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CBSE SAMPLE QUESTION PAPER  
ACCOUNTANCY  
Class - XII  
Set - I

Time Allowed - 3 Hrs.

Max. Marks - 80

**General Instructions:**

1. This question paper contains three parts A, B and C.
2. Part A is compulsory for all .
3. Attempt only one part of the remaining parts B and C.
4. All parts of questions should be attempted at one place.

**Part A**

**Partnership and Company Accounts**

1. Not-for-profit organisations have some distinguishing features from that of profit organisations. State any one of them. (1)
2. Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 2,00,000, Rs. 3,00,000 and Rs.1,00,000 respectively. Alka and Barkha desire that the profits should be divided in the ratio of capital contribution. Charu does not agree to this. How will you settle the dispute? (1)
3. Give the formula for calculating .gaining share. of a partner in a partnership firm. (1)
4. Pawan and Jayshree are partners. Bindu is admitted for 1/4th share. What is the ratio in which Pawan and Jayshree will sacrifice their share in favour of Bindu? (1)
5. What is meant by .Convertible debentures? (1)
6. Show the following information in the Balance Sheet of the Cosmos Club as on 31<sup>st</sup> March, 2007:

Particulars	Debit Rs.	Credit Rs.
Tournament Fund	-	1,50,000
Tournament Fund Investment	1,50,000	-
Income from Tournament Fund Investment	-	18,000
Tournament Expenses	12,000	-

**Additional Information :-**

- Interest Accrued on Tournament Fund Investment Rs. 6,000. (3)
7. Shubh Limited has the following balances appearing in its Balance Sheet :

	Rs.
Securities Premium	22,00,000
9% Debentures	120,00,000
Underwriting Commission	10,00,000

The company decided to redeem its 9% Debentures at a premium of 10%. You are required to suggest the ways in which the company can utilise the securities premium amount. (3)

8. 20,000 Shares of Rs. 10 each were issued for public subscription at a premium of 10%. Full amount was payable on application. Applications were received for 30,000 shares and the Board decided to allot the shares on a pro-rata basis. Pass journal entries. (3)

9. A, B and C are partners in a firm. They have omitted interest on capital @ 10% p.a. for three years ended 31st March, 2007. Their fixed capitals on which interest was to be calculated throughout were:

A Rs. 1,00,000

B Rs. 80,000

C Rs. 70,000

Give the necessary adjusting journal entry with working notes. (4)

10. X, Y and Z were sharing profits and losses in the ratio of 5:3:2. They decided to share future profits and losses in the ratio of 2:3:5 with effect from 1.4.2007. They decided to record the effect of the following, without effecting their book values:-

(i) Profit and Loss Account Rs. 24,000

(ii) Advertisement Suspense Account Rs. 12,000

Pass the necessary adjusting entry. (4)

11. Sajal Limited had issued shares of Rs. 100 each at a discount of 5%, payable as follows :

On application Rs. 25 per share

On allotment Rs. 25 per share

On first and final call Balance

One shareholder, Pran holding 50 shares did not pay his first and final call. As a result, his shares were forfeited. Of these, 40 shares were reissued to Ram as fully paid up @ Rs. 110 per share.

Pass necessary journal entries to record the forfeiture and reissue of shares in the books of Sajal Limited. (4)

12. (a) Raghav Limited purchased a running business from Krishna Traders for a sum of Rs. 15,00,000, payable Rs. 3,00,000 by cheque and for the balance issued 9% Debentures of Rs. 100 each at par.

The assets and liabilities consisted of the following:

	<b>Rs.</b>
Plant and Machinery	4,00,000
Buildings	6,00,000
Stock	5,00,000
Sundry Debtors	3,00,000
Sundry Creditors	2,00,000

Record necessary journal entries in the books of Raghav Limited

- (b) On January 1, 2004, Rhythm Limited issued 1,000 10% debentures of Rs. 500 each at par. Debentures are redeemable after 7 years. However, the company gave an option to debenture holders to get their debentures converted into equity shares of Rs. 100 each at a premium of Rs. 25 per share anytime after the expiry of one year. Shivansh, holder of 200 debentures, informed on Jan. 1, 2006 that he wanted to exercise the option of conversion of debentures into equity shares. The company accepted his request and converted debentures into equity shares.

Pass necessary journal entries to record the issue of debentures on Jan. 1, 2004 and conversion of debentures on Jan. 1, 2006.

(3+3 = 6)

13. From the following Receipts and Payments Account of Sonic Club and from the given additional information; prepare Income and Expenditure Account for the year ending 31st December, 2006 and the Balance Sheet as on that date :

**Receipts and Payments Account**  
for the year ending 31st December, 2006

<i>Dr.</i>			<i>Cr.</i>
Receipts	Rs.	Payments	Rs.
To Balance b/d	1,90,000	By Salaries	3,30,000
To Subscriptions	6,60,000	By Sports Equipment	4,00,000
To Interest on Investments @ 8% p.a. for full year	40,000	By Balance c/d	1,60,000
	8,90,000		8,90,000

**Additional Information :**

- (a) The club had received Rs. 20,000 for subscription in 2005 for 2006.  
 (b) Salaries had been paid only for 11 months  
 (c) Stock of Sports Equipment on 31st December, 2005 was Rs. 3,00,000 and on 31st December, 2006 Rs. 6,50,000.

(6)

14. Ram, Mohan and Sohan were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2006 their Balance Sheet was as under :

<i>Liabilities</i>		<i>Rs.</i>	<i>Assets</i>		<i>Rs.</i>
Capitals :	Rs.		Leasehold		1,25,000
Ram	1,50,000		Patents		30,000
Mohan	1,25,000		Machinery		1,50,000
Sohan	<u>75,000</u>	3,50,000	Stock		1,90,000
Creditors		1,55,000	Cash at Bank		40,000
Workmen's Compensation Reserve		30,000			
		<u>5,35,000</u>			<u>5,35,000</u>

Sohan died on 1st August, 2006. It was agreed that :

- (i) Goodwill of the firm is to be valued at Rs. 1,75,000.  
(ii) Machinery be valued at Rs. 1,40,000; Patents at Rs. 40,000; Leasehold at Rs. 1,50,000 on this date.  
(iii) For the purpose of calculating Sohan.s share in the profits of 2006-07, the profits should be taken to have accrued on the same scale as in 2005-06, which were Rs. 75,000.

Prepare Sohan.s Capital Account and Revaluation Account.

(6)

15. Srijan Limited issued Rs. 10,00,000 new capital divided into Rs. 100 shares at a premium of Rs. 20 per share, payable as under :

On Application Rs. 10 per share

On Allotment Rs. 40 per share (including premium of Rs. 10 per share)

On First and Final Call Balance

Over-payments on application were to be applied towards sums due on allotment and first and final call. Where no allotment was made, money was to be refunded in full. The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret and application money was returned to them.

All the money due was duly received.

Give Journal Entries to record the above transactions (including cash transactions) in the books of the company.

(8)

OR

Sangita Limited invited application for issuing 60,000 shares of Rs. 10 each at par. The amount was payable as follows :

On Application Rs. 2 per share

On Allotment Rs. 3 per share

On First and Final Call Rs. 5 per share

Applications were received for 92,000 shares. Allotment was made on the following basis :

- (i) To applicants for 40,000 shares - Full
- (ii) To applicants for 50,000 shares - 40%
- (iii) To applicants for 2,000 Shares - Nil

Rs. 1,08,000 was realised on account of allotment (excluding the amount carried from application money) and Rs. 2,50,000 on account of call. The directors decided to forfeit shares of those applicants to whom full allotment was made and on which allotment money was overdue.

Pass journal entries in the books of Sangita Limited to record the above transactions.

16. L and M share profits of a business in the ratio of 5:3. They admit N into the firm for a fourth share in the profits to be contributed equally by L&M. On the date of admission, the Balance Sheet of L&M is as follows:

Balance Sheet

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
L's Capital	30,000	Machinery	26,000
M's Capital	20,000	Furniture	18,000
Reserve Fund	4,000	Stock	10,000
Bank Loan	12,000	Debtors	8,000
Creditors	2,000	Cash	6,000
	68,000		68,000

Terms of N.s admission were as follows :

- (i) N will bring Rs. 25,000 as his capital.
- (ii) Goodwill of the firm is to be valued at 4 years. purchase of the average super profits of the last three years. Average profits of the last three years are Rs. 20,000; while the normal profits that can be earned on the capital employed are Rs. 12,000.
- (iii) Furniture is to be appreciated to Rs. 24,000 and the value of stock to be reduced by 20%.

Prepare Revaluation Account, Partners Capital Accounts and the Balance Sheet of the firm after admission of N.

(8)

OR

On 31st December, 2006 the Balance Sheet of A. B and C, who were sharing profits and losses in proportion to their capitals, stood as follows:

**Balance Sheet**

<i>Liabilities</i>	<i>Amount Rs.</i>	<i>Assets</i>	<i>Amount Rs.</i>
Creditors	10,800	Cash at Bank	8,000
Capitals :     Rs.		Debtors             Rs, 10,000	
A     45,000		Less : Provision <u>200</u>	9,800
B     30,000		Stock	9,000
C <u>15,000</u>	90,000	Machinery	24,000
		Land and Buildings	50,000
	1,00,800		1,00,800

B retires and the following readjustments of assets and liabilities have been agreed upon before the ascertainment of the amount payable to B :

- (i) That Land and Buildings be appreciated by 12%.
- (ii) That provision for Doubtful Debts be brought upto 5% of debtors.
- (iii) That a provision of Rs. 3,900 be made in respect of an outstanding bill for repairs.
- (iv) That Goodwill of the entire firm be fixed at Rs.. 18,000 and B.s share of the same be adjusted into the accounts of A&C, who are going to share future profits in the proportion of 3/4th and 1/4th respectively.
- (v) That B be paid Rs. 5,000 immediately and the balance to be transferred to his Loan Account.

Prepare Revaluation Account, Capital Accounts of Partners and the Balance Sheet of the firm of A and C.

(8)

**Part-B**

**Analysis of Financial Statements**

17. Assuming that the Current Ratio is 2:1, state giving reason whether the ratio will improve, decline or will have no change in case a Bill Receivable is dishonoured. (1)
18. State whether cash deposited in bank will result in inflow, outflow or no flow of cash (1)
19. Interest received by a finance company is classified under which kind of activity while preparing a cash flow statement ? (1)
20. Show the major headings into which the liabilities side of a Company.s Balance Sheet is organised and presented as per Schedule VI Part I of the Companies Act, 1956. (3)
21. Prepare a Comparative Income Statement with the help of the following information: (4)

<b>Particulars</b>	<b>2006</b>	<b>2007</b>
Sales	Rs. 20,00,000	Rs. 30,00,000
Gross Profit	40%	30%
Indirect Expenses	50% of G.P.	40% of G.P.
Income Tax	50%	50%

22. Following is the Balance Sheet of X Ltd. as on 31st March, 2006 :

**Balance Sheet**

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Share Capital	20,00,000	Fixed Asstes (Net)	29,00,000
Reserves	5,00,000	Current Assets	25,00,000
10% Loans	10,00,000	Underwriting Commission	1,00,000
Current Liabilities	8,00,000		
Profit for the year	12,00,000		
	55,00,000		55,00,000

Find out .Return on Capital Employed; (4)

23. From the following balance sheets of ABC Ltd., Find out cash from operating activities only. (6)

<i>Liabilities</i>	<i>31.3.2006 Rs.</i>	<i>31.3.2007 Rs.</i>	<i>Assets</i>	<i>31.3.2006 Rs.</i>	<i>31.3.2007 Rs.</i>
Equity Share Capital	30,000	35,000	Goodwill	10,000	8,000
General Reserve	10,000	15,000	Machinery	41,000	54,000
Profit & Loss Account	-	7,000	10% Investments	3,000	8,000
10% Debentures	21,000	25,000	Stock	6,000	24,500
Sundry Creditors	8,500	12,500	Cash and Bank	12,000	13,000
Provision for Depreciation on Machinery	9,000	13,000	Discount on Debentures	500	-
			Profit & Loss Account	6,000	-
	78,500	1,07,500		78,500	1,07,500

**Additional Information :**

\*Debentures were issued on 31.3.2007.

\*Investments were made on 31.3.2007.