INDIAN SCHOOL AL WADI AL KABIR

SAMPLE PAPER-3, 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.

Qs. No	Questions	Marks
	Part- A **(Accounting for Not for Profit organizations, Partnership firms and Companies)**	
1	Himanshu withdrew Rs. 2,500 at the end of each month. The Partnership deed provides for charging interest on drawings @ 12% p.a. Interest on Himanshu's drawings for the year ending March 31, 2020 is ---------- a. 1650 b. 1850 c. 2000 d. 1500	1
2	Ram and Shyam are partners in a firm sharing profits in the ratio of 3:2. They admit Ghanshyam as a new partner. Ram sacrifices 1/4 of his share and Shyam 1/3 of his share in favour of Ghanshyam. New profit sharing ratio of Ram, Shyam and Ghanshyam are ------	1
3	Sunena, a shareholder holding 500 shares of Rs. 10 each, did not pay the allotment money of Rs. 4 per share (including a premium of Rs. 2) and the first and final call of Rs. 3. Her shares were forfeited after the first and final call. The amount transferred to Share Forfeiture Account is ------------ a. 2500 b. 3500 c. 5000	1

	d. None of these	
4	State with reasons whether the following statements are TRUE or FALSE (i) Balancing figure on credit side of Income and Expenditure Account denotes excess of expenses over incomes (ii) Receipt and Payment Account is a summary of all capital receipts and payments	1
5	The book value of assets (other than cash and bank) transferred to Realization Account is Rs. 1, 00,000. 50% of the assets are taken over by a partner Atul, at a discount of 20%; 40% of the remaining assets are sold at a profit of 30% on cost; 5% of the balance being obsolete, realised nothing and remaining assets are handed over to a Creditor, in full settlement of his claim. Amount realized on realization of assets is --------	1
6	The director of Poly Plastic Limited resolved that 200 equity shares of Rs.100 each be forfeited for non-payment of the second and final call of Rs.30 per share. Out of these, 150 shares were re-issued at Rs.60 per share to Mohit. The amount transferred to Capital Reserve is a. Rs 3000 b. Rs 4500 c. Rs 8000 d. Rs 2000	1
7	Record necessary journal entries to realise the following unrecorded assets and liabilities in the books of Paras and Priya: 1. There was an old furniture in the firm which had been written-off completely in the books. This was sold for Rs. 3,000, 2. Ashish, an old customer whose account for Rs. 1,000 was written-off as bad in the previous year, paid 60%, of the amount	1
8	State whether the following statements are True (T) or False (F): 1. Debenture is a part of owned capital. 2. The payment of interest on debentures1 is a charge on the profits of the company.	1
9	Name two adjustments to be made at the t1ime of death of a partner.	1
10	How share in profit of the deceased partner is calculated when he dies during the accounting year?	1
11	Murli, Naveen and Omprakash are partners sharing profits in the ratio of 3 / 8, 1/ 2 and 1 /8. Murli retires and surrenders 2/3rd of his share in favour of Naveen and the remaining share in favour of Omprakash. Calculate new profit sharing and the gaining ratio of the remaining partners.	1

12	Mohan and Shyam are partners in a firm. State whether the claim is valid if the partnership agreement is silent in the following matters: (i) Mohan is an active partner. He wants a salary of Rs. 10,000 per year; (ii) Shyam had advanced a loan to the firm. He claims interest @ 10% per annum;	1
13	Yadu, Madhu and Vidu are partners sharing profits and losses in the ratio of 2:2:1. There fixed capitals on April 01, 2019 were; Yadu Rs. 5,00,000, Madhu Rs. 4,00,000 and Vidhu Rs. 3,50,000. As per the partnership deed, partners are entitled to interest on capital @ 5% p.a., and Yadu has to be paid a salary of Rs. 2,000 per month while Vidu would be receiving a commission of Rs. 18,000. Net loss of the firm as per profit and loss account for the year ending March 31, 2019 amounted to Rs. 75,000. Loss transferred to Yadu's, Madhu's and Vidu's current account are --------,---------- and ----------	1
14	Extracts of Receipt and Payment Account for the year ended March 31, 2017 are given below: Receipt Subscriptions (Rs.) 2015-16 2,500 2016-17 26,750 2017-18 <u>1,000</u> 30,250 Additional Information: Total number of members: 230. Annual membership fee: Rs. 125. Subscriptions outstanding as on April 1, 2016: Rs. 2,750. Prepare a statement showing all relevant items of subscriptions viz., income, advance, outstanding, etc. OR (a) Show the following information in financial statements of a ' Not-for-Profit' Organization: Details Amount (Rs.) Match Expenses 16,000 Match Fund 8,000 Donation for Match Fund 5,000 Sale of Match tickets 7,000	3

	(b) What will be the effect, if match expenses go up by Rs. 6,000 other things remaining the same?	
15	Radha, Mary and Fatima are partners sharing profits in the ratio of 5:4:1. Fatima is given a guarantee that her share of profit, in any year will not be less than Rs. 5,000. The profits for the year ending March 31, 2020 amounted to Rs. 35,000. Shortfall if any, in the profits guaranteed to Fatima is to be borne by Radha and Mary in the ratio of 3:2. Record necessary journal entry to show distribution of profit among the partner. OR Rose and Pinky started partnership business on April 01, 2019 with capitals of Rs. 2, 50,000 and Rs.1, 50,000, respectively. On October 01, 2019, they decided that their capitals should be Rs. 2, 00,000 each. The necessary adjustments in the capitals are made by introducing or withdrawing cash. Interest on capital is to be allowed @ 10% p.a. Calculate interest on capital as on March 31, 2020	4
16	Rose and Lily shared profits in the ratio of 2:3. Their Balance Sheet on March 31, 2017 was as Follows:	4

Balance Sheet of Rose and Lily as on March 31, 2017

Liabilities	*Amount (Rs.)*	*Assets*		*Amount (Rs.)*
Creditors	40,000	Cash		16,000
Lily's loan	32,000	Debtors	80,000	
Profit and Loss	50,000	*Less:* Provision for		
Capitals:		doubtful debts	3,600	76,400
Lily	1,60,000	Inventory		1,09,600
Rose	2,40,000	Bills receivable		40,000
		Buildings		2,80,000
	5,22,000			**5,22,000**

Rose and Lily decided to dissolve the firm on the above date. Assets (except bills receivables) realised Rs. 4, 84,000. Creditors agreed to take Rs. 38,000. Cost of realisation was Rs. 2,400. There was a Motor Cycle in the firm which was bought out of the firm's money, was not shown in the books of the firm. It was now sold for Rs. 10,000. There was a contingent liability in respect of outstanding electric bill of Rs. 5,000 which was paid Bill Receivable taken over by Rose at Rs. 33,000. Show Realisation Account,

17	22.Fill in the blanks:	4

Date	Particulars	Dr.	Cr.

	1	Share Capital A/c To Calls In arrear To Forfeited Share A/c (Being the forfeiture of 50 shares called up Rs.8 per share on which allotment money of Rs.5 were not received)			
	2	Bank A/c Forfeited Share A/c To Share Capital (Being the reissue of 40 shares @Rs.9, paid up Rs.10)			
	3	Forfeited Share A/c To Capital Reserve (Being reissue profit transferred)			
18	The books of Ram and Bharat showed that the firm's capital on 31.12.2016 was Rs. 5,00,000 and the profits for the last 5 years : 2015 Rs. 40,000; 2014 Rs. 50,000; 2013 Rs. 55,000; 2012 Rs. 70,000 and 2011 Rs. 85,000. Calculate the value of goodwill on the basis of 3 years purchase of the average super profits of the last 5 years assuming that the normal rate of return is 10%?				4

19 Following is the Receipt and Payment Account of Indian Sports Club, prepared Income and Expenditure Account,: Receipt and Payment Account for the year ending December 31, 2017 — 6

Receipts Amount Payments Amount

Receipts	Rs	Payment	Rs
Balance b/d	7,890	Salary	11,000
Subscriptions	52,000	Electric charges	5,500
Life membership	2,200	Billiard Table	17,500
fee	3,200	Office expenses	4,100
Entrance fee	26,000	Printing &	
Tournament fund	1,250	Stationery	2,300
Locker Rent		Tournament	
Sale of old sports		expenses	18,500
equipment	2,500	Repair of	2,000
(Costing	750	ground	7,700
Rs.2,200)	37,500	Furniture	12,000
Sale of old		purchased	12,690
newspaper		Sports	10,000
Legacy		equipment	
		Cash in hand	30,000
		Cash at bank	
		Fixed deposit	
		(on 1.10.2017	
		for 10% p.a)	
	1,33,290		1,33,290

Other Information: Subscription outstanding was on December 31, 2016 Rs.1, 200 and
Rs.3, 200 on December 31, 2017. Locker rent outstanding on December 31, 2017 Rs.250. Salary outstanding on December 31, 2017 Rs.1, 000. On January 1, 2017, club has Building Rs.36, 000, furniture Rs.12, 000, Sports equipment Rs.17,500. Depreciation charged on these items @ 10% (including Purchase).

20 — 6

a. Blue Prints Ltd., purchased building worth Rs.1, 50,000, machinery worth Rs.1, 40,000 and furniture worth Rs.10, 000 from XYZ Co., and took over its liabilities of Rs. 20,000 for a purchase consideration of Rs. 3, 15,000. Blue Prints Ltd., paid the purchase consideration by issuing 12% debentures of Rs.100 each at a premium of 5%. Record necessary journal entries.

b. A Ltd., issued 2,000, 10% debentures of Rs. 100 each on April 01, 2016 at a discount of 10% redeemable at a premium of 10%. Give journal entries relating debenture interest for the period ending March 31, 2017 assuming that interest was paid half yearly on September 30 and March 31 and tax deducted at source is 10%.

21 The following is the Balance Sheet of A and B as on 31st March 2020: 8

LIABILITIES	Amt(Rs)	ASSETS	Amt(Rs)
Creditors	30,000	Cash in hand	500
Bills Payable	8,000	Cash at bank	8,000
Mrs.A's Loan	5,000	Stock	5,000
Mrs.B's Loan	10,000	Debtors 20,000 (-)Provision 2,000	18,000
Reserve Fund	10,000	Plant & Machinery	20,000
Investment Fluctuation Fund	1,000	Investments	10,000
A's Capital	10,000	Building	15,000
B's Capital	10,000	Goodwill	4,000
	84,000	Profit/Loss A/c	3,500 **84,000**

The firm was dissolved on this date and the following was found:

(i)A promised to pay off Mrs.A's loan and took over stock in trade at an agreed value of 80%.

(ii) B took half of the investments at 10% discount.

(iii) The following assets were realized as follows:

Debtors: Rs.19,000; Plant: Rs.25,000; Building: Rs.40,000; Goodwill: Rs.6,000 and the remaining investments at Rs.4,500.

(iv) Creditors and Bills payable were due on an average basis one month after 31st March, but they were paid immediately at 6% discount p.a.

(v) There was an old typewriter which had been written off fully from the books. It is now estimated to realize Rs.300. It was taken over by B at the estimated price.

(vi) Realisation Expenses were Rs.1,000.

Prepare Realisation Account, Capital Account and Cash Account

OR

Ramesh and Suresh were partners in a firm sharing profits in the ratio of their capitals contributed on commencement of business which were Rs. 80,000 and Rs. 60,000 respectively. The firm started business on April 1, 2016. According to the partnership agreement, interest on capital and

	drawings are 12% and 10% p.a., respectively. Ramesh and Suresh are to get a monthly salary of Rs. 2,000 and Rs. 3,000, respectively. The profits for year ended March 31, 2017 before making above appropriations was Rs. 1,00,300. The drawings of Ramesh and Suresh were Rs. 40,000 and Rs. 50,000, respectively. Prepare Profit and Loss Appropriation Account and partners' capital accounts, assuming that their capitals are fluctuating	
22	Garima Limited issued a prospectus inviting applications for 3,000 shares of Rs. 100 each at a premium of Rs.20 payable as follows: On Application Rs.20 per share On Allotment Rs.50 per share (Including premium) On First call Rs.20 per share On Second call Rs.30 per share Applications were received for 4,000 shares and allotments made on prorata basis to the applicants of 3,600 shares, the remaining applications being rejected, money received on application was adjusted on account of sums due on allotment. Renuka to whom 360 shares were allotted, failed to pay allotment money and calls money, and her shares were forfeited. Kanika, the applicant of 200 shares failed to pay the two calls, her shares were also forfeited. All these shares were sold to Naman as fully paid for Rs.80 per share. Show the journal entries in the books of the company OR Devam Limited issued a prospectus inviting application for 30,000 equity shares of Rs.10 each at a premium of Rs. 4 per share payable as follows: With Application (including premium Rs.1) Rs. 3 On Allotment (including premium Rs.1) Rs. 4 On First call (including premium Rs.1) Rs. 4 On Second and Final call (2+1) Balance Rs. 3 Applications were received for 45,000 shares. 20% of the applications received were rejected and their application money was refunded.	8

	Remaining applicants were allotted shares on pro-rata basis. Mr. Sudhir, who has applied for 600 shares, failed to pay the allotment money and his shares were forfeited immediately after that. Ms. Muskan, to whom 750 shares were allotted failed to pay the first call and hence her shares were forfeited. The forfeited shares of Mr. Sudhir were re-issued to Lakshya for Rs. 8 per share as fully paid up. Final call was made due on remaining applicants and was received except on 1,000 shares of Amit. These shares were forfeited. Of the shares forfeited, 1,500 shares were re-issued to Devika for Rs. 12 per share as fully paid up, the whole of Amit's share being included. Record journal entries in the books of the company	
	Part – B **(Analysis of Financial statements)**	
23	If the net profits earned during the year is Rs. 50,000 and the amount of debtors in the beginning and the end of the year is Rs. 10,000 and Rs. 20,000 respectively, then the cash from operating activities will be equal to Rs. ___________________ a. Rs 40,000 b. Rs 60,000 c. Rs 70,000 d. Rs 50,000	1
24	Expenses paid in advance at the end of the year are _________________ the profit made during the year a. Added to b. Deducted c. No effect d. None of these	1
25	Calculate Current Ratio if: Inventory is Rs. 6,00,000; Liquid Assets Rs. 24,00,000; Quick Ratio 2 : 1 a. 2.5:1 b. 3.5:1 c. 1:1 d. None of these	1
26	The ____________ measures the activity of a firm's inventory. a. average collection period	1

	b. inventory turnover c. liquid ratio d. current ratio	
27	The __________ ratios are primarily measures of return: a. liquidity b. activity c. debt d. profitability	1
28	Classify the following items in the balance sheet of a company under Major heads and Sub-heads 1.Goodwill 2. Forfeited shares	1
29	Give one objective of Financial Analysis	1
30	28. From the following, calculate (a) Debt Equity Ratio (b) Total Assets to Debt Ratio (c) Proprietary Ratio. Equity Share Capital Rs. 75,000 Preference Share Capital Rs. 25,000 General Reserve Rs. 50,000 Accumulated Profits Rs. 30,000 Debentures Rs. 75,000 Sundry Creditors Rs. 40,000 Outstanding Expenses Rs. 10,000 OR Cash Revenue from operations 20% of Total Revenue from Operations, Credit Revenue from Operations Rs. 9,00,000, Gross Profit 25% on Cost, Closing Inventory Rs. 2,25,000, Opening Inventory Rs. 75,000. Calculate Inventory Turnover Ratio	3
31	Prepare a Comparative Statement of Profit/Loss from the following information:	4

Particulars	31.3.2016	31.3.2015
Revenue from Operation	3,00,000	2,00,000
Cost of Revenue from operation	1,20,000	80,000
Employee benefit expenses	15,000	10,000
Interest on Investment	20,000	30,000
Tax Rate	50%	40%

OR

Prepare Common Sized Balance Sheet from the following information:

PARTICULARS	2019
Share capital	12,00,000
P& L Account	1,00,000
10% Loan	4,00,000
Other current liabilities	2,00,000
Land & Building	13,00,000
Patents	3,00,000
Trade receivables	3,00,000

32 From the following Balance Sheet of Yogeta Ltd., prepare cash flow statement 6

Particulars	*Note No.*	*31st March 2017 (Rs.)*	*31st March 2016 (Rs.)*
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital	1	4,00,000	2,00,000
b) Reserve and surplus (Surplus)		2,00,000	1,00,000
2. Non-current Liabilities			
Long-term borrowings	2	1,50,000	2,20,000
3. Current Liabilities			
a) Short-term borrowings (Bank overdraft)		1,00,000	—
b) Trade payables		70,000	50,000
c) Short-term provision (Provision for taxation)		50,000	30,000
Total		**9,70,000**	**6,00,000**
II. Assets			
1. Non-current assets			
Fixed assets			
Tangible		7,00,000	4,00,000
2. Current assets			
a) Inventories		1,70,000	1,00,000
b) Trade Receivables		1,00,000	50,000
c) Cash and cash equivalents		—	50,000
Total		**9,70,000**	**6,00,000**

Notes to Accounts:

Particulars	31st March 2017 (Rs.)	31st March 2016 (Rs.)
1. Share capital		
a) Equity share capital	3,00,000	2,00,000
b) Preference share capital	1,00,000	—
	4,00,000	**2,00,000**
2. Long-term borrowings		
8% Long-term loan	—	2,00,000
9% Loan from Rahul	1,50,000	20,000
	1,50,000	**2,20,000**

Additional Information: Net Profit for the year after charging Rs. 50,000 as Depreciation was Rs. 1, 50,000. Tax Provision created during the year amounted to Rs. 60,000. 8% loan was repaid on March 31, 2017 and an additional 9% loan of Rs. 1, 30,000 was obtained from Rahul on April 01, 2016.