	INDIAN SCHOOL AL WADI AL KABIR

SAMPLE PAPER-1, 2020-21

Class: XII Sub: ACCOUNTANCY **(055)** M.M: 80

General Instructions:
(i) This question paper contains two parts – A and B.
(ii) Part A is compulsory for all.
(iii) Part B has two options – Analysis of Financial Statements and Computerized Accounting.
(iv)Attempt only one option of Part B.
(v) All parts of a question should be attempted at one place.

PART A: Accounting for Not-for-Profit Organizations, Partnership Firms & Companies

1	Interest on loan advanced by a partner to the firm is debited and credited to which account.	1
2	Under what circumstance will the premium for goodwill paid by the incoming partner not be recorded in the books of accounts?	1
3	Why would an investor prefer to invest in debentures than shares?	1
4	What is the minimum price at which the forfeited shares can be reissued?	1
5	What is the nature of I/E A/c prepared by NPO.	1
6	Arun, Bharat & Chintan are partners in firm sharing profits 1:2:1. They decided to change the ratio to 2:1:1. On the date of change there exists a balance of 10000 in IFR. The book value of investments was 20000 and their market value on the date of change is 28000. Pass journal entry for treatment of IFR.	1
7	Gaining ratio is calculated at the time of (*a*) retirement of a partner only. (*b*) death of a partner only. (*c*) admission of a partner only. (*d*) change in profit-sharing ratio/retirement/death of a partner.	1
8	In case of guarantee the deficiency will be borne by (a) All partners in NR (b) All partners in SR (c) All partners in OR (d) Remaining partners in ratio in which they guarantee.	1
9	Rohan's wife's loan is 20,000 and Rohan's loan is 15,000. State giving reason whose loan	1

<table>
<tr><td></td><td>will repaid first in case of dissolution of partnership firm and why?</td><td></td></tr>
<tr><td>10</td><td>P and Q are two partners sharing profit 5:4. They admit R for 1/10th share, which he acquires equally from both. The new profit sharing ratio between P Q and R is
A.19:17:18 B.91:71:18 C.18:41:53 D.91:18:71</td><td>1</td></tr>
<tr><td>11</td><td>Give 2 circumstances when firm may be compulsorily dissolved.</td><td>1</td></tr>
<tr><td>12</td><td>Rent paid to a partner is a charge against profit and not an appropriation. State whether true or false.</td><td>1</td></tr>
<tr><td>13</td><td>Mother Ltd. forfeited 300 shares of ` 10 each, fully called-up, held by Ram for nonpayment of allotment money of ` 3 per share and final call money of ` 4 per share. Out of these shares, 250 shares were reissued to Shyam for ` 2,000 as fully paid-up. The gain on reissue is
A. 900 B. 400 C. 750 D. 250</td><td>1</td></tr>
<tr><td>14</td><td>From the following information's of Arjun Sports Club, show the Sports Material in the 'Income and Expenditure Account' for the year ending March 31, 2020 and the Balance Sheets as on March 31, 2019 and March 31, 2020:
<table>
<tr><th></th><th>Apr. 1, 2019 (Rs.)</th><th>Mar 31, 2020(Rs.)</th></tr>
<tr><td>Stock of stationary</td><td>4,800</td><td>13,200</td></tr>
<tr><td>Creditors for stationary</td><td>11,500</td><td>15,800</td></tr>
<tr><td>Advance to supplier of sports material</td><td>30,000</td><td>50,000</td></tr>
</table>
Payment to suppliers for the Sports Material during 2019-2020 was Rs. 1,85,000. No sports material purchased on cash basis during the year 2019-20.

OR
Define and explain the accounting treatment of the following items:
Life membership subscription, Legacy, Honorarium.</td><td>3</td></tr>
<tr><td>15</td><td>A Ltd. was registered with an authorized capital of Rs.1,00,00,000 divided into equity shares of Rs. 100 each. The company invited applications for the issue of Rs. 50, 00,000 shares. Applications for 48,000 shares were received. All calls were made and were duly received except the final call of Rs. 2 per share on 1,000 shares. All these shares were forfeited and later on re-issued at Rs. 9,000 as fully paid.
Show Share Capital in the Balance Sheet of A Ltd. Also prepare ―Notes to Accounts for the same.
OR
Max Ltd. forfeited 400 shares of 10 each issued at a premium of 2 to Salim, who had applied for 500 shares for the non-payment allotment money of 5 per share and first call of 2 (including 1 premium) per share. Final Call of 2 was not made. Out of these forfeited shares 300 shares were reissued to Mr.Kishan as fully paid up for 9 per share.
Pass the journal entries to record the forfeiture and reissue of shares, also prepare Share Forfeiture A/c.</td><td>4</td></tr>
</table>

16	1. A, B & C are partners in a firm sharing profits and losses in the ratio of 4 : 5 : 6. On 31st March, 2019 , B retired. On that date the capitals of A, B & C before the necessary adjustments stood at 2,00,000, 1,00,000 and 50,000 respectively. On B's retirement, goodwill of the firm was valued at 1,14,000. Revaluation of assets and re-assessment of liabilities resulted in a profit of 6,000. General Reserve stood in the books of the firm at 30,000. Calculate the amount transferred to B's loan account. Show your workings clearly. 2. A & B were partners in the ratio of 3:2. Due to heavy losses they decided to dissolve their business. Give journal entries for each of the following transactions: (Assume that assets other than cash & Bank and External liabilities have been transferred to Realization Account) (a) Furniture of the book value Rs 40,000 was realized at 85%. (b) Stock appeared in the books at Rs 30,000,1/2 of which was taken over by B @ 10% discount. (c) The remaining stock was accepted by Bank against their loan of Rs 18,000. (d) P & L A/c showed a debit balance of Rs. 50,000.	4
17.	Kumar and Raja are partners in a firm sharing profits in the ratio of 7 : 3. Their fixed capitals were: Kumar 9,00,000 and Raja 4,00,000. The Partnership Deed provide (*i*) Interest on Capital @ 9% per annum. (*ii*) Kumar's salary 50,000 per year and Raja's salary 9,000 per quarter. But the profit for the year ended 31st March, 2019 was 2,00,000 was distributed equally without providing for the above. The drawings of the partners were 20,000 each partner during the year. Pass adjustment entry. **OR** A. Vinod and Ashish were partners in a firm sharing profits in the ratio of 3:2. Their fixed capitals were Rs.80,000 and Rs.50,000 respectively. They admitted Gaurav in the firm on 1st January, 2018 as a new partner for 1/5th share in the future profits. Gaurav brought Rs.60,000 as his capital. Calculate the value of goodwill of the firm and record necessary journal entries on Gaurav's admission. B. Kunal and Shekhar are partners sharing profits and losses in 3:2 ratio. They admitted Christopher for 1/4 share in the profits. The new profit sharing ratio agreed was 2:1:1. Christopher brought Rs. 50,000 for his capital. His share of goodwill was agreed at Rs. 15,000. Christopher could bring only Rs. 10,000 out of his share of goodwill. Profit of the firm after admission was 80,000. Record necessary journal entries in the books of the firm?	4
18	1.A, B and C are partners in a trading firm. The firm has a fixed total capital of Rs.60,000 held equally by all the partners. Under the partnership deed the partners were entitled to: (a) In the event of death of a partner, goodwill was to be valued at 2 years purchase of the profits of the last 3 years less 20%. (b) His share of profit up to his date of death on the basis of sales till date of death. Sales for the year ended March 31, 2018 was ₹ 2,00,000 and profit for the same year was 10% on sales. Sales shows a growth trend of 20% and percentage of profit earning is reduced by 1%. (c) Partners were to be charged interest on drawings at 5% p.a. and allowed interest on capitals at 6% per annum. B died on January 1st, 2019. His drawings to the date of death were Rs.2,000 and interest	4

there on was Rs.60. The profits for the three years ending March 31st 2016 Rs.21,200; 2017 Rs.3,200 (Dr.); and in 2018 Rs.9,000 respectively.

Pass journal entries for share in profit, goodwill, ioc and iod.

2.A, B and C are partners sharing profits in the ratio of 5:3:2. They decided to share future profits in the ratio of 2:3:5 with effect from 1st April 2019. They also decided to adjust the following accumulated profits, losses and reserves without affecting their book values, by passing an adjustment entry:

Profit and Loss Account	Rs. 15,000
General Reserve	Rs. 60,000
Advertisement Suspense A/c	Rs. 30,000

19 From the following receipts & Payments Account of Sonic Club & from the given additional information; prepare Income & Expenditure Account for the year ending 31st March 2020 & the Balance Sheet as on that date: 6

Receipts	Rs.	Payments	Rs.
To Balance b/d	2,50,000	By Salaries	3,30,000
To Subscriptions	6,00,000	By Sports material	400000
To Interest on Investments @ 8% p.a. for full year	40,000	By Balance c/d	160000
	8,90,000		**8,90,000**

Additional Information

The club has 1300 members each paying an annual subscription of Rs 500 each.

Salaries had been paid only for 11 months.

Sock of Sports material on 31st March, 2019 was Rs. 3,00,000 & on 31st March, 2020 Rs. 6,50,000.

20 A. On 1st April 2019, Raj Ltd. issued ₹1,00,000, 9%Debentures of ₹100 each at a discount of 10%. These debentures were repayable at a premium of 5% after four years. 6

(i)Pass the necessary journal entries for the issue of debentures and prepare 9%Debenture A/c.

(ii)Pass the journal entry for writing off the loss on issue assuming the company has 12,000 in Securities Premium A/c.

B. Premier Ltd. issued 10,000, 7% Debentures of ₹10 each at a premium of 15% on 1st April, 2019, redeemable at a premium of 10% on 31st March 2018. Application were received for 12,000 debentures. Prorata allotment was made to all. Interest is paid annually. Pass necessary entries for issue, interest and writing off loss for the year ending 31/3/2020.

21 8

1. Amar limited forfeited 1500 shares of Rs 10 each (Rs 7 called) for nonpayment of allotment money of Rs 4 per share including premium Rs 1. Of these 1000 shares were reissued @ Rs 8 per share as Rs 7 called up. Pass entry for forfeiture and reissue.

2. Z limited invited applications for 20000 shares of 10 each @ premium of 20% premium payable full on application. The issue was oversubscribed by 4000 shares

and the allotment was made on prorata basis. Pass necessary journal entries.

3. Jyoti Ltd. issued 5,000 Shares of ₹100 each, which were fully subscribed. Shares were fully called up. All the money was duly received except the call money on 600 shares @ ₹30 each. These shares were forfeited and out of the forfeited shares 400 shares were reissued at ₹80 each as fully paid up. Pass necessary journal entries for forfeiture and reissue for the above transactions and show the Share Capital A/c.

OR

Mamta Fab Ltd. issued 50,000 shares of Rs. 100 each at a Premium of 20% payable as
Rs. 30 on application(inc prem 10; Rs. 40 on allotment(inc prem 10) and Rs 20 each on first and final call.
Applications were received for 75,000 shares. Applicants of 25,000 shares were sent letters of regret and application money was refunded.
Mohan, a holder of 1,500 shares failed to pay allotment money which he paid alongwith the first call.
Raman, a shareholder holding 500 shares paid both the calls along with allotment.
Kamal, a shareholder holding 1000 shares did not pay first call and second and final call. His shares were forfeited. The forfeited shares were re-issued at Rs. 120 per share as fully paid up.

Pass necessary Journal Entries for the above transaction in the books of the company.

22 X, Y & Z are partners sharing profits in 3:2:1. The Balance sheet is as follows: 8

LIABILITIES	**AMT**	**ASSETS**	**AMT**
Creditors	15000	Goodwill	6000
EPF	6000	Cash	5500
Workmen compensation reserve	12000	Stock	30000
Investment fluctuation reserve	6000	Investments(market value 17600)	15000
Capitals: A B C	 68000 32000 21000	Debtors 40000 Less: PBDD 2000	38000
		Patents	10000
		Plant	50000
		Advertisement suspense	6000
	160000		**160000**

Prepare necessary accounts and Balance Sheet if Z retired on following terms:

1. Goodwill of the firm is valued at 30000.
2. Patents be reduced by 20% and Plant to 90%.
3. PBDD be raised to 6%.
4. Z took over investments at market value.
5. Liability of provident fund was 2750.
6. Liability of workmen compensation fund was 3000.
7. Z was to be paid half on retirement and remaining through Bill of Exchange.

OR

	A and B share profits in the proportions of 3/4 and 1/4. Their Balance Sheet on Dec. 31, 20014 was as follows:	

Liabilites		*Assets*	
	(Rs)		*(Rs.)*
Sundry creditors	41,500	Cash at Bank	26,500
Reserve fund	4,000	Bills Receivable	3,000
Capital A/c		Debtors	16,000
A 30,000		Stock	20,000
B 16,000	46,000	Fixtures	1,000
PBDD	2,000	Land & Building	25,000
		P & L A/c	2,000
	93,500		93,500

On Jan. 1,2015, C was admitted into partnership with 1/5 share in profit on the following terms:
(a) That C pays Rs. 10,000 as his capital.
(b) That C pays Rs. 5,000 for goodwill. Half of this sum is to be withdrawn by A and B.
(c) That stock and fixtures be reduced by 10% and a 5%.
(d) That the value of land and buildings be appreciated by 20%.
(e) There being a claim against the firm for damages, a liability to the extent of Rs. 1,000 should be created.
(f) An item of Rs. 650 included in sundry creditors is not likely to be claimed and hence should be written back.
(g) Debtors of Rs. 1,500 proved bad and PBDD is to be created @ 10%.

Pass journal entries on admission of C.

	PART B:FINANCIAL STATEMENT ANALYSIS	
23	What will be the Operating Profit Ratio if Operating Ratio is 71.64%	1
24	Finserve Ltd is carrying on a Mutual Fund business. It invested Rs. 30, 00,000 in shares and Rs. 15, 00,000 in debentures of various companies during the year. It received Rs. 3, 00,000 as dividend and interest. Find out cash flows from investing activities.	1
25	Comparison of values of one period with those of another period for the same firm is (*a*) Intra-firm comparison. (*b*) Inter-firm comparison. (*c*) Pattern comparison. (*d*) Trend comparison.	1
126	The liquid ratio is 1.5:1. State with reason whether buying goods on credit will increase, decrease or not alter the liquid ratio.	1
27	State the main heading under which sale of scrap will be shown in the statement of profit & loss of a joint stock company.	1
28	What is the treatment of provision for doubtful debts while calculating trade receivable turnover ratio.	1
29	'Vinod Ltd.' is carrying on a paper manufacturing business. In the current year, it purchased machinery for ₹30,00,000; it paid salaries of ₹60,000 to its employees; it required funds for expansion and therefore, issued shares of ₹20,00,000. It earned a profit of ₹9,00,000 for the	1

current year. Find out cash flows from operating activities.

30 (3 marks)

Under which major heads and subheads will the following items be placed in the financial statements of a company as per Schedule VI Part I of the Companies Act, 1956 :

Provident Fund, Acceptances, Interest on loan, Sales of scrap, Calls in Arrears, Dividend received1.

OR

Calculate amount of Opening Trade Receivables and Closing Trade Receivables from the following figures:
Trade Receivable Turnover ratio 5 times
Cost of Revenue from Operations ₹ 8,00,000
Gross Profit ratio 20%
Closing Trade Receivables were ₹ 40,000 more than in the beginning
Cash sales being ¼ times of Credit sales.

31 (4 marks)

From the following information, prepare a Common sized income statement Income Statement

Particulars	2018	2017
Revenue from operations	5,00,000	8,00,000
Cost of material consumed	3,00,000	2,00,000
Changes in inventories	1,00,000	2,00,000
Other expenses(% of CRFO)	25%	50%
Interest on Investment	5,00,000	1,00,000
Rate of Income Tax	50%	50%

OR

Nishit was the Managing Director of 'Lalita Electronics Ltd'. He had been earning good revenues and profits for the company. He believed in giving respect to his subordinates as his moral responsibility. He was the one who recognized the need to find ecofriendly ways to treat waste. Following is the Comparative Statement of Profit and Loss of 'Lalita Electronics Ltd.' for the years ended 31st March, 2014 and 2015. Fill in the blanks.

Particulars	2013-14 ₹	2014-15 ₹	Absolute Change ₹	Percentage Change
Rev. from Operations	14,00,000	18,00,000	4,00,000	28.5
Less : Employee benefit expenses	__________	_________	_________	_______
Profit before tax	10,00,000	13,00,000	________	30
Tax @ 30%	__________	__________	__________	________
Profit after tax	__________	__________	__________	________

32 (6 marks)

From the following data, calculate the cash flows from investing and financing activities.

Particulars	31.3.2013	31.3.2014
Computer	3,00,000	4,00,000

10% Non Current Investments	1,00,000	1,50,000
Current Investments(Marketable)	2,50,000	2,00,000
Equity Share Capital	2,00,000	6,00,000
10% Preference Share Capital	2,00,000	1,50,000
9% Debentures	1,00,000	----------
Securities premium reserve	----------	50,000

Additional Information:

1. During the year 2013-14, a computer costing Rs.80,000 on which depreciation provided Rs. 40,000 was sold for Rs. 46,000.Depreciation charged during the year was 50,000.
2. Dividend paid on Equity Shares Rs. 60,000.
3. For every 2 shares held 3 shares were issued as bonus shares during the year.
4. Preference shares were redeemed at 10% premium.
5. Debentures were redeemed on 31/03/2014.

PART- C

COMPUTERIZED ACCOUNTING

(NOT APPLICABLE TO ISWK STUDENTS)