



ANANDALAYA
PRE BOARD EXAMINATION – 2
Class : XII

Subject : ACCOUNTANCY
Date : 11/ 01 /2016

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 question should be attempted at one place.

PART A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

1. When is it that the Capital Account of a partner does not show a 'Debit Balance' in spite of regular and consistent losses year after year? 1
2. All the partners want to dissolve the firm. Y, a partner wants that his loan of Rs.50, 000 must be paid before the payment the payment of Mrs. X's Loan. But X, another partner wants that Mrs. X's Loan must be paid before the payment of Y's Loan. Justify giving reasons. 1
3. Give two circumstances in which the Gaining Ratio is computed. 1
4. A and B are partners sharing profits in the ratio of 3:2. Their capitals are Rs.60, 000 and Rs.40, 000 respectively. They admit C, a new partner, who will get 1/6th share in the profits of the firm. C brings in Rs.25, 000 as capital. What is the value of hidden goodwill? 1
5. In case of reissue of share which was originally issued at par or at a premium, what is the maximum possible discount on reissue? 1
6. Name the account which is opened to credit the share of profit of the deceased partner, till the time of his death to his Capital Account. 1
7. X Ltd secured a loan of Rs.8, 00,000 from the Bank of Baroda by issuing 10,000; 9% Debentures of Rs.100 each as collateral security. How will you show the issue of such debentures in the Balance Sheet? 3
8. Mona and Nisha are partners in a firm sharing profits in the ratio of 3:2. Their firm is manufacturing handicrafts and Khadi items. They decided to admit Leena into the partnership for 1/6th share of the future profits. Goodwill, valued at 4 times the average super profits of the firm, was Rs.18, 000. The firm had Assets worth Rs.15, 00,000 and Liabilities Rs.12, 00,000. The normal rate of return of such firms is 10% p.a. Find the Average Profits/Actual Profit earned by the firm during the last 4 years. 3
9. Complete the following Journal entries: 3

Date	Particulars	L.F.	Dr.(Rs.)	Cr.(Rs.)
2014 April 1	Bank AcDr To Able's Capital A/c To (Being the amount of premium for goodwill and Capital brought in by Able)		1,36,000	1,00,000 36,000

April 1	Premium for Goodwill A/cDr To Strong's Capital A/c To Weak's Capital A/c (Being Premium for Goodwill credited to the old partner in sacrificing ratio i.e.,1:9)	
April 1 Dr Dr To..... (Being the withdrawal of premium by the partners)	

10. Little Comforts Ltd. is in carpet weaving business and in the process of setting up a new unit. It decided to setup the new unit in Kashmir with a view to help the people thought employment who lost heavily in the floods. It also decided to adopt a school in the area and donated school furniture initially as it was completely destroyed. Little Comforts Ltd. had an authorized capital of Rs.5, 00,000 divided into equity shares of Rs.10 each. The company offered for subscription Rs.3, 00,000 shares. The issue was fully subscribed. The amount payable on application was Rs.2 Per share. Rs.4 per share was payable each on allotment and first and final call. A shareholder holding 300 shares failing to pay the allotment. His shares were forfeited. The company did not make the first and final call. Show how the 'Share Capital' will be shown in the company's Balance Sheet. Identify the value it has communicated to the society. 3
11. a) Pass necessary Journal entries for the redemption of 15,000; 9% Debentures of Rs.250 each issued at 5% premium, repayable at 15% premium. 4
b) Suresh Ltd. On 1st April, 2012 acquired assets of the value of 6, 00,000 and liabilities of Rs.70, 000 from P & Co., at an agreed value of Rs.5, 50,000. Suresh Ltd. Issued 12% Debentures of Rs.100 each at a premium of 10% in full satisfaction of purchase consideration. Pass necessary entries to record the above transaction.
12. Satnam and Qureshi after doing their MBA decided to start a partnership firm to manufacture ISI marked electronic goods for economically weaker section of the society. Satnam also expressed his willingness to admit Juliee as a partner without capital who is specially abled but a very creative and intelligent friend oh him. Qureshi agreed to this. They formed a partnership on 1st April, 2012 on the following terms: 4
i. Satnam will contribute Rs.4, 00,000 and Qureshi will contribute Rs.2, 00,000 as capitals.
ii. Satnam, Qureshi and Juliee will share profits in the ratio of 2:2:1.
iii. Interest on capital will be allowed @ 6% p.a.
Due to shortage of capital Satnam contributed Rs. 50,000 on 30th September, 2012 and Qureshi contributed Rs.20, 000 on 1st January, 2013 as additional capital. The profit of the firm for the year ended 31st March, 2013 was Rs.3, 37,800.
a) Identify any two values which the firm wants to communicate to the society.
b) Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2013.
13. Manika, Nishtha and Sakshi were partners in a firm sharing profits in the ratio of 2:2:1 respectively. On 31st March,2013 their Balance Sheet was as under:

Balance Sheet As at 31st March,2013

Liabilities	Amount	Assets	Amount
Capital A/cs:		Fixed Assets	3,60,000
Manika 2,80,000		Debtors	2,80,000
Nishtha 3,00,000		Stock	1,30,000
Sakshi <u>1,00,000</u>	6,80,000	Cash	4,60,000
Reserve Fund	3,00,000		
Creditors	2,50,000		
	12,30,000		12,30,000

Sakshi died on 1st July, 2013. It was agreed between her Executors and the remaining partners that:

- i. Goodwill of the firm be valued at 3 years purchase of average profits for the last three years. The average profits were Rs.5, 00,000.
- ii. Interest on capital be provided at 12% p.a.
- iii. Her share in the profits up to the date of death will be calculated on the basis of average profits for the last three years.

Prepare Sakshi's Capital Account as on 1st July, 2013.

14. a) R.S Ltd. Issued 10,000, 10% Debentures of Rs.100 each. Pass the necessary Journal entries for issue of Debentures in the following cases: 6

- i. When Debentures are issued at par and redeemable at par.
- ii. When Debentures are issued at par and are redeemable at a premium of 10%.
- iii. When Debentures are issued at a premium of 20% to the vendors for the purchase of machinery worth Rs.12, 00,000.

b) On 1st January, 2011, P.K. Ltd. had 1, 000, 12% Debentures of Rs.100 each. Interest on debentures is payable half yearly on 30th June and on 31st December. On 1st July, 2013, the company purchased 400 own debentures at Rs.93 for the investment purpose and sold the same @ Rs.99 after few months.

Pass Journal entries on the date of purchase and sale of Debentures.

15. Pass the necessary Journal entries for the following transactions on the dissolution of the firm of A and B after the various assets (other than cash) and outside liabilities have been transferred to Realization Account: 6

- i. A agreed to pay off his wife's loan of Rs.20, 000.
- ii. A debtor whose debts of Rs.8, 000 was written off as bad debt in the books paid Rs.7, 500 in full settlement.
- iii. B took over investments at Rs.15, 000.
- iv. Sundry Creditors amounting to Rs.10, 000 were paid at 5% discount.
- v. Realization expenses Rs.3, 400 were paid by A for which he was allowed Rs.3, 000.
- vi. Loss on realization Rs.9, 400 was divided between A and B in 3:2 ratio.

16. The Balance Sheet of Riya, Siya and Tina who were sharing profits in the ratio of 5:3:2 as at 31st March,2014: 8

Liabilities	Amount	Assets	Amount
Creditors	50,000	Cash at Bank	40,000
Employee's Provident Fund	10,000	Sundry debtor	1,00,000
Profit & Loss A/c	85,000	Stock	80,000
Riya's Capital	40,000	Fixed Assets	60,000
Siya's Capital	62,000		
Tina's Capital	33,000		
	2,80,000		2,80,000

Riya retired on the same date on the following terms:

- i. Goodwill of the firm is to be valued at Rs.80, 000 and Riya's share of the same be adjusted to that of Siya and Tina who are going to share the future profits in the ratio of 2:3.
- ii. Fixed Assets are to be depreciated to Rs.57, 500.
- iii. Make a Provision for Doubtful Debts at 5% on Debtors.
- iv. A liability for claim, included in creditors for Rs.10, 000 is settled at Rs.8, 000.
- v. The amount to be paid to Riya by Siya and Tina in such a way that their capitals are proportionate to their profit- sharing ratio and leave a balance of Rs.15,000 in the Bank A/c. Prepare Revaluation Account, Capital Accounts and the Balance Sheet of the new firm.

Or

The Balance Sheet of Madan and Mohan, who share profits and losses in the ratio of 3:2 on 31st March, 2014 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	28,000	Cash at Bank	10,000
Workmen compensation Fund	12,000	Debtors	65,000
General Reserves	20,000	Less: Provisions	5,000
Capital A/cs:		Stock	30,000
Madan	60,000	Investments	50,000
Mohan	40,000	Patents	10,000
	1,60,000		1,60,000

They decided to admit Gopal, on 1st April, 2014 for 1/4th share on the following terms:

- i. Gopal shall bring Rs.20, 000 as his share of premium for goodwill.
- ii. That unaccounted accrued income of Rs.1, 000 be provided for.
- iii. The market value of investment was Rs.45, 000.
- iv. A debtor whose dues of Rs.5, 000 were written off as bad debts paid Rs.4, 000 in full settlement.
- v. A claim of Rs.3, 000 on account of workman compensation to be provided for.
- vi. Patent were overvalued by Rs.2, 000.
- vii. Gopal to bring in capital equal to 1/4th of total capital of the new firm after all adjustment.

Prepare Revaluation Account, Capital Account and the Balance Sheet of the new firm.

17. Record the journal entries forfeiture and reissue of share in the following case. 8
- a) A Ltd. forfeited 200 shares of Rs.10 each, Rs.7 called up on which the share holder had paid application and allotment money of Rs.5 per share. Out of this , 150 share were reissued to Mahesh as Rs.7 per share paid up for Rs.8 per share.
 - b) B Ltd. forfeited 900 shares of Rs.10 each, Rs.8 called up issued at the premium of Rs.2 per share for nonpayment of allotment money of Rs.5 per share (including premium).out of this, 800 shares were reissued to Sanjay as Rs.8 called up for Rs10 per share.
 - c) C Ltd. forfeited 3000 shares of Rs.10 each issued at the premium of Rs.1 per share for the nonpayment of first and final call of Rs.3 per share. Out of this 2000 shares were reissued at Rs.3 per share fully paid up.

OR

Downhill Ltd. invited application for issuing 30,000 equity shares of Rs.10 each at the premium of Rs.30per share. The amount was payable as follows.

- On application Rs.10 per share (including Rs.8 premium)
- On allotment Rs.12 per share (including Rs.9 premium)
- On first and final call – Balance.

Application for 27,000 shares were received. All the calls were made and were duly received except on 3000 shares held by Shiva who failed to pay the allotment and first and final call money and on 2000 shares of Girdhar who did not pay first and final call. Shares of Shiva and Girdhar were forfeited. Out of the forfeited shares, 4000 shares were issued, including all the shares of Girdhar at Rs.17 per shares fully paid up.

Pass necessary general entries in the books of Down hill ltd.

Part B: Analysis of Financial Statements

18. Fineserve Ltd., is carrying on a Mutual Fund business. It invested Rs.30,00,000 in shares and Rs.15,00,000 in debentures of various companies during the year. It received Rs.3,00,000 as dividend and interest. Find out Cash Flow from Investing Activities. 1
19. State the purpose of preparing a Cash Flow Statement. 1
20. a) Answer the following : 4
 i. How is 'subjectivity' become a limitation of Financial Statement Analysis?
 ii. Name two parties interested in Financial Statement Analysis.
 b) Name the sub-heads under the head 'Current Liabilities' in the Equity and Liabilities part of the Balance Sheet as per Schedule III, part I of the Companies Act,2013.
21. a) Compute Trade Receivables Turnover Ratio from the following information: 4
 Total Sales Rs.5,20,000, Cash Sales 60% of Credit Sales, Closing Debtors Rs.80,000; Opening Debtors are 3/4th of Closing Debtors.
 b) Current Liabilities of a company are Rs.1,60,000. Its Liquid Ratio is 1.5:1 and Current Ratio is 2.5:1. Calculate Quick Assets and Current Assets.
22. From the following Balance Sheet of X Ltd. as at 31st March,2013 and 2012, prepare a Common-size Balance Sheet: 4

Particulars	Note No.	31-03-2013	31-03-2012
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital		80,00,000	60,00,000
(b) Reserves and Surplus		12,00,000	8,00,000
(2) Non-Current Liabilities:			
Long- term Borrowing		24,00,000	20,00,000
(3) Current Liabilities:			
Trade Payables		4,00,000	12,00,000
TOTAL		1,20,00,000	1,00,00,000
II. ASSETS:			
(1) Non- Current Assets:			
Fixed Assets:			
(a) Tangible Assets		80,00,000	60,00,000
(b) Intangible Assets		4,00,000	12,00,000
(2) Current Assets:			
(a) Inventories		24,00,000	20,00,000
(b) Cash and Cash Equivalent		12,00,000	8,00,000
TOTAL		1,20,00,000	1,00,00,000

23. From the following Balance Sheet of Sonam Ltd. as at 31st March, 2013 and 2012, prepare Cash Flow Statement:

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Particulars	Note No.	31-03-2013	31-03-2012
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds:			
(a) Share Capital		1,50,000	1,00,000
(b) Reserves and Surplus		50,000	25,000
2. Non-Current Liabilities:			
Long- term Borrowing: Bank Loan		25,000	50,000
3. Current Liabilities:			
(a) Trade Payables		11,250	15,000
] (b) Short- term Provisions	1	32,500	30,000
		2,68,750	2,20,000
TOTAL			
III. ASSETS:			
1. Non- Current Assets:			
(a) Fixed Assets:		1,50,000	1,50,000
(i) Tangible Assets: Building		11,250	12,500
(ii) Intangible Assets: Patents		18,750
(b) Non- Current Investments			
2. Current Assets:			
(a) Inventories		3,750	2,500
(b) Trade Receivables		63,750	50,000
(b) Cash and Cash Equivalentents		21,250	5,000
		2,68,750	2,20,000
TOTAL			

Notes to Accounts

Particulars	31-03-2013	31-03-12
1. Short term Provisions		
Provision for Tax	17,500	10,000
Proposed Dividend	15,000	20,000
Total	32,500	30,000

Additional Information:

During the year a Building having book value Rs.50,000 was sold at a loss of Rs.2,000 and depreciation charged on Building was Rs.4,000.