deed provides that the profits be shared in the ratio of 2:1:1 and in the event of death of any partner, his executors will be entitled to be paid out:

- The capital to his credit at the date of last Balance Sheet.
- His proportion of Reserve at the last Balance Sheet.
- His proportion of profits to the date of death on the average profits of the last three completed years, plus 10% and
- By way of Goodwill, his proportion of the total profits for the three preceding years.
- The net profits for the last three years were:

2005           Rs. 16,000

2006           Rs. 16,000

2007           Rs. 15,400

R died on 1<sup>st</sup> April, 2004. He had withdrawn Rs. 5,000 to the date of his death. The investments were sold at par and R's executors were paid off.

Prepare Partner's Capital Accounts, R's Executor's account and Balance Sheet of the surviving partners P and Q.

16. AB Ltd. Invited applications for 1,00,00 equity shares of Rs. 10 each, payable as Rs. 2 on application, Rs. 3 on allotment and the balance on first and final call. Applications were received for 3,00,000 shares and the shares were allotted on pro-rata basis. The excess application money was to be adjusted against allotment money only. M, a shareholder, who had applied for 3,000 shares, failed to pay the call money and his shares were accordingly forfeited and reissued at Rs. 8 per share as fully paid. (8)

(Or)

A company redeemed 1,000, 15% debentures of Rs. 100 each by converting them into 12% preference shares of Rs. 100 each at 25% premium and 500, 15% debentures of Rs. 100 each by purchasing from market for immediate cancellation at Rs. 95 a debenture. Give journal entries.

Part – B

17. What is meant by cash equivalents? (1)

18. Which are the final accounts of a company? (1)

19. Mention any one limitation of cash flow statement. (1)

20. From the following information, calculate Average collection period:

Opening Debtors	:	Rs. 37,000	
Closing Debtors	:	Rs. 43,000	
Sales	:	Rs. 6,00,000	
Cash Sales	:	Rs. 80,000	(3)

21. Opening Stock Rs. 29,000; closing stock Rs. 31,000; Sales Rs. 3,20,000; Gross Profit Ratio = 25% on sales.

Calculate (i) Stock turnover Ratio (ii) Purchases (4)

22. Prepare comparative Balance Sheet of XY Ltd. (4)

Liabilities	2006	2007	Assets	2006	2007
Share Capital	30,000	36,000	Fixed Assets	60,000	75,000
Reserve & Surplus	12,000	15,000	Current Assets	14,000	13,500
Loans	17,000	25,500			
Current Liabilities	15,000	12,000			
	74,000	88,500		74,000	88,500

23. From the following balance Sheets, Prepare Cash Flow Statement:

Liabilities	2006	2007	Assets	2006	2007
Equity Capital	3,00,000	3,00,000	Goodwill	36,000	36,000
General Reserve	52,000	54,000	Land	1,20,000	108,000
Profit & Loss A/c	38,000	39,000	Building	1,11,000	108,000
Creditors	27,600	18,600	Stock	90,000	70,200
Prof. For Tax	48,000	54,000	Debtors	60,000	66,600
Prof. for D. Debts	1,200	1,800	Bank	19,800	45,600
			Short Term Investment	30,000	33,000
	4,66,800	4,67,400		4,66,800	4,67,400

Additional Information:

- (a) A piece of land has been sold for Rs. 12,000.
- (b) Depreciation of Rs. 21,000 had been charged to building.
- (c) An Interim Dividend paid during the year Rs. 15,000. (6)

Adjustment for working capital		
Increase in provision for Bad Debts	600	
Decrease in stock	19800	
Increase in debtors	6600	
Income tax paid	48000	
Decrease in creditors	9000	49800
Cash Flow from Investing Activities		
Sale of land	12000	
Purchase of Building	18000	60000
Cash flow from financing activities		
Dividend paid	15000	15000
Net Cash Inflow		28800
Add: op. cash & cash equivalent		49800
Closing cash & cash equivalent		78600

3 Marks for Op. Activities

1 Marks for format

1 marks for investing Activities

1 Mark for financing Activities

**Building A/c**

To Bal B/D	1,11,000	By Dep. A/c	21000
To cash A/c	18,000	By Balance C/D	108000
	129000		129000