CBSE
Class XII Accountancy
All India Board Paper_Set1_2012

Time: 3 Hours **Max. Marks: 80**

General Instructions:

1) This question paper contains two parts **A** and **B**
2) Part **A** is **compulsory** for all
3) All parts of a question should be attempted at one place

Section A

(i) This section consists of **16** questions
(ii) All the question are compulsory
(iii) Question Nos. **1** to **5** are very short – answer questions carrying **1** mark each.
(iv) Question Nos. **6** to **8** carry **3** marks each
(v) Question Nos. **9** and **11** carry **4** marks each
(vi) Question Nos. **12** to **14** carry **6** marks each
(vii) Question Nos. **15** and **16** Carry **8** marks each

Section B

(i) This section consists of **7** questions
(ii) All questions are compulsory
(iii) Question Nos.**17** and **19** are very short – answer carrying **1** mark each
(iv) Question Nos. **20** carry **3** marks
(v) Question Nos. **21** to **22** carry **4** marks
(vi) Question No.**23** carries **6** marks

Section-A

1. Name an item which is never shown on the 'Payments' side of 'Receipts and Payments Account', but is shown as an Expense while preparing 'Income and Expenditure Account'.

2. A Partnership deed provides for the payments of interest on Capital but there was a loss instead of profit during the year 2010-2011. At what rate will the interest on capital be allowed?

3. Give any one distinction between sacrificing ratio and gaining ratio.

4. State any one purpose for admitting a new partner in a firm?

5. What is meant by calls in advance?

6. From the following information, calculate the amount of subscription due to be shown in the 'Income and Expenditure Account' for the year ended 31.3.2011 if there are 1000 members and each paying ₹300 p.a. as subscription.
Subscription received during the year 2010 - 2011: ₹3,00,000.
Subscription received in advance as on 31.3.2011: ₹36,800.
Subscription outstanding as on 1.4.2010: ₹32,000.
Subscription received in advance as on 1.4.2010: ₹25,000?

7. Sundram Ltd. Purchased Furniture for ₹3,00,000 from Ravindram Ltd. ₹1,00,000 were paid by drawing a

Promissory Note in favour of Ravindram Ltd. The balance was paid by issue of Equity Shares of ₹10 each at a premium of 25%. Pass necessary Journal entries in the book of Sundram Ltd.

8. Nav Lakshmi Ltd. Invited application for issuing 3,000, 12% Debentures of ₹100 each at a premium of ₹50 per Debentures. The full amount was payable on application. Applications were received for 4,000 debentures. Applications for 1,000 debentures were rejected and application money was refunded. Debentures were allotted to the remaining applicants. Pass necessary Journal entries for the above transaction in the books of Nav Lakshmi Ltd.

9. Lalan and Balan were partners in a firm sharing profits in the ratio of 3 : 2. Their fixed capitals on 1.4.2010 were: Lalan ₹1,00,000 and Balan ₹2,00,000. They agreed to allow interest on capital @ 12% per annum and to change on drawing @ 15% per annum. The firm earned a profit, before all above adjustments of ₹30,000 of the year ended 31.3.2011. The drawing before Lalan and Balan during the year were ₹3,000 and ₹5,000 respectively. Showing your calculations, clearly prepare Profit and Loss Appropriation Account of Lalan and Balan. The interest on capital will be allowed even if the firm incurs a loss.

10. A, B, C and D are partners sharing profits in the ratio of 3:3:2:2 respectively. D retires and A, B and C decide to share the future profits in the ratio of 3:2:1. Goodwill of the firm is valued at ₹6,00,000. Goodwill already appears in the book at ₹4,50,000. The profits for the first year after D's retirement amount to ₹12,00,000. Give the necessary Journal entries to record Goodwill and to distribute the profits. Show your calculations clearly.

11. Sarvottam Ltd. Decided to redeem its 1250, 12% Debentures of ₹100 each. It purchased 850 Debentures from the open market at ₹96 per Debenture. The remaining Debenture were redeemed out of profit. The company has already made a provision for Debenture Redemption Reserve in its books. Pass necessary Journal entries in the books of the company for the above transaction.

12. Pass necessary Journal entries for the following transaction in the books of Fortune Ltd:

i. Redeemed ₹96,000, 12% Debenture by conversion into Equity Shares of ₹100 each. The Equity Shares were issued at a discount 4%

ii. Converted 4,800, 12% Debentures of ₹100 each into New 13% Debentures of ₹100 each. The new Debentures were issued at a premium 25%.

13. Sanjay and Sameer were partners in a firm sharing profits in the ratio of 2:3 .On March 31, 2011, their Balance Sheet as follows:

Balance Sheet of Sanjay and Sameer
as on 31.3.2011

Liabilities		₹	Assets	₹
Capital:			Land and Building	3,00,000
Sanjay	2,00,000		Stock	1,00,000
Sameer	3,00,000	5,00,000	Debtors	1,50,000
Creditors		1,05,000	Bank	1,55,000
Workman Compensation Fund		1,00,000		
		7,05,000		**7,05,000**

The firm was dissolved on 1.4.2011 and the Assets and Liabilities were settled as follows:

i. Sanjay agreed to take over land and Building at ₹3,50,000 by paying cash;

ii. Stock was sold for ₹90,000.

iii. Creditors accepted Debtors in full settlement of their claim. Pass necessary Journal entries for dissolution of the firm.

14. From the following Receipts and Payments Account of Kolkata Sports Club for the year ended 31.3.2011, prepare Income and Expenditure Account.

Receipts and Payments Account of Kolkata Sports Club
for the year ended 31.3.2011

Receipts	₹	Payments	₹
To Balance b/d	3,200	By Salary	1,800
To Subscription	22,500	By rent (paid on 30.9.2010 for 12 month)	2,300
To Entrance Fees(Including ₹1,000 as capital income)	3,000	By Electricity	1,000
To Donations	750	By Taxes	2,200
To Rent of hall	1,750	By Printing and Stationery	400
To Accrued interest for the year 2009-2010)	2,000	By Sundry Expenses	900
		By Books	7,500
		By 9% Fixed Deposit(on 1.4.2010)	15,200
		By Balance c/d	1,900
	33,200		**33,200**

15. Atal and Madan were partners in a firm sharing profits in the ratio of 5 : 3. On 31.3.2011 they admitted Mehra as a new partner for 1/5th share in the profits. The new profit sharing ratio was 5 : 3 : 2. On Mehra's admission the Balance Sheet to the firm was as follows:

Balance Sheet of Shikhar and Rohit as on 1st April, 2013

Liabilities		₹	Assets	₹
Capital:			Land and Building	1,50,000
Atal	1,50,000		Machinery	40,000
madan	90,000	2,40,000	patents	5,000
Provision for bad debts		1,200	Debtors	27,000
Creditors		20,000	Cash	47,000
Workman's Compensation Fund		32,000	Profit and Loss Account	4,200
				20,000
		2,93,200		**2,93,200**

On Mehra's admission it was agreed that

i. Mehra will bring ₹40,000 as his capital and ₹16,000 for his share of goodwill premium, half of which was with draw by Atal and Madan;

ii. A provision of $2\frac{1}{2}\%$ for bad and doubtful debts was to be created;

iii. Included in the sundry creditors was an item of ₹2,500 which was not to be paid;

iv. A provision was to be made for an outstanding bill for electricity ₹3,000;

v. A claim of ₹325 for damage against the firm was likely to be admitted. Provision for the same was to be made.

After the above adjustment, the capitals of Atal and Madan were to be adjusted on the basis of Mehra's capital. Actual cash was to be brought in or to be paid off to Atal and Madan as the case may be. Prepare Revaluation Account, Capital Accounts of the partners and the Balance Sheet of the new firm.

OR

Khanna, Seth and Mehta were partners in a firm sharing profit in the ratio of 3:2:5. On 31.12.2010 the Balance Sheet of Khana, Seth and Mehta was as follows:

Liabilities		₹	Assets	₹
Capital:			Goodwill	3,00,000
khanna	3,00,000		Land and Building	5,00,000
Seth	2,00,000		Machinery	1,70,000
Mehta	5,00,000	10,00,000	Stock	30,000
General Reserve		1,00,000	Debtors	1,20,000
Loan from Reserve		50,000	Cash	45,000
Creditors		75,000	Profit and Loss Account	60,000
		12,25,000		**12,25,000**

On 14 March 2011, Seth died.

The partnership deed provides that on the death of a partner the executor of the deceased partners is entitled to:

i. Balance in Capital Account;

ii. Share in profits upto the date of death on the basis of last year's profit;

iii. His share in profit/loss in revaluation of assets and re-assessment of liabilities which were as follows:

a. Land and Building was to be appreciated by ₹1,20,000;

b. Machinery was to be depreciated to ₹1,35,000 and stock to ₹25,000;

c. A provision of $2\frac{1}{2}$% for bad and doubtful debts was to created on debtors;

iv. The net amount payable to Seth's executors was transferred to his loan account which was to be paid later.

Prepare Revalution Account, Partners Capital Accounts, Seth's Executors Account and the Balance Sheet of Khanna and Mehta who decided to continue the business keeping their capital balances in their new profit sharing ratio. Any surplus of deficit to be transferred the current account of the partners.

16. R.K. Ltd. invited applications for issuing 70,000 Equity Shares of ₹10 each at a premium of ₹35 per share. The amount was payable as follows:
On Application ₹15 per share (including ₹2 Premium)
On Allotment ₹10 per share (including ₹8 Premium)
On First and Final Call — Balance
Applications for 65,000 shares were received and allotment was made to all the application. A shareholder, Ram who was allotted 2,000 shares were failed to pay the allotment money. His shares were forfeited immediately after allotment. Afterwards the first and final call was made. Sohan, who had 3000 shares failed to pay the first and final call. His shares were also forfeited. Out of the forfeited shares 4,000 shares were re-issued at ₹50 per share fully paid up. The re-issued shares included all the shares of Ram.
Pass necessary Journal Entries for the above transactions in the books of R.K. Ltd.

OR

Ashish Ltd. Invited applications for issuing 75,000 Equity Shares of ₹10 each at a discount of 10%. The amount was payable as follows:
On Application ₹2 per share.
On Allotment ₹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 the application money of these applicants was refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received with 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 100 shares. All these share were forfeited and later on 1000 of these share were re-issued at ₹17 per shares fully paid up. The re-issued shares included all the shares of Suman.
Pass necessary Journal Entries for the above transactions in the books of Ashish Ltd.

Section- B

17. State the significance of analysis of financial statements to 'Top Management'.

18. What is the object of preparing a Cash Flow Statements?

19. While preparing Cash Flow Statements, What type of activity is 'Payments of cash to acquire shares of another company by a trading company'.

20. X Ltd has a Current Ratio of 3:1 and Quick Ratio of 2:1. If the excess of current Assets over Quick Assets as represented by Stock is ₹40,000, calculate Current Assets and Current Liabilities:

21. From the following information, calculate any two of the following ratios:

a. Debt-Equity Ratio
b. Working Capital Turnover Ratio and
c. Return on Investment

Information: Equity Share capital ₹10,00,000, General Reserve ₹1,00,000; Profit and Loss Account after tax and interest ₹3,00,000; 12% Debenture ₹4,00,000;Creditors ₹3,00,000; Land and Building ₹13,00,000; Furniture ₹3,00,000; Debtors ₹2,00,00 and Cash ₹1,10,000 and Preliminary expenses ₹1,00,000 Sales for the year ended 31-3-2011 was ₹30,00,000. Tax Paid 50%.

22. Following is the Income statements; prepare a Common Size Income Statements of Jayant Ltd. For the year ended 31-3-2011:

Income Statement of Jayant Ltd.
For the year ended 31.3.2011

Particulars	₹
Income:	
Sales	25,38,000
Other Income	38,000
Total Income	25,76,000
Expenses:	
Cost of goods sold	14,00,000
Operating expense	5,00,000
Total Expenses	19,00,000
Tax	3,38,000

Prepare a common size Income Statements of Ra Ltd. for the year ended 31-3-2011.

23. From the following Balance Sheets of B.C.R. Ltd as on 31-3-2010 and 31-3-2011. Prepare a Cash Flow Statements:

Balance Sheets of B.C.R. Ltd.
As on 31.3.2010 and 31.3.2011

Liabilities	31-3-2010	31-3-2011	Assets	31-3-2010	31-3-2011
Equity share Capital	5,00,000	7,00,000	Patens	1,00,000	95,000
Profit and Loss account	2,00,000	3,50,000	Equipment	5,00,000	5,00,000
Bank loan	1,00,000	50,000	Investment		1,00,000
Proposed Dividend	50,000	70,000	Debtors	80,000	1,47,000
Provision for tax	30,000	50,000	Stock	55,000	1,30,000
Creditors	55,000	52,000	Bank	2,00,000	3,00,000
	9,35,000	**12,72,000**		**9,35,000**	**12,72,000**

Additional Information: During the year Equipment Costing ₹1,00,000 was purchases. Loss on sale of Equipment amounted to ₹12,000 , ₹18,000 deprecation charged on Equipment.