



ANANDALAYA
SUMMATIVE ASSESMENT - 1
Class : XII

Subject : ACCOUNTANCY
Date : 23/09/2016

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. State the provision of companies Act, 2013 for the creation of 'Debenture Redemption Reserve' (1)
2. A group of 40 people wants to form a partnership firm. They want your advice regarding the maximum number of persons that can be there in a partnership firm and the name of the Act under whose provision it is given. (1)
3. What do you mean by Employees Stock Option Plan? (1)
4. X and Y are partners. Y wants to admit his son K into business. Can K become the partner of the firm? Give reason. (1)
5. How does quality of product affect the goodwill of a firm? (1)
6. State any two occasions on which a firm can be reconstituted. (1)
7. Complete the following Journal entries for forfeiture and reissue of shares. (3)

JOURNALS

Date	Particulars	L.F	Debit	Credit
	Share Capital A/c (20*7) Dr. To Calls-in-arrears A/c To Share Forfeiture A/c (Being 20 shares forfeited for nonpayment of first call of Rs. 2 per share)		140	----- -----
	Bank A/c Dr. To Share Capital A/c To Securities premium reserve A/c (Being 15 shares reissued as Rs.7 paid-up for Rs.8 per share)		120	----- -----
	----- Dr. To ----- (Being the transfer of profit on re issue of 15 shares)		-----	-----

8. Sangam Woollens Ltd., are the manufacturers and exporters of woollen garments. The company decided to distribute free of cost woollen garments to 10 villages of Lahaul and Spiti District of Himachal Pradesh. The company also decided to employ 50 young persons from these villages in its newly established factory. The company issued 40,000 Equity Shares of Rs.10 each and 1,000, 9% Debentures of Rs.100 each to the vendors for the purchase of machinery of Rs.5,00,000. Pass necessary Journal entries. Also identify any two values that the company wants to communicate to the society. (3)
9. A business has earned average profit of Rs.2,00,000 during the last few years and the normal rate of returns in similar business is 10%. Find out the value of goodwill by (3)
 - i. Capitalisation of Super Profit Method.
 - ii. Super profit Method if the goodwill is valued at 3 years purchase of super profits.The assets of the business were Rs.20,00,000 and its external liabilities Rs.3,60,000.

10. Ravi and Mohan were partners in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi—Rs.10,00,000 and Mohan—Rs.7,00,000. The partnership deed provided for the following: (3)
- 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, 2014 was Rs.5,04,000 which was distributed equally, without providing for the above. Pass necessary adjustment entry.
11. Ram and Manohar are partners in a firm sharing profits and losses in the ratio of 7:3. According to the partnership deed, Ram was to be paid salary of Rs. 5,000 per month and Manohar was to get a bonus of Rs. 40,000 per annum. Interest on capital was to be allowed @ 10 per cent per annum and interest on drawings was to be charged @ 8 per cent per annum. Interest on Ram's drawings was Rs. 3,000 and on Manohar's drawings Rs. 2,000. Their fixed capitals were Rs. 4,00,000 and Rs. 1,50,000 respectively. The firm earned a profit of Rs. 2,50,000 for the year ended 31st March, 2004. Prepare Profit & Loss Appropriation Account of Ram and Manohar. (4)
12. X Ltd. has an authorized capital of Rs.10,00,000 divided into equity shares of Rs.10 each. The company invited application for 50,000 shares. Applications for 40,000 shares were received. All calls were made and duly received except the final call of Rs.2 per share on 1,000 shares. Out of the shares on which final call was not received, 500 shares were forfeited. Show, how share capital will appear in the Balance Sheet of the company. (4)
13. a) Rajan Ltd. purchased a running business from Vikas Ltd. for a sum of Rs.2,50,000 payable as Rs.2,20,000 in fully paid equity shares of Rs.10 each and balance by a bank draft. The assets and liabilities consisting of the following: Plant and Machinery Rs.90,000; Building Rs.90,000; Sundry Debtors Rs.30,000; Stock Rs.50,000; Cash Rs.20,000; sundry Creditors Rs.20,000. (6)
- Pass necessary Journal entries for the following transactions in the books of Rajan Ltd.
- b) Asha 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 a collateral security. How will you show the issue of such debenture in the Balance Sheet?
14. a) On 1st April, 2012, a company issued 4,000; 9% Debentures of Rs.100 each at a discount of 10%, repayable at a premium of 10%. The term of issue provided for the redemption of Rs.40,000 debentures every year commencing from 31st March, 2014, either by purchase from open market or by draw of lots at the company's option. (6)
- On 31st March,2014, the company purchased for cancellation its own debentures of the face value of Rs.32,000 at Rs.95 per debenture and Rs.8,000 at Rs.90 per debenture. The expenses of purchase amounted to Rs.1,000.
- Record necessary Journal entries for redemption of 9% Debentures.
- b) Shyam Ltd. converted 450, 10% Debentures of Rs.100 each into Equity Shares of Rs.100 each. The 10% Debentures were redeemable at 10% Premium and the Equity shares were issued at 25% premium. Pass the necessary Journal entries in the books of the company for the redemption of the debentures.
15. a) Surya Ltd. forfeited 1,000 Equity shares of Rs.100 each for the non-payment of first call Rs.20 per share and second and final call of Rs.25 per share. State: (6)
- i. Can these shares be reissued?
 - ii. If yes, state the minimum amount at which these shares can be reissued.
 - iii. If these shares were reissued at Rs.50 per share fully paid-up, what will be the amount of Capital Reserve?
- b) Zaara Ltd. forfeited 1,000 shares of Rs.10 each (Rs.8 called-up) for the non-payment of the allotment money of Rs.5 per share including Rs.2 as premium. Of these, 800 shares were reissued to Shree at Rs.7 per share as Rs.8 called-up.

Journalise the above transaction.

16. Suresh Ltd. on 1st April, 2012 acquired assets of the value of Rs. 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. The Debentures were redeemed 3 years later at a premium of 5%. Pass entries to record the above including redemption of debentures. (8)
17. Subhash Ltd. invited application for issuing 1,50,000 Equity shares of Rs. 10 each at a premium of Rs. 3 per share. The amount was payable as follows: (8)
- On application Rs. 2 per share
 On allotment Rs. 6 per share (including premium)
 On first and final call – the balance
- Application for 2,00,000 shares were received and shares were allotted on pro rata basis to all the applicants. Excess money received on application was adjusted towards sum due on allotment. Suman who has applied for 2,000 shares failed to pay the allotment and call money. Raman failed to pay the first and final call on his 500 shares. Shares of both Suman and Raman were forfeited after the final call was made. The forfeited shares were reissued at the maximum permissible discount as per the provision of the companies Act.
- Pass necessary Journal entries.

Part B: Analysis of Financial Statements

18. How will you treat Cash deposited with the bank with a maturity date after two months? (1)
19. Finserve 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)
20. (a) How are the following items shown while preparing the Balance Sheet of a Company? (4)
- (i) Debenture Redemption Reserve. (ii) Outstanding Expenses
 (iii) Loose Tools (iv) Investment in property
- (b) Why would an investor prefer to invest partly in the Shares and partly in the Debentures of a Company?
21. Prepare Common size Statement of Profit and Loss from the following Statement of Profit and Loss of Intex Communication Ltd.: (4)

Particulars	Note No.	2015	2016
I. Income			
Revenue from Operations		7,00,000	9,00,000
II. Expenses			
Purchase of Stock in trade		4,50,000	5,00,000
Change in Inventories of Stock in Trade		50,000	90,000
Finance Costs		40,000	50,000
Other Expense		45,000	55,000
Total Expenses		5,85,000	6,95,000
III. Net Profit before Tax (I-II)		1,15,000	2,05,000
IV. Less Tax		40,000	70,000
V. Net Profit after Tax		75,000	1,35,000

22. a) From the following information, compute Debt Equity Ratio. (4)
- | | |
|----------------------|--------------|
| Long term Borrowings | Rs. 2,00,000 |
| Long term Provisions | Rs. 1,00,000 |
| Current Liabilities | Rs. 50,000 |
| Non- Current Assets | Rs. 3,60,000 |
| Current Assets | Rs. 90,000 |
- b) The Current Ratio of X Ltd. is 2:1. State with reasons which of the following transactions would increase ; decrease; or not change the ratio:
- (i) Included in the Trade Payables was a bill payable of Rs. 9,000 which was met on maturity.
 (ii) Company issued 1,00,000 equity shares of Rs. 10 each to the Vendor of machine purchased.

23. From the following Balance Sheets of Parkar Ltd. as at 31st March, 2015 and 31st March, 2014, prepare Cash Flow Statement: (6)

Particulars	Note No.	31-03-2015	31-03-2014
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds:			
(a) Share Capital		6,00,000	4,00,000
(b) Reserves and Surplus	1	2,00,000	1,00,000
(2) Non- Current Liabilities			
Long term Borrowing: Bank Loan		1,00,000	2,00,000
(2) Current Liabilities:			
(a) Trade Payables (Creditors)		45,000	60,000
(b) Short- term Provisions	2	1,30,000	1,20,000
TOTAL		10,75,000	8,80,000
II. ASSETS:			
(1) Non- Current Assets:			
(a) Fixed Assets:			
(i) Tangible assets: Building		6,00,000	6,00,000
(ii) Intangible Assets: Patents		45,000	50,000
(b) Non- current Investments		75,000	-
(2) Current Assets:			
(a) Inventories		15,000	10,000
(b) Trade Receivables		2,55,000	2,00,000
(c) Cash and Cash Equivalents		85,000	20,000
TOTAL		10,75,000	8,80,000

Notes to Accounts

	31-03-2015	31-03-2014
1. Reserves and Surplus		
Surplus, i.e., Balance in Statement of Profit and Loss	2,00,000	1,00,000
2. Short- term Provisions		
Provision for Tax	70,000	40,000
Proposed Dividend	60,000	80,000
	1,30,000	1,20,000

Additional Information:

During the year Building costing Rs.75,000 was purchased. Loss on Sale of Building was Rs.5,000. Depreciation charged on Building was Rs.12,000.