

KENDRIYA VIDYALAYA ERNAKULAM REGION

MODEL PAPER

ACCOUNTANCY

Class XII

Time 3.hrs

M.Marks 80

PART – A

1. What are the circumstances in which the capital balances of the partners fluctuate, when the capitals are fixed? (1)
2. In the absence of partnership Deed, what is the rule relating to interest on partner's loan? (1)
3. What are the rights acquired by a new partner on his admission to a partnership Firm? (1)
4. State any one situation when partner's capital account may show Debit balance. (1)
5. Give any one difference between a share and a debenture? (1)
6. State any two features of a Company (1)
7. What is meant by allotment of shares ? (1)

8. P,Q and R are partners with Fixed capital balances of Rs.2,00,000, Rs.1,50,000 and Rs.1,00,000 respectively. According to partnership deed the partners are entitled for the following
 - i) Interest on capital @10% p.a.
 - ii) P and Q are entitled for a salary of Rs.2,000 each per month.
 - iii) Profits are to be shared in the ratio of 4:3:2.
 - iv) Q is entitled to get a guaranteed minimum profit of Rs.12,000 annually.Profits for the year ended 31st Dec. 2007 were Rs.1,20,000 (before interest on capital and salary)
Show profit and loss appropriation account for the year 2007 (3)

9. C Ltd. Redeemed 28,000, 14% Debentures of Rs 100 each which were issued at a discount of 10% by converting them into equity shares of Rs. 10 each issued at premium of 20% . Journalise the above transactions in the books of the company, showing the working clearly. (3)

10. Mittal Ltd. Issued 2,000 ; 10% Debentures of Rs 100 each on 1st January 2008. Interest on these debentures is paid yearly on 31st December. Pass necessary entries for interest on debentures for the year 2008. Assuming income tax is deducted @ 10% on amount of interest. (3)

11. A and B were partners in a firm sharing profits and losses in the ratio of 3:2. They admitted C into partnership for 1/5 share in profits of the business. He brought Rs. 1,50,000 as his share of capital and goodwill. Good will of the firm was valued at Rs. 1,50,000. Pass necessary journal entries on admission of C showing your workings clearly. (4)

12. A Ltd. Company purchased a Machine costing Rs. 17,00,000 and assumed Creditors of Rs 3,00,000 of Suman Traders for a purchase consideration of Rs.15,00,000. Company paid Rs. 3,00,000 immediately by cheque and for the settlement of balance amount, issued equity shares of Rs.100 each at a premium of 20%. Pass the required journal entries in the books of A Ltd. (4)

13. Pass journal entries for the following transactions at the time of Dissolution of a partner
 - a) Realisation expenses of Rs. 5,000 paid by partner Mukesh
 - b) Creditors of Rs.24,000 settled by giving investment of Rs.16,000 and balance by issue of a Cheque
 - c) An unrecorded furniture worth Rs. 12,000 took over by a partner Guru
 - d) A machinery of Rs.25,000 takeover by a partner ,Ganesh at Rs. 23,000 (4)

14. W. Ltd issued 2,00,000 equity shares of Rs.10 each at a premium of Rs.20 per share. The Amount was payable Rs.20 on application (including premium of Rs.15) and Rs.10 on application (including premium of Rs.5). Applications were received for 3,00,000 shares

and Board of Directors decided to allot the shares on a pro-rata basis to all the applicants, excess application money being adjusted towards amount due on allotment.

Pass journal entries.

(4)

15. Ram and Shyam were partners in a firm sharing profits in the ratio of 7:5. Their fixed capitals were Rs.10,00,000 and Rs. 7,00,000 respectively. The partnership deed provided for the following:

- a. Interest on capital @12% p.a.
- b. Ram's salary Rs. 6000 per month and Shyam's salary Rs.60000 per year.
- c. Interest on drawing Ram Rs.350 and Shyam Rs 250.

The profit for the year ended 31.12.2010 was Rs. 5,03,400 which was distributed equally without providing for the above. Pass necessary adjustment entry. Show your workings clearly. (6)

16. 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 :

Liabilities	Rs.	Assets	Rs.
Capital		Leasehold	1,25,000
Ram	150000	Patents	30,000
Mohan	125000	Machinery	1,50,000
Sohan	75000	Stock	1,90,000
Workmen Compensation Fund	30000	Cash at Bank	40,000
Creditors	155000		
	535000		535000

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. Pass journal entries and Prepare Sohan's Capital Account (6)

17. Raman Ltd. Invited applications for 50000 shares @ 50 each at a discount of 10%. Amount was payable as follows: - Application: - Rs. 10, Allotment: - Rs. 20, and balance on First and final call. Applications were received for 75000 shares. Directors rejected applications for 15000 shares and pro – rata allotment was made to the remaining applicants. All the calls were made and amounts were duly received except the allotment and final call money on 2000 shares. These shares were forfeited after the call. Out of these forfeited shares 1200 shares were re – issued at Rs. 60 per share fully paid up. Record the journal entries in the books of Raman Ltd.

OR

Samrat Ltd. invited applications for issuing 8000 equity shares of Rs. 100 each at a premium of 10%.The amount was payable as follows:

- On Application Rs.30 per share.
 On Allotment Rs. 40 per share(Including premium)
 On 1st& final call balance

Applications for 10000 shares was received. Company allotted the shares to applicants for 9000 shares on Pro rata basis and the remaining applications were rejected and their application money being rejected. Excess application money was adjusted towards sums due on allotment. A shareholder applied for 450 shares failed to pay allotment money. His shares were immediately forfeited. Final call was then made from remaining applicants and it is duly received. Later on the forfeited shares are reissued @80 per share fully paid up.

Pass necessary journal entries in the books of the company to record the above. (8)

18. A,B and C are partners in a firm sharing profits and losses in the ratio of 3:2:1. Their balance sheet as

at 31st December,2004 is as follows

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Creditors	30,000	Cash in hand	18,000
Bills Payable	16,000	Debtors 25,000	
General reserve	12,000	Less Provision 3,000	22,000
Capital		Stock	16,000
A	40,000	Furniture	30,000
B	40,000	Machinery	70,000
C	30,000	Goodwill	12,000
	1,68,000		1,68,000

B retired on 1st January 2005 on the following terms

- Provision for doubtful debts will be reduced by Rs. 1,000
- Stock will be depreciated by 10% and furniture by 5%
- There is an outstanding claim for damages of Rs. 1,200 and it is to be provided for in the books
- Creditors will be written back by Rs.6000
- Goodwill of the firm is valued at rs.24,000,which is not to be shown in the books
- Amount payable to b is to be transferred to his loan account

Prepare Revaluation account, Partners Capital account and the balance of the new firm

OR

Mongia and Narender were partners sharing profits in the ratio of 2:1. Their balance sheet as at 31st December 2005 was as follows

Liabilities	Amount	Assets	Amount
Sundry Creditors	18,000	Cash in hand	11,000
Bank overdraft	24,000	Sundry Debtors 14,000	
Contingency Reserve	18,000	Less Provisions 1,000	
Capitals			13,000
Mongia	60,000	Stock	15,000
Narender	50,000	Machinery	35,000
		Land & Buildings	93,000
		Profit & Loss Account	3,000
	1,70,000		1,70,000

On that date they admit Siva as a partner on the following terms

- Siva is to bring Rs.30,000 as capital for 1/5th share in profits and Rs.4,500 as his share of goodwill.
- Provision for doubtful debts is to be maintained at 5% on Debtors.
- Land & Buildings be appreciated by 10%
- Stock is valued at Rs. 12,000
- Liability for workmen compensation amounted to Rs.6,000

Prepare Revaluation account, Partners Capital account and balance sheet after Siva's admission (8)

Part B

Financial statement Analysis & Cash Flow Statement

19 State any two tools of financial statement analysis.

(1)

20. State whether conversion of debentures into equity shares by a financing company will result in inflow, outflow or no flow of cash. (1)
21. List any two investing activities which result into outflow of cash. 1
22. Give major headings under which the following items will be shown in a Company's Balance Sheet as per Schedule VI Part I of Companies Act 1956. 3
- Inventory
 - Provision for tax
 - Loose Tools
 - Live Stock
 - Interest accrued
 - Profit and Loss A/c (Cr.)
23. Prepare a common size income statement with the help of the following information (4)

Particulars	2009	2010
Revenue from operations	6, 00,000	8, 00,000
Employee Expenses	4, 50,000.	4, 80,000
Other expenses	10% of gross profit	20% of gross profit
Income tax rate	40 %	40 %

24. Calculate any two of the following ratios from the following information

A) Operating ratio B) Stock turnover ratio C) Quick ratio

Sales Rs. 25,00,000, Cost of goods sold Rs 19,00,000, Operating expenses Rs. 2,40,000 Profit before tax Rs. 2,70,000. Current assets Rs. 4,87,500. Current Liabilities Rs. 3,00,000. Fixed assets Rs. 2,62,500 . Opening stock Rs. 2,50,000. Closing stock Rs. 3,50,000. 4

25. Prepare a cash Flow Statement from the following information: -

Equity and Liabilities	2010	2011
Shareholders funds		
Share Capital	50,000	60,000
General Reserve	46,000	41,000
Non Current Liabilities		
Debentures	20,000	25,000
Current Liabilities		
Creditors	10000	12000
Pro. For Tax	20000	17000
Total	146000	155000
Assets		
Non Current assets		
Fixed Assets	90000	100000
Non-current assets		
Stock	20000	24000
Debtors	30000	25000
Cash at Bank	4000	5000
Cash in hand	2000	1000
Total	146000	155000

Additional Information: -

Depreciation written off on fixed assets during the year was Rs. 18000

- | | | | | |
|-------------------|-------------------------|---------|---------|-----------|
| 12. Machinery A/C | Dr | 1700000 | | |
| Goodwill A/C | Dr. | 100000 | | |
| | To Creditors A/C | | 300000 | |
| | To Suman Traders A/C | | 1500000 | 1 ½ marks |
| Suman Traders A/C | Dr. | 300000 | | |
| | To Bank A/C | | 300000 | 1 mark |
| Suman Traders A/C | Dr. | 1200000 | | |
| | To Share Capital A/C | | 1000000 | |
| | To Security Premium A/C | | 200000 | 1 ½ marks |
13. a) Realisation A/C Dr. 50000
 To Mukesh's Capital 5000
- B) Realisation A/C Dr. 8000
 To Cash A/C 8000
- C) Guru's capital A/C Dr. 12000
 To Realisation A/C 12000
- d) Ganesh's Capital A/C Dr. 23000
 To Realisation 23000
- 1 mark each for correct journal entry
14. Working in any form 4 marks
 Ram A/C Dr. 37950
 To Shyam 37950 2 marks
15. Share in Reserve 6000 1 mark
 Share of Goodwill 35000 1 ½ mark
 Share in Revaluation profit 5000 1 ½ mark
 Share of profit 5000 1 mark
 Amount payable to Executors Rs.1,26,000 1 mark
16. 1 mark for each entry except allotment and call money due entries which carry ½ mark each
 Capital reserve 14,400

OR

1 mark for each entry except allotment and call money due entries which carry ½ mark each

- Capital reserve 5500
17. Revaluation Profit 2,700 2 marks
 A's capital balance 35,350
 B's Loan account 48,900
 C's capital balance 28,450 3 marks
 Balance sheet Total 153,900 3 marks
- OR
- Revaluation profit 600 2 marks
 Mongia's capital balance 73400
 Narender's capital balance 56700
 Siva's capital balance 30000 3 marks
 Balance sheet Total 208100 3 marks
18. Ratio Analysis and Cash flow statement or any other two tools ½ mark each ½ x 1 = 1 mark
19. No flow 1 mark
20. Purchase of Fixed assets and purchase of investments ½ mark each ½ x 1 = 1 mark
21. 1 current Asset

- 2 current liability
- 3 current asset
- 4 non current asset
- 5 current asset
- 6 reserves and surplus ½ mark each ½ x 6 = 3 marks

22.

particulars	2009	2010	Absolute change	% of change
Revenue from operations	6,00,000	8,00,000	2,00,000	33.33%
Less;Employee Expenses	4,50,000	80,000	30,000	6.67%
Less:Other expenses	15,000	64,000	49,000	326.67%
Operating profit	1,35,000	2,56,000	1,21,000	89.63%
Less:Income tax rate	54,500	1,02,400	47,900	87.88%
Profit after tax	80,500	1,53,600	73,100	90.80%

2marks for operating profit and 1 mark each for tax and profit after tax

23. Operating ratio 85.6%
 Stock turnover ratio 6.33 times
 Liquid ratio .46: 1
 Any two ratios 2 marks each
24. Cash from operating activity 13,000 2 marks
 Cash lost in investing activity 28,000 1 mark
 Cash from financing activity 15,000 2 marks
 Adjustment of cash and cash equivalents 1 mark

BLUE PRINT ACCOUNTANCY - XII

Form of Qns/Units	Long answer	Short answer	V.short answer	Total
Accounting for partnership fundamentals	6 (1)	3(1)	1(1)	10(3)
Accounting for partnership Reconstitution and Dissolution	8(1) 6(1)	4(2)	1(3)	25(7)
Accounting for share capital	8(1)	4(2)	1(2)	18(5)
Accounting for Debenture		3(2)	1(1)	7(3)
Analysis of financial statements		3(1) 4(2)	1(1)	12(4)
Cash flow statement	6(1)		1(2)	8(3)
Total	34(5)	36(10)	10(10)	80(25)