INDIAN SCHOOL SOHAR

PRE BOARD EXAM

ACCOUNTANCY

Total No of Pages.8

Date: 13.01.2016

Time: 3 Hrs

Class: XII

Max Marks: 80

General Instructions:

1. This question paper contains two parts A and B
2. All questions are compulsory.
3. All parts of a question should be attempted at one place.

PART-A (ACCOUNTING FOR PARTNERSHIP FIRMS & COMPANIES)

1. On 1st January 2014, a partner advanced a loan of Rs.1,00,000 to the firm. In the absence of agreement, interest on loan on 31st March 2014 will be:
   a)Nil b) Rs.1,500 c) Rs.3,000 d)Rs.6,000 **1**
2. A and B are partners in a firm sharing profit or loss in the ratio of 3:5.With effect from 1st April 2010 they agreed to share profits or losses equally. Due to change in profit sharing ratio, A's gain or sacrifice will be:
   a)Gain 3/8 b) Gain 1/8 c) Sacrifice 3/8 d) Sacrifice 1/8 **1**
3. Forfeiture of share results in the reduction of:
   a)Subscribed capital b) Authorised capital c) Reserve capital d) fixed assets **1**
4. A limited issued 1,000,10% debentures of Rs.100 each at a premium of 5%.What will be the total amount of interest for one year:
   a)Rs.10,500 b) Rs.10,000 c) Rs.5,250 d) Rs.5,000 **1**
5. On dissolution of a firm, an unrecorded furniture of the value of Rs.5,000 was taken up by a partner for Rs.4,300.Which account will be credited and how much amount?
   a) Cash account by Rs.4,300 b) Realisation account by Rs.700
   c) Partner capital account by Rs.5,000 d) Realisation account by Rs.4,300 **1**
6. What is meant by minimum Subscription? **1**

7. On 31st March,2006 after the close of accounts, the capitals of Mountain, Hill and Rock stood in the books of the firm at Rs.4,00,000, Rs.3,00,000 and Rs.2,00,000 respectively. Subsequently it was discovered that the interest on capital @10% p.a. had been omitted. The profit for the year amounted to Rs.1,50,000 and the partner's drawings had been Mountain:Rs.20,000, Hill Rs.15,000 and Rock Rs.10,000.Calculate interest on capital. **3**

8. Fill in the missing information in the following journal entries: **3**

Date	Particulars	L.F	Dr.(Rs.)	Cr.(Rs.)
	---------------------------a/c Dr. To Bank a/c (Purchase of 300 debentures of Rs.28,500 and 200 ov debentures of Rs.100 each for Rs.19,200 plus Rs.--- Expenses for purchase)		48,000	 48,000
	8% Debentures a/c Dr. To ------------------------ a/c To ------------------------a/c (Being cancellation of own debentures)		--------	 ---------
	------------------------------------a/c To ----------------------------- a/c		-------	 --------

9. Tagore Ltd purchased a running business from Tulsi brothers for a sum of Rs.48,00,000 payable by the issue of equity shares of Rs.100 each at a premium of 20%.The assets and liabilities consisted of the following: Plant and machinery Rs.25,00,000 Stock Rs.15,00,000, Sundry debtors Rs.8,60,000, Sundry creditors Rs.3,00,000.Pass necessary journal entries in the books of Tagore Ltd. **3**

10. (a)A,B and C were partners sharing profits in the ratio of 5:4:3.C retired due to his prolonged illness and his share was taken up by A and B in the ratio of 3:2.Findout the ratio.
(b)C faced financial difficulties after his retirement. His son Rakesh was un- employed commerce graduate and hence A and B decided to Admit Rakesh into partnership by offering him $1/5^{th}$ share in profits. Find the new ratio. Mention the two values involved in admitting Rakesh as a partner. **3**

11. On 1^{st} April, 2012, Prabhu Ltd was formed with an authorized capital of Rs.10,00,000 divided into 1,00,000 equity shares of Rs.10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. During the first year,Rs.8 per share were called. Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay the first call of Rs.2 per share. Shyam's shares were forfeited after the first call and later on1,500 shares of forfeited and reissued at Rs.6 per share, Rs.8 called up.
Show the following
a) Share capital in the balance sheet of the company as per schedule III Part-I of the companies Act, 2013.
b) Also prepare" note to Accounts" for the same. **4**

12. Seema, Tanuja and Tripti were partners in a firm trading in garments. They were sharing profits in the ratio of 5:3:2.Their capitals on 1st April 2012 were Rs.3,00,000, Rs.4,00,000 and Rs.8,00,000 respectively. After the floods in Uttarkhand, all partners decided to help the flood victims personally.

For this Seema withdrew Rs.20,000 from the firm on 15th September,2012.Tanuja instead of withdrawing cash from the firm took garments amounting to Rs.24,000 from the firm and distributed those to the flood victims. On the other hand, Tripti withdrew Rs.2,00,000 from her capital on 1st January,2013 and provided a mobile medical van 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 working notes clearly.

Also state any two values that the partners wanted to communicate to the society. **4**

13. P,Q and R were partners in a firm sharing profits in the ratio of 5:6:9.On 31.12.2009, their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Creditors	30,000	Cash	10,000
Bills payable	40,000	Bank	80,000
General Reserve	60,000	Stock	40,000
Capitals		Debtors	70,000
P	1,30,000	Building	2,00,000
Q	2,00,000	Land	3,00,000
R	4,00,000	Profit and loss A/C	1,60,000
Total	8,60,000	Total	8,60,000

R died on 31.1.2010, the partnership deed provided for the following on the death of a partner:

i) Goodwill of the firm was to be valued at 3 years purchase of the average profits of the last 5 years. The profits for the years ending 2008,2007,2006 and 2005 were Rs.80,000,Rs.80,000,Rs.1,10,000 and 2,20,000 respectively.

ii)R's share of profit or loss the date of his death was to be calculated on the basis of profit or loss for the year ending 31.3.2009.

iii)Interest on capital charged@12% p.a, and drawings of R during the period was

Rs.12,000.

You are required to calculate the goodwill of the firm and R's share of goodwill at the time of his death.

Prepare R's capital at the time of death to be prepared to his Executors. **6**

14.Asish and Neha were partners in a firm sharing profits and losses in the ratio of 4:3.They decided to dissolve the firm on 1st May 2014.From the information given below complete the Realisation account, Partner's capital account and bank account.

Realisation Account

Particulars		Amount	Particulars		Amount
To sundry assets			By sundry liabilities		
Machinery		5,60,000	Creditors		40,000
Stock		90,000	Asish wife's loan		25,000
Debtors		55,000	By bank		
To bank			Machinery		4,80,000
Creditors		----------	Debtors		10,000
To Asish capital account			By Asish's capital account		
Asish wife loan		34,000	Stock	1,28,000	
To Neha's capital account			Typewriter	70,000	1,98,000
Realisation expenses		7,000	By Neha's capital a/c		
To profit transferred			Debtors		40,000
Asish capital a/c	4,000				
Neha capital a/c	3,000	7,000			
Total		7,93,000	Total		7,93,000

Partner's capital account

Particulars	Asish	Neha	Particulars	Asish	Neha
To realisation a/c	---------	----------	By------------------	--------	--------
To bank a/c	4,00,000	4,50,000	By------------------	---------	---------
			By-----------------	----------	---------
Total	---------	----------	Total	--------	---------

Bank account

Particulars	Amount	Particulars	Amount
To balance c/d	----------	By Realisation a/c	----------
To realisation a/c	----------	By Asish's loan a/c	4,000
		By Asish capital a/c	4,00,000
		By Neha's Capital a/c	-----------
Total	----------	Total	----------

6

15.i) Distinguish between dissolution of partnership and dissolution of firm. (**3** marks)

ii) BG Ltd issued 2,000, 12% debentures of Rs.100 each on 1st April 2012.The issue was fully subscribed. According to the terms of issue interest on the debentures is payable half-yearly on 30th September and 31st March and the tax deducted at source is 10%.Pass journal entries related to the debenture interest for the year ending 31st March 2013 and transfer of interest on debentures of the year to the statement of profit and loss. (3 marks)

16.A and B were partners sharing profits and losses in the ratio of 2:1.Their capitals were Rs.4,00,000 and Rs.2,00,000 respectively. On 1st April 2013 they admit C into partnership and decide that the profit sharing ration between B and C be same as between A and B. c brings Rs.1,20,000 as his capital and necessary amount for goodwill based on 2 years of purchase of last three year's average profits. Their profits were as follows:
Year ending 31st march 2010 Rs.1,00,000(including an abnormal gain of Rs.20,000)
Year ending 31st March 2011Rs.2,00,000(After charging an abnormal loss of Rs.60,000)
Year ending 31st March2012 Rs.40,000(Loss)
Year ending 31st March 2013 Rs.4,10,000

Partners are allowed 10% p.a interest on capitals and are charged on drawings @ 12%p.a.Profit for the year ending 31st March 2014 before allowing or charging interest was Rs.2,40,000 and drawings of the partners for the year ending 31st march 2014 were:
A Rs.5,000 per month in the beginning of each month. B Rs.15,000 at the end of each quarter, C Rs.60,000. You are required to prepare (i) Profit and loss appropriation account
(ii) Partners capital account.

(OR)

The Balance sheet of M,N and O who are sharing profits and losses in the ratio of 1/2,1/3,and 1/6 respectively, was as follows on 30.6.2004.

Liabilities	Amount	Assets	Amount
Bills payable	6,000	Cash in hand	150
Sundry creditors	12,900	Cash at bank	25,500
Capitals:		Bills Receivable	5,400
M	40,000	Books Debts	17,800
N	25,000	Stock	22,300
O	20,000	Furniture	3,500
Profit and loss account	4,500	Plant and machinery	9,750
		Building	24,000
Total	1,08,400	Total	1,08,400

M retires from business from 1st July 2004.Assets were revalued as under: Stock Rs.20,000, Furniture Rs.3,000, Plant and machinery Rs.9,000, Building Rs.20,000and Rs.850 provided for doubtful debts. The goodwill of the firm is agreed to be valued at Rs.6,000. M is to be paid Rs.11,050 in cash on retirement and balance in three equal yearly installments with interest at 5% per annum. Prepare revaluation account, capital accounts and balance sheet of the firm on M's retirement. Also show M's loan account till it is finally closed. **8**

17.A Ltd Company limited invited applications for issuing 40,000 equity shares of Rs.10 each at a premium of Rs.2 per share payable as under:

On application	Rs.3 per share
On allotment	Rs.4 per share (including premium)
On First call	Rs.2 per share
On second call	Rs.3 per share

Applications were received for 70,000 shares. Allotment was made pro-rata to the applicants for 50,000 shares, the remaining applications being refused. Money overpaid on application was applied towards sum due on allotment. A, to whom 1,600 shares were allotted failed to pay the allotment and calls money. B, to whom 2,000 shares were allotted failed to pay two calls. The shares of A and B were subsequently forfeited after the second call was made.3000 of the forfeited shares were reissued at Rs.8 per share fully paid. The re-issued shares included all of A's shares. Pass journal entries in the books of the company to record the above transactions.

(OR)

Shiva Ltd invited applications for issuing 2,00,000 equity shares of Rs.100 each at a premium of Rs.60 per share. The amount was payable as follows:
On application Rs.30 per share (including premium Rs.10)
On allotment Rs.70 per share(including premium Rs.50)
On first and final call- the balance amount
Applications for 1,90,000 shares were received. Shares were allotted to all the applicants and the company received all money due on allotment except Jain who had been allotted 1,000 shares, and his shares were immediately forfeited. Afterwards first and final call was made. Gupta did not pay the first and final call on his 2,000 allotted shares. His shares were also forfeited. 50% of the forfeited shares of both Jain and Gupta were re-issued for Rs.90 per share fully paid up.

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

PART-B ANALYSIS OF FINANCIAL STATEMENTS

18. In a common size balance sheet, each item is expressed as a percentage of

a) Equity capital b) Non-current liabilities
c) Non-current Assets d)Totalassets **1**

19.A firm's current assets are Rs.3,60,000, current ratio is 3:1.Cost of revenue from operations is R.12,00,000.Its working capital turnover ratio will be:

a)3 times b)5 times

c)8 times d) 4 times **1**

20. From the following information find out the cost of revenue from operations; revenue from operations and closing inventory.

i)Inventory turnover ratio 2 months

ii)Gross profit ratio 20%

iii)Gross profit Rs.60,000

iv)Closing inventory was Rs.5,000 in excess of opening inventory 4

21.Under which of the following Main and sub heads will the following items to be shown while preparing the balance sheet of a company as per the provisions of the companies Act 2013.

a) Calls in arrear

b) Discount on issue of debentures

c) Cash at bank

d) Goodwill

e) Provision for taxation

f) Motor truck

g) Provision for employee benefit expenses(Maturing with 12 months)

h)Bills receivable **4**

22. Prepare a comparative statement of Profit and loss from the following information: **4**

Particulars	2011-12	2010-11
Revenue from operations	Rs.6,00,000	Rs.4,00,000
Cost of material consumed	70% of revenue fro operations	60% of the revenue fro operations
Indirect expenses	20% of Cost of materia consumed	25% of cost of materia consumed
Income tax	40% of net profit	40% of the net profit

23.Following is the Balance sheet of Wise Ltd as at 31st March 2011 and 2012.Prepare the cash flow statement from the following details:

Particulars	Note o.	31.3.2011	31.03.2012
I. Equity and Liabilities			
1.Shareholders Funds			
a)Share capital	1	1,00,000	80,000
b)Reserves and surplus	2	6,400	6,000
2. Non-current Liabilities			
Long term borrowings(15% debentures)		14,000	12,000
3. Current Liabilities			
a) Short term borrowings(cash credit)		13,600	25,000
b) Trade payables		22,000	24,000
c) Short term provisions	3	20,000	16,000
Total		1,76,000	1,63,000
II Assets			
1. Non-Current Assets			
a)Fixed Assets - Tangible		80,000	82,000
Less: Accumulated depreciation		(30,000)	(22,000)
		50,000	60,000
2. Current Assets			
a)Inventories		70,000	60,000
b)Trade receivables		48,000	40,000
c) Cash and cash equivalents		7,000	2,400
d) Other current assets(prepaid expenses)		1,000	600
Total		1,76,000	1,63,000

Note to Accounts

	31.3.2011	31.3.2012
1.Share capital		
Equity share capital	80,000	55,000
12%Preference share capital	20,000	25,000
2.Reserves and Surplus		
General reserve	4,000	4,000
Balance in profit and loss account	2,400	2,000
3.Short term provisions		
Provision for taxation	8,400	6,000
Proposed dividend	11,600	10,000

Additional information:

1) Provision for tax made Rs.9,400

2) Fixed assets sold for Rs.10,000 (Cost 20,000) and accumulated depreciation till date of sale is Rs.6,000 3)An interim dividend paid during the year Rs.9,000. **6**