



INDIAN SCHOOL SOHAR
PREBOARD II EXAMINATION (2021-22)
ACCOUNTANCY (055)

CLASS: XII**DATE: 03/04/2022****MAX MARKS: 40****TIME ALLOWED :2 HOURS**

General instructions:

1. This question paper comprises two parts – A and B. These are 12 questions in the question paper. All questions are compulsory.
2. Question numbers 1 to 3 and 10 are short answer type – I questions carrying 2 marks each.
3. Questions 4 to 6 and 11 are short answer type – II questions carrying 3 marks each.
4. Questions 7 to 9 and 12 are long answer type questions carrying 5 marks each.
5. There is no overall choice. However, an internal choice has been provided in 3 questions of 3 marks and 1 question of five marks.

PART-A**ACCOUNTING FOR NOT-FOR-PROFIT ORGANISATIONS, PARTNERSHIP FIRMS AND COMPANIES**

1	How will you deal with the following Items while preparing final accounts of a school for the year ending 31 st March 2021	2														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 40%;">Match Fund</td> <td style="width: 40%; text-align: right;">Rs 45,000</td> <td style="width: 20%;"></td> </tr> <tr> <td>Match Expenses</td> <td style="text-align: right;">Rs 56,000</td> <td></td> </tr> <tr> <td>Donation Received for Match Fund</td> <td style="text-align: right;">Rs 4,000</td> <td></td> </tr> <tr> <td>Sales of Match Tickets</td> <td style="text-align: right;">Rs 5,500</td> <td></td> </tr> </tbody> </table>	Match Fund	Rs 45,000		Match Expenses	Rs 56,000		Donation Received for Match Fund	Rs 4,000		Sales of Match Tickets	Rs 5,500				
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2	Record the necessary journal entries: (a) Creditors worth Rs 85,000 accepted, 40,000 in cash and investment worth Rs.43,000 in full settlement of their claim. (b) Creditors worth Rs 16,000 accepted machinery value at Rs.18,000 in settlement of their claim.	2														
3	Kriti, Asma and Aliya are partners sharing profits in the ratio 4:3:3. On Aliya's retirement, the value of firm's goodwill was agreed at Rs.30,000. Kriti and Asma agreed to share profits and losses in future in the ratio of 7:3 respectively. Give necessary journal entry in relation to goodwill, without opening its accounts.	2														
4	Calculate the amount of sports material to be transferred to Income and Expenditure account of SHIVANI sports Club, Chennai for the year ended 31st March, 2021. <table style="width: 100%;"> <tbody> <tr> <td>Sports Material sold during the year (Book Value Rs. 50,000)</td> <td style="text-align: right;">56,000</td> </tr> <tr> <td>Amount paid to creditors for sports material</td> <td style="text-align: right;">91,000</td> </tr> <tr> <td>Cash purchase of sports material</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td>Sports material as on 31.3.2020</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Sports Material as on 31.3.2021</td> <td style="text-align: right;">55,000</td> </tr> <tr> <td>Creditors for sports material as on 31.3.2020</td> <td style="text-align: right;">37,000</td> </tr> <tr> <td>Creditors for sports material as on 31.3.2021</td> <td style="text-align: right;">45,000</td> </tr> </tbody> </table> <p style="text-align: center;">(OR)</p>	Sports Material sold during the year (Book Value Rs. 50,000)	56,000	Amount paid to creditors for sports material	91,000	Cash purchase of sports material	40,000	Sports material as on 31.3.2020	50,000	Sports Material as on 31.3.2021	55,000	Creditors for sports material as on 31.3.2020	37,000	Creditors for sports material as on 31.3.2021	45,000	3
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	<p>Calculate the amount of subscription to be shown in Income and Expenditure A/c as on March 31, 2021.</p> <table border="0"> <tr> <td>Subscription received during 2020-21</td> <td>Rs.30,000</td> </tr> <tr> <td>Subscription due as on March 31, 2020</td> <td>Rs 4,000</td> </tr> <tr> <td>Subscription due as on March 31, 2021</td> <td>Rs 5,000</td> </tr> <tr> <td>Subscription received in advance as on March 31,2020</td> <td>Rs.3,000</td> </tr> <tr> <td>Subscription received in advance as on March 31,2021</td> <td>Rs.2,500</td> </tr> </table>	Subscription received during 2020-21	Rs.30,000	Subscription due as on March 31, 2020	Rs 4,000	Subscription due as on March 31, 2021	Rs 5,000	Subscription received in advance as on March 31,2020	Rs.3,000	Subscription received in advance as on March 31,2021	Rs.2,500																											
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5	<p>A, B and C are partners in a firm whose books are closed on March 31st each year. A died on 30th June 2018, and according to the agreement the share of profits of a deceased partner up to the date of the death is to be calculated on the basis of the average profits for the last five years. The net profits for the last 5 years have been: 2014 Rs. 14,000; 2015 Rs. 18,000; 2016 Rs. 16,000; 2017 Rs.10,000 (loss) and 2018 Rs.16,000. Calculate A's share of the profits up to the date of death and pass necessary journal entry assuming:</p> <p>(a) there is no change in the profit-sharing ratio of remaining partners:</p> <p>(b) there is change in the profit-sharing ratio of remaining partners, new ratio being 3: 2.</p>	3																																				
6	<p>CNC Ltd. Acquired assets worth Rs.2,90,000 and liabilities worth Rs.40,000 from Alpha Ltd for Rs.2,40,000 and issued 10% debentures at a premium of 20% to vendor on 1st April 2021. On 1st June 2021 it took bank loan for Rs.1,30,000 from Dena bank and issued debentures worth Rs.1,50,000 as collateral security. Record journal entries in the books of CNC Ltd.</p> <p style="text-align: center;">(OR)</p> <p>Give journal entries for the issue of debentures in the following conditions:</p> <p>(a) Issued 2,000, 12% Debentures of Rs.100 each at a discount of 2%, redeemable at par.</p> <p>(b) Issued 2,000, 12% Debentures of Rs.100 each at a premium of 5%, redeemable at a premium of 10%.</p>	3																																				
7	<p>P, Q and R are partners sharing profits and losses in the ratio of 3:2:1 respectively. The balance sheet of the firm as on 1st April, 2021 was as under:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Assets</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: right;">24,000</td> <td>Bank</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Outstanding Salary</td> <td style="text-align: right;">10,000</td> <td>Debtors</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Reserve</td> <td style="text-align: right;">18,000</td> <td>Less: Provisions</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td>Capital A/c:</td> <td></td> <td>Stock</td> <td style="text-align: right;">24,000</td> </tr> <tr> <td> A</td> <td style="text-align: right;">59,000</td> <td>Furniture</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td> B</td> <td style="text-align: right;">40,000</td> <td>Plant & Machinery</td> <td style="text-align: right;">48,000</td> </tr> <tr> <td> C</td> <td style="text-align: right;">21,000</td> <td>Building</td> <td style="text-align: right;">44,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,72,000</td> <td>Total</td> <td style="text-align: right;">1,72,000</td> </tr> </tbody> </table> <p>Q retires on the above date and it was agreed that:</p>	Liabilities	Amount	Assets	Amount	Creditors	24,000	Bank	10,000	Outstanding Salary	10,000	Debtors	25,000	Reserve	18,000	Less: Provisions	1,000	Capital A/c:		Stock	24,000	A	59,000	Furniture	30,000	B	40,000	Plant & Machinery	48,000	C	21,000	Building	44,000	Total	1,72,000	Total	1,72,000	5
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- (i) The Goodwill of the firm is valued at Rs.24,000.
- (ii) Furniture, Plant and Machinery are depreciated by 10%.
- (iii) Bad debts amounted Rs.5,000 and a provision for doubtful debts on debtors @ 10 % will be created.
- (iv) Stock is appreciated by 10% and building is valued at Rs.53,000.
- (v) Revaluation expenses Rs.600 were paid by the firm.
- (vi) Liability of Rs.6,000 is to be created on account of claim for workmen compensation.
- (vii) On the date of retirement Rs.15,000 paid to Q and balance is to be transferred to his loan account.

Prepare Revaluation Account and partner's Capital Accounts.

(OR)

Kapil and Adithya were partners in a firm sharing profits and losses in the ratio of 3:1.

On 31st March 2021 their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Capital		Machinery a/c	60,000
K	1,20,000	Land and building	70,000
A	80,000	Debtors	80,000
Creditors	70,000	Bank	60,000
	2,70,000		2,70,000

The firm dissolved on 1st April 2021, the assets and liabilities were settled as follows:

- (a) Creditors of Rs.50,000 took over Land and Building in full settlement of their claim.
- (b) Machinery was sold at a depreciation of Rs.30%. Debtors were collected at a cost of Rs.500.
- (c) Expenses of realization were Rs.1,700 paid by firm and remuneration paid to Adithya Rs.4,500.
- (d) An unrecorded asset is taken over by Kapil for Rs.6,000 and he agreed to pay the unrecorded liability of Rs.3,000.

Prepare Realisation account and partner's capital a/c.

8 On 1st April 2020 Rasi limited issued 4,000, 8% debentures of Rs.100 each at a discount of 10% redeemable at premium of 5% after 4 years. The issue was fully subscribed, according to the terms of issue interest on the debentures is payable yearly on 31st March. Pass necessary journal entries for the issue, debenture interest, write off the discount on issue of debentures account assuming that the company has a balance of Rs.56,000 in Securities Premium Reserve account for the year 31st March 2021.

9 Following is the Receipt and Payment Account of Sofia club for the year ended 31st March 2021

Receipt	Rs	Payment	Rs
To balance b/d	8,000	By Match expenses	18,000
To Subscription (including 2,000 for 2019-20)	51,000	By Rent	20,400
To Interest	2,500	By 10% Investment	40,000
To Donation for Building	1,00,000	By Charity Show Expenses	9,600
To Donation	20,000	By Salaries	50,400
To Life membership fee	10,500	By Honorarium	10,500
To Match Fund	20,000	By Sport Equipment	30,000
To Proceeds for Charity Show	10,500	By Printing and Stationary	5,000
To Entrance Fee	8,000	By Furniture	35,000
		By balance c/d	11,600
	2,30,500		2,30,500

On 1-4-2020, Club owned Land and Building valued Rs.1,10,000 and Sports Equipment Rs.20,000.

(a) Subscription due on 31-3-2020 were Rs.3,000 and subscription unpaid on 31-3-2021 was Rs.6000.

(b) Depreciate land and building @ 10% and 5% on sports equipment (including purchases)

(c) Provide outstanding salary Rs.5,000 and Outstanding rent Rs.2,000.

Prepare the income and expenditure account of the club for the year ended 31.3.2021.

PART-B (ANALYSIS OF FINANCIAL STATEMENTS)																																																																																								
10	State the category of income for the following items for a financial company. (i) Dividend received (ii) Interest received (iii) profit on sale of investment (iv) Profit on sale of fixed asset	2																																																																																						
11	From the following information, prepare comparative income statement for theyear ended 2020 and 2021																																																																																							
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2.Non-Current liabilities			
Long term borrowings	2	5,00,000	4,00,000
3.Current Liabilities			
(a) Short term borrowings	3	1,70,000	1,85,000
(b) Short term Provisions	4	2,00,000	1,65,000
Total		33,70,000	27,50,000
II ASSETS			
1.Non-Current Assets			
(a)Fixed Assets			
(i)Tangible assets	5	24,00,000	19,00,000
(ii) Intangible assets	6	2,00,000	3,00,000
(b) Non-Current Investments		3,00,000	2,00,000
2.Current assets			
(a) Current Investments		1,40,000	1,70,000
(b) Inventories		2,60,000	1,30,000
(c)Cash and cash Equivalents		70,000	50,000
Total		33,70,000	27,50,000

Note to Accounts

Note No	Particulars	31.3.2021	31.3.2020
1	Reserves and surplus (Surplus in statement of profit and loss)	6,00,000	3,00,000
2	Long term borrowings 12% debentures	5,00,000	4,00,000
3	Short term borrowings Bank overdraft	1,70,000	1,85,000
4	Short term provisions Provision for taxation	2,00,000	1,65,000
5	Tangible assets Machinery Accumulated depreciation	26,00,000 (2,00,000)	20,00,000 (1,00,000)
6	Intangible assets: Goodwill	2,00,000	3,00,000

Additional information:

(i) Debentures were issued on 1st April 2020.

(ii) During the year machine costing Rs.80,000 (accumulated depreciation Rs.30,000) was sold for Rs.45,000.