Sample Paper 1

Class XII(2018-19)
Accountancy

Time Allowed: 3 hrs **Max.Marks:80**

General Instructions:-

i. ***Attempt all parts of a question together.***
ii. ***Show your working clearly, wherever required.***
iii. ***Write question numbers clearly.***

1.	Name the asset that is not transferred to the debit side of Realisation Account, but brings certain amount of cash against its disposal at the time of dissolution of the firm.	1
2.	State the two main rights acquired by a new partner. Or Give two circumstances in which sacrificing ratio may be applied.	1
3.	For what period on the average the interest is charged on drawings:- i. If the partner draws a fixed amount in the middle of each month throughout the year. ii. If the partner draws a fixed amount in the middle of each quarter throughout the year.	1
4.	State the nature of 'Receipt and Payment' Account. Or Give any one point of difference between Income & Expenditure A/C and Profit & Loss A/C.	1
5.	A, B & C are sharing profits as 6:3:1. A dies and leaves 1/3rd of his share for B and remaining for C. Find the Gaining Ratio.	1
6.	State two purposes other than issue of bonus shares for which securities premium can be utilized. Or At what rate interest on calls in advance is paid by company as per Table F of Schedule I of the companies Act, 2013?	1
7.	On 1stApril'2017, an existing firm had assets of □10,00,000 including cash of □20,000. Its creditors amounted to □50,000 on that date. The partner's capital accounts showed a balance of □8,00,000 while the reserve fund amounted to □1,50,000. If the normal rate of return is 15% and the goodwill is valued at □1,80,000 at 3 year's purchase of super profit, find the average profits of the firm.	3
8.	Dream Ltd. had issued 40,000, 11% Debentures of □100 each of which one half are due for redemption on March 31st 2018. It was decided to invest the required amount towards Debenture Redemption Investment. The company has in its DRR Account a balance of □3,10,000. Record the necessary journal entries at the time of redemption of debentures	3
9.	Pass necessary journal entries for 'issue of debentures' for the following: i. The company issued 6,000, 12% Debentures of □**100***each at premium of 8% redeemable at a premium of 15% after five years. ii. X Ltd. issued 300, 9% Debentures of □100 each as a collateral security to a bank which has advanced a loan of □25,000 to the company for a period of five years. Or J.K. Limited issued 4,500, 10% Debentures of □100 each at par on April 1,2014 redeemable at premium of 8% in three equal installments every year starting from March 31,2016. There is a balance of □6,000 in the Security Premium Account. Show the amount of discount to be written off at the end of each year and prepare loss on issue of debentures account.	3
10.	Show how will you deal with the following items while preparing the Balance Sheet of a Club as at 31st March, 2018:	3

	□
Tournament Fund	3,00,000
12% Tournament Fund Investments on 1st April, 2017	3,00,000
Interest received on Tournament Fund Investments	30,000

Sale of Tournament Tickets	75,000
Tournament prizes awarded	60,000
Expenses on Tournament events	20,000

11. X, Y and Z were in partnership sharing profits in the ratio of 1:2:2. Their Balance Sheet as at 31st March 2018 was as follows: **4**

Balance Sheet
as at 31.3.2018

Liabilities	₹	Assets	₹
Profit and Loss A/c	16,000	Cash	26,000
Creditors	19,000	Debtors	20,000
Bills Payable	11,000	Stock	25,000
Capitals:		Furniture	15,000
X 20,000		Investments	30,000
Y 30,000		Machinery	20,000
Z 40,000	90,000		
	1,36,000		1,36,000

All the partners decided to share profits in the ratio of 2:1:1 w.e.f April 1, 2018. It was further agreed that :

i. Value of stock and machinery is to be reduced by ₹3,000 and ₹2,000 respectively.
ii. Value of Furniture is to be increased to ₹16,000.
iii. The Goodwill of firm should be valued at ₹25,000.

You are required to record the necessary journal entries to give effect the above arrangement *** without opening Revaluation Account** and prepare Balance Sheet of the firm after reconstitution.

12. Karan, Sahil and Mohan were partners in a firm sharing profits in the ratio of 5:3:2. On 31st March 2018, their Balance Sheet was as follows: **4**

Liabilities	₹	Assets	₹
Creditors	70,000	Bank	12,200
Bills Payable	60,000	Debtors	30,000
Capitals:		Stock	27,800
Karan 80,000		Building	1,90,000
Mohan 90,000	1,70,000	Sahil's Capital	10,000
		Advertisement Suspense	30,000
	3,00,000		3,00,000

Sahil died on 30.06.2018. The partnership deed provide the following terms on the death of a partner:

i. Sahil's share of profit or loss till date the date of death was to be calculated on the basis of the sales. It is also specified that sales during the year 2017-18 were ₹8,00,000 and profit was ₹1,60,000. The sales from 1.04.18 to 30.06.2018 were ₹3,00,000.
ii. Goodwill of the firm is valued at ₹2,10,000.
iii. Interest on Capital is to be allowed/ charged @12%.

Pass the necessary journal entries at the time of Sahil's death.

13. From the following Receipts and Payments A/C of Sunshine Club, Agra for the year ended 31st March 2018 and additional information , prepare Income and Expenditure A/c and a Balance Sheet as at that date: **6**

Receipts	₹	Payments	₹
To opening Balance:		By Rent	9,600
Cash	1,520	By Postage Stamps	700
Bank	8,760	By Purchase of Cricket Goods	12,400

To Subscriptions	47,140	By Electric Charges	650
To sale of Newspapers	480	By Insurance (Paid upto the year ended 30th June ,2018)	3,000
To special contributions for Silver Jubilee Celebration	16,000	By Investments	26,000
To Donations	7,100	By Repairs	2,000
		By Newspapers and Periodicals	5,700
		By Charity	3,150
		By Closing Balances	
		Cash	4,260
		Bank	13,540
	81,000		81,000

i. The value of unused postage stamps is as follows: 31st March 2017 ₹120 and on 31st March2018 ₹150.
ii. Stock of cricket equipment is as follows: 31st March ,2017 ₹2,800 and on 31st March 2018 ₹2,100.
iii. Rent includes ₹800 paid for March 2017. Rent ₹800 for March 2018, is still to be paid.
iv. Donations to be capitalised.
Other ledger balances on 1st April 2017 were Capital Fund ₹70,000; Reserves ₹10,400; Furniture ₹8,000; and Building ₹60,000.

14. Charu, Diya and Isha were partners in a firm. Pass Journal Entries for the following transactions on dissolution of the firm after various assets and liabilities have been transferred to Realisation Account: 6

i. An unrecorded asset of ₹40,000 was given to an unrecorded creditor of ₹60,000 in settlement of his claim of ₹45,000 and the balance was paid in cash.
ii. An equipment which was not recorded in the books was taken over by Charu at ₹10,000, whereas its expected value was ₹15,000.
iii. Creditors, to whom the firm owned ₹50,000 accepted a stock of ₹30,000 at discount of 20% and the balance in cash.
iv. Z, an old customer, whose account for ₹20,000 was written off as bad in the previous year ,paid 40% of the amount written off.
v. Isha paid the realisation expenses out of her pocket and she was to get a fixed remuneration of ₹25,000 for completing the dissolution process.
vi. Diya's Loan of ₹40,000 was discharged at ₹42,000.

15 The capitals of Raj and Aryan stood at ₹6,000 and ₹4,000 respectively after necessary adjustment in respect of drawings and net profits for the year ended 31st March 2018. It was subsequently ascertained that 12%p.a interest each on capital and drawings were omitted to be recorded. Salary allowable to Raj ₹1,200 p.a was also not taken into account in arriving at the net profit. Net Profit was also divided in the ratio of 1:1 instead of 3:1 . Raj withdraw regularly ₹100 per month in the beginning and Aryan withdraw regularly ₹100 per month at the end of every month as drawings. The profits for the year as already divided amounted to ₹3,000. You are required to pass the adjusting entry. 6

Or

A, B and C are partners in a firm. Their Capital Accounts stood at ₹8,00,000; ₹6,00,000 and ₹4,00,000 respectively on 1st April, 2016. They shared profits and losses in the ratio of 3:2:1 respectively. Partners are entitled to interest on capital @6% per annum and salary to B & C @ ₹4,000 per month and ₹6,000 per quarter respectively as per the provisions of Partnership Deed.
B's share of profit including interest on capital but excluding salary is guaranteed at a minimum of ₹82,000p.a. Any deficiency arising on that account shall be met by C. Profit for the year ended 31st March, 2017 amounted to ₹3,12,000. Prepare Profit and Loss Appropriation Account for the year ended 31st March ,2017.

16 XYZ Limited invited applications for 5000 shares of ₹25 at a premium of ₹5 per share payable as follows: **[8]**

On Application ₹15 (including ₹2 as premium)
On Allotment ₹5 (including ₹1 as premium)
On First and Final Call ₹10 (including ₹2 as premium)

Applications were received for 7,500 shares and pro rata allotment was made to applications for 6,000 shares. Remaining applications were rejected.

Ram, to whom 100 shares were allotted, failed to pay the allotment money and call money. Ali, a holder of 150 shares failed to pay the first and final call. These shares were forfeited after the final call was made. 200 shares were reissued (including all of Ram's share) at ₹15 each as fully paid. Journalise.

Or

A Ltd. issued for public subscription for 2,50,000 shares of ₹10 each at a premium of 10% payable

₹5 on Application
₹3.50 on allotment (including premium)
₹2.50 on First and Final Call

Applications received for 3,75,000 shares, of which 62,500 shares were refused and money was refunded. Allotment was made on pro-rata basis to the remaining applicants. Rohit , to whom 500 shares were allotted failed to pay the amount due on allotment and call . His shares were forfeited. Subsequently all the forfeited shares were reissued @₹10.50 per share.
Make entries in the Cash Book and Journal.

17. Following is the Balance sheet of P, Q and R sharing profits in the ratio of 1/2 : 1/3 and 1/6 as at 31st march 2018 : **[8]**

Liabilities	₹	Assets	₹
Capital Accounts:		Patents	40,000
P 3,20,000		Stock	2,80,000
Q 2,00,000		Machinery	3,00,000
R 1,70,000	6,90,000	Debtors 1,20,000	
		Less: Provision for	
		Doubtful Debts 10,000	1,10,000
Sundry Creditors	1,10,000	Profit and loss account	30,000
		Cash at Bank	40,000
	8,00,000		8,00,000

Q retires and P and R decide to share future profits in the ratio of 2:1. It was agreed that:
1) Value of patents is to be reduced by 40% and that of machinery to 90%.
2) The Provision for doubtful debts to be maintained @5% on Debtors.
3) Rent Outstanding was ₹15,000.
4) A liability for claim, included in creditors for ₹20,000 is settled at ₹15,000.
5) Accrued income of ₹10,000 is to be recorded in the books.
6) Goodwill of the firm is valued at ₹1,20,000.

P and R decided that their capitals will be adjusted in their new ratio by bringing in or withdrawing cash as the case may be. Q's account will be transferred to his loan account.
Prepare Revaluation Account, Capital Accounts and the new Balance Sheet.

Or

17 X, Y are partners sharing profits and losses in the ratio of 3:1. On 31.3.17 their Balance Sheet was as follows: **8**

Liabilities	₹	Assets	₹
Capital Accounts:		Building	25,000
X 30,000		Goodwill	4,000
Y 16,200		Furniture	1,000
	46,200	Investment	15,000
Sundry Creditors	21,000	Stock	20,000
Investment Fluctuation Reserve	5,000	Debtors	10,000
General Reserve	4,000	B/R	3,000
Bills Payable	20,000	Cash	10,200
		Profit and Loss A/c	4,000
		Deferred-Revenue Expenditure	4,000
	96,200		96,200

On 1.4.17, Z was admitted into partnership on the following terms:-

i. Z pays ₹10,000 as his capital for 1/5th share.
ii. Z pays ₹5000 for goodwill. Half of this sum is to be withdrawn by X & Y.
iii. Provision for doubtful debts to be created on Debtors and B/R @10% and 5% respectively.
iv. Stock and Furniture to be reduced by 10%, Investment to be reduced by ₹7,500.
v. Building to be appreciated by ₹10,000.
vi. An item of ₹250 included in Sundry Creditors is not likely to be claimed and hence to be written back.
vii. Capitals of X& Y to be adjusted taking Z's capital as the base. Adjustment of capital is to be made through cash.
Pass the necessary Journal Entries and Prepare Balance Sheet of the newly constituted firm.

PART B

18 Fashion Garments Ltd. is engaged in the export of readymade garments. The company purchased a machinery of ₹10,00,000 for the use of in packaging of such garments. State giving reason whether the cash flow due to the purchase of machinery will be cash flow from operating activities, investing activities or financing activities? **1**

19 X Ltd. , a financing company paid dividend on shares. How will it be presented while preparing Cash Flow Statement. **1**

20 Under which major heads and sub heads of the Balance Sheet of a company will the following items be shown :- **4**

i. Employees earned leave payable on retirement.
ii. Cr Balance of Statement of P &L
iii. Intellectual Property Rights
iv. Interest on calls in advance

21 i) A company's Stock Turnover ratio is 5 times. Stock at the end is ₹20,000 more than that at the beginning. Revenue from operation is ₹8,00,000. Rate of gross profit on cost on cost is 1/4; Current Liabilities ₹2,40,000. Acid test ratio is 0.75. Calculate Current Ratio. **2**

ii) Assuming Debt- Equity Ratio 2:1, State giving reason, the effect of following transactions on the ratio.:- **2**
Issue of Debentures; Sale of fixed assets at par

Or

i) Calculate Gross Profit Ratio from the following:- | 2

Credit Revenue from Operations ₹6,00,000

Cash Revenue from Operations (Being 25% of Total Revenue from Operations)

Purchases ₹6,90,000

Excess of closing over opening inventory ₹ 50,000

ii) Inventory Turnover Ratio is 5 times. State giving reason, the effect of following transactions on the ratio.:- | 2

Goods purchased for ₹40,000, Goods costing ₹5,000 distributed as free samples

22. Fill in the missing figures in the following Common Size Balance Sheet: | 4

COMMON SIZE BALANCE SHEET

As at 31st March 2017 & 2018

Particulars	Note No.	Absolute Amounts 2017(₹)	Absolute Amounts 2018(₹)	% of Balance Sheet Total 2017 (₹)	% of Balance Sheet Total 2018(₹)
I.EQUITY & LIABILITIES					
1) Shareholder's Funds					
a) Share Capital		12,00,000	20,00,000	30	40
b) Reserves & Surplus		4,00,000	10,00,000	----	-------
2) Non-Current Liabilities		------------	-----------	45	25
3)Current Liabilities		------------	-----------	------	--------
		-----------	----------	100	100
II. ASSETS:					
1)Non Current Assets		-----------	----------	60	70
2) Current Assets		-----------	----------	------	------
		-------------	---------	100	100

Or

Fill in the missing figures in the following Comparative Statement of Profit and Loss of X Ltd.:

Comparative Statement of Profit and Loss

For the years ended 31st March, 2017 & 2018

Particulars	Note No.	2016-17	2017-18	Absolute Change	Percentage Change
		₹	₹	₹	%

I.Revenue from Operations		25,00,000	30,00,000	--------	---------
II. Less Expenses:					
Cost of Materials Consumed		------------	------------	----------	---------
Other Expenses		8,00,000	7,50,000	----------	----------
		-----------	------------	----------	----------
Total Expenses					
III. Profit Before Tax		--------	-----------	-----------	-----------
IV. Less : Tax @ 40%		---------	-----------	-----------	----------
Profit after Tax		1,20,000	1,50,000	-----------	---------

23 From the following Balance Sheet as at 31st March ,2018 & 2017, prepare Cash Flow Statement:- 6

Particulars	Note No.	2018 ₹	2017 ₹
I. EQUITY & LIABILITIES			
1.Shareholder's Funds			
a)Share Capital		1,50,000	1,25,000
b) Reserves & Surplus	1	75,000	60,000
2. Non Current Liabilities			
Long Term Borrowings: Bank Loan		20,000	---
3. Current Liabilities			
a) Short Term borrowings: Bank Overdraft		10,000	5,000
b)Trade Payables	2	70,000	65,000
c)Short Term Provisions	3	25,000	15,000
Total		3,50,000	2,70,000
II.ASSETS			
1.Non Current Assets			
a) Fixed Assets		30,000	20,000
b) Non Current Investments		10,000	15,000
2.Current Assets			
a) Inventories		1,20,000	87,000
b) Trade Receivables		90,000	98,000
c) Cash and Cash Equivalents		1,00,000	50,000
Total		3,50,000	2,70,000

Notes to Accounts

Particulars	2018 (₹)	2017 (₹)
1. Reserves and Surplus		
General Reserve	15,000	10,000
Surplus i.e. Balance in St of Profit & Loss	60,000	50,000
	75,000	60,000
2.Trade Payables		
Creditors	45,000	50,000
Bills Payable	25,000	15,000

	70,000	65,000
3.Short Term Provisions Provision for Tax	25,000	15,000

ADDITIONAL INFORMATION:

i. During the year ₹5,000 depreciation was charged.
ii. Company has paid ₹12,000 interim dividend during the year.
iii. Tax provided during the year ₹20,000.