



ANANDALAYA
FIRST PRE-BOARD EXAMINATION
Class : XII

Subject : ACCOUNTANCY
Date : 30 / 11 /2015

M.M : 80
Time : 3 Hours

General Instructions:

- i. This question paper contains three parts A, B and C.
- ii. Part A is compulsory for all.
- iii. There are two parts. Part B- Financial statement analysis and Part C- Computerized Accounting.
- iv. All parts of a question should be attempted at one place.

PART A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

1. A partner has given a loan of Rs.2,00,000 to the firm on 1st July 2014. The partnership deed is silent as to interest on Partner's loan. State giving reason how much amount of interest on partner's loan will be allowed if the loss (before interest) for the year ended 31st March, 2015 amounted to Rs.5,000. 1
2. Ria and Reema are partners. Seema is admitted for 1/4th share in partnership. In which ratio Ria and Reema will sacrifice their share of profit in favour of Seema? 1
3. Give one point of difference between Authorised Capital and Issued Capital. 1
4. Sunrise Ltd. has Rs. 10, 00,000, 9% Debentures of Rs.100 each of which half the amount is due for redemption at a premium of 5%. The company has in its Debenture Redemption Reserve a balance of Rs. 50,000. State the amount of profit required to be transferred to Debenture Redemption Reserve. 1
5. P, Q and R are equal partners in a firm. Goodwill has been valued at Rs.90, 000. On R's retirement from the firm, P and Q agreed to share future profit in the ratio of 3:2. 1
Pass necessary Journal entry for the treatment of R's share of Goodwill.
6. Give two cases of compulsory dissolution of a firm. 1
7. X Ltd. Forfeited 150 shares of Rs.20 each issued at a premium of Rs.5 per share for the non-payment of the second and final call of Rs.7 per share. 100 of these shares were reissued @ Rs.21 per share fully paid. Pass necessary Journal entries for the forfeiture and reissue of the above transaction. 3
8. On 1st April 2013 Brij & Nandan entered into partnership to construct toilets in government girls' school in the remote areas of Uttarakhand. They contributed capitals of Rs.10,00,000 and Rs.15,00,000 respectively. 3
Their profit sharing ratio was 2:3 and interest allowed on capital as provided in partnership deed was 12% per annum. During the year ended 31st March 2014 the firm earned the profit of Rs.2,00,000.
Prepare Profit and Loss Appropriation Account. Show working clearly.
9. Zarna Ltd. had 4,000, 12% debentures of Rs.200 each outstanding on March 31, 2014. The debentures of face value of Rs.1,00,000 are to be redeemed annually commencing from that date. Redemption could be either by drawing of lots or by purchase in the open market at company's option. On the date company purchased for cancellation Rs.80,000 debentures @ Rs.190 and 20,000 debentures @ Rs.196. The expenses of purchases amounted to Rs.500. Make necessary journal entries for the year 2014. 3

10. Good blankets Ltd. are the manufacturers of woolen blankets. The company decided to distribute blankets free of cost to five villages of Kashmir Valley destroyed due to flood. It also decided to employ 100 young people from these villages in their newly established factory located at Solan in Himachal Pradesh. To meet the requirements of funds for starting its new factory, the company issued 50,000 equity shares of Rs.10 each and 2,000; 8% Debentures of Rs.100 each to the vendor of machinery purchased for Rs.7,00,000. 3

Pass necessary Journal entries for the above transactions in the books of the company. Also identify any one value which the company wants to communicate to the society.

11. Calculate goodwill on the basis of two years purchase of average super profit during the year: 4
- i. Actual Average Profits Rs.72,000
 - ii. Normal Rate of Returns 12%
 - iii. Assets Rs.8,00,000
 - iv. Liabilities Rs.3,50,000

12. Ravi and Mohan were partners in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Rs.10,00,000 and Rs. 7,00,000. The partnership deed provided for the following: 4

- (i) Interest on capital @ 12% p.a.
- (ii) Ravi's salary Rs.6,000 per month and Mohan's salary Rs.60,000 per year.

The profit for the year ended 31st March, 2015 was Rs.5,04,000 which was distributed equally, without providing for the above adjustments. Pass an adjustment entry.

13. Pass the necessary Journal entries for the following transaction: 6

- a) Issued 58,000, 9% Debentures of Rs.1, 000 each at a premium of 10%.
- b) Mona Ltd. Acquired assets of Rs. 50 lakhs and took over creditors of Rs. 5 lakhs from Ram Enterprises. Mona Ltd. Issued 8 % debentures of Rs.100 each at a premium of 25% as purchase consideration. Record necessary Journal entries in the books of Mona Ltd.
- c) Redeemed 450, 9% Debentures of Rs.100 each by draw of lots.

14. The Balance Sheet of X,Y and Z who were sharing profits in the ratio of 5:3:2 as at 31st March, 2014: 6

Liabilities	Amount	Assets	Amount
Creditors	50,000	Cash at Bank	40,000
Employees Provident Fund	10,000	Sundry Debtors	1,00,000
Profit & Loss A/c	85,000	Stock	80,000
Capital A/cs:		Fixed Assets	60,000
X 40,000			
Y 62,000			
Z 33,000	1,35,000		
	2,80,000		2,80,000

X retired on 31st March, 2014 and Y and Z decided to share profits in future in the ratio of 2:3 respectively.

The other terms on retirement were as follows:

- a. Goodwill of the firm is to be valued at Rs.80, 000.
- b. Fixed Assets are to be depreciated to Rs.57, 500.
- c. Make a Provision for Doubtful Debts at 5% on Debtors.
- d. A liability for claim, included in Creditors for Rs.10, 000, is settled at Rs.8, 000.

Prepare Revaluation A/C, Partner's Capital Account and the Balance Sheet.

15. Following is the Balance Sheet as at 31st March, 2004 of Arnav and Tanmay sharing profits in the ratio of 2:3: 6

Liabilities	Amount	Assets	Amount
Creditors	65,000	Cash	14,000
General Reserve	5,000	Stock	12,000
Capital A/cs:		Debtors	18,000
Arnav	8,000	Less: Provision	1,000
Tanmay	10,000	Plant	30,000
		Investments	10,000
		Profit and Loss A/c	5,000
	88,000		88,000

On the above date, the firm was dissolved and the following was the result:

- Arnav took over Investments at Rs.8, 000.
 - The assets realized as follows: Stock Rs.8, 000; Debtors Rs.16, 500; Plants Rs.3, 000 less.
 - Creditors were paid off at 5% discount.
 - Expenses of Realisation were Rs.2, 000.
- Prepare the Realisation Account, Partner's Capital Accounts and Cash Account to close the books of the firm.
16. Usha and Kiran were partners in firm sharing profits in 3:1 ratio. They admitted Nisha as a new partner for 1/4th share in the profit. Nisha was to bring Rs. 20,000 as her capital and the capitals of Usha and Kiran were to be adjusted on the basis of Nisha's capital in the profit sharing ratio. The Balance Sheet of Usha and Kiran on 31.3.2012 was as follows: 8

BALANCE SHEET OF RIA AND REEMA
As at 31st March 2012

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	18,000	Cash	5,000
Bills Payable	10,000	Debtors	17,000
General Reserve	12,000	Stock	12,000
Capitals:		Machinery	21,000
Usha	25,000	Building	20,000
Kiran	10,000		
	75,000		75,000

Other terms of agreement on Nisha's admission were as follows:

- Nisha will bring Rs. 6,000 for her goodwill.
 - Building will be valued at Rs. 25,000 and machinery at Rs.19, 000.
 - A provision of 5 % on debtors will be created for bad debts.
 - Capital Accounts of Usha and Kiran were adjusted by opening Current Accounts.
- Prepare Revaluation Account, Partners Capital Accounts and the new Balance Sheet.
17. Aum Ltd. Issued 40,000 Equity Shares of Rs.10 each at a premium of Rs.2.50 per share. The amount was payable as follows: 8

On Application Rs.2 per share
On Allotment Rs.4.50 per share (including premium)
And on calls Rs.6 per share

Owing to heavy subscriptions the allotment was made on pro- rata basis as follows:

- Applicants for 20,000 shares were allotted 10,000 shares.
- Applicants for 56,000 shares were allotted 14,000 shares.
- Applicants for 48,000 shares were allotted 16,000 shares.

It was decided that excess amount received on applications would be utilized on allotment and the surplus would be refunded.

Ram, to whom 1,000 shares were allotted, who belongs to category (a), failed to pay allotment money. His shares were forfeited after the call.

Pass the necessary Journal entries in the books of X Ltd. For the above transactions.

PART B: ANALYSIS OF FINANCIAL STATEMENTS

18. Give one transaction which may result into outflow of cash and one which may result into inflow of cash. 1
19. A Ltd., engaged in the business of retailing of motor cycles, invested Rs.50,00,000 in the shares of a manufacturing company. State with reason whether the dividend received on this investment will be Cash Flows from Operating Activities or Investing Activities. 1
20. (i) Under which major headings and sub-headings will the following items appear in a Company's Balance Sheet as per Schedule III of the Companies Act, 2013. 2+2
 - a)Long term Loans b) Brands
 - c)Drafts in hand d) Raw materials
- (ii) State any two limitations of Financial Statement Analysis.

21. From the following information prepare Comparative Income Statement: 4

Particulars	31-3-2013	31-3-2012
Cost of Materials Consumed	13,44,000	6,00,000
Revenue from Operations (% of Material Consumed)	125%	200%
Other Expenses (% of Operating Revenue)	10%	10%
Tax Rate	50%	50%

22. From the following information calculate any two of the following ratios: 4
 - a) Current Ratio
 - b) Debt Equity Ratio
 - c) Operating Ratio

Revenue from Operations Rs.1,00,000; cost of Revenue from Operations was 80% of Revenue from Operations; Equity Share Capital Rs.7,00,000; General Reserve Rs.3,00,000; Operating Expenses Rs.10,000; Quick Assets Rs.6,00,000; 9% Debentures Rs.5,00,000; Closing Inventory Rs.50,000; Prepaid Expenses Rs.10,000 and Current Liabilities Rs.4,00,000.

23. From the following Balance Sheet of Manoj Ltd. As at 31-3-2012 and 31-3-2011 prepare a Cash Flow Statement: 6

Particulars	Note No.	31-03-2012	31-03-2011
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital		20,00,000	15,00,000
(b) Reserves and Surplus		4,00,000	2,00,000
(2) Current Liabilities:			
Short- term Provisions	1	<u>2,00,000</u>	<u>1,00,000</u>
TOTAL		<u>30,00,000</u>	<u>21,00,000</u>
II. ASSETS:			
(1) Non- Current Assets:			
Fixed Tangible Assets		18,00,000	12,00,000
(2) Current Assets:			
TOTAL		<u>30,00,000</u>	<u>21,00,000</u>

Notes:

- (1) Short term Provision:

Proposed Dividend	<u>2,00,000</u>	<u>1,00,000</u>
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Additional Information:

- (i) During the year Rs.80,000 depreciation was charged on fixed tangible assets.
- (ii) A piece of machinery included in fixed tangible assets costing Rs. 20,000 on which depreciation charged was Rs.8,000, was sold for Rs.10,000.