INDIAN SCHOOL SOHAR
SECOND TERM EXAM
ACCOUNTANCY

Class: XII
Date: 03.12.2015

Max Marks: 80
Time: 3 hours

General Instructions:
1. All questions are compulsory
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
6. Use of calculators or any other calculating device is not allowed.

1. A and B are partners in the ratio of 5:4.They admit C for $1/10^{th}$ share which he acquires in equal proportions from both. Find the new profit sharing ratio. **1**
2. Net profit before commission has been Rs.1,20,000. Partner's commission is 20% of net profit after charging such commission. What is the amount of partnership commission? **1**
3. Goodwill is to be calculated at one year's purchase of the last 3 years average profit. The profit of the first year was Rs.60,000, second year twice the profit of the first year and the third year one and half times of the profit of second year. What is the amount of goodwill? **1**
4. Beena Limited purchased a building from David Ltd for a book value of Rs.20,00,000. The consideration was paid by issuing debentures of Rs.100 each at a discount of 20%.What is the no of debentures issued? **1**
5. Give the journal entry when unrecorded asset is taken over by the partner in case of dissolution of partnership firm. **1**

6. P, Q and R are partners sharing profits in the ratio of 3:2:1. However R is guaranteed Rs.20,000 and share of profits every year. Deficiency if any would be borne by the other partners. The profits for the two year ending 31.3.2008 and 31.3.2009 had been Rs.75,000 and Rs.80,000 respectively. Show the profit and loss appropriation account for the two years. **3**

7. Distinguish between Revaluation account and Realisation account. **3**

8. X Ltd obtained a loan of Rs.4,00,000 from IDBI Bank. The company issued 5000, 9% Debentures of Rs.100 each as a collateral security. Pass the journal entry and show how this will be shown in the balance sheet. **3**

9. Shiv and Shanker were partners in a firm sharing profits in 3:2 ratio. Their fixed capitals were Rs.1,70,000 and Rs.2,10,000 respectively. The partnership deed provided for the following:
   (i) Interest on capital @ 12% p.a
   (ii) Interest on drawings @ 18% p.a

   Shiv withdrew Rs.12,000 on 30.6.2006 and Shanker withdrew Rs.18,000 on 30.9.2006.The profit of the fir for the year ended 31.3.2007 was Rs.97,000, which was distributed among the partners without providing for the above adjustments. Pass the adjustment entry. 4

10. Ashok and Ramu are partners sharing profits and losses in the ratio of 7:3.Their capitals on were Rs.80,000 and Rs.60,000 respectively. They admitted Vijay into the partnership in the share of $1/5^{th}$ profits in the future. Vijay is to bring in Rs.50,000 as his share of capital and sufficient amount of cash in goodwill. Find the new profit sharing ratio and value of the goodwill of the firm. Record the journal entries for the above transactions including goodwill. **4**

11. Pass necessary journal entries for the following transactions:
 (i)issued 60,000 9% debentures of Rs.75 each at a premium of Rs.25 per debenture.
 (ii) Purchased 3000, 9% own debentures of Rs.100 each at Rs.97 each for immediate cancellation. **4**

12. Pawan, Prem and Poonam were partners in a firm sharing profits in the ratio of 2:1:2. Their fixed capitals were Rs.2,00,000, Rs.1,50,000 and Rs.2,00,000 respectively. The firm closes its books on 31^{st} March every year. On 31.3.2006 Prem died the executor of a deceased partner according to the agreement was entitled for the following:
 (a)Interest on capital from the first day of the accounting year till the date of his death @10% .
 (b) His share of goodwill. The goodwill of the fir on Prem' death was valued at Rs.3,00,000.
 (c) His share of profits-The profit of the firm for the year ended 31.3.2006 was Rs.1,50,000. Prem's executor was paid the sum due in two equal annual instalments with interest @ 10% p.a. Prepare Prem's capital as on 31.3.2006 to be presented to his executor and his Executor's Loan account for the year ending 31.3.2007 and 31.3.2008. **6**

13. (a) Arvind Ltd forfeited 400 shares of Rs.10 each at a premium of Rs.3 per share, for the non-payment of the first call money of Rs.3 per share. The final call of Rs.2 per share has not been made. Half the forfeited shares were reissued at Rs.2000 fully paid. Record the journal entries for the forfeiture and reissued of shares. **3**
 (b) F Ltd issued Rs.1,00,000,15% debentures of Rs.100 each at a premium of 5% redeemable at a premium of 10% at the end of 4 Years. The Board of Directors decided to transfer the minimum amount required amount to Debentures Redemption Reserve Account at the time of redemption. Pass the journal entries at the time of redemption of debentures. **3**

14. Pass the necessary journal entries for the following transactions on the dissolution of Sudha and Siva after various assets(Other than cash) and outside liabilities have been transferred to realisation account
 i) Sudha agreed to pay of her husband's loan Rs.19,000.
 ii) A debtor whose debt of Rs.9,300 was written off in the books received Rs.7,500 in full settlement.
 iii) Siva took over all investment at Rs.13,300.
 iv) Sundry creditors Rs.10,000 were paid at 9% discount.
 v) Realisation expenses Rs.3,400 were paid by Sudha for which was allowed .
 vi) Loss on realisation Rs.9,400 were divided between Sudha , Siva in the ratio of 3:2. **6**

15. Ishu and Vishu are partners sharing profits in the ratio of 3:2.Their balance sheet as on 31st March 2009 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	66,000	Cash at bank	87,000
General reserve	10,000	Debtors 42,000	
Investment fluctuation fund	4,000	Less Provision 7,000	35,000
Capital Account		Investments	21,000
Ishu	1,19,000	(market Value 19,000)	
Vishu	1,12,000	Building	98,000
		Plant and machinery	70,000
Total	3,11,000		3,11,000

N was admitted on that date for 1/6th share in the following terms:

i) N will bring Rs.56,000 as his share of capital.

ii) Goodwill of the firm is valued at Rs.84,000 and N will not be able to bring his share of goodwill in cash.

iii) Plant and machinery be appreciated by 20%

iv) All debtors are good.

v) There is a liability of Rs.9,800 included in creditors that is not likely to arise

vi) Capitals of Vishu and Ishu will be adjusted on the basis of N's capital and any excess or deficiency will be made by withdrawing or bringing in cash by the concerned partners.

Prepare Revaluation account and partners capital and the balance sheet after admission of the new partner.

(OR)

P,Q and R were partners in a firm with profit sharing ratio 3:2:1 respectively. The balance sheet of the firm at 31st March 2012 was as follows:

Liabilities	Amount	Assets	Amount
Sundry creditors	21,000	Goodwill	6,000
Workmen compensation fund	12,000	Cash	5,750
Employee provident fund	6,000	Debtors 40,000	
Investment fluctuation fund	6,000	Less provision 2,000	38,000
Capital		Stock	37,650
P	68,000	Investments (market	15,000
Q	32,000	value 17,600)	
R	21,000	Patents	10,000
		Machinery	50,000
		Advertisement expense	3,600
	1,66,000		1,66,000

R retired on the above date on the following terms:

i) Goodwill of the firm valued at Rs.30,000.

ii) Value of patents was to be reduced by 20% and that of machinery to 90%.

iii) The provision for doubtful debts to be increased to 6% on debtors.

iv) Liability on account of provident fund was only Rs.3,000.

v) Liability for workmen's compensation to the extent of Rs.6,000 is to be created.

vi) R took over investment at market value.

vii) Amount due to R is to be settled on the following basis- 50% on retirement and 50% of the balance by a bill of exchange.

Prepare Revaluation account, Capital accounts of the partners, and the balance sheet after R's retirement. 8

16. Seema ltd invited applications for issuing 40,000 equity shares of Rs.10 each at a premium of Rs.2 per share. The amount was payable as follows:
   On application Rs.2 per share
   On allotment Rs.5 per share (including premium)
   On first call –Rs.2 per share
   On final call – Rs.3 per share

   Applications were received for 75,000 shares. The shares were allotted on pro-rata basis to the applicants of 60,000 shares only, the remaining applicants being rejected. Money overpaid on application was utilised towards the sum due on allotment. Ashok to whom 3,000 shares were allotted failed to pay allotment money and the two calls. Babu who applied for 3000 shares paid the calls money along with application money. Pass the journal entries to record the above transactions.

(OR)

Asish ltd invited application for issuing 75,000 shares of Rs.10 each. The amount was payable as follows:
On application Rs.2 per share, On allotment Rs.2 per share,
On first and final call- Balance.

Applications for 1,50,000 shares were received. Applications for 25,000 shares were rejected and application money of these applicants was refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money on applications was adjusted towards sums due on allotment. Suman who had applied for 1250 shares failed to pay allotment and first and final call money. Dev did not pay the first and final call on his 1000 shares. All these shares were forfeited and later on 1000 of these shares were reissued at Rs.7 per share fully aid up. The reissued shares included all the shares of Suman. Pass the journal entries in the books of Asish Ltd. **8**

PART-B FINANCIAL STATEMENT ANALYSIS

17. While preparing the balance sheet of a company, debentures is shown under which head? **1**
18. A firm's working capital is Rs.90,000.Its current ratio is 3.5: 2.What the amount of current assets? **1**
19. What is common size statement? **1**
20. Prepare the Balance sheet of Kaveri Ltd from the following particulars: **3**

Balances	Amount
Trade payables	1,60,000
Provision for Tax	40,000
Proposed dividend	1,20,000
Share capital	12,00,000
Deferred tax liabilities	30,000
General reserve	3,00,000
Balance of Statement of profit and loss (cr)	2,60,000
Tangible Fixed Assets	17,30,000
Trade Receivables	4,00,000
Provision for doubtful debts	20,000

21. The following information is given about a company: Revenue from operations Rs.1,50,000, Gross profit Rs.30,000, Operating expenses Rs.7,500 Opening inventory Rs.29,000, Closing inventory Rs.31,000, Trade Receivables Rs.16,000, Net fixed Assets Rs.1,10,000.

Calculate (a) gross profit ratio (b) Operating Ratio (c) Inventory turnover ratio (d) Trade receivables turnover ratio. **4**

22. Under what heads the following items are shown in the balance sheet of a company.

a)Patents and Trademarks b)Deposits c) Loose Tools d) Outstanding salary **4**

23. X ltd is in the business of construction of housing projects. The company decided to construct one hundred low cost houses for economically weaker section of the society and provide these houses to them at highly subsidised rates. Following is the comparative statement of profit and loss of X ltd for two consecutive years:

Particulars	2011-12	2012-13	Absolute change	% of change
Revenue from operations Less Expenses: Cost of material consumed Other expenses Total Expenses	13,20,000 ----------- 1,40,000	18,00,000 ------------ 2,00,000	---------- ------------ ------------	----------- ----------- -----------
Profit before Tax	-----------	-----------	------------	-----------
Less: Tax 40%	----------	-----------	------------	-----------
Profit After Tax	1,08,000	1,56,000	------------	------------

You are required to

a) Fill the missing figures in the comparative Statement

b) Identify the values involved. 6