Pre Board Examination 2015
Std. 12
19-01-2015

Set 2

ACCOUNTANCY

Max. Marks : 80
Time : 3 hrs.

General Instructions :

1. This question paper contains two parts A and B.
2. Attempt all parts of a question together.
3. Neatness is must.

PART - A (Partnership and Company Accounts)

1. What will be the rate of interest on the drawings if a partner makes drawings of equal amount on the last day of every month of a year?
   a) 6% b) 7.5%
   c) 5.5% d) 4.5% (1)

2. Treatment of goodwill among the partners is not required when there is _________________. (1)
   a) dissolution of firm b) change in profit sharing ratio
   c) admission of a partner d) retirement of a partner

3. Mention the liability which is transferred to Realisation Account but does not require cash payment. (1)
   a) Contingent liability b) Partner's Loan
   c) Investment Fluctuation Fund d) Partner's capital

4. Ajit, Nitin and Gaurav are partners sharing profits and losses in the ratio of 5 : 3 : 2. Ajit retires and remaining partners agree to share future profits the ratio of 3 : 2. What will be the gaining ratio of remaining partners? (1)
   a) 5 : 2 b) 3 : 2 c) 5 : 3 d) 1 : 1

5. According to Companies Act 2013, a company can issue its equity shares on discount only to its __________________. (1)
   a) existing shareholders b) debenture holders
   c) new shareholders d) employees

6. Mona, Nisha and Priyanka are partners in a firm. They contributed Rs. 50,000/- each as capital three years ago. At that time Priyanka agreed to look after the business as Mona and Nisha were busy. The profits for the past three years were Rs. 15,000/-, Rs. 25,000/- and Rs. 50,000/- respectively. While going through the books of accounts Mona noticed that the profit had been distributed in the ratio of 1:1:2. When she enquired from Priyanka about this, Priyanka answered that since the looked after the business she should get more profit. Mona disagreed and it was decided to distribute profit equally retrospectively for the last three years. (2+1)
   a) You are required to make necessary corrections in the books of accounts of Mona, Nisha and Priyanka by passing an adjustment entry.
   b) Identify the value which was not practiced by Priyanka while distributing profits.

7. Taneja Construction Ltd. has an outstanding balance of Rs.5,00,000/-, 7% debentures of Rs.100/- each redeemable at a premium of Rs.10%. According to the terms of redemption, the company redeemed 30% of the above debentures. Record the entries for redemption of debentures in the books of Taneja Constructions Ltd. (3)

8. Pass the necessary journal entries for issue of 1,000, 7% Debentures of Rs.100 each in the following cases: (3)
   a) Issued at 5% premium redeemable at a premium of 10%.
   b) Issued at a discount of 5% redeemable at par.

9. Naresh, David and Aslam are partners sharing profits in the ratio of 5:3:7. On April 1st, 2012, Naresh, gave a notice to retire from the firm, David and Aslam decided to share future profits in the ratio of 2:3. The adjusted capital accounts of David and Aslam show a balance of Rs. 33,000/- and Rs. 70,500/- respectively. The total amount to be paid to Naresh is Rs.90,500/-. This amount is to be paid by David and Aslam in such a way that their capitals become proportionate to their new profit sharing ratio. Pass necessary journal entries for the above transactions in the books of the firm. Show your working clearly. (4)

10. The authorized capital of Suhani Ltd. is Rs. 45,00,000/- divided into 30,000 shares of Rs.150/- each. Out of these company issued 15,000 shares of Rs. 150/- each at a premium of Rs.10/- per share. The amount was payable as follows:
    Rs. 50/- per share on application, Rs. 40/- per share on allotment (including premium), Rs. 30/- per share on first call and balance on final call, Public applied for 14,000 shares. All the money was duly received.
    Prepare an extract of Balance Sheet of Suhani Ltd. as per Revised Schedule-VI, Part-I of the Companies Act 1956 disclosing the above information. Also prepare 'notes to accounts' for the same. (4)

11. Abhay and Beena are partners in a firm. They admit Chetan as a partner with 1/4th share in the profits of the firm, Chetan brings Rs.2,00,000/- as his share of capital. The value of the total assets of the firm is Rs.5,40,000 and outside liabilities are valued at Rs.1,00,000 on that date, Give the necessary entry to record goodwill at the time of Chetan's admission. Also show your working notes. (4)

12. Saksham Ltd. purchased a running business from Abir Ltd. which had following assets and liabilities: (6)

Particulars	Amount (Rs.)
Machinery	7,00,000.00
Trade Receivables	2,50,000.00
Inventory	5,00,000.00
Building	11,50,000.00
Trade Payables	2,50,000.00

The purchase consideration was settled at Rs. 22,00,000/- which included a payment of Rs. 2,00,000/- by draft and remaining by issue of equity shares of Rs. 100/- each.
Pass journal entries in the books of Saksham Ltd. If
a) Equity shares are issued at par.
b) Equity shares are issued on premium of 25%.

13. The Balance Sheet of Sudha, Rahim and Kartik who were sharing profit in the ratio of 3:3:4 as on 31st March, 2014 was as follows: (6)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
General Reserve	10,000.00	Cash	16,000.00
Bills Payable	5,000.00	Stock	44,000.00
Loan	12,000.00	Investments	47,000.00
Capitals:		Land & Building	60,000.00
Sudha 60,000		Sudha's Loan	10,000.00
Rahim 50,000			
Kartik 40,000	1,50,000.00		
	1,77,000.00		1,77,000.00

Sudha died on 30th June, 2014. The partnership deed provided for the following on the death of a partner:

a) Goodwill of the firm be valued at two years purchase of average profits for the last three years.
b) Sudha's share of profit or loss till the date of her death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2014 amounted to Rs. 4,00,000/- and that from 1st April to 30th June 2014 to Rs. 1,50,000/-. The profit for the year ended 31st March, 2014 was Rs.1,00,000/-.
c) Interest on capital was to be provided @ 6% p.a.
d) The average profits of the last three years were Rs. 42,000/-.
e) According to Sudha's will, the executors should donate her share to "Matri Chhaya – an orphanage for girls".

Prepare Sudha's Capital Account to be rendered to her executors. Also identify the values being highlighted in the question.

14. Ali, Bimal and Deepak are partners in a firm. On 1st April, 2013 their capital accounts stood at Rs. 4,00,000/-, Rs. 3,00,000/- and Rs. 2,00,000/- respectively. They shared profit and losses in the proportion of 5:3:2, Partners are entitled to interest on capital @10% per annum and salary to Bimal and Deepak @ Rs. 2,000/- per month and Rs. 3,000/- per quarter respectively as per the provisions of the partnership deed.
Bimal's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of Rs. 50,000/- p.a. Any deficiency arising on that account shall be met by Deepak.
The profits of the firm for the year ended 31st March, 2014 amounted to Rs. 2,00,000/-.
Prepare Profit & Loss Appropriation Account for the year ended on 31st March, 2014. (6)

15. Sahaj and Nimish are partners in firm. They share profits and losses in the ratio of 2 : 1. Since both of them are specially abled, sometimes they find it difficult to run the business on their own. Gauri, a common friend decided to help them. Therefore, they admitted her into partnership for a 1/3rd share. She brought her share of goodwill in cash and proportionate capital. At the time of Gauri's admission, the Balance Sheet of Sahaj and Nimish was as under: (8)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital Accounts :		Machinery	1,20,000.00
Sahaj 1,20,000		Furniture	80,000.00
Nimish 80,000	2,00,000.00	Stock	50,000.00
General Reserve	30,000.00	Sundry Debtors	30,000.00
Creditors	30,000.00	Cash	20,000.00
Employees' Provident Fund	40,000.00		
	3,00,000.00		3,00,000.00

It was decided to:

a) Reduce the value of stock by Rs. 5,000/-.

b) Depreciate furniture by 10% and appreciate machinery by 5%.

c) Rs. 3,000/- of the debtors proved bad. A provision of 5% was to be credited on Sundry Debtors for doubtful debts.

d) Goodwill of the firm was valued at Rs. 45,000/-.

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the reconstituted firm. Identify the values being conveyed in the question.

(OR)

Prachi, Ritika and Ishita were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Inspite of repeated reminders by the authorities, they kept dumping hazardous material into a nearby river. The court ordered for the dissolution of their partnership firm on 31st March 2014. Prachi was deputed to realize the assets and pay the liabilities. She was paid Rs. 1,000/- as commission for her services. The financial position of the firm was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Creditors	10,000.00	Furniture	37,000.00
Investment Fluctuation Fund	4,500.00	Stock	5,500.00
Capitals :		Investments	15,000.00
Prachi 40,000		Cash	9,000.00
Ritikia 30,000	70,000.00	Ishita's Capital	18,000.00
	84,500.00		84,500.00

Following was agreed upon :

Prachi took over investments for Rs. 12,500/-. Stock and furniture realized Rs. 41,500/-. There was old furniture which has been written off completely from the books. Ritika agreed to take away the same at the price of Rs. 3,000/-. Compensation paid to the employees amounted to Rs. 8,000/-. This liability was not provided in the above Balance Sheet. Realisation expenses amounted to Rs.1,000/-. Prepare Realisation Account, Partners' Capital Accounts and Cash Account to close the books of the firm.

Also identify the values being conveyed in the question.

16. Vikrant Ltd. issued 40,000 Equity Shares of Rs. 10/- each at a premium of Rs. 2.50 per share. The amount was payable as follows: (8)

On application - Rs. 2/- per share

On allotment - Rs. 4.50 per share (including premium)

On Call - Rs. 6/- per share

Owing to heavy subscription, the allotment was made on pro-rata basis as follows:

a) Applicants for 20,000 shares were allotted 10,000 shares.

b) Applicants for 56,000 shares were allotted 14,000 shares.

c) Applicants for 48,000 shares were allotted 16,000 shares.

It was decided that excess amount received on applications would be utilized on allotment and the surplus would be refunded.

Ram to whom 1,000 shares were allotted, who belong to Category (a) failed to pay allotment money. His shares were forfeited after the call.

Pass the necessary Journal Entries in the books of Vikrant Ltd. for the above transactions.

(OR)

Dinesh Ltd. invited applications for issuing 10,000 Equity Shares of Rs.10/- each. The amount was payable as follows:

On Application Rs. 1/-

On Allotment Rs. 2/-

On First Call Rs. 3/-

On Second and final Call – Balance

The issue was fully subscribed. Ram to whom 100 shares were allotted, failed to pay the allotment money and his shares were forfeited immediately after allotment. Shyam to whom 150 shares were allotted, failed to pay the first call. His shares were also forfeited after the first call. Afterwards the second and final call was made. Mohan to whom 50 shares were allotted failed to pay the second and final call. His shares were also forfeited. All the forfeited shares were re-issued at Rs. 9/- per share fully paid-up. Pass necessary journal Entries in the books of Dinesh Ltd.

PART - B (Analysis of Financial Statements)

17. Debt-equity ratio of Ahaan Ltd. is 1:2. Identify the transaction which will decline debt equity ratio. (1)
a) Issue of equity shares for cash. b) Purchase of goods on credit.
c) Cash received from trade receivable. d) Sale of machinery at a loss of Rs. 30,000/-.

18. A machinery costing Rs. 40,000/- (accumulated depreciation Rs. 25,000/- is sold at a loss of Rs.5,000/-. What will be the amount of source of cash? (1)
a) Rs. 5,000/- b) Rs. 10,000/-
c) Rs. 15,000/- d) Rs. 20,000/-

19. Which information is not analysed under analysis of financial statements?
a) Working Capital b) Sales (1)
c) Sales Policy d) Profit

20. Under what heads and sub-heads the following items will appear in the Balance Sheet of a company as per Revised Schedule-VI, Part-I of Companies Act 1956. (3)
i) Premium on redemption of Debentures ii) Loose tools
iii) Balances with banks.

21. From the following Statement of Profit and Loss of Suntrack Ltd., for the years ended 31st March 2013 and 2014, prepare a 'Comparative Statement of Profit and Loss'. (4)

Particulars	Note No.	2013-14 (Rs.)	2012-13 (Rs.)
Revenue from operations		20,00,000.00	12,00,000.00
Other income		12,00,000.00	9,00,000.00
Expenses		13,00,000.00	10,00,000.00

22. a) Compute 'Working Capital turnover Ratio' from the following information: (2+2)
Cash Revenue from Operations Rs. 1,30,000/-; Credit Revenue from Operations Rs.3,80,000/-; Revenue from Operations Returns Rs. 10,000/-; Liquid Assets Rs. 1,40,000/-; Current Liabilities Rs. 1,05,000/- and Inventory Rs. 90,000/-.
b) Calculate 'Debt-equity Ratio' from the following information:
Total Assets Rs.3,50,000/-; Total Debt Rs. 2,50,000/- and Current Liabilities Rs. 80,000/-.

23. Following is the Balance Sheet of Wisben Ltd. as on 31st March 2014: (6)

Particulars	Note No.	2014 (Rs.)	2013 (Rs.)
I. Equity and Liabilities:			
i) Shareholder's Funds			
a) Share Capital		7,00,000.00	6,00,000.00
b) Reserve & Surplus (Profit & Loss Balance)		2,00,000.00	1,10,000.00
ii) Non-current Liabilities			
Long-term borrowings		3,00,000.00	2,00,000.00
iii) Current Liabilities			
Trade Payables		30,000.00	25,000.00
		12,30,000.00	9,35,000.00
II. Assets:			
i) Non-current Assets			
a) Fixed Assets			
Tangible Assets		11,00,000.00	8,00,000.00
ii) Current Assets			
a) Inventories		70,000.00	60,000.00
b) Trade Receivables		32,000.00	40,000.00
c) Cash & Cash equivalents		28,000.00	35,000.00
		12,30,000.00	9,35,000.00

Adjustments:
During the year a piece of machinery of the book value of Rs. 80,000/- was sold for Rs. 65,000/-.
Depreciation provided on tangible assets during the year amounted to Rs. 2,00,000/-.
Prepare a Cash Flow Statement.

-x-x-x-x-x-x-x-