

LIONS SCHOOL, MIRZAPUR
PRE-BOARD EXAMINATION-2020-21

CLASS- XII

TIME: 3 HRS.

SUB: - ACCOUNTANCY

M.M.: - 80

Gen. Inst:-

1. Attempt all the Questions.
2. Marks are indicated against each question.
3. Question No 1 to 13 and 23 to 29 are very short answer type question carrying 1 marks each.
4. Q. 14 and 30 are short answer type –(I) Question carrying 3 marks each.
5. Q. no. 15 to 18 and 31 are short answer type – (II) question carrying 4 marks each.
6. Q no. 19,20 and 32 are long answer type question carrying 6 marks each.
7. Q no. 21 and 22 are long answer type- (II) question carrying 8 marks each.
8. There is no overall choice. However; an internal choice has been provided in 2 questions of three marks 2 questions of four marks and 2 questions of 8 marks.

Part: -A

(Accounting for not for profit organizations, partnership firm and companies) Attempt following MC Q type Question:-

Q-1. which of the following items is not dealt through profit and loss Appropriation account? **(1)**

- (a) Interest on partner's loan
- (b) Partner's Salary
- (c) Interest on Partner's capital
- (d) Partner's commission

Q-2. For which of the following situation, the old profit sharing ratio Of partners is used at the time of admission of a new partner ?

- (a) When new partner brings only a part of his share of good. **(1)**
- (b) When new partner is not able to bring his share of goodwill.
- (c) When at the time of admission goodwill already appears in the balance sheet.
- (d) When new partner bring this share of goodwill in cash.

Q-3. Security premium reserve cannot be used for:- **(1)**

- (a) Writing off preliminary expenses.
- (b) Writing off share discount.
- (c) Payment of dividend on shares.
- (d) Buy back of equity shares.

Q-4. Donation received for building is a

- (a) Income **(1)**
- (b) Revenue Receipt
- (c) Capital Receipt
- (d) Liability.

Q-5. If creditors amounting to ` 4000 accepted furniture of book Value ` 5000 during dissolution of firm, entry passed will be:-

- (a) No entry needed (1)
- (b) Dr cash A/c & Cr Realization A/c ` 1000
- (c) Dr Realization A/c & Cr cash A/c ` 1000
- (d) None of these

Q-6. A company forfeited 3500 share of ` 10 each on which ` 10500 has been paid. Out of these if 50% shares are resold @ ` 6 per share which amount will be transferred to capital reserve.

- (a) ` 3500
- (b) ` 4000
- (c) ` 4500
- (d) Shares cannot be re sold.

Q-7. On dissolution of a firm partner's capital account balance was ` 63000; creditors balance was ` 12000 and profit and loss account debit balance was ` 6000. Profit on realization of assets was ` 7800. Total amount realized from assets was:-

- (a) ` 81000 (1)
- (b) ` 76800
- (c) ` 70800
- (d) None.

Q-8. A and B are partners in a firm sharing profits and losses in the Ratio of 5:1.

Balance sheet (Extracted)

Liabilities		Assets	
		machinery	45000

If value of machinery in the balance sheet is undervalued by 25%, then at what value will machinery be shows in new balance sheet?

- (a) 11250 (1)
- (b) 56250
- (c) 60000
- (d) None of these.

Q-9. A, B and C are partners in a firm sharing profit and losses in 4:3:2. A died on April 10. Sale and profit of previous year were ` 300000 and ` 45000. Respectively. If sales from 15th January to April 10 were ` 120000, X's share of profit would be:-

- (a) 8000
- (b) 18000 (1)
- (c) 9000
- (d) None of these.

Q-10. Retirement or death of a partner will create a situation for the Continuing partner, which is known as:-

- (a) Dissolution of partnership **(1)**
- (b) Dissolution of partnership firm
- (c) Winding up of business
- (d) None of these.

Q-11. P, Q and R are sharing profits and losses equally R died and the goodwill is appearing in the books at ` 30000. Goodwill of the firm is valued at ` 150000. Calculate the net amount to be credited to R's capital A/c

- (a) ` 60000
- (b) ` 50000 **(1)**
- (c) ` 40000
- (d) ` 10000

Q-12. X, Y and Z are partners in the ratio of 6:4:1. In the firm X has guaranteed Z for his minimum profit of ` 15000. Firm's profit was ` 99000. In the firm profit X's share will be:-

- (a) ` 30000
- (b) ` 15000 **(1)**
- (c) ` 48000
- (d) ` 45000

Q-13. Pick the odd one out:-

- (a) Rent to partner
- (b) Manager's commission
- (c) Interest on partner's loan
- (d) Interest on partner's capital.

Q-14. from the following information calculate the amount of subscription to be credited to the income and expenditure account for the year 2016-17:-

Subscription received during the year ` 50000 Subscription out standing on 31st march, 2016, ` 20000
Subscript outstanding on 31st march, 2017, ` 6000 Subscription received in advance on 31-3-2016 ` 8000
Subscription received in advance on 31-3-2017 ` 9000 Subscription of ` 1500 are still in arrears for the year 2015-16 **3 marks**

Or

Calculate what amount will be posted to income & expenditure A/c for the year ending 31st march, 2015:-

i.	Stock of stationery on 01-04-2014	` 7000	3 marks
ii.	Creditors for stationery on 01-04.2014	4000	
iii.	Advance paid for stationery carried forward on 01-04-2014	6000	
iv.	Stock of stationery on 31 st march, 2015	3000	
v.	Creditors for stationery on 31 st march, 2015	8000	
vi.	Advance paid for stationery on 31 st march, 2015	1500	
vii.	Amount paid for stationery during 2014-15	42000	

Q-15. A and B were partners in the ratio of 3:2. The firm maintains fluctuating capital A/c and the balance of the same as on 31-3-2020 amounted to 160000 and 140000 for A and B respectively. Their drawings during the year were 30000 each. As per partnership deed interest on capital @ 10% p.a. on opening capitals had been provided to them. Calculate opening capitals of partners given that their profits were ` 90000. Show your working cleverly. **4marks**

Or

Ali: Bimal and Deepak are partners in a firm. On 15th April 2019, their capital A/c stood at ` 400000, ` 300000 and ` 200000 respectively. They shared profit & losses in the proportion of 5:3:2. Partners are entitled to interest on capital @ 10% p.a. and salary to bimal and Deepak @ ` 2000 p.m. and ` 3000 per quarter respectively as per provisions of the partnership deed.

Bimal's Share of profit (excluding interest on capital but including salaries) is guaranteed at a minimum of ` 50000 p.a. any deficiency arising on that account shall be met by Deepak. The profits of the firm for the year ended 31st march, 2020 amounted to ` 200000. Prepare P&L appropriation A/c for the year ended 31st march 2020. **(4)**

Q-16. From the following information complete journal entries:-

Share capital A/c	Dr	?	
Security premium A/c	Dr	1000	
	To share forfeited A/c		?
	To call in arrear		3500
(being -?- share forfeited for nonpayment of -?- including premium of ` 2 per share)			

Bank A/c	Dr	?	
Share forfeited A/c	Dr	?	
	To share capital A/c		?
(being-?- share re-issued at 9 per share as fully paid)			

Share forfeited A/c	Dr	600	
	To capital reserve		600
Being forfeiture money transferred to capital reserve			

Share forfeited A/c

To share capital	?	By share capital	1500
To capital reserve A/c	600		
To bal. c/d	600		
	1500		1500

(Face value of share is 10 each)

4 marks

Q-17. pass journal entries in the following cases on the dissolution of a partnership firm of partners X & Y.

- i. Realization expenses of 5000 were to borne by X, a partner. However it was paid by y.

- ii. Investments costing 25000 (comprising 1000 shares) had been written off from the books completely. These shares are valued at 20 each and were divided amongst the partners.
- iii. Y's loan of ` 50000 settled at 48000 `.
- iv. Machinery (book value 600000) was given to creditors at a discount of 20%.

Q-18. give your opinion (suggestion) :-

4 marks

- i. Do all forms of business organization prepare a profit and loss appropriation account?
- ii. Would a charitable dispensary run by 8 members be deemed a partnership firm? Give reason in support of your answer
- iii. A and B jointey purchased a Plot of land. Will they be called partners?
- iv. X and Y are partners. Y wants to admit his son k into business. Can K became the partner of the firm ? Give reason.

Q-19. Following are the balance sheet and receipts and payments accounts of cosmos club for 2019.

Balance sheet

As at 1-

1-2019

<u>Liabilities</u>	`	<u>Assets</u>	`
Salary out standing	1000	Bank	4500
life membership fee	4000	Subscription	2500
Advance subscription	600	Furniture	9000
Donation for building	15000	Sport equipment	20100
Match fund	5100	Prepaid insurance	400
Capital fund	10800		
	<u>36500</u>		<u>36500</u>

Receipt and payment account

For the

year ended 31-12-2019

<u>Receipt</u>	`	<u>Payment</u>	`
Balance bid	4500	Insurance	2000
Subscription including ` 2000 for 2018	14000	Salaries	4000
Life membership	5000	Sundry expenses	2500
Entrance fee	3000	Furniture	9000
Sale of old furniture (on 1-1-2019, cost ` 4000)	2100	Sport equipment(01-07-2019)	10000
Match fund.	10000	Match expenses	8000
		Balance c/d	3100
	<u>38600</u>		<u>38600</u>

Subscription outstanding for 2019 ` 1500. Salaries due ` 500.

Insurance expires on 31-3-2020. Charge depreciation on furniture @ 10% and on sports equipment @ 15%.

Prepare income and expenditure A/c for 31-12-2019.

6 marks

Q-20. X Ltd purchased assets of Y Ltd as under:-

- (i) Plant and machinery of ` 2000000 at ` 1800000, land & building of `3000000 at ` 4200000 and paid ` 1000000 in cash; 25000 equity shares of ` 100 each at 20% premium and 15000 debentures of ` 100 each. Give necessary journal entries in the books of X Ltd.
- (ii) Shri ganesh Ltd issued on 15th April,2018 20000,8% debentures of ` 50 each at 6% discount redeemable after five years at a premium of ` 5 All the debentures were subscribed. During the year ended 31st march, 2019. The company incurred a loss of ` 50000. It has balance of ` 120000 in securing premium reserve.

Pass journal entries for issue of debentures and writing off losses on issue of debentures.

(3x2)=6marks

Q-21. shah nawaz and dil nawaj are partner is a firm sharing profit in 4:3, on 31st December 2018 their balance sheet was as follows:-

<u>Laibilities</u>	`	<u>Assets</u>	`
Creditors	11000	Cash	11001
Bill payable	7000	Building	14000
Provident fund	4000	Stock	15000
<u>Capital</u>		Furniture	3100
Shah nawaz 25000		Debtors	14500
Dil nawaz <u>20000</u>	45000	Reserve	-500
Reserve fund	8750	Machinery	17000
Outstanding exps.	300	Investments	4949
C's loan A/c	3000		
	<u>79050</u>		<u>79050</u>

They admitted ali nawaz for 1/6th share in profit. Following adjustment were made:-

- i. Goodwill of the firm valued ` 21000. Ali nawaz brought his share of goodwill in cash.
- ii. Shah nawaz and dil nawaz took investments in their profit sharing ratio.
- iii. C's loan A/c and outstanding Exps. A/c were paid out respectively.
- iv. Building and stock will be increased by ` 6000 and ` 1000 respectively. Furniture will be reduced by 10% and machinery by 20%. Bad debt. Reserve was to be increased to ` 1480.
- v. Mr. anil to whom 1000 was payable (included in creditors) drew a bill of exchange for 3 months which was duly accepted.
- vi. A liability of ` 1000 included in creditors taken by Dil Nawaz.

Give journal entries for the above.

Or

Pankaj Naresh and Saurabh are partners sharing profits in the ratio of 3:2:1. Naresh retired from the firm due to his illness. On that date the balance sheet of the firm was as follows:-

Balance sheet As at March 31, 2018

Liabilities		Assets	
General reserve	12000	Bank	7600
Sundry creditors	28000	Debtors 6000	
Bills payable	12000	Less:- prov <u>400</u>	5600
Outstanding salary	2200	Stock	22000
Provision for legal damages	6000	Furniture	41000
Capital :-		Premises	80000
Pankaj 46000			
Naresh 30000			
Saurabh <u>20000</u>	96000		
	<u>156200</u>		<u>156200</u>

Additional information:-

- i. Premises are undervalued by 20%, stock is overvalued by 10% and provision for doubtful debt was to be made 5% on debtors. Further provision for legal damages is to be made for ` 4100 and furniture to be brought up to ` 45000.
- ii. Goodwill of the firm be valued at ` 42000.
- iii. ` 26000 from Naresh's capital account be transferred to his loan account bearing interest @ 12% p.a. and balance be paid through bank; if required, necessary loan may be obtained from bank.
- iv. New profit sharing ratio of Pankaj and Saurabh is decided to be 5:1. **8 marks**
Give necessary ledger accounts and balance sheet of the firm after Naresh's retirement.

Q-22. Shivangi Ltd has offered 50000 equity shares of ` 100 each at a premium of 20 payable as follows:-

Application 50 ` Allotment 40 ` (including premium) and balance on first and final call.

The bank account of the company has received 3500000 ` on account of share application money.

Shivangi Ltd decided to allot shares to all the applicants on pro rates basis. The balance in calls in arrears account at the time of allotment and first and final call amounted to ` 100000 and ` 150000 respectively. These shares were forfeited and re-issued at ` 90 per share as fully paid up. Journalize.

Or

Arora co. Ltd. Issued 40000 shares of ` 10 each at 25% premium. Amount was payable as follows:-
` 2 on application, ` 4.50 (including premium) on allotment and balance on 1st & final call ` 6. Company Received total application 96400 shares which was allotted as follows:-

- A. Applicants of 23000 shares allotted 10560 shares.
- B. 48000 applicants were allotted only 14200 there.
- C. 25400 applicants were allotted 15240 shares pro-rate. Basis surplus amount received with application were applied towards sum due on allotment and excess over it was to be returned.

Anil who was allotted 300 shares on pro-rate basis could not pay allotment money and kant who holds 450 shares from part [c] did not pay 1st & final call money. Directors forfeited their 750 shares. 50% shares of Anil and kant were issued at a loss of ` 2 per share.

Give journal entries in the books of Arora Ltd.

(8 marks)

Part B Analysis of financial statements

- Q-23.** X Ltd has an operating profit ratio at 15%, Its management is interested in maintaining this ratio at 20%. What are the two choices to do so? **(1)**
- Q-24.** Name the difference between total assets and current liabilities. **(1)**
- Q-25.** Debt- equity ratio is 2:1. State giving reason, whether the Debt- equity ratio will improve or decline or will not change on payment of final dividend already declared. **(1)**
- Q-26.** State the interest of management in the financial statement analysis. **(1)**
- Q-27.** Mention the net amount of 'source' or 'use' of cash when issue of shares for ` 700000 against purchase of business comprising of fixed assets ` 600000; current assets ` 200000 and took over current liabilities ` 100000. **(1)**
- Q-28.** State with reason weather sale of marketable securing at par would result in inflow, outflow or no flow of cash or cash equivalents. **(1)**
- Q-29.** While preparing cash flow statement, match the following activities:- **(1)**
- I. Payment of cash to acquire debentures a- financing activity by an investing company.
 - II. Purchase of goodwill b- investing activity
 - III. Dividend paid by manufacturing co. c- operating activity
- Q-30.** From the following details, calculate interest coverage ratio: Net profit after Tax- ` 700000
6% debentures of ` 2000000 tax rate 30%. **(3)**

Or

Under which major heads and sub- heads will the following item be placed in the balance sheet of the company as per schedule III part of the companies act. 2013?

- i. Debentures with maturity period in current financial year.
- ii. Security premium reserve.
- iii. Provident fund.

Q-31. Following information is extracted from the statement of profit and loss of crypto finance ltd. For the year ended 31st march 2017 and 31st march 2018. Fill in the missing figures **(4)**

Comparative statement of profit and loss for the years ended 31st march 2017 and 31st march 2018

Particulars	2016-17 (`)	2017-18 (`)	Absolute Increase/ Decrease (`)	Percentage Increase/ Decrease (%)
Revenue from operations	10,00,000	?	2,00,000	20%
Add other income	?	60,000	?	20%
Total revenue	?	12,60,000	?	20%
Less employee Benefit Expenses	50,000	60,000	10,000	?
Profit before tax	10,00,000	12,00,000	2,00,000	?
Less tax (50%)	5,00,000	6,00,000	1,00,000	?
Profit after tax	5,00,000	6,00,000	1,00,000	20%

Or

From the following information, prepare a common size balance sheet:

Balance sheets as at ...

Particulars	31.03.2011	31.03.2012
I. EQUITY AND LIABILITIES		
1. Shareholders' funds		
Share capital	6,00,000	9,60,000
Reserve & surplus	6,00,000	5,40,000
2. Non-current liabilities		
Long-term borrowings	1,20,000	3,60,000
3. Current liabilities		
Trade receivable	1,80,000	5,40,000
Total	15,00,000	24,00,000
II. Assets		
1. Non-current assets		
Fixed assets		
i. Tangible assets	9,00,000	12,00,000
ii. Intangible assets	3,00,000	6,00,000
2. Current assets		
(a) Inventories	1,20,000	2,40,000
(b) Trade receivables	1,20,000	1,80,000
(c) Cash and equivalents	60,000	1,80,000
Total	15,00,000	24,00,000

Q-32. From the following information, calculate net cash flow from operating activities and investing activities:

Particulars	31.03.2011	31.03.2012
Profit and loss A/c	1,00,000	4,00,000
Provision for tax	30,000	30,000
Trade payables	40,000	1,50,000
Current Assets (Inventories & Trade Receivables)	4,60,000	5,20,000
Fixed Assets	8,50,000	9,32,000
Accumulated Depreciation	4,25,000	4,40,000

Additional Information: A machine costing ` 80,000 (book value ` 20,000) was sold at a profit of ` 8,000. Tax paid during the year was ` 30,000. **(6 marks)**