

SWAMI VIVEKANAND ACADEMY

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[Class- XII-Account- Test Paper - Date: 20.12.2019]

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 Computerised Accounting.
 - iv. Attempt only one option of Part B.
 - v. All parts of a question should be attempted at one place.
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Section A

1. What is the difference between Fund Based Accounting and Non Fund Based Accounting?
2. _____ can be calculated on the basis of time and sales.
 - a. Goodwill of the firm
 - b. Deceased partner's share of profit
 - c. Revaluation Profit
 - d. Revaluation loss
3. What is Realisation Account?
4. Being Chander brought rs 20000 for his share of goodwill. Which account should be debited?
 - a. Goodwill A/c
 - b. Cash/Bank A/c

- c. Profit and Loss A/c
 - d. Partner's capital account
5. If super profits are Rs 1500 and rate of return is 15%. State the goodwill on the basis of capitalising the super profits.
 6. State the ratio in which the partners share profits or losses on the revaluation of assets and liabilities when there is a change in profit sharing ratio amongst the existing partners.
 7. Why are 'reserves and surplus' distributed at the time of reconstitution of the firm?
 8. Give the meaning of 'reconstitution of a partnership firm'.
 9. P, Q and R were partners in a firm sharing profits in the ratio of 5 : 4 : 3. Their capitals were Rs 40,000, Rs 50,000 and Rs 1,00,000 respectively. State the ratio in which the goodwill of the firm amounting to Rs 1,20,000 will be adjusted on the retirement of R.
 10. Fill in the blanks:
Revaluation account is a _____ account.
 11. In case of dissolution of a firm, which liabilities are to be paid first?
 12. Why does a company purchase its own debentures from the open market?
 - a. For Raising Finance
 - b. For Cancellation only
 - c. For Cancellation OR Investment
 - d. For Investment only
 13. Fill in the blanks:
Part of issued capital applied by public for subscription is known as _____ capital.
 14. Ram & Sham are partners sharing profits & losses in ratio of 3:2. Ram being non-working partner contributes Rs. 20,00,000 as his capital & Shyam being a working partner, gets a salary of Rs. 8000 per month. As per partnership deed interest is paid @ 8% p.a. & salary is allowed. Profits before providing that for year ending 31st March 2015 were Rs. 80,000. Show the distribution of profits.

OR

Show the treatment of items of income and expenditure account when there is a specific fund for those items.

15. X, Y, and Z share profit and losses in the ratio of 12: 13: 5. Z retires and surrenders $\frac{1}{5}$ th of his share in favour of Y and remaining in favour of X. Calculate new profit sharing ratio and gaining ratio.
16. Ajay, Binay and Chetan were partners sharing profits in the ratio of 3 : 3 : 2. The partnership deed provided for the following
 - i. Salary of Rs 2,000 per quarter to Ajay and Binay.
 - ii. Chetan was entitled to a commission of Rs 8,000.
 - iii. Binay was guaranteed a profit of Rs 50,000 per annum.

The profit of the firm for the year ended 31st March, 2015 was Rs 1,50,000 which was distributed among Ajay, Binay and Chetan in the ratio 2: 2: 1, without taking into consideration the provisions of partnership deed. Pass necessary rectifying entry for the above adjustments in the books of the firm. Show your workings clearly.

OR

Lalan and Balan were partners in a firm sharing profits in the ratio of 3: 2. Their fixed capitals on 1st April, 2010 were Lalan Rs 1,00,000 and Balan Rs 2,00,000. They agreed to allow interest on capital @ 12% per annum and charge on drawings @ 15% per annum. The firm earned a profit, before all above adjustments, of Rs 30,000 for the year ended 31st March, 2011. The drawings of Lalan and Balan during the year were Rs 3,000 and Rs 5,000 respectively. Showing your calculation clearly, prepare profit and loss appropriation account of Lalan and Balan. The interest on capital will be allowed even if the firm incurs loss.

17. The authorised 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 III, Part I of the Companies Act, 2013 disclosing the above information. Also prepare 'notes to accounts' for the same.

18. Pass the necessary journal entries for the following transactions on the dissolution of the firm of S and T after the various assets (other than cash) and outside liabilities have been transferred to realisation account.
- i. S agreed to pay off her husband's loan Rs. 1,900.
 - ii. A debtor whose debt of Rs. 930 was written off as bad debts in the books paid Rs. 750 in full settlement.
 - iii. T took over all investments at Rs. 1,330.
 - iv. Sundry creditors Rs. 1,000 were paid at 9% discount.
 - v. Realisation expenses Rs. 340 were paid by S for which she was allowed Rs. 300.
 - vi. Loss on realisation Rs. 940 was divided between S and T in 3: 2 ratio.
19. From the following Receipts and Payments Account and additional information, prepare Income and Expenditure Account and Balance Sheet of Sears Club, Noida as on March 31, 2018.

Receipts and Payments Account of Sears Club for the year ended 31-3-2018

| Receipts | Amount (Rs.) | Payments | Amount (Rs.) |
|---------------------------|-----------------|-------------------------|-----------------|
| To Balance b/d | 20,000 | By Stationery | 23,400 |
| To Subscriptions | | By 12% Investments | 8,000 |
| 2016-17 40,000 | | By Electricity expenses | 10,600 |
| 2017-18 94,000 | | By Expenses on lectures | 30,000 |
| 2018-19 7,200 | 1,41,200 | By Sports equipment | 59,000 |
| To Donations for building | 40,000 | By Books | 40,000 |
| | | | |

| | | | |
|----------------------------|-----------------|----------------|-----------------|
| To Interest on Investments | 800 | By Balance c/d | 50,000 |
| To Government Grant | 17,400 | | |
| To Sale of Old furniture | | | |
| (Book value Rs.4,000) | 1,600 | | |
| | 2,21,000 | | 2,21,000 |

Additional Information :

- i. The club has 200 members each paying an annual subscription of Rs.1,000. Rs.60,000 were in arrears for last year and 25 members paid in advance in the last year for the current year.
 - ii. Stock of stationery on 1-4-2017 was Rs.3,000 and on 31-3-2018 was Rs.4,000.
20. SSS Ltd. issued 25,000,10% debentures of 100 each. Give journal entries and the Balance Sheet in each of the following cases when :
- i. The debentures were issued at a premium of 20%
 - ii. The debentures were issued as a collateral security to bank against a loan of Rs.20,00,000.
 - iii. The debentures were issued to a supplier of machinery costing Rs.28,00,000 as his full and final payment.

OR

Rahul Ltd. has 50,000 9% Debentures of Rs. 50 each due on redemption on 31st March 2015. Debentures redemption reserve has a balance of Rs. 5,00,000 on that date. Record the necessary journal entries at the time of redemption of debentures.

21. Charu and Harsha were partners in a firm sharing profits in the ratio of 3: 2. On 1st April, 2014 their balance sheet was as follows

Balance Sheet
as at 1st April ,2014

| Liabilities | Amt (Rs) | Assets | Amt (Rs) |
|-------------|----------|--------|----------|
| | | | |

| | | | | |
|------------------------------|--------|--------|-------------------|---------|
| Creditors | | 17,000 | Cash | 6,000 |
| General Reserve | | 4,000 | Debtors | 15,000 |
| Workmen Compensation Fund | | 9,000 | Investments | 20,000 |
| Investment Fluctuation Fund | | 11,000 | Plant | 147,000 |
| Provision for Doubtful Debts | | 2,000 | Land and Building | 38,000 |
| Capital A/cs | | | | |
| Charu | 30,000 | | | |
| Harsha | 20,000 | 50,000 | | |
| | | 93,000 | | 93,000 |

On the above date, Vaishali was admitted for 1/4th share in the profits of the firm on the following terms

- i. Vaishali will bring Rs 20,000 for her capital and Rs 4,000 for her share of goodwill premium.
- ii. All debtors were considered good.
- iii. The market value of investments was Rs 15,000.
- iv. There was a liability of Rs 6,000 for workmen compensation.
- v. Capital accounts of Charu and Harsha are to be adjusted on the basis of Vaishali's capital by opening current accounts. Prepare revaluation account and partners' capital accounts.

OR

L, M and N were partners in a firm sharing profits in the ratio of 3: 2: 1. Their balance sheet as at 31st March, 2015 was as follows

Balance Sheet
as at 31st March, 2015

| Liabilities | Amount (Rs) | Assets | Amount (Rs) |
|-------------|----------------|--------|----------------|
| | | | |

| | | | |
|-----------------|-------------------|-------------|-------------------|
| Creditors | 1,68,000 | Bank | 34,000 |
| General Reserve | 42,000 | Debtors | 46,000 |
| Capital A/cs | | Stock | 2,20,000 |
| L 1,20,000 | | Investments | 60,000 |
| M 80,000 | | Furniture | 20,000 |
| N 40,000 | 2,40,000 | Machinery | 70,000 |
| | 4,50,000 ===== | | 4,50,000 ===== |

On the above date, O was admitted as a new partner and it was decided that:

- i. The new profit sharing ratio between L, M, N and O will be 2: 2 : 1: 1.
 - ii. Goodwill of the firm was valued at Rs 1,80,000 and O brought his share of goodwill premium in cash.
 - iii. The market value of investments was at Rs.36,000.
 - iv. Machinery will be reduced to Rs 58,000.
 - v. A creditor of Rs 6,000 was not likely to claim the amount and hence is to be written-off.
 - vi. O will bring proportionate capital so as to give him 1/6th share in the profits of the firm. Prepare revaluation account, partners' capital accounts and the balance sheet of the new firm.
7. X 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
- On application — Rs. 2 per share
- On allotment — Rs. 4.50 per share (including premium)
- and on call — Balance 6 per share
- Owing to heavy subscription the allotment was made on pro-rata basis as follows

- i. Applications for 20,000 shares were allotted 10,000 shares.
- ii. Applications for 56,000 shares were allotted 14,000 shares.
- iii. Applications for 48,000 shares were allotted 16,000 shares.

It was decided that excess amount received on applications would be utilised on allotment and the surplus would be refunded. Ram, to whom 1,000 shares were allotted, who belongs to category (i), failed to pay allotment money. His shares were forfeited after the call. Pass necessary journal entries in the books of X Ltd for the above transactions.

OR

RK Ltd invited applications for issuing 80,000 equity shares of Rs. 10 each at a premium of Rs. 35 per share. The amount was payable as follows

On application — Rs. 8 (including Rs. 5 premium) per share

On allotment — 12 (including Rs. 10 premium) per share

On first and final call — Balance

Applications for 75,000 shares were received and allotment was made to all the applicants Rahim, a shareholder who was allotted 3,000 shares failed to pay allotment money and his shares were immediately forfeited.

Afterwards, the first and final call was made. Suhani who held 3,000 shares failed to pay the final call. Her shares were also forfeited. All the forfeited shares were reissued for a sum of Rs. 62,000 as fully paid up. Pass necessary journal entries for the above transactions in the books of RK Ltd.

Section B

23. Match the following. Option are as below

| | |
|---------------------------|--------------------------------------------------------|
| a. Operating profit ratio | i. Relationship between operating profit and net sale |
| b. Operating ration | ii. Relationship between gross profit to net sales |
| c. Gross profit | iii. Relationship between operating cost and net sales |

a. a - iii, b - ii, c - i

b. a - iii, b - ii, c - i

c. a - i, b - ii, c - iii

d. a - i, b- iii, c - ii

24. What is measured by Liquidity Ratios?

25. From the following information calculate interest coverage ratio:

| | Rs. |
|----------------------------------------|----------|
| 10,000 equity shares to Rs. 10 each | 1,00,000 |
| 8% Preference Shares | 70,000 |
| 10% Debentures | 50,000 |
| Long term Loans from Banks | 50,000 |
| Interest on longs term loans from bank | 5,000 |
| Profit after tax | 75,000 |
| Tax | 9,000 |

26. Name the head under which the **Calls-in-Advance** is shown in the company's Balance Sheet.

27. Purchase of patents would result in inflow', outflow or no flow' of cash? Give your answer with reason?

28. State true or false:

Capital Reserve recorded under Share Capital (subhead) in Shareholders fund (major head).

29. Match the following:

| | |
|-----------------------------------------|----------------------------|
| (a) Cash budget is prepared for | (i) Marketable security |
| (b) cash flow statement is prepared for | (ii) cash payment of wages |
| (c) cash equivalents include | (iii) Future period |
| (d) cash flow from operating activity | (iv) Past period |

30. Under which sub-headings will the following items be placed in the balance sheet of a company as per Schedule III, Part I of the Companies Act, 2013.

- i. Capital reserves
- ii. Bonds
- iii. Loans repayable on demand
- iv. Vehicles
- v. Goodwill
- vi. Loose tools

OR

Under what heads and sub-heads, the following items will appear in the balance sheet of a company as per Schedule III, Part I of the Companies Act, 2013.

- i. Premium on redemption of debentures
- ii. Loose tools
- iii. Balances with banks

31. From the following information provided, prepare a comparative statement of profit and loss for the period 2018 and 2019.

| Particulars | 2018 Amt (Rs.) | 2019 Amt (Rs.) |
|-------------------------|--------------------------------|--------------------------------|
| Revenue from Operations | 6,00,000 | 9,00,000 |
| Gross Profit | 40% on Revenue from Operations | 50% on Revenue from Operations |
| Administrative Expenses | 20% on Gross Profit | 15% on Gross Profit |
| Income Tax | 50% | 50% |

OR

From the following 'statement of profit and loss' for the year ended 31st March, 2013,

prepare a 'comparative statement of profit and loss of Good Services Ltd.

| Particulars | Note No | 2012-2013 Amt. (Rs.) | 2011-2012 Amt. (Rs.) |
|-------------------------|---------|----------------------|----------------------|
| Revenue from Operations | | 20,00,000 | 15,00,000 |
| Other Incomes | | 10,00,000 | 4,00,000 |
| Expenses | | 21,00,000 | 15,00,00 |

Rate of income tax was 50%.

32. From the following Balance Sheets of Ranjan Ltd. prepare Cash Flow Statement:

| Liabilities | 2001 | 2002 | Assets | 2001 | 2002 |
|------------------------|----------|----------|----------|----------|----------|
| Equity Share Capital | 1,50,000 | 2,00,000 | Goodwill | 36,000 | 20,000 |
| 12% Pre. Share Capital | 75,000 | 50,000 | Building | 80,000 | 60,000 |
| General Reserve | 20,000 | 35,000 | Plant | 40,000 | 1,00,000 |
| Profit and Loss A/c | 15,000 | 24,000 | Debtors | 1,19,000 | 1,54,500 |
| Creditors | 37,500 | 49,500 | Stock | 10,000 | 15,000 |
| | ... | Cash | 12,500 | 9,000 | ... |
| | 2,97,500 | 2,58,500 | | 2,97,500 | 3,58,500 |

Depreciation charged on plant was Rs. 10000 and building Rs. 60000.