



SET A

CLASS: XII

MAX TIME: 3 HOURS

SUBJECT: ACCOUNTANCY

MAR MARKS: 80

PART A

ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

1. Mouse, Keyboard and CPU are partners in a firm sharing profits and losses equally. CPU wants to retire as partner on personal grounds. What is the New Profit Sharing Ratio? 1
2. Bread and Butter are partners sharing profit and losses in the ratio 5:3. They admitted Jam as a new partner. The new profit sharing ratio is 2:1:1. The sacrificing ratio will be
a. 2:1 b. 5:3 c. 1:1 d. 3:5 1
3. Pen, Pencil and Eraser are partners sharing profits and losses in the ratio 6:1:5. Eraser retires. On his retirement the company had a balance of 30, 000 in General reserve. Compute the amount to be credited to Eraser's capital account. 1
4. Creative Ltd issued 50, 000 equity shares of Rs. 50 each payable as follows
15 on application
20 on allotment
10 on first call
Balance on 2nd and final call
Shares are undersubscribed to the extent of 6, 000 shares. Samuel who applied for 3, 800 shares paid the entire share money along with application. Advil paid allotment money along with application for 2,000 shares. What will be the total money received by the company in the application stage?
a. 7, 65, 000
b. 6, 86, 000
c. 8, 33, 000
d. 9, 63, 000 1

5. On which date the company is required to invest or deposit in specified securities debentures are redeeming on 31.03.2016?

- a. 31.03.2014
- b. 31.03.2015
- c. 30.04.2014
- d. 30.04.2015

6. Cup, Saucer and Tea are partners sharing profit and losses in the ratio 4:3:2. Saucer retired on 01.04.2014. On that date capitals of Cup, Saucer and Tea after all necessary adjustments stood at Rs. 19,650; Rs. 19,800 and Rs. 9,150 respectively. The entire capital of the new firm fixed at Rs. 28,000 between Cup and Tea who share the profits in 5:3 ratio. Calculate amount of cash to be paid off or to be brought in by the continuing partners and pass necessary journal entries.

7. Microsoft Ltd purchased a running business of Nokia at an agreed price of Rs. 60,75,000. 20% of agreed price was made by issuing of cheque and the balance by issuing equity shares of Rs. 100 each at a premium of Rs. 20. The purchase of assets and liabilities includes:

Stock: 8,00,000 Building: 16,25,000 Creditors: 9,75,000 Plant: 22,00,000
Debtors: 20,75,000.

Pass necessary journal entries in the books of Microsoft Ltd.

8. Samsung Ltd registered with an Authorized Share Capital of Rs. 90,00,000 divided into 90,000 Equity Shares with a face value of Rs. 100 each. 80,000 Equity shares were offered to the public. Out of the invited shares 65,000 shares were subscribed by the public. All the money was duly received except a shareholder holding 1,300 shares failed to pay 1st and Final Call of Rs. 20 per share. His shares were forfeited and the forfeited shares were reissued for Rs. 1,25,000.

Prepare Notes to Accounts and show how the Share Capital will be displayed in the Balance Sheet.

9. Table and Chair are partners in a firm with the capitals Rs. 6,00,000 and Rs. 4,00,000. During the year ended 31.03.15 the firm earned a profit of Rs. 3,00,000. Assume that the normal rate of return is 20%. Calculate the value of goodwill of the firm:

- A. By Super Profit Method if the goodwill is valued at 3 years purchase of super profits.
- B. By Capitalization Method

10. Mr Sidharth Pandey is the finance manager of 'Swastik Ltd'. He is a loyal employee and makes all possible efforts to continuously analyze and review the company's financial position. Due to his persistence performance the company was able to control their deviations.

the profits. The Board of Directors decided to expand the business with the profits. After reviewing with the finance manager they came to conclusion that with profits they need more funds. So they should collect money either by issuing equity shares or 10 % debentures to the public.

A company issued 20,000 equity shares of 100 each at a premium of 20 %. All the money received except: on 600 shares held by Mr. X. His shares were forfeited for the nonpayment of 1st call Rs. 45 including premium. The 2nd and Final call of Rs 20 was not made. Out of the forfeited shares 500 shares were reissued for Rs. 100 per share 90 paid up. Pass necessary journal entries in case of forfeiture and reissue of shares.

Pass journal entries if A Ltd forfeited 450 shares face value of Rs. 50 for the nonpayment of 2nd & final call Rs.15. The forfeited shares were reissued for Rs. 30,000. 4

11. Hari, Ravi and Kavi are partners in a firm sharing profits in the ratio of 3:2:1. They admitted Guru as a new partner for 1/7th share in the profits. The new profit sharing ratio will be 2:2:2:1 respectively. Guru brought in Rs. 3,00,000 for his capital and Rs. 45,000 for his 1/7th share of goodwill. Show your working clearly, pass necessary journal entries in the books of the firm for the above mentioned transactions. 4

12. Sun, Moon and Star were partners sharing P & L in 3:2:1 ratio. Their Balance Sheet as on 31.03.14

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capitals:		Plant & Machinery	2,20,000
Sun : 3,00,000		Land & Building	1,60,000
Moon : 2,00,000		Patents	90,000
Star: 1,00,000	6,00,000	Advertisement Suspense A/c	24,000
Reserve Fund	30,000	Cash	1,76,000
Bills Payable	40,000		
	6,70,000		6,70,000

Moon died on 1.1.15 and the following should be considered

1. Interest on Capital @ 6%

2. Share of goodwill will be based on 3 years purchase of average profits of last 5 years and the average profits is 1,50,000.

3. Moon's share of profit till the date of death was to be calculated on the basis of sales. Sales for year ended 31.03.14 is 7,00,000 & from 1st April to 31st December is 6,00,000. Profit for the year ended 31.03.14 is 1,75,000.

According to Moon's will his executor should donate the amount in his capital account to an orphanage for girls. Prepare Moon's Capital A/c and the amount to be rendered to his executor and identify the value highlighted in the question. 6

13. A. Chitharanjan Ltd main business is manufacturing tyres. The company is particular about the observation of the provisions of the Companies Act. The company issued 8% debentures of Rs. 18,00,000 face value of 100 each. The debentures were redeemed on 31.03.2016 out of profits. Since the manufacturing of tyres results in air pollution the company had installed a plant for its effective control. Pass necessary journal entries for the redemption of debentures. Also identify the value observed by the company.

B. Orange Ltd issued 10,000 10% Debentures face value of Rs. 100 at a premium of 20% redeemable after 5 years at a premium of 30%. Pass journal entries in case of issue of debentures.

4

14. Sharukh, Ameer and Salman were partners in a firm sharing profits in the ratio 2:2:1. Their balance sheet as on 31.03.2015 was as follows:

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capitals:		Cash in Hand	40,000
Sharukh: 1,50,000		Cash at Bank	56,000
Ameer : 2,50,000		Sundry Debtors	1,02,000
Salman: 1,00,000	5,00,000	Plant & Machinery	2,28,000
Sundry Creditors	80,000	Furniture	48,000
Bills Payable	32,000	Investment	50,000
Loan	74,000	Trade Receivables	1,62,000
	6,86,000		6,86,000

The firm dissolved on that date and the following were agreed

Sundry Debtors realized 51,000; Plant and Machinery realized at a loss of 15%; Furniture was taken over by Sharukh at Rs. 42,000; Half of the Investments taken over by Ameer at book value; Trade receivables realized at 80% of the book value. Sundry Creditors were settled at a discount of Rs. 8,000. Realization expenses amounted to Rs. 8,000.

Prepare Realization Account.

15. A and B are partners sharing profit and losses in proportion to their capitals. They admitted C as a new partner for 1/4th share in profit. Their Balance Sheet as on 31.12.14

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capitals:		Plant & Machinery	1,70,000
A : 2,00,000		Stock	20,000
B : 1,00,000	3,00,000	Sundry Debtors	80,000
Sundry Creditors	1,00,000	Less Provision	4,000
Reserve	60,000	Furniture	65,000
Workmen Compensation Fund	20,000	Investment	80,000
Employee Provident Fund	5,000	Cash	74,000
	4,85,000		4,85,000

ing were agreed:

gs 1, 50, 000 as his capital and 18, 000 as his share of premium. Half of the goodwill drawn by the partners.

vision for debtors to be maintained @ 10% on debtors

Plant & Machinery revalued at 1, 95, 000

7. There is a claim for 5, 000 on Workmen Compensation Fund.

5. Old partner's capital will be adjusted on the basis of C's share of capital.

Prepare Revaluation A/c, Partner's Capital A/c & Balance Sheet after C's admission

OR

X, Y and Z are partners sharing profit and losses in 4:3:3 ratios. Y retires on 31.03.15. Their Balance Sheet on that date:

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Capitals:		Plant & Machinery	1,80,000
X : 2,00,000		Land & Building	2,20,000
Y : 3,00,000		Sundry Debtors 1,00,000	
Z : 2,00,000	7,00,000	Less Provision 3,000	97,000
Sundry Creditors	53,000	Furniture	65,000
Reserve	28,800	Loose Tools	1,29,800
Bills Payable	52,000	Stock	22,000
		Cash	1,20,000
	8,33,800		8,33,800

The following were agreed upon:

1. Furniture revalued at Rs. 68, 000 & Stock at 18, 000

2. Create 5% provision on debtors.

3. Machinery decreased by 22, 000

4. 5, 000 for damages claimed by a customer had been disputed by the firm. It was agreed at 3, 000 by a compromise between customer & firm.

5. Goodwill of the firm valued at 70, 000.

6. Continuing partners decided to pay Y bringing sufficient cash & maintain a bank balance of RS. 84, 200 and decided to adjust the capitals in the New Profit Sharing Ratio.

Prepare Revaluation A/c, Partner's Capital A/c & Balance Sheet after Y's retirement. 8

16. Reliance Ltd invited applications for 2, 00, 000 shares @ 10 each at a price payable:

On Application Rs. 3

On Allotment Rs. 5 (Including Premium)

Balance on 1st and Final Call

The company received 4, 50, 000 applications and the allotment was made as follows:

50, 000 applications were rejected.

Remaining shares were allotted on pro rata basis.

A shareholder to whom shares allotted on prorata basis failed to pay allotment and call money for 300 shares and his shares were forfeited.

Another shareholder holding 500 shares paid call money along with allotment.

Out of the forfeited shares 200 shares were re issued @ Rs. 8 fully paid up.

Which value has been affected by rejecting the applications?

Pass necessary journal entries in the books of Reliance Ltd for the above transactions.

OR

Infosys Ltd invited applications for 60, 000 shares @ 100 each payable as:

On Application Rs. 45

On Allotment Rs. 30

On 1st Call Rs. 15

Balance on 2nd and Final Call

Applications were received for 1, 00, 000 shares and no allotment was made for 5, 000 applications. Remaining shares were allotted as follows:

1. Full shares allotted to Wasi who applied for 5, 000 shares.
2. 50% shares allotted to Jahangir who applied for 10, 000 shares.
3. Remaining shares were allotted on pro rata basis.

Excess money received on application is adjusted towards allotment and first call.

A shareholder to whom 3, 000 shares were allotted on a pro rata basis failed to pay 1st and Final Call and his shares forfeited and the forfeited shares reissued for Rs. 90 fully paid up

Which value has been affected by rejecting the applications? Pass necessary journal entries in the books of Infosys Ltd for the above transactions.

PART B

ANALYSIS OF FINANCIAL STATEMENTS

claration of interim dividend will result in _____ of cash.

a. Inflow b. Outflow c. No Flow d. Decrease in cash & cash equivalents 1

5. Give one advantage of Cash Flow Statement 1

19. Flatron Ltd into the business of back office operations. Honesty and hard work are the two pillars on which the business has been built. It has good turnover and profits.

Encouraged by huge profits, it decided to give the workers bonus equal to two months' salary. Following is the comparative statement of profit and loss of Flatron Ltd for the year ended 31.03.2014 and 31.03.2015

A. Calculate Net Profit Ratio for the years ending 31.03.2014 and 31.03.2015

B. Identify any two values which Flatron Ltd wants to communicate to the society.

Particulars	Note	2013-14	2014-15	Absolute Change	Percentage Change (%)
	No				
Revenue From Operations		32,00,000	40,00,000	8,00,000	25
Add: Other Income		1,60,000	2,20,000	60,000	37.5
Total Revenue		33,60,000	42,20,000	8,60,000	25.6
Less: Employee Benefit Expenses		3,60,000	4,20,000	60,000	16.6
Profit Before Tax		30,00,000	38,00,000	8,00,000	26.6
Tax Rate 50%		15,00,000	19,00,000	4,00,000	26.6
Profit After Tax		15,00,000	19,00,000	4,00,000	26.6

4

20. Under which major heads the following items will be placed in the Balance Sheet of a Company as per Schedule III of the Companies Act 2013?

1. Public Deposit
2. Bank Overdraft
3. Goodwill
4. Plant and Machinery
5. Capital Reserve
6. Bills of Exchange
7. Loose Tools
8. Prepaid Insurance

4

21. From the following Balance Sheet of ICM Ltd prepare the Cash Flow Statement

Balance Sheet

Particulars	Note no	31.03.15	31.03.14
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	1	5,75,000	4,00,000
b. Reserves and Surplus	2	2,60,000	1,75,000
2. NON CURRENT LIABILITIES			
a. 10% Debentures		1,50,000	1,00,000
3. CURRENT LIABILITIES			
a. Trade Payables		75,000	58,000
b. Short Term Provisions	3	32,000	57,000
Total		10,92,000	7,90,000
II. ASSETS			
1. Non - Current Assets			
a. Fixed Assets	4	6,82,000	4,65,000
2. Current Assets			
a. Current Investments		40,000	30,000
b. Trade Receivables		88,000	1,08,000
c. Inventories		54,000	75,000
d. Cash and Cash Equivalents		2,28,000	1,12,000
Total		10,92,000	7,90,000

Notes to Accounts

Particulars	31.03.15	31.03.14
1. Reserves and Surplus		
General Reserve	50,000	75,000
Statement of Profit and Loss	2,10,000	1,00,000
	2,60,000	1,75,000
2. Short term Provisions		
Proposed Dividend	32,000	57,000
	32,000	57,000
3. Fixed Assets		
Tangible	6,32,000	3,90,000
Intangible	50,000	75,000
	6,82,000	4,65,000

Additional Information:

A. Tax Paid during the year Rs. 16, 000

B. Depreciation of Rs. 32, 000 has been charged to Tangible Assets.