



CBSE Annual Examination Question Paper 2015

Accountancy

Class - XII

SET-I-67/1

Time-3Hrs

M. Marks -80

General Instructions:

- This question paper contains two parts A and B.
 - Part A is compulsory for all.
 - Part B has two options – Analysis of Financial Statements and Computerized Accounting.
 - Attempt only one option of Part B.
 - All parts of a question should be attempted at one place.
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Part - A

(Accounting for Partnership Firms and Companies)

1. In the absence of Partnership Deed, interest on loan of a partner is allowed:
 - a) At 8% per annum
 - b) At 6% per annum
 - c) No interest is allowed
 - d) At 12% per annum
 2. Geeta, Sunita and Anita were partners in a firm sharing profits in the ratio of 5:3:2. On 1.1.2015 they admitted Yogita as a new partner for 1/10th share in the profits. On Yogita's admission, the Profit and Loss Account of the firm was showing a debit balance of Rs. 20,000 which was credited by the accountant of the firm to the capital accounts of Geeta, Sunita and Anita in their profit sharing ratio. Did the accountant give correct treatment? Give reason in support of your answer.
 3. On the death of a partner, his share in the profits of the firm till the date of his death is transferred to the:
 - a) Debit of Profit and Loss Account
 - b) Credit of Profit and Loss Account
 - c) Debit of Profit and Loss Suspense Account
 - d) Credit of Profit and Loss Suspense Account
 4. Anant, Gulab and Khushbu were partners in a firm sharing profit in the ration of 5:3:2. From 1.4.2014, they decided to share the profit equally. For this purpose the goodwill of the firm was value at Rs. 2,40,000.
Pass necessary journal entry for the treatment of goodwill on change in the profit sharing ration of Anant, Gulab and Khushbu.
 5. Give the meaning of forfeiture of shares.
 6. Nirman Ltd. issued 50,000 equity shares of Rs. 10 each. The amount was payable as follows:
On application – Rs per share
On allotment – Rs 2 per share
On first and final call – The balance
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On 30.9.2014, Karan died. The Partnership Deed provided for the following to the executors of the deceased partner:

- a) His share in the goodwill of the firm calculated on the basis of three years' purchase of the average profits of the last four years. The profits of the last four years were Rs 1,90,000; Rs 1,70,000; Rs 1,80,000 and Rs 1,60,000 respectively.
- b) His share in the profits of the firm till the date of his death calculated on the basis of the average profits of the last four years.
- c) Interest @ 8% p.a. on the credit balance, if any, in his Capital Account.
- d) Interest on his loan @ 12% p.a.

Prepare Karan's Capital Account to be presented to his executors, assuming that his loan and interest on loan were transferred to his Capital Account.

12. Prem, Param and Priya were partners in a firm. Their fixed capitals were Prem Rs 2,00,000; Param Rs 3,00,000 and Priya Rs 5,00,000. They were sharing profits in the ratio of their capitals. The firm was engaged in the sale of ready-to-eat food packets at three different locations in the city, each being managed by Prem, Param and Priya. The outlet managed by Prem was doing more business than the outlets managed by Param and Priya. Prem requested Param and Priya for a higher share in the profits of the firm which Param and Priya accepted. It was decided that the new profit sharing ration will be 2:1:2 and its effect will be introduce retrospectively for the last four years. The profits of the last four years were Rs 2,00,000; Rs 3,50,000; Rs 4,75,000 and Rs 5,25,000 respectively.

Showing your calculations clearly, pass a necessary adjustment entry to give effect to the new agreement between Prem, Param and Priya.

13. On 1.1.2008, Uday and Kushal entered into partnership with fixed capitals of Rs 7,00,000 and Rs 3,00,000 respectively. They were doing good business and were interested in its expansion but could not do the same because of lack of capital. Therefore, to have more capital, they admitted Govind as a new partner on 1.1.2010. Govind brought Rs 10,00,000 as capital and the new profit ratio decided was 3:2:5. On 1.1.2012, another new partner Hari was admitted with a capital of Rs 8,00,000 for $\frac{1}{10}$ th share in the profits, which he acquired equally from Uday, Kaushal and Govind. On 1.4.2014 Govind died and his share was taken over by Uday and Hari equally. Calculate:

- a) The sacrificing ration of Uday and Kaushal on Govind's admission
- b) New profit sharing ratio of Uday, Kaushal, Govind and Hari on Hari's admission
- c) New profit sharing ration of Uday, Kaushal and Hari on Govind's death

14. 'Ananya Ltd.' hand an authorized capital of Rs 10,00,00,000 divided into 10,00,000 equity shares of Rs 100 each. The company had already issued 2,00,000 shares. The dividend paid per shares for the year ended 31.3.2007 was Rs 30. To meet the requirements of additional funds, the finance manager put up the following three alternate proposals before the Board of Directors:

- a) Issue 47,500 equity shares at a premium of Rs 100 per share
- b) Obtain a long-term loan from bank which was available at 12% per annum
- c) Issue 9% debentures at a discount of 5%



After evaluating these alternatives the company decided to issue 1,00,000, 9% debentures on 1.4.2008. The face value of each debenture was Rs 100. These debentures were redeemable in four instalments starting from the end of third year, which was as follows:

Year	Amount (Rs)
III	10,00,000
IV	20,00,000
V	30,00,000
VI	40,00,000

Prepare 9% debenture account from 1.4.2008 till all the debentures were redeemed.

15. Mala, Neela and Kala were partners sharing profits in the ratio of 3:2:1. On 1.3.2015 their firm was dissolved. The assets were realized and liabilities were paid off. The accountant prepared Realisation Account, Partner's Capital Accounts and Cash Account, but forgot to post few amounts in these accounts.

You are required to complete these below given accounts by posting correct amounts.

Realisation Account

Particular	Amount (Rs)	Particular	Amount (Rs)
To Sundry Assets		By Provision for bad debts	1,000
Machinery	10,000	By Sundry Creditors	15,000
Stock	21,000	By Sheela's Loan	13,000
Debtors	20,000	By Repairs and Renewals Reserve	1,200
Prepaid Insurance	400	By Cash – Assets sold:	
Investments	<u>3,000</u>	Machinery	8000
To Mala's Capital A/c	54,000	Stock	14,000
- Sheela's A/c	13,000	Debtors	<u>16,000</u>
To Cash – Creditors paid	15,000	By Mala's Capital- Investments	2,000
To Cash – Dishonoured bill paid	5,000		
To Cash - Expenses	800		
	88,200		88,200



Capital Accounts

Dr.				Cr.			
Particular	Mala (Rs)	Neela(Rs)	Kala(Rs)	Particulars	Mala(Rs)	Neela(Rs)	Kala(Rs)
To Cash	12,000	9,000		By Cash			
	23,000	15,000	3,000		23,000	15,000	3,000

Cash Account

Dr.		Cr.	
Particular	Amount (Rs)	Particular	Amount (Rs)
To Balance b/d	2,800	By Realisation A/c - Creditors paid	15,000
To Realisation A/c - Sale of assets	38,000	By Dishonoured bill -----	5,000
To Kala's Capital A/c	1,000	By Mala's Capital A/c	12,000
		By Neela's Capital A/c	9,000
	41,800		41,800

16. 'BMY Ltd.' invited applications for issuing 1,00,000 equity shares of Rs 10 each at a premium of Rs 10 per share. The amount was payable as follows:

On application – Rs 10 per share (including Rs 5 premium)

On allotment – The balance

The issue was fully subscribed. A shareholder holding 300 shares paid the full share money with application. Another shareholder holding 200 shares failed to pay the allotment money. His shares were forfeited. Later on these shares were re-issued for Rs 4,000 as fully paid up. Pass necessary journal entries for the above transactions in the books of BMY Ltd.

Or

"Blue Star Ltd.' was registered with an authorized capital of Rs 2,00,000 divided into 20,000 shares of Rs 10 each 6,000 of these shares were issued to the vendor for building purchased 8,000 shares were issued to the public and Rs 5 per share were called up as follows:

On application – Rs 2 per share

On allotment – Rs 1 per share

On first call – Balance of the called up amount



The amount received on these shares were as follows:

On 6,000 shares – Full amount called

On 1,250 shares – Rs 3 per share

On 750 shares – Rs 2 per share

The directors forfeited 750 shares on which Rs 2 per share were received. Pass necessary journal entries for the above transactions in the books of Blue Star Ltd.

17. Om, Ram and Shanti were partners in a firm sharing profits in the ratio of 3:2:1. On 1st April, 2014 their Balance Sheet was as follows:

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital Accounts		Land and Building	3,64,000
Om 3,58,000		Plant and Machinery	2,95,000
Ram 3,00,000		Furniture	2,33,000
Shanti <u>2,62,000</u>	9,20,000	Bills Receivables	38,000
		Sundry Debtors	90,000
General reserve	48,000	Stock	1,11,000
Creditors	1,60,000	Banks	87,000
Bills Payable	90,000		
	<u>12,18,000</u>		<u>12,18,000</u>

On the above data Hanuman was admitted on the following terms:

- He will bring Rs 1,00,000 for his capital and will get 1/10th share in the profits
- He will bring necessary cash for his share of goodwill premium. The goodwill of the firm was valued at Rs 3,00,000
- A liability of Rs 18,000 will be created against bills receivables discounted
- The value of stock and furniture will be reduced by 20%
- The value of land and building will be increased by 10%
- Capital accounts of the partners will be adjusted on the basis of Hanuman's capital in their profit sharing ration by opening current accounts

Prepare Revaluation Account and Partner's Capital Accounts.

Or

Xavier, Yusuf and Zaman were partners in a firm sharing profits in the ratio of 4:3:2. On 1.4.2014 their Balance Sheet was as follows:

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Sundry Creditors	41,400	Cash at Bank	
Capital Accounts:		Sundry Debtors	30,450
Xavier 1,20,000		Less: Provision for	
Yusuf 90,000		Bad Debts	<u>1,050</u>
Zaman <u>60,000</u>	2,70,000	Stock	48,000
		Plant and Machinery	51,000
		Land and Building	1,50,000
	<u>3,11,400</u>		<u>3,11,400</u>



Yusuf had been suffering from ill health and thus gave notice of retirement from the firm. An agreement was, therefore, entered into as on 1.4.2014, the terms of which were as follows:

- a) That land and building be appreciated by 10%
- b) The provision for bad debts is no longer necessary
- c) That stock be appreciated by 20%
- d) That goodwill of the firm be fixed at Rs 54,000. Yusuf's share of the same be adjusted into Xavier's and Zaman's Capital Accounts, who are going to share future profits in the ratio of 2:1
- e) The entire capital of the newly constituted firm be readjusted by bringing in or paying necessary cash so that the future capitals of Xavier and Zaman will be in their profit sharing ratio

Prepare Revaluation Account and Partner's Capital Accounts.

Part - B

(Analysis of Financial Statements)

18. Which of the following transactions will result into flow of cash?
 - a) Cash withdrawn from bank Rs 20,000
 - b) Issued Rs 20,00, 9% debentures for the vendors of machinery
 - c) Received Rs 19,000 from debtors
 - d) Deposited cheques of Rs 10,000 into bank
19. The accountant of Manav Ltd. while preparing Cash Flow Statement added depreciation provided on fixed assets to net profit for calculating cash flow from operating activities. Was he correct in doing so? Give reason.
20. Under which major headings and sub-headings will the following items be shown in the Balance Sheet of a company as per Schedule VI Part I of the Companies Act, 1956:
 - a) Net loss as shown by Statement of Profit and Loss
 - b) Capital redemption reserve
 - c) Bonds
 - d) Loans repayable on demand
 - e) Unpaid dividend
 - f) Buildings
 - g) Trademarks
 - h) Raw materials
21. The Current Ratio of a company is 2.1:1.2. State with reasons which of the following transactions will increase, decrease or not change the ratio:
 - a) Redeemed 9% debentures of Rs 1,00,000 at a premium of 10%
 - b) Received from debtors Rs 17,000
 - c) Issued Rs 2,00,000 equity shares to the vendors of machinery
 - d) Accepted bills of exchange drawn by the creditors Rs 7,000
22. The motto of 'Pharma Ltd.', a company engaged in the manufacturing of low-cost generic medicines, is 'Healthy India'. Its management and employees are hardworking, honest and



motivated. The net profit of the company doubled during the year ended 31.3.2014. Encouraged by its performance, the company decided to pay bonus to all employees at double the rate than last year.

Following is the Comparative Statement of Profit and Loss of the company for the years ended 31.3.2013 and 31.3.2014.

Pharma Ltd.
Comparative Statement of Profit and Loss

Particulars	Note No.	2012-13 (Rs)	2013-14 (Rs)	Absolute Change (Rs)	% Change
Revenue from operations		20,00,000	30,00,000	10,00,000	50
Less: Employees benefit expenses		12,00,000	14,00,000	2,00,000	16.67
Profit before tax		8,00,000	16,00,000	8,00,000	100
Tax at 25% rate		2,00,000	4,00,000	2,00,000	100
Profit after tax		6,00,000	12,00,000	6,00,000	100

a) Calculate Net Profit Ratio for the years ending 31st March, 2013 and 2014

b) Identify any two values which 'Pharma Ltd.' is trying to propagate

23. Following is the Balance Sheet of Solar Power Ltd. as at 31.3.2014:

Solar Power Ltd.
Balance Sheet

	Particular	Note No.	31.3.2014 (Rs)	31.3.2013 (Rs)
I	Equity and Liabilities			
1.	Shareholder's Funds:			
	a) Share Capital		24,00,000	22,00,000
	b) Reserve and Surplus	1	6,00,000	4,00,000
2.	Non-Current Liabilities:			
	Long-Term Borrowings		4,80,000	3,40,000
3.	Current Liabilities:			
	a) Trade Payables		3,58,000	4,08,000
	b) Short-Term Provisions		1,00,000	1,54,000
	Total		39,38,000	35,02,000
II	Assets:			
1.	Non-Current Assets:			
	a) Fixed Assets:			
	i. Tangible	2	21,40,000	17,00,000
	ii. Intangible	3	80,000	2,24,000



2.	Current Assets:		
	a) Current Investments	4,80,000	3,00,000
	b) Inventories	2,58,000	2,42,000
	c) Trade Receivables	3,40,000	2,86,000
	d) Cash and Cash equivalents	6,40,000	7,50,000
	Total	39,38,000	35,02,000

Notes to Accounts

S.No.	Particulars	As on 31.3.2014	As on 31.3.2013
1.	Reserves and Surplus Surplus (balance in Statement of Profit and Loss)	6,00,000	4,00,000
2.	Tangible Assets Machinery Less: Accumulated Depreciation	25,40,000 (4,00,000)	20,00,000 (3,00,000)
3.	Intangible Assets Goodwill	80,000	2,24,000

Additional Information:

During the year a piece of machinery costing Rs 48,000 on which accumulated depreciation was Rs 32,000 was sold for Rs 12,000.

Prepare Cash Flow Statement.

PART-B (Computerized Accounting)

18. The common fields used in a relationship between tables are called:

- Key fields
- Table fields
- Main fields
- Joint fields