

SAMPLE QUESTION PAPER-I**ACCOUNTANCY****CLASS XII****Max. Marks : 80****Time Allowed : 3 hrs.****General Instructions**

- (i) This question paper contains three parts A, B and C.
- (ii) Part A is compulsory for all candidates.
- (iii) Candidates can attempt only one part of the remaining Part B and C.
- (iv) All parts of a questions should be attempted at one place.

PART-A**PARTNERSHIP AND COMPANY ACCOUNTS**

1. B and M are Partners in a firm. They withdrew Rs. 48,000 and Rs. 36,000 respectively during the year evenly at the middle of every month. According to the Partnership agreement, interest on drawing is to be charged @ 10% p.a.

Calculate the interest on drawing of the partners using appropriate formula. 2
2. State the provision of Section 78 of Companies Act 1956, regarding the uses of Security Premium Amount. 2
3. How is Share Capital shown in the Company's Balance Sheet as per Section 211 Schedule VI part I of Company's Act 1956? 2
4. Excel Ltd. issued 4,00,000 9% Debentures of Rs. 50 each, payable on application, Pass journal entries at the time of following situations.
 - (i) Issued at par redeemable at 10% Premium 2
 - (ii) Issued at 5% discount, redeemable at 10% premium
5. What is Partnership? List any three main characteristics of Partnership. 3
6. What is meant by debentures? Name any four types of debentures. 3
7. What is meant by revaluation of assets and reassessment of liabilities on the reconstitution of the firm? What purpose does it serve at the time of reconstitution of partnership? 4

8. A, B and C started business on April 1, 2002 with capitals of Rs. 1,00,000, Rs. 80,000 and Rs. 60,000 respectively sharing profits (losses) in the ratio of 4:3:3. For the year ending March 31, 2003, the firm suffered a loss of Rs. 50,000. Each of the partners withdrew Rs. 10,000 during the year.

On March 31, 2003 the firm was dissolved, the creditors of the firm stood at Rs. 24,000 on that date and cash in hand was Rs. 4000. The assets realised Rs. 3,00,000 and Creditors were paid Rs. 23,500 in full settlement of their claim.

Prepare Realisation Account and show your workings clearly. 4

9. Bharat Ltd. was formed on 1.4.2003 with an authorised capital of Rs. 40,00,000 divided into Equity shares of Rs. 10 each.

1. The company issued 5,000 shares to its Promoters as the remuneration of the services rendered by them at par.
2. Company also issued shares at 10% Premium to Mr. Manoj for the Purchase of Assets of Rs. 5,50,000 from him.

Pass the Journal entries for purchase of Assets and Shares issued to Promoters and Mr. Manoj. 4

- 10 Hari Om Ltd. issued 1,50,000 12% debentures of Rs. 100 each at a premium of 10% payable as Rs. 40 on application and balance on allotment. Debentures are redeemable at Par after 3 years. All the money due on allotment was called up and received. Record necessary entries at the time of issue of debentures when premium is included in application money.

11. Mahesh Ltd. issued 1,00,000, 8% Debentures of Rs. 100 each on April 1, 2002 redeemable after 4 years. It has been decided to create Debenture Redemption Reserve for the purpose of redemption of debenture. The Sinking Fund Tables show that Rs. 0.2155 invested in 10% securities will amount to Re. 1 in 4 years. The relevant balances on April 1, 2005 were as follows :

Debenture 8%	=	Rs. 1,00,00,000
Debentures Redemption Fund Investment	=	Rs. 71,33,050
Debenture Redemption Fund	=	Rs. 71,33,050

On March 31, 2006 the investments were sold at book value and the debentures were redeemed.

You are required to pass journal entries for the year ending March 31, 2006. 4

12. X and Y are Partners in a firm sharing Profits in the ratio of 3:2. They decided to admit Z as a new partner w.e.f. April 1, 2003. Future profits will be shared equally. The Balance Sheet of X and Y as at April 1, 2003 and the terms of admission are given below:

Balance Sheet of X and Y

Liabilities	Amount Rs.	Assets	Amount Rs.
Capitals :		Plant and Machinery	4,53,000
X 3,00,000		Furniture and Fittings	62,000
Y <u>3,00,000</u>	6,00,000	Stock	84,000
S. Creditors	60,000	S. Debtors	36,000
Outstanding Expenses	15,000	Cash in hand	40,000
	<u>6,75,000</u>		<u>6,75,000</u>

- (a) Capital of the firm was fixed at Rs. 6,00,000 to be contributed by Partners in the profit sharing ratio. The difference will be adjusted in cash.
- (b) Z to bring his share of capital and Goodwill in cash. Goodwill of the firm is to be valued on the basis of two year's purchase of Super Profit. The average net profit expected in future by the firm is Rs. 90,000 per year. The normal rate of return on capital in similar business is 10%.

Calculate Goodwill and prepare Partners Capital A/c and Bank A/c.

6

13. The Balance Sheet of P, Q and R as on March 31, 2003 who were sharing profits in the ratio of 5:3:1 was as follows :

Liabilities	Amount Rs.	Assets	Amount Rs.
Bills Payable	40,000	Buildings	40,000
Loan From Bank	30,000	Plant and Machinery	40,000
Reserve Fund	9,000	Stock	19,000
Capital P	44,000	S. Debtors	42,000
Q	36,000	Less Prov. for doubtful	<u>2,000</u>
R	20,000	Cash at Bank	40,000
	<u>1,79,000</u>		<u>1,79,000</u>

The Partners dissolved the business. The assets realised - stock - Rs. 23,400, Debtors 50% fixed Assets 10% less than their book value. Bills payables were settled for Rs. 32, 000. There was an outstanding Bill of Rs. 800 which was paid off. Realisation expenses Rs. 1,250 were also paid.

Prepare Realisation Account, Bank Account and Partner's Capital Accounts.

6

OR

Pass necessary Journal entries for the following transactions, at the time of dissolution of the firm :

- (i) Realisation Expenses Rs. 3000 paid.
- (ii) Realisation Expenses paid Rs. 2000, Mr. 'X' one of the partners has to bear these expenses.
- (iii) 'Y', one of the partners, took over a machine for Rs. 20,000.
- (iv) 'Z' one of the partners agreed to take over the creditor of Rs. 30,000 for Rs. 20,000.
- (v) 'A' one of the partners has given loan to the firm of Rs. 10,000. It was paid back to him at the time of dissolution.
- (vi) Profit and Loss Account balance of Rs. 50,000 appeared on the assets side of the Balance Sheet.

14. M. K. Sales Company Ltd. issued a prospectus inviting applications for 1,00,000 shares of Rs. 10 each at a premium of Rs. 2.50 per share payable as follows:

On Application	Rs. 5.00
On Allotment	Rs. 5.00 (including Premium)
On First Call	Rs. 2.50

The Company received applications for 1,50,000 shares, allotment was made on Pro-rata basis. Over subscribed money received on application was adjusted with the amount due on allotment.

Mr. Hemant to whom 200 shares were allotted failed to pay the allotment money and the First Call, his shares were forfeited after the first call. Later on the shares were re-issued to Mohan as fully paid for Rs. 9/- per share.

Pass journal entries in the books of Company, for recording the above transactions.

6

15. The Balance Sheet of A, B and C who were sharing profits in the ratio of 5:3:2, is given below as at March 32, 2003 :

Balance Sheet of A, B and C as at March 31, 2003

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals :		Land	4,00,000
A 7,20,000		Buildings	3,80,000
B 4,15,000		Plant and Machinery	4,65,000
C <u>3,45,000</u>	14,80,000	Furniture and Fitting	77,000
Reserve Fund	1,80,000	Stock	1,85,000
Sundry Creditors	1,24,000	Sundry Debtors	1,72,000
Outstanding Expenses	16,000	Cash in hand	1,21,000
	<u>18,00,000</u>		<u>18,00,000</u>

B retires on the above date and the following adjustments are agreed upon his retirement :

- (a) Stock was valued at Rs. 1,72,000.
- (b) Furniture and fittings were under valued by Rs. 3000.
- (c) An amount of Rs. 10,000 due from Mr. D. was doubtful and a provision for the same was required.
- (d) Goodwill of the firm was valued at Rs. 2,00,000 but it was decided not to show goodwill in the books of accounts.
- (e) B was paid Rs. 40,000 immediately on retirement and the balance was transferred to his loan Account.
- (f) A & C were to share future profits in the ratio of 3:2.

Prepare Revaluation Account, Capital Account and Balance Sheet of the reconstituted firm.

8

OR

P, Q and R were Partners sharing profits in the ratio of 3:1:1. The balance sheet of the firm is given below as at March 31, 2002.

Balance Sheet of P, Q and R as at March 31, 2002

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capitals :		Land	2,80,000
P 6,03,000		Buildings	3,40,000
Q 4,12,800		Plant and Machinery	2,48,000
R <u>2,01,900</u>	12,18,000	Furniture and Fitting	48,000
General Reserve	10,000	Stock	1,09,000
S. Creditors	62,000	S. Debtors	1,32,000
		Cash in Bank	1,33,000
	<u>12,90,000</u>		<u>12,90,000</u>

Partnership deed provides for the settlement of claim on death of a partner in addition to his capital as under :

- (i) The share of profit of deceased partner to be computed on the basis of average profits of the past three years for the period from the last balance sheet to date of death of the partner.
- (ii) His share in profit / loss on revaluation of assets and reassessment of liabilities.
- (iii) His share of Goodwill valued on the basis of two years purchase of last three average profits.

Q died on June 1, and the following information is provided :

- (a) Profits for the last three years were :
Rs. 80,000, Rs. 1,30,000 and Rs. 1,50,000
- (b) The assets were revealed as Land Rs. 3,80,000 Plant and Machinery Rs. 1,80,000.
- (c) Q withdrew Rs. 10,000 during the current financial year.
- (d) Rs. 1,00,000 was paid immediately on Q's death to his executors and the balance amount was to be paid later.

Pass the Journal entries to give effect to the transactions relating to death of Q in the books of the firm.

PART B**ANALYSIS OF FINANCIAL STATEMENTS**

16. What are two major inflow and two major outflows of cash from investing activities? 2
17. Mutual Fund Company receives a dividend of Rs. 25 lakhs on its investments in other Company's shares. Why is it a cash inflow from operating activities for this Company? 2
18. What is meant by financial analysis? Mention only two tools used for financial analysis. 3
19. The Current Assets of a company are Rs. 1,26,000 and the current Ratio is 3:2 and the inventories are Rs. 2000. Find out the Liquid Ratio. 3
20. Inventory Turnover Ratio is 3 times. Sales are Rs. 1,80,000, Opening Stock is Rs. 2000 more than the closing stock. Calculate the opening and closing stock when goods are sold at 20% profit on cost. 4
21. The net profit of a company before tax is Rs. 12,50,000 as on March 31, 2003, after considering the following :

Depreciation on Fixed Assets Rs. 25,000

Goodwill written off Rs. 15,000

Loss on sale of Machine Rs. 12,000

The current assets and current liabilities of the company in the beginning and at the end of the year were as follows :

	March 31, 2002	March 31, 2003
Bills Receivables	25,000	15,500
Bills Payables	10,000	12,500
Debtors	30,000	38,800
Stock in hand	18,000	14,000
Outstanding Expenses	8,000	7,000

Calculate Cash flow from operating activities.

6

OR

Q21. Prepare Cash Flow Statement of Rose Ltd. from the following information for the year ended March 31, 2004

Particulars	March 31, 03	March 31, 04
Investments	1,80,000	2,40,000
Fixed Assets (at cost)	2,10,000	4,00,000
Equity Share Capital	10,00,000	14,00,000
Long Term Loan	8,00,000	4,50,000
Cash	64,000	44,000

Additional Information

- i. Cash Flows from operating Activities after tax and extraordinary items Rs. 3,80,000/-
- ii. Depreciation on Fixed Assets Rs. 85,000/-
- iii. Interest received Rs. 45,000/-
- iv. Dividend paid during the year Rs. 1,60,000/-

PART C

COMPUTERISED ACCOUNTING SYSTEM

16. What do you understand by Relation or Relationship type. (2)
17. Explain with one example Multi-group ledgers or Single group ledgers. (2)
18. How do you transform many-to-many relationship into database tables? Illustrate (3)

Accounting Reality for Q. 19, 20 and 21

The following statements describe the accounting reality in any organisation :

- (a) Accounting transactions of an organisation are documented using a voucher.
- (b) Each voucher is assigned a unique number which begins with months of date of voucher followed by a serial number. "05 01" indicates first voucher of May. There are two types of vouchers used for documenting the transaction: Voucher-1 and Voucher-2 as shown below:

Voucher-1

Voucher 05 02		Date : 05-May-2002		
Credit Account : 631001 Cash Account		M/s Satyam Computers		
Debit Account				
S. No.	Code	Name of Account	Amount (Rs.)	Narration
1.	711001	Purchases	60000	Purchases from R. S. Sons
		Total	60000	
Authorised by Aditya			Prepared by Sunil	

Voucher-2

Voucher 04 01		Date : 01-April-2002		
Debit Account : 631001 Cash Account		M/s Satyam Computers		
Debit Account				
S. No.	Code	Name of Account	Amount (Rs.)	Narration
1.	110001	Capital Account	100000	Purchases from R. S. Sons
		Total	100000	
Authorised by Aditya			Prepared by Ramesh	

The transaction Voucher-1 is used for debiting one or more accounts with one accounts with one account being credited. The transaction Voucher-2 is used for crediting one or more accounts with one account being debited.

- (a) Each voucher is prepared by a particular employee and authorised by another employee.
- (b) There is an exhaustive list of Accounts with respect to which the transactions are documented.
- (c) Each Account is classified as belonging to one of the types :
Expenditure, Income, Assets and Liabilities.

Required

19. Conceptualise the above accounting reality in terms of E R Model concepts. (6)
20. Develop and depict an E R Model for this accounting reality. (3)
21. Show the database design in terms of relevant data tables and their inter-relationship. (4)