



INDIAN SCHOOL SOHAR
TERM I EXAMINATION (2019-20)
ACCOUNTANCY

Date: 26.10.2019

Max Marks:80

Class: XII

Duration: 3 hours

General Instructions

1. All questions are compulsory.
2. Provide working notes wherever necessary.
3. Attempt all the parts of a question at one place.

1. Income and expenditure account is prepared on
 - (a) Cash basis
 - (b) Accrual basis
 - (c) Both (a) and (b)
 - (d) None of these 1
2. How much amount will be shown in fund account if sports fund Rs.1,00,000(opening balance), Receipts for sport fund Rs.5,000.Tournament expenses were Rs.20,000.Sport fund investments Rs.80,000.
 - (a)Rs.85,000
 - (b) Rs.75,000
 - (c) Rs.65,000
 - (d) Rs.55,000. 1
3. In case of admission of a partner, the entry for unrecorded investment is:
 - (a)Debit partner's capital account and credit investment account
 - (b)Debit revaluation account and credit investment account
 - (c)Debit Investment account and credit revaluation account.
 - (d)None of the above. 1
4. X and Y are partners sharing profits in the ratio of 3:2.Z is admitted for 1/4th share in profits which he acquires equally from X and Y. What is the new profit sharing ratio? 1
5. At the time of dissolution of a firm debtors were Rs.17,000 out of which Rs.500 became bad and the rest realised 60%. What is the amount of debtors realized? 1
6. Give the meaning of forfeiture of shares. 1
7. Name the method of calculating interest on drawings of the partner if different amounts are withdrawn on different dates. 1
8. Distinguish between dissolution of partnership and dissolution of firm on the basis of Economic relationship. 1
9. Give the formula of goodwill by capitalisation of average profits. 1
10. Give one objective of financial statement analysis. 1
11. When a new partner brings cash for goodwill the amount is credited to the
 - (a) Premium for goodwill account
 - (b) capital account of the new partner
 - (c) cash account
 - (d) None of the above. 1
12. Which account shows the net result of revaluation of assets and re-assessment of liabilities? 1
13. Give two items which may appear under reserves and surplus of Company's balance sheet. 1

14. Chander and Suman are partners in a firm. Chander advanced a loan of Rs.50,000 and claims interest @ 12% p.a on loan. State the reason whether the claim is valid. **1**
15. What is vertical analysis of financial statements? **1**
16. Subscription received in advance during the current year is
 (a) An income
 (b) an asset
 (c) a liability
 (d) none of these **1**
17. If the loss on reissue of shares is less than the amount forfeited the surplus is transferred to
 (a) An asset
 (b) capital reserve
 (c) revenue reserve
 (d) None of these **1**
18. Name the head under which securities premium reserve account will appear in the balance sheet. **1**
19. At the time of dissolution of the firm if goodwill appears in the balance sheet it is transferred to
 (a)Realisation account
 (b)Partner's capital account
 (c)Bank account
 (d)Revaluation account **1**
20. Under which sub head and main head premium on redemption of debentures to be shown? **1**
21. From the following information prepare a comparative income statement of Y Ltd for the year ended 31st March 2019. **3**

Particulars	31 st March 2019	31 st March 2018
Revenue from operations	Rs.20,00,000	Rs.10,00,000
Cost of materials consumed	Rs.15,00,000	Rs.6,00,000
Employee benefit expenses	12% of cost of material consumed	10% of the cost of materials consumed
Tax rate	40%	30%

22. Give necessary journal entries in each of the following cases if the face value of a debenture is Rs.100.
 (a)A debenture issued at Rs.104 repayable at Rs.100.
 (b)A debenture issued at Rs.100 repayable at Rs.105.
 (c)A debenture issued at Rs.95 repayable at Rs.105. **3**
23. P and Q were partners in a firm sharing profits in the ratio of 5:3.On 1.4.2018 they admitted R as a new partner for 1/8th share in the profits with a guaranteed profit of Rs.75,000. The new profit sharing ratio between P and Q remain same but they agreed to bear any deficiency on account of guarantee to R in the ratio of 3:2.The profit of the firm for the year ended 31.3.2019 was Rs.4,00,000. Prepare profit and loss appropriation account for the year ended 31.3.2019 **4**

24. A limited purchased a machinery of Rs.10,00,000 from G limited and paid as follows:
 (a) Issued 50,000, 9% debentures of Rs. 10 each at a premium of Rs.2 each
 (b) Gave an acceptance of Rs.3,00,000 payable after 3 months and
 (c) Balance by issuing post-dated cheque of two months.
 Pass journal entries in the books of A limited. **4**
25. Bente Limited had an authorized capital of 50,00,000 divided into 50,000 shares of Rs.100 each at a premium of Rs.10 each. The company issued 30,000 shares payable Rs.25 on application Rs.35 on allotment (including premium) Rs.30 on first call and Rs.20 on final call. All the shares were subscribed. The directors made allotment and money was duly received except the final call on 1500 shares which is transferred to calls in arrear account. Prepare the Share capital account and show how share capital will appear in the balance sheet. **4**
26. From the following information find out the amount of stationery will be debited to income and expenditure account and the balance sheet of 2016 and 2017.
- | | | |
|-------------------------------------------------------------|--------|----------|
| Stock of stationery on 1 st April,2016 | 7,700 | |
| Creditors for stationery on 1 st April,2016 | 5,600 | |
| Advance paid for stationery on 31 st March,2016. | 1,400 | |
| Amount paid for stationery during the year | 16,800 | |
| Stock of stationery on 31 st March 2017 | 3,500 | |
| Creditors of stationery on 31 st March,2017 | 1,680 | |
| Advance paid for stationery on 31 st March 2017 | 1,280 | 4 |
27. Ashok, Babu and Chetan were partners in a firm sharing profits in the ratio of 4:3:3. The firm closed its books on 31st March every year. On 31st December 2016 Ashok died. The partnership deed provided that on the death of a partner, his executors will be entitled for the following:
 (i) Balance in his capital account of Ashok on 1.4.2016 was Rs.90,000.
 (ii) His share in the profits of the firm in the year of his death will be calculated on the basis of rate of net profit on sales of the previous year, which was 25%. The sales of the firm till 31st December, 2016 were Rs.4,00,000.
 (iii) The goodwill of the firm on Ashok's death was valued at Rs.4,50,000.
 (iv) Drawings made by Ashok during the period was Rs.15,000 and the interest on drawings @ 12% p.a which was calculated as Rs.1,500.
 (v) Salary to Ashok will be Rs.18,000 per annum and interest on capital will be provided @ 12% p.a.
 Prepare the Ashok's capital account to calculate the amount to be paid to his executors. **4**
28. Following is the balance sheet of Vinit and Yogesh as on 31st March 2019.

Liabilities	Amount	Assets	Amount
Sundry creditors	3,60,000	Bank	80,000
Mrs.Vinith loan	60,000	Stock	70,000
Yogesh's Loan	1,00,000	Investments	1,00,000
Investment fluctuation fund	30,000	Debtors	2,00,000
Capitals		Less provision	20,000
Vinit	2,00,000	Fixed assets	3,80,000
Yogesh	1,00,000	Profit and loss account	40,000
Total	8,50,000	Total	8,50,000

The firm was dissolved on 31st March 2019 the assets were realised and the liabilities were paid as under:

(a)Vinit promised to pay off Mrs.Vinit loan and took away stock at 20% discount.

(b)Yogesh took away 90% of the investments at 10% discount.

(c)Sunit a debtor of Rs.50,000 had to pay the amount due 3 months after the date of dissolution. He was allowed a discount of 5% for making payment immediately. The remaining debtors were collected in full.

(d)Creditors were paid Rs.3,50,000 in full settlement of their claim.

(e)Fixed assets realised Rs.2,82,000 and remaining investment realised Rs.7,500.

(f)There was an old furniture which has been written off completely from the books. Yogesh took away the same for Rs.4,000.

(g)Realisation expenses Rs.2,000 were paid by Vinit.

Prepare Realisation account.

6

29. A,B and C were partners in a firm. On 1st April 2018 their capitals stood as Rs.5,00,000 Rs.2,50,000 and Rs.2,50,000 respectively. As per the provisions of the partnership deed:

(i)C was entitled for a salary of Rs.5,000 per month

(ii)A was entitled for a commission of Rs.80,000 p.a

(iii)Partners were entitled to interest on capital @ 6% p.a

(iv)Partners will share profits in the ratio of capitals.

Net profit for the year ended 31st March,2019 was Rs.3,00,000 which was distributed equally, without taking into consideration the above provisions. Show your workings clearly, pass adjustment entry for the above.

6

30. R,S and T were partners in a firm sharing profits in 3:2:1.Their balance sheet was at 31st March 2019 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	50,000	Land	50,000
Bills payable	20,000	Building	50,000
General reserve	30,000	Plant	1,00,000
Capital accounts		Stock	40,000
R	1,00,000	Debtors	30,000
S	50,000	Bank	5,000
T	25,000		
Total	2,75,000	Total	2,75,000

From 1st April 2019 R,S and T decided to share their future profits equally. For this purpose it was decided that :

(a)Goodwill of the firm valued at Rs.1,50,000.

(b)Land be valued at Rs.80,000 and building be depreciated by 6%.

(c)Creditors of Rs.6,000 were not likely to be claimed and hence be written off.

Prepare revaluation account and partner's capital account.

6

31. Radha and Meera were partners sharing profits equally. Their balance sheet as on 31st March 2019 was as under:

Liabilities	Amount	Assets	Amount
Creditors	1,00,000	Cash in hand	24,000
Bills payable	30,000	Cash at bank	30,000
Outstanding expenses	6,000	Sundry debtors	40,000
Capital accounts		Less Provision	1,000
Radha	1,20,000	Stock	39,000
Meera	80,000	Furniture	40,000
		Plant and machinery	20,000
		Land and building	36,000
			1,47,000
Total	3,36,000	Total	3,36,000

Mathi was admitted as a partner from 1st April, 2019 on the following terms:

- 1) Mathi will get 1/5th share in profits and will bring in Rs.60,000 as his capital and Rs.10,000 as share of goodwill.
- 2) Goodwill brought by Mathi will be withdrawn by Radha and Meera.
- 3) The provision for doubtful debts should be brought up to 5% on debtors.
- 4) Machinery be depreciated by Rs.4,000 and furniture by 10%.
- 5) Stock to be valued at Rs.46,000.
- 6) Land and building be appreciated by 20%.
- 7) Investments of Rs.4,000 which did not appear in books should be duly recorded.
- 8) Capital of Meera and Radha will be adjusted on the basis of Mathi's share of capital and any excess or deficiency will be transferred to current accounts.

Prepare Revaluation account, capital accounts, cash account and the balance sheet of the new firm.

(OR)

A, B and C were partners in a firm sharing profits and losses in the ratio of 3:2:1. Their balance sheet as on 31st March 2019 was as under:

Liabilities	Amount	Assets	Amount
Sundry creditors	30,000	Cash	18,000
Bills payable	16,000	Debtors	25,000
General reserve	12,000	Less provision	3,000
Capital accounts		Stock	22,000
A	40,000	Furniture	18,000
B	40,000	Machinery	30,000
C	30,000	Goodwill	68,000
			12,000
Total	1,68,000	Total	1,68,000

B retired on the above date and it was agreed that:

- i) Provision for doubtful debts will be raised by Rs.1,000.
- ii) Stock will be depreciated by 10% and furniture by 5%.
- iii) There is an outstanding claim for damages of Rs.1,100 and is to be provided for in the books.
- iv) Creditors will be written back by Rs.6,000.
- v) Goodwill of the firm was valued at Rs.24,000.
- vi) B is paid in full with the cash brought in by A and C in such a manner that their capitals are in proportion to their profit sharing ratio of 3:2

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

32. Jeeva limited invited applications for issuing 1,20,000 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)

Balance on first and final call.

Applications were received for 1,50,000 shares were received. Shares were allotted to all the applicants on pro-rata basis. Excess money received on applications was adjusted towards sum due on allotment. All calls were made. Manu who had applied for 3,000 shares failed to pay due on allotment and first and final call. Madhur who was allotted 2,400 shares failed to pay first and final call. Shares of Manu and Madhur were forfeited and only 3000 shares were re-issued at Rs.9 per share as fully paid up. The reissued shares included all the forfeited shares of Manu.

Show the Journal entries for the above transactions in the books of Jeeva limited.

(OR)

SK limited invited applications for issuing 3,20,000 equity shares of Rs.10 each at a premium of Rs.5 per share. The amount was payable as follows:

On application 3 per share (including premium Rs.1 per share),

On allotment Rs.5 per share (including premium of Rs.2 per share),

Balance on call.

Applications for 4,00,000 shares were received. Applications for 40,000 shares were rejected and application money refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received with applications was adjusted towards sums due on allotment. Jeeva holding 800 shares failed to pay the allotment money and his shares were immediately forfeited. Afterwards final call was made. Ganesh who had applied for 2,700 shares failed to pay the final call. His shares were also forfeited. All forfeited shares were reissued at Rs.8 per share fully paid up.

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