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Roll No.....

PRE BOARD – I 2016-17
ACCOUNTANCY (055)
CLASS – XII

Maximum Marks:80

Time Allowed: 3 Hrs.

- This question paper contains two parts A and B.
- Both the parts are compulsory.
- Internal choice is given in question No. 16 & 17.
- All parts of one question should be attempted at one place.
- 25% marks will be deducted if proper headings and formats are not prepared.

[PART A: PARTNERSHIP AND COMPANY ACCOUNTS]

- Q-1- What do you mean by One Person Company? Can it be formed for Charitable purpose? (1)
- Q-2- A and B are partners sharing profit and losses in the ratio of 2:3. C is admitted for $\frac{1}{5}$ share in the profits of the firm. If C gets it wholly from A, Calculate the new profit sharing ratio after C's admission (1)
- Q-3- On the dissolution of a firm, there was an unrecorded asset of Rs.2,000 which was taken over by a Creditor at Rs.2,500. What entry will be passed? (1)
- Q-4- What is the nature of interest on debentures? (1)
- Q-5- Sidh Ltd., in order to retain high caliber employees or to give them a belongingness, company has offered a choice to the whole time directors, officers and employees, the right to purchase or subscribe at a future date, the securities or equity shares offered by the company at a pre-determined rate. State what type of plan Sidh Ltd. has implemented here. (1)

$$\begin{array}{r} 8000 \\ 2800 \\ \hline \end{array}$$

$$\begin{array}{r} 5600 \\ 1400 \\ 2400 \\ \hline 900 \end{array}$$

$$\begin{array}{r} 5600 \\ 2800 \\ 1400 \\ \hline 800 \end{array}$$

$$\begin{array}{r} 10400 \\ 800 \\ \hline \end{array}$$

$$\begin{array}{r} 5600 \\ 2800 \\ 2400 \\ \hline 10800 \end{array}$$

$$\begin{array}{r} 2800 \\ 200 \\ \hline 278 \end{array}$$

P.T.O.

Q-6 A, B and C were Partners in a firm. A died on 1st August. Instead of making payments in installment, they decided to pay the money to heirs immediately. Which values has been fulfilled by them.

Q-7- You are required to complete the following incomplete journal entries related to forfeiture of shares originally issued at premium

JOURNAL

	Share capital A/c Dr. <i>S.P.R.</i> To <i>Forfeited Share A/c</i> To (Being 50 shares of Rs. 10 each forfeited for non-payment of allotment money of Rs. 9 per share including Rs. 5 of Securities premium per share)	500 250	30 150
	Bank A/c Dr. To To (Being 50 shares reissued.....as fully paid-up)	600	
	..... A/c Dr. To (Being profit on reissue of forfeited shares transferred to capital reserve)	.....	.....

Q-8- State any three Circumstances other than

- (i) Admission of a new partner,
- (ii) Retirement of a partner, and

- (iii) Death of a partner, when need for valuation of Goodwill of a firm may arise. (3)

Q-9 Hanuman Ltd. Purchased Furniture for Rs. 3,00,000 from Sugreev Ltd. Rs. 1,00,000 was paid by drawing a Promissory note in favour of Sugreev Ltd. The balance was paid by issue of 9% Debentures of Rs. 10 each at a premium of 25%. Pass necessary Journal entries in the books of Hanuman Ltd. (3)

Q-10 A, B and C are partners sharing profit in the ratio of 5:4:1. C is given a guarantee that his share of profits in any given year would be Rs. 5,000. Deficiency, if any, would be borne by A and B equally. The profits for the year 2014-15 amounted to Rs. 40,000. Pass necessary entries in the books of the firm. (3)

Q-11 Salman Ltd. was formed with the nominal share capital of Rs. 50 Lakhs divided into 50,000 shares of Rs. 100 each. The company offers 30,000 shares to the public payable Rs. 30 on Application, Rs. 30 on allotment and the balance on first and final call. Applications were received for 28,000 shares. All money payable on allotment was duly received, except on 500 shares held by X. First and final call was not made by the company.

How would you show 'Share Capital' in the Balance Sheet of Salman Ltd. Also Prepare notes to the Accounts for the same. (4)

Q-12- On 01.01.2012 a public Ltd. Company issued 25,000, 10% Debentures Rs. 100 each at par, which were repayable at a premium of 10%. 30.09.2015, on the date of maturity the company decided to redeem the above mentioned 10% Debentures as per the terms of issue, out of profits. The profit and loss account show a credit balance of Rs. 30,00,000 on this date, the offer was accepted by all the debenture-holders and all the debentures were redeemed, if the Company follows the Companies Act. Pass journal entries for redemption of the Debentures. (4)

P.T.O.

Q-13- A, B & C were partners in a firm. Their capitals as on 1st Apr. were Rs. 50,000/-, Rs. 30,000/- and Rs. 20,000/-. The partners firm distributed the profits for the year ended 31st March 2015 90,000 in the ratio of 3:2:1 without providing for the following adjustments:

- (1) Interest on Capital at 10% per annum.
- (2) A & B were entitled to a salary of Rs. 1,500 each per annum.
- (3) B was entitled to a commission of Rs. 5,500.
- (4) Interest on drawing A-300, B-200.

Pass the adjustment entry.

Q-14 A, B and C were partners sharing profits in 4:3:2 ratio respectively

Their Balance sheet as at 31st March, 2014 was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals:		Land	5,00,000
A 5,00,000		Debtor	4,00,000
B 3,00,000		Stock	2,00,000
C 1,50,000	9,50,000	Bank	40,000
Workmen Compensation Reserve	40,000	Cash	10,000
Creditors	1,45,000		
Provision for Doubtful Debts	15,000		
Total	11,50,000	Total	11,50,000

B died on 30th June, 2014.

P.T.

The following was agreed upon

- (i) Goodwill is to be valued at 2.5 years purchase of average profits of last 3 years. The average profits were Rs. 1,80,000.
 - (ii) B's share of profit till the date of death will be calculated on the basis of average profits of last 3 years.
 - (iii) Land was undervalued by Rs.1,20,000, and stock overvalued by Rs. 43,000.
 - (iv) Provision for doubtful debts is to be made at 5% of Debtors.
 - (v) Claim of Workmen Compensation was estimated at Rs. 10,000.
- Prepare B's Capital A/c to be presented to his executors.

(6)

Q-15. Sudha and Shiva are running a chemical business nearby Jaipur city. Under a notification issued by the Government of India the type of business they are running has been included in pollute products and as per the Pollution Control Act they decided to close the existing business and start School for the poor and backward students. So they decided to close down their business.

- (a) State the values followed by Sudha and Shiva
- (b) Pass the necessary journal entries for the following transactions on the dissolution of the firm of Sudha and Shiva assuming the various assets (other than cash) and outside liabilities have been transferred to realization account. (1X6=6)

- (1) Sudha agreed to pay off her husband's loan Rs. 19,000
- (2) A debtor whose debt of Rs. 9,000 was written off in the books paid Rs. 7,500 in full settlement.
- (3) Sunder creditors Rs. 10,000 were paid at 9% discount.
- (4) Loss on realization Rs. 9,400 was divided between Sudha and Shiva in 3:2 ratio.

[6]

P.T.O.

$$\frac{144000 \times 5}{72000}$$

$$\frac{14400}{72000} = \frac{541}{721}$$

Q-16(A) A, B & C are partners in a firm sharing profits in Proportion to their Capitals. Their Balance Sheet on 31st March 2014 was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals:		Building	1,00,000
A 90,000		Machinery	48,000
B 60,000		Stock	18,000
C 30,000	1,80,000	Debtors 20,000	
		Less Provision 400	19,600
		Cash	16,000
Reserve	6,000		
Creditors	15,600		
Total	2,01,600	Total	2,01,600

On the above date, B retired owing to ill health and the following adjustments were agreed upon:

- (1) Building be appreciated by 10%.
- (2) Provision for doubtful debts be increased to 5% of debtors.
- (3) Machinery be depreciated by 15%.
- (4) Goodwill of the firm be valued at Rs. 36,000/- and be adjusted in the Capital accounts of A and C who will share profits in future in ratio of 3:1.
- (5) A Provision made for outstanding repair bill of Rs. 3,000/-
- (6) Included in the value of creditors is Rs. 1,800/- for an outstanding legal claim, which is not likely to arise.

- (7) Out of the Insurance premium paid Rs. 2000/- is for the next year. The amount was debited to P and L account.
- (8) The partners decide to fix the capital of the new firm as Rs. 1,20,000/- in the profit sharing ratios.
- (9) B to be paid Rs. 9000/- in cash and Balance to be transferred to his loan account.

Prepare revaluation account, Capitals account of partners and Balance Sheet of the new firm after B's retirement.

OR

Q 16(B) X and Y were partners in the firm in sharing profit in 5:3 ratio. They admitted Z as a new partner for $\frac{1}{3}$ share of profit. Z was contribute Rs. 20,000 as his capital. The balance sheet of X & Y as at 1st April 2007 the date of Z's admission was as follow.

Liabilities		Amount	Assets		Amount
Creditors		27,000	Land and Building		25,000
Capital:			Plant and Machinery		30,000
X	50,000		Stock		15,000
Y	<u>35,000</u>	85,000	Debtors		20,000
General Reserve		16,000	Less: provision		
			Doubtful debts		<u>1,500</u>
			Investment		20,000
			Cash		19,500
		<u>1,28,000</u>			<u>1,28,000</u>

Other terms agreed upon were:

- 1- Goodwill of firm was valued at 12,000.
- 2- The land and building were to be valued at Rs. 35,000 and plant and machinery at Rs 25,000.

P.T.O.

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- 3- The provision for doubtful debts was found to be in excess by Rs.400.
- 4- A liability for Rs. 1,000 included in creditors was not likely to arise.
- 5- The capital of the partners be adjusted on the basis of Z's contribution of capital in the firm.
- 6- Excess or shortfall if any to be transferred to current account.

Prepare revaluation account, partners' capital account and the balance sheet of the new firm. (8)

Q17. D Company limited made an issued of 1,00,000 equity shares of Rs. 10 each at a premium of 30% payable as follows :

On application	Rs. 3.50 Per Share
On allotment	Rs. 6.50 Per Share
On first and final call	Balance

Application were received for 2,00,000 equity shares and the directors made pro-rata allotment. Harsh who had applied for 1600 shares did not pay the allotment and final call money. With the result his shares were forfeited and 60% of them were reissued at Rs. 8 per share fully paid up.

Pass necessary journal entries in the books. (8)

OR

Vaibhav Ltd. issued Rs.5,00,000 new capital divided into Rs. 50 per share at a premium of Rs. 10, payable as under :

On application	Rs. 5 per share
On allotment	Rs. 20 per share (including premium of Rs. 5 per share)
On first & final call	Rs. 35 per share (including premium of Rs. 5 per share)

Over payments on applications were to be utilised towards sums due on allotment and first & final call. Where no allotment was made money was to be refund in full.

P.T.O.

The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and applicant for 3,000 shares were sent letters of regrets. Shares were allotted in full to the remaining applicants. All the money due was duly received.

- 1- Which value has been affected by rejecting the applications of the applicants who have applied for 3,000 shares?
- 2- Suggest a better alternative for the same.
- 3- Give journal entries to record the above transactions (including cash transaction) in the books of the company. (8)

PART-B(ANALYSIS OF FINANCIAL STATEMENTS)

Q-18- State whether conversion of debentures into equity shares by a Financing Company will result in inflow, Outflow or no flow of cash. (1)

Q-19- Interest received by State Bank of India Ltd for Rs. 1, 00,00,000 on Loan to Reliance India Ltd., is what type of activity? (1)

Q-20- State the respective heads and sub-heads of the following items which will appear in the Balance Sheet of a company: (4)

- (1) General Reserve
- (2) Government and Trust Securities.
- (3) Capital Reserve
- (4) Public Deposits
- (5) Authorised Capital
- (6) Mortgage Loan
- (7) Interest Accrued and due on Secured Loan
- (8) Acceptance (Bills Payable)

① 3360
840
4200

2940
840
2100

Q-21- Prepare a complete Common Size statement from the following information of Pragatisheel Stationers Ltd for. (4)

P.T.O.

Particulars	Absolute Amounts (Rs.)		Percentage of Revenue from operations (Net Sales)	
	X Ltd. (Rs.) 2013	Y Ltd. (Rs.) 2013	X Ltd. (Rs.) 2013 (%)	Y Ltd. (Rs.) 2013 (%)
Revenue from operations	25,00,000	20,00,000	.....	.....
Add: Other Income	3,00,000	2,00,000	.....	.....
Total Revenue (1+2)	28,00,000	22,00,000	.....	.....
(Expenses) Other Expenses	6,00,000	8,00,000	.....	.....
Profit before tax.(3-4)	22,00,000	14,00,000	.....	.....
Income Tax 50%	11,00,000	7,00,000	.....	.....
Profit after tax	11,00,000	7,00,000	.....	.....

Q.22- From the given information calculate the inventory turnover ratio:
 Revenue from operations Rs. 2,00,000; Gross profit 25% on cost.
 Opening inventory was $\frac{1}{3}^{\text{rd}}$ of the value of closing inventory.
 Closing inventory was 30% of revenue from operations. (4)

Q.23- The Balance Sheet of Raksha Ltd. As on 31-03-2014 and 31-03-2015 were as follows:

P.T.O.

Balance Sheet

Particulars	Note No.	Amount 31-03-15	Amount 31-03-14
(I) EQUITY AND LIABILITIES			
1. Shareholder's Fund			
Equity Share Capital		10,00,000	7,00,000
Reserves and Surplus	1	2,50,000	1,50,000
2. Current Liabilities			
Short-term Provisions	2	50,000	40,000
Total		13,00,000	8,90,000
(II) ASSETS			
1. Non Current Assets			
Fixed Assets			
Tangible Assets	3	8,00,000	5,00,000
2. Current Assets			
(a) Inventory		1,00,000	75,000
(b) Cash and Cash Equivalents	4	4,00,000	3,15,000
Total		13,00,000	8,90,000

Notes to Accounts:

Particulars	Amount 31-03-15	Amount 31-03-14
1. Reserves and Surplus		
Profit and Loss Balance	2,50,000	1,50,000
2. Short Term Provisions		
Proposed Dividends	50,000	40,000
3. Tangible Assets		
Plant and Machinery	8,00,000	5,00,000
5. Cash and Cash Equivalents		
Cash	4,00,000	3,15,000

ADDITIONAL INFORMATION:

- (a) Rs. 50,000 depreciation has been charged to plant and machinery during the year 2014-15.
- (b) A piece of machinery costing Rs. 12,000 (book value Rs. 5,000) was sold @ 60% profit on book value.

Prepare a cash flow statement.

(6)

① 1,00,000

② 11