INDIAN SCHOOL SOHAR **Total No of Pages.7**

PRE BOARD EXAM

Date: 11.01.15 **ACCOUNTANCY** Time: 3 Hrs

Class: XII Max Marks:80

General Instructions:

1. This question paper contains two parts A and B
2. Draw neat formats with pencil
3. Provide working notes wherever necessary
4. Write down the serial number of the question before attempting it
5. Attempt all the parts of a question at one place

PART-A (ACCOUNTING FOR PARTNERSHIP FIRMS & COMPANIES)

1. What is minimum subscription?**1**
2. Why would an investor prefer to invest partly in share and partly in the debenture of a company?**1**
3. What is convertible debenture?**1**
4. Mention any other circumstances when calculation of sacrificing ratio is needed?**1**
5. Unless given otherwise, what will be the ratio of sacrifice of the old partners in case of admission of a new partner?**1**
6. N Ltd purchased a machinery of Rs.4,50,000 from A for an agreed purchase consideration be paid by issuing 9% debentures of Rs.100 each at 10% discount. Journalise the transactions. **3**
7. X ltd forfeited 100 shares of Rs.10 each, Rs.6 called up issued at a discount of Re.1 to ram on which he had paid Rs.2 per share. Out of these 80 shares were reissued to Mukesh as Rs.8 paid up for Rs.6 per share. Pass necessary journal entries.**3**
8. Z ltd purchased its own 250 debentures of the face value of Rs.25,000 from the open market for immediate cancellation of Rs.98. The expenses of the purchase amounted to Rs.50. Pass journal entries.**3**
9. A, B and C are partners in a firm, sharing profits in the ratio 2:3:1. C retired on 1st April 2013. At the time of his retirement
   i) Goodwill of the firm valued at Rs.36,000
   ii) The balance sheet of the firm showed General reserve Rs.1,20,000 and Profit and Loss Account Rs.48,000(debit balance)
   Calculate the gaining ratio and the necessary journal entries.**4**

10. Satnam and Qureshi after doing MBA decided to start partnership firm to manufacture ISI marked electronic goods for economically weaker section of the society. Satnam also expressed his willingness to admit Julie as a partner without capital who is specially-able but a very creative and intelligent friend of him.Qureshi agreed to this. They formed a partnership on 1st April 2012 on the following terms:
    i) Satnam will contribute Rs.4,00,000 and Qureshi will contribute Rs.2,00,000 as capitals.
    ii) Satnam, Qureshi and Julie 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 capitals. 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 ending 31st March 2013. **4**

11. The authorized capital of Suhas Ltd is Rs.50,00,000 divided into 25,000 shares of Rs.200 each. Out of these, the company issued 12,000 shares of 200 each at a premium of 10%. The amount per share was payable as follows:

    Rs.60 on application, Rs.60 on allotment (including premium) Rs.30 on first call and balance on final call.

    Public applied for 11,000 shares. All the money was duly received. Prepare an extract if Balance sheet of Suhas Ltd, as per Revised Schedule VI part 1 of the Companies Act 1956 disclosing the above information and also prepare 'Note to accounts' to the same. **4**

12. Shanthi and Sathya were partners in a firm sharing profits in the ratio of 4:1. On 31st March 2013, their Balance Sheet was follows:

Liabilities	Amount	Assets	Amount
Creditors	45,000	Bank	55,000
Workmen's Compensation Fund	40,000	Debtors	60,000
Sathya's current A/c	65,000	Stock	85,000
Capitals:		Furniture	1,00,000
Shanthi	2,00,000	Machinery	1,30,000
Sathya	1,00,000	Shanthi's Current A/c	20,000
Total	4,50,000	Total	4,50,000

The above the firm was dissolved with the following adjustments:

(i) Shanthi took over 40% of the stock at 10% less than its book value and the remaining stock was sold for Rs.40,000, Furniture realized Rs.80,000

(ii) An unrecorded investment was sold for Rs.20,000. Machinery was sold at a loss of Rs.60,000

(iii) Debtors realized Rs.55,000

(iv) There was an outstanding bill for repairs for which Rs.19,000 were paid.

Prepare Realisation Account. **6**

13. Amar,Karan and Varun are partners in a firm manufacturing garments. They were sharing profits in the ratio of 5:3:2. On 1st April 2012 their capitals were Rs.3,00,000, Rs.4,00,000 and Rs.5,00,000 respectively. After the flood in Uttranchal, all partners decided to personally help the flood victims. On 1st September for this Amar withdrew Rs.30,000 from the firm .Karan instead of withdrawing cash from the firm took garments amounting to Rs.36,000 from the firm and distributed to the flood victims. On the other hand ,Varun withdrew Rs.1,50,000 from his capital on 1st January,2013 and started a school to provide elementary education in the flood affected area.

    The partnership deed provides for charging interest on drawings @6% p.a. After the final accounts were prepared, it was discovered that interest on drawings had not been charged.

    Give the necessary adjusting journal entry and show the workings. Also state any two values that the partners wanted to communicate to the society. **6**

14. i) Adithi Ltd issued Rs.10,00,000,9% debentures of Rs.100 each on 1st April 2010 redeemable in five equal installments. Pass the journal entries for issue and redemption of 1st Installment. (**3** marks)

    ii) 150 shares of Rs.10 each, issued at a premium of Rs.4 per share payable with allotment were forfeited for non-payment of allotment money of Rs.8 per share including premium. The first and final call of Rs. 4 per share was not made. The forfeited shares were re-issued at Rs.15 per share fully paid up. (**3** marks)

15. Shikhar and Rohit were partners in a firm sharing profits in the ratio of 7:3. On 1st April 2013 they admitted Arun as a new partner for 1/4th share in profits of the firm. Arun brought Rs.4,30,000 as his capital and Rs.25,000 for his share of goodwill premium. The balance sheet as on 1st April,2013 was as follows:

Liabilities	Amount	Assets		Amount
Capitals:		Land & Building		3,50,000
Shikhar	8,00,000	Machinery		4,50,000
Rohit	3,50,000	Debtors	2,20,000	
General Reserve	1,00,000	(-)Provision	20,000	2,00,000
Workmenn's		Stock		3,50,000
compensation fund	1,00,000	Cash		1,50,000
Creditors	1,50,000			
Total	15,00,000			15,00,000

It was agreed that

(a) The value of land and building were appreciated by 20%

(b) The value of the machinery will be depreciated by 10%

(c) The liabilities of workmen's compensation fund was determined at Rs.50,000

(d) Capitals of Shikhar and Rohit will be adjusted on the basis of Arun's capital and actual cash to be brought in or to be paid off as the case may be.

Prepare the Revaluation account, partner's capital accounts and the balance sheet of the new firm.

(OR)

Kushal, Kumar and Kavitha were partners in a firm sharing profits in the ratio of 3:1:1. On 1st April 2012 their Balance sheet was as follows:

Liabilities	Amount	Assets		Amount
Creditors	1,20,000	Cash		70,000
Bills payable	1,80,000	Debtors	2,00,000	
General Reserve	1,20,000	(-)Provision	10,000	1,90,000
Capitals:		Stock		2,20,000
Kushal	3,00,000	Furniture		1,20,000
Kumar	2,80,000	Building		3,00,000
Kavitha	3,00,000	Land		4,00,000
Total	13,00,000	Total		13,00,000

On the above date Kavitha retired and the following was agreed:

(i) Goodwill of the firm was valued at Rs.40,000.

(ii) Land was to be appreciated by 30% and building was to be depreciated by Rs.1,00,000.

(iii) Value of furniture was to be reduced by Rs.20,000

(iv) Bad debts reserve is to be increased to Rs.15,000

(v) 10% of the amount payable to Kavitha was paid in cash and the balance was transferred to her Loan account.

(vi) Capitals of Kushal and Kumar will be in proportion to their new profit sharing ratio. The surplus/Deficit, if any in their Capital Accounts will be adjusted through current accounts.

Prepare Revaluation account, Partner's capital accounts and Balance sheet of Kushal and Kumar after Kavitha's retirement. **8**

16. AB limited invited applications for issuing 75,000 equity shares of Rs.100 each at a premium of Rs.30 per share. The amount was payable as follows:

On Application and allotment –Rs.85 per share (including premium)

On first and final call – the balance amount

Applications for 1.27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sums due on first and final call. The calls were made. A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were reissued at Rs.150 per share fully paid up. Pass necessary journal entries for the above transaction in the books of AB Ltd.

(OR)

GY Ltd invited applications for issuing 85,000 equity shares of Rs.10 each at a discount of 10%. The amount was payable as follows:

On application and allotment Rs.4 per share

On first and final call- the balance amount

Applications for 2,00,000 shares were received. Applications for 30,000 shares were rejected and money refunded. Shares were allotted on pro-rata basis to the remaining applicants. The first and final call was made. All money was received except on 1,700 shares applied by Hari. His shares were forfeited. The forfeited shares were reissued at the maximum discount permissible under the law.

Pass the journal entries for the above transactions in the books of the company.**8**

PART-B FINANCIAL STATEMENT ANALYSIS

17. State whether cash deposited in bank will result in inflow, or outflow of cash. **1**
18. Give one limitation of Financial statement analysis **1**
19. The gross profit ratio of the company is 50%. State with reason whether the decrease in rent received will increase or decrease the ratio. **1**

20. Compute trade receivables turnover ratio from the following information. Total Revenue from operations Rs.12,00,000, Return inwards Rs.40,000.Credit Revenue from operations : 70% of the Total revenue from operations. Opening Trade Receivables Rs.73,250,Closing Trade receivables Rs.86,750. **3**

21. From the following information extracted from books of South India Ltd, prepare a Balance sheet of the company as at 31st March 2013 as per schedule VI part I of the Indian Companies Act 1956: **4**

Long term provisions	1,00,000
Long term borrowings	4.00.000
Share capital	3,50,000
Trade payables	25,000
Short term provisions	5,000
Reserves and surplus	1,40,000
Fixed assets (tangible)	5,00,000
Fixed Assets (Intangible)	2,00,000
Non-Current investment	1,00,000
Inventories	40,000
Trade receivables	1,00,000
Other current assets	30,000
Cash and Cash Equivalents	50,000

22. From the following information of Excel Limited Prepare a Comparative Statement of profit and loss: **4**

Particulars	2010-11	2011-12
Revenue from operations	40,000	50,000
Cost of material consumed	30,000	35,000
Other expenses	2,500	3,000
Other incomes	2,000	3,000
Income tax	4,750	7,500

23. Following is the Balance sheet of Wise Ltd as at 31st March 2012 and 2013.

Particulars	31.3.2011	31.03.2012
I. Equity and Liabilities		
1.Shareholders Funds		
a)Share capital	6,00,000	7,00,000
Reserves and surplus(P&L Balance)	1,10,000	2,00,000
1. Non-current Liabilities		
Long term borrowings	2,00,000	3,00,000
2. Current Liabilities		
Bills Payable	25,000	30,000
Total	9,35,000	12,30,000
II Assets		
1. Non-Current Assets		
a)Fixed Assets		
Tangible Assets	8,00,000	11,00,000
2. Current Assets		
a)Inventories	60,000	70,000
b)Trade receivables	40,000	32,000
c) Cash and cash equivalents	35,000	28,000
Total	9,35,000	12,30,000

Adjustments:

During the year a piece of machinery of the book value of Rs.80,000 was sold for Rs.65,000. Depreciation provided on tangible assets during the year amounted to Rs.2,00,000. Prepare cash flow statement. **6**