

CBSE
Class XII Accountancy
All India Board Paper_Set2_2014

Time: 3 Hrs

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 **18** questions.
- (ii) All the question are compulsory.
- (iii) Question Nos. **1** to **7** are very short – answer questions carrying **1** mark each.
- (iv) Question Nos. **8** to **10** carry **3** marks each.
- (v) Question Nos. **11** and **14** carry **4** marks each.
- (vi) Question Nos. **15** to **16** carry **6** marks each.
- (vii) Question Nos. **17** and **18** Carry **8** marks each.

Section B

- (i) This section consists of **7** questions
- (ii) All questions are compulsory
- (iii) Question Nos.**19** and **21** are very short – answer carrying **1** mark each
- (iv) Question Nos. **22** carry **3** marks
- (v) Question Nos. **23** to **24** carry **4** marks
- (vi) Question No.**25** carries **6** marks

Section-A

1. What is meant by issue of debentures as collateral security?
2. D Ltd. invited applications for issuing 10,00,000 equity shares of ₹10 each. The public applied for 8,55,000 shares. Can the company proceed for the allotment of shares? Give reason in support of your answer.
3. Distinguish between 'Dissolution of partnership' and 'Dissolution of partnership firm' on the basis of Court's intervention.
4. X, Y and Z were partners sharing profits in the ratio of $\frac{1}{2}$, $\frac{3}{10}$ and $\frac{1}{5}$. X retired from the firm. Calculate the gaining ratio of the remaining partners.
5. Give the meaning of 'Reconstitution of a partnership firm'?
6. State the rights acquired by a newly admitted partner.
7. A Ltd. forfeited 100 equity shares of ₹10 each issued at a premium of 20% for the non-payment of final call of ₹ 5 including premium. State the maximum amount of discount at which these shares can be re-issued?
8. Pass necessary journal entries in the following cases :
 - i. Sunrise Ltd. converted 500, 9% debentures of ₹100 each issued at a discount of 10% into equity shares of ₹100 each issued at a premium of ₹25%.

- ii. Britannia Ltd. redeemed 3,000, 12% debentures of ₹100 each which were issued at a discount of ₹10 per debenture by converting them into equity shares of ₹100 each ₹90 paid up.
9. Hemant and Nishant were partners in a firm sharing profits in the ratio of 3:2. Their capitals were ₹1,60,000 and ₹1,00,000 respectively. They admitted Somesh on 1st April, 2013 as a new partner for 1/5 share in the future profits. Somesh brought ₹1,20,000 as his capital. Calculate the value of goodwill of the firm and record necessary journal entries for the above transactions on Somesh's admission.
10. Tata Ltd. issued 5,000, 10% Debentures of ₹100 each on 1st April, 2012. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable half-yearly on 30th September and 31st March and tax deducted at source is 10%.
Pass the necessary journal entries related to the debenture interest for the half-yearly ending on 31st March, 2013 and transfer of interest on debentures to Statement of Profit and Loss.
11. Pass necessary journal entries for the following transactions in the books of Gopal Ltd :
- Purchased furniture for ₹2,50,000 from M/s Furniture Mart. The payment to M/s Furniture Mart was made by issuing equity shares of ₹10 each at a premium of 25%.
 - Purchased a running business from Aman Ltd, for a sum of ₹15,00,000. The payment of ₹12,00,000 was made by issue of fully paid equity shares of ₹10 each and balance by a bank draft. The assets and liabilities consisted of the following: Plant ₹3,50,000; Stock ₹4,50,000; Land and Building ₹6,00,000; Sundry Creditors ₹1,00,000.
12. Singh and Gupta decided to start a partnership firm to manufacture low cost jute bags as plastic bags were creating many environmental problems. They contributed capitals of ₹1,00,000 and ₹50,000 on 1st April, 2012 for this. Singh expressed his willingness to admit Shakti as a partner without capital, who is specially abled but a very creative and intelligent friend of his. Gupta agreed to this. The terms of partnership were as follows :
- Singh, Gupta and Shakti will share profits in the ratio of 2:2:1.
 - Interest on capital will be provided @ 6% p.a. Due to shortage of capital, Singh contributed ₹25,000 on 30th September, 2012 and Gupta contributed ₹10,000 on 1st January, 2013 as additional capital. The profit of the firm for the year ended 31st March 2013 was ₹1,68,900.
 - Identify any two values which the firm wants to communicate to the society.
 - Prepare Profit and Loss Appropriation Account for the year ending 31st March, 2013.
13. Monika, Sonika and Mansha were partners in a firm sharing profits in the ratio of 2:2:1 respectively. On March 31, 2013, their Balance Sheet as under:

Balance Sheet as on march 31, 2013

Liabilities		₹	Assets		₹
Capital:			Fixed Asset		3,60,000
Monika	1,80,000		Stock		60,000
Sonika	1,50,000		Debtors		1,20,000
Mansha	90,000	4,20,000	Cash		2,70,000
Reserve Fund		1,50,000			
Creditors		2,40,000			
		8,10,000			8,10,000

Sonika died on 30th June, 2013. It was agreed between her executors and the remaining partners that:

- Goodwill of the firm be valued at 3 years' purchase of average profits for the last four years. The average profits were ₹2,00,000.
- Interest on capital be provided at 12% p.a.
- Her share in the profits up to the date of death will be calculated on the basis of average profits for the last four years.

Prepare Sonika's Capital Account as on 30th June, 2013.

14. On 1st April, 2012, Blue Heaven Ltd. was formed with an authorised capital of ₹20,00,000 divided into 2,00,000 equity shares of ₹10 each. The company issued prospectus inviting applications for 1,80,000

equity shares. The company received applications for 1,70,000 equity shares. During the first year, ₹8 per share were called. Ram holding 2,000 shares and Varun holding 4,000 shares did not pay the first call of ₹2 per share. Varun's shares were forfeited after the first call and later on 3,000 of the forfeited share were re-issued at ₹6 per share, ₹8 called up.

Show the following:

- a. Share Capital in the Balance Sheet of the company as per revised Schedule VI Part I of the Companies Act, 1956.
 - b. Also prepare 'Notes to Accounts' for the same.
15. Anju, Manju and Ruchi were partners in a firm trading in medicines. They were sharing profits in the ratio of 5 : 3 : 2. Their capitals on 1st April, 2012 were ₹3,00,000; ₹5,00,000 and ₹7,00,000 respectively. After the flood in Uttarakhand; all partners decided to help the flood victims personally. For this Anju withdrew ₹30,000 from the firm of 1st August, 2012. Manju instead of withdrawing cash from the firm took medicines amounting to ₹25,000 from the firm and distributed those to the flood victims. On the other hand, Ruchi withdrew ₹1,50,000 from her capital on 1st December;2012 and provided the necessary items of daily use 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 which the partners wanted to communicate to the society.
16. Hanif and Jubed were partners in firm in a sharing profit in the ratio of 4:1. On 31st march ,2013 their Balance Sheet was as follows:

Balance Sheet of Hanif and Jubed as on 31st March ,2013

Liabilities		₹	Assets		₹
Creditors		1,50,000	Bank		2,00,000
Workman Companion Fund		3,00,000	Debtors		3,40,000
General Reserve		75,000	Stock		1,50,000
Hanif's Current Account		25,000	Furniture		4,60,000
Capital's:			Machinery		8,20,000
Hanif	10,00,000		Jubed's Current Account		80,000
Jubed	5,00,000	15,00,000			
		20,50,000			20,50,000

On the above date the firm was dissolved:

- a. Debtors were realised at a discount of 5%, 50% of the stock was taken over by Hanif at 10% less than the book value. Remaining stock was sold for ₹65,000.
 - b. Furniture was taken over by Jubed for ₹1,35,000. Machinery was sold as scrap for ₹74,000.
 - c. Creditors were paid in full.
 - d. Expenses on realisation ₹8,000 were paid by Hanif.
- Prepare Realisation Account.
17. Shikhar and Rohit were partners in a firm Sharing profit in the ratio 7:3 On 1st April , 2013 they admitted Kavi as a new partners for ¼ share in profit of the firm. Kavi brought ₹4,30,000 as his capital and ₹25,000 for his share of goodwill Premium. The Balance Sheet of Shikhar and Rohit as on 1st April, 2013 was as follows:

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

Liabilities		₹	Assets		₹
Capital:			Land and Building		3,50,000
Shikhar	8,00,000		Machinery		4,50,000
Rohit	3,50,000	11,50,000	Debtors	2,20,000	
General Reserve		1,00,000	Less: Provision	20,000	2,00,000
Workman's Compensation Fund		1,00,000	Stock		3,50,000
Creditors		1,50,000	Cash		1,50,000
		15,00,000			15,00,000

It was agreed that:

- i. The value of Land and Building will be appreciated by 20%.
- ii. The value of Machinery will be depreciated by 10%.
- iii. The liabilities of Workmen's Compensation Fund was determined at ₹50,000.
- iv. Capitals of Shikhar and Rohit will be adjusted on the basis of Kavi's capital and actual cash to be brought in or to be paid off as the case may be.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm.

OR

L, M and N were partners in a firm sharing profits in the ratio of 2 : 1 : 1. On 15' April, 2013 their Balance Sheet was follows:

Balance Sheet of L, M and N as on 1st April, 2013

Liabilities	₹	Assets	₹
Capital:		Land	8,00,000
L	6,00,000	Building	6,00,000
M	4,80,000	Furniture	2,40,000
N	4,80,000	Debtors	4,00,000
General Reserve	4,40,000	Less: Provision	20,000
Workman's Compensation Fund	3,60,000	Stock	4,40,000
Creditors	2,40,000	Cash	1,40,000
	26,00,000		26,00,000

On the above date N retired.

The following were agreed:

- i. Goodwill of the firm was valued at ₹6,00,000.
- ii. Land was to be appreciated by 40% and Building was to be depreciated by ₹1,00,000. Furniture was to be depreciated by ₹30,000.
- iii. The liabilities for Workmen's Compensation Fund was determined at ₹1,60,000.
- iv. Amount payable to N was transferred to his loan account.
- v. Capitals of L and M were to be adjusted in their new profit sharing ratio and for this purpose current accounts of the partners will be opened. Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm.

18. KY Ltd. invited applications for issuing 60,000 equity shares of ₹10 each at a premium of ₹4 per share. The amount was payable as follows:

On applications and allotment - ₹8 per share (including premium)

On first and final call - the balance amount

Applications for 2,00,000 shares were received. Applications for 80,000 shares were rejected and money refunded. Shares were allotted on pro-rata basis to the remaining applicants. The first and final call was made. The amount was duly received except on 600 shares applied by Ravi. His shares were forfeited. The forfeited shares were re-issued at a discount of ₹8 per share.

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

OR

JY Ltd. invited applications for issuing 70,000 equity shares of ₹10 each at a discount of 10%. The amount was payable as follows:

On applications and allotment - ₹4 per share

On first and final call - the balance amount

Application for 2,00,000 shares were received. Applications for 60,000 shares were rejected and money refunded. Shares were allotted on pro-rata basis to the remaining applicants. The first and final call was made. All money was received except on 1,400 shares applied by Naresh. His shares were forfeited. The forfeited shares were re-issued at the maximum discount permissible under the law.

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

Section- B

19. State the meaning of 'Cash Flow' while preparing Cash Flow Statement.
20. Why is specific disclosure of cash flow financing activities important while preparing Cash Flow Statement?
21. State any one objective of financial statements analysis.
22. Under which major sub-headings the following items will be placed in the Balance Sheet of a company as per revised Schedule-VI, Part-I of the Companies Act, 1956:
- Capital Reserve
 - Bonds
 - Loans repayable on demand
 - Vehicles
 - Goodwill
 - Loose tools

23. From the following Statement of profit and loss of Corex Ltd, year ended 31st March ,2013, prepare a comparative statement of Profit and Loss :

Particular	Note No.	2012-13 ₹	2011-12 ₹
Revenue from operation		14,00,000	11,00,000
Other expenses		2,00,000	1,40,000
Expenses		8,00,000	9,00,000

Rate of Income tax was 40%.

24. (a) The quick ratio of a company is 1.5:1. State with reason which of the following transactions would
- increase:
 - decrease or
 - not change the ratio:
- Paid rent ₹3,000 in advance.
 - Trade receivables included a debtor Shri Ashok who paid his entire amount due ₹9,700

(b) From the following information compute 'Proprietary Ratio'

	₹
Long Term Borrowings'	2,00,000
Long Term Provision	1,00,000
Current Liabilities	50,000
Non-Current-Assets	3,60,000
Current -Assets	90,000

25. Prepare a Cash Flow Statement from the information given in the balance sheet of Simco Ltd. As at 31-3-2013 and 31-3-2012:

Particulars	Note No.	31-3-2013 ₹	31-3-2012 ₹
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Equity share Capital		2,00,000	1,50,000
b. Reserves and Surplus		90,000	75,000
2. Non-current Liabilities			
a. Long term-borrowing		87,500	87,500
3. Current liabilities			
a. Trade Payables		10,000	76,000
Total		3,87,500	3,88,500

II. Assets			
1. Non- Current assets			
a. Fixed assets			
i. Tangible assets		1,87,500	1,40,000
b. Non -Current Investment		1,05,000	1,02,500
2. Current assets			
a. Current-Investment (marketable)		12,500	33,500
b. Inventory		4,000	5,500
c. Trade receivable		9,500	23,000
d. Cash and Cash equivalents		68,500	84,000
Total		3,87,500	3,88,500

Notes to Account:
Note -1

Particulars	2013 ₹	2012 ₹
Reserve and Surplus		
Surplus (balance in statement of profit and loss)	90,000	75,000