Sample Paper 2013
Class XII
Subject Accountancy

Time: 3Hours **Maximum Marks: 80**

General instructions:-

i. **All questions are compulsory.**
ii. **Working notes must be part of your answer (where require).**
iii. **Avoid overwriting and cutting.**
iv. **Write your roll no. on the question paper.**
v. **Don't leave blank page/pages in your answer-book .**
vi. **(*) Before a question is an indication of inclusion of value based question.**

Part – A

1. **State any two cases** of dissolution of partnership firm **by the order of the Court (Sec.44)**. **1**

2. **Goodwill** (According to capitalization of Super profit) = $\frac{\text{Super profit}}{\text{Normal Rate of Return}} \times 100$

   What do you mean by **Super profit** in above formula of calculating goodwill? **1**

3. **How** is new partner admitted to a partnership firm? **1**

4. **Steffi and Sarapova** were partners in a firm. They decided to admit Sania as a partner in the firm and Sania Brought Rs.40,00,000 as premium for goodwill in cash for 1/3rd share in profits. Pass journal entry for distribution of premium for goodwill.

   1

5. **What** do you mean by **Convertible Preference share?** **1**

6. **State any two purposes** for which amount of **Securities Premium** can be utilized according to Section78 of the Indian Companies Act, 1956.

   1

7. **Why** would investor prefer to invest in Debentures of a company rather than in its shares? **1**

8. **The net profit** of a firm for the year ended 31st December, 2012 has been duly distributed between its partners A and B in their agreed ratio 3 : 2 respectively. It was discovered on 10th Jan. 2013 that the under mentioned transactions were not recorded before distribution of Profits:
   (i) Interest on A's Capital – Rs.6,000 and interest on B's Capital – Rs.4,000.
   (ii) Interest on drawings @12% p.a. and drawings of A were Rs.2,000 in each month during the year.
   Pass an adjustment entry to rectify the above errors. **3**

9. **Shivang Ltd.** On 1st Jan. 2013 acquired assets of the value of Rs.8,00,000 and liabilities worth Rs.90,000from Saurya Ltd., at an agreed value of Rs.7,20,000. Shivang Ltd. Issued 12% Debentures of Rs.100each at a discount of 10% in full satisfaction of purchase consideration. The debentures wereredeemable 3 years later at a premium of 5%. Pass journal entries to record the above in the books of Shivang LtdUpto issue of Debentures.

3

10. **Suraj Infrastructure Limited** redeemed its 20,000, 15% Debentures of Rs.100 each at a premium of 8% and redemption is carried out in the following ways:

i. 25% of the amount due to debenture holderswas paid by cheque.

ii. 25% of the amount due was paid by conversion into 12% Preference Shares of Rs.50 each issued at 20% premium.

iii. 25% of the amount due was paid by conversion into 11% Debentures of Rs.100 each issued at 10% discount.

iv.25% of the amount due was paid by conversion into Equity Shares of Rs.50 eachissued at Par.

Pass journal entries for redemption of debentures in the books of Suraj Infrastructure Ltd. **3**

11. **Zenny and Zuzu** were partners in a firm sharing profits in 7 : 3 ratio. They admitted Sudesh(without any premium for goodwill)for 20% share into partnership who has won 1st position in the national level Laughter competition.However Gogoi brought Rs.2,00,000 as Capital.Sudesh acquired his share equally from Zenny and Zuzu.

You are required to

i. * Identify one value in admitting Mr. Sudesh into partnership. **1**

ii. Pass journal entry for capital brought in by new partner and calculate new profit sharing ratio. **3**

12. **ZaheerKhan, Ajay, Jadeja and Chris Cairn entered into a partnership business** of sports equipments on 1st January 2012 with the capitals of Rs.5,00,000 by each. Zaheer Khan also gave a loan of Rs.4,00,000 to the firm after 3 months of starting of their firm.. **Partners decided to distribute Rs.1,00,000 sports items to 10 players of the city** (**In which firm is carrying its business activities**) for representing the state in different national level sports competitions. After considering that expense but before considering any interest on loan given by Zaheer Khan the Profits were Rs.3,55,000. Following adjustments are also to be considered :

i. Interest on capital is to be allowed @4% p.a.

ii. Interest on drawings @6%p.a. Drawings were Ajay Jadeja-Rs.60,000 and Chris Cairns-Rs.40,000

iii. Ajay Jadeja is allowed a commission of 2% on sales. Sales for the year were Rs.20,00,000.

iv. 10% of the divisible profits is to be kept in a Reserve Account.

You are Required:

a. To **state the valuein forming the partnership firm** and the **value served by the partners by taking decision of distributing the sports items among players**. **2**

b. Show the distribution of profit after considering above adjustments. **4**

13. **X Ltd.** forfeited 500 shares of Rs.10 each(Rs.6 called-up) issued at a discount of 10% to Ram on which he has paid Rs.3 per share. Out of these 300 shares were re-issued to Z as Rs.8 paid up for 6 per share.

(i) Give journal entries for forfeiture and re-issue of shares. **3**

(ii) What is the minimum amount at which remaining 200 shares can be reissued as fully paid up. **1**

14. **Write** the meaning of any two of the following: **4**

(i) Sweat equity shares (ii) Minimum Subscription (iii) Reserve Capital

15. **A, B and C** were partners sharing profits in the ratio of 5:3:2. Their assets and liabilities as on 31st March 2012 were as follows:

Assets: Cash : Rs.16,000 ; Debtors : Rs.16,000 and other assets were Rs.2,34,000.

Liabilities: Creditors: Rs.20,000; Employees' Compensation Fund: Rs.26,000;
A's Capital: Rs.1,00,000B's Capital: Rs.70,000 and C's Capital: Rs.50,000.

C retires on the above date and it was agreed that:

(i) C's share of Goodwill was Rs.8,000;

(ii) 5% provision for doubtful debts was to be made on debtors;

(iii) Sundry creditors were valued Rs.4,000 more than the book value.

Pass **necessary journal entries** for the above transactions on C's retirement. **4**

16. **X**,**Y and Z** were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2012 their Assets and Liabilities were as under:

Assets : Leasehold – Rs.1,25,000 ; Patents – Rs.30,000 ; Machinery-Rs.1,50,000; Stock-Rs.1,50,000; **Profit & Loss A/c**-Rs.40,000 and Cash at Bank- Rs.40,000

Liabilities : Capitals :X-Rs.1,50,000, Y-Rs.1,25,000, Z-Rs.75,000;
General Reserve-Rs.30,000 ; Creditors- Rs.1,55,000

X died on 1st August, 2012 and it was agreed that:

(i) Goodwill of the firm is to be valued at Rs.3,50,000.

(ii) Interest on capital be provided @10% p.a.

(iii) Machinery is overvalued by 20% and Patents is undervalued by 25% .

(iv) Leasehold to be increased to Rs.1,50,000.

(iv) For the purpose of calculating X's share in the profits of 2012-2013, the profits should be taken to have accrued on the same scale as in 2011-2012, which were Rs.1,50,000.

Prepare Revaluation Account and X's Capital A/c to be rendered to his executor. **6**

17. **Syrian ltd.** invited applications for issuing 50,000 equity shares of Rs.10 each. The amount was payable As follows :

On Application Rs.3 per share, on allotment Rs.4 per share and balance on 1St and final call.
Applications were received for 75,000 shares and pro-rata allotment was made as follows :

Applicants for 40,000 shares were allotted 30,000 shares on pro-rata basis.
Applicants for 35,000 shares were allotted 20,000 shares on pro-rata basis.

Ravi to whom 1,200 shares were allotted out of the group applying for 40,000 shares failed to pay the allotment money. His shares were forfeited immediately after allotment.
Shashi, who had applied for 700 shares out of the group applying for 35,000 shares failed to pay the 1st and final call. His shares were also forfeited.All the forfeited shares were reissued for Rs.40,000.
Pass necessary journal entries to record the above transactions. **8**

OR

X Ltd. with a nominal capital of Rs.50,00,000 divided into equity shares of Rs10 each, issued 2,00,000 equity shares at a premium of 20%. Amount was payable Rs.3 on application, Rs.5(including premium) on allotment and balance on 1st and Final call after 3 months of allotment. All the shares were applied for and money due on allotment was duly received except one shareholder of 2,000 shares who failed to pay the allotment money, while another shareholder who held 3,000 shares paid for the first and final call also. Expenses on issue of shares were Rs.60,000 which were paid on the date of allotment and written off against the securities premium.

Pass the necessary Journal entries in the company's books to record the above transactions upto allotment of shares and show the company's Balance Sheet also.

18. **P and Q** are in partnership sharing profits and losses in the ratio of 3:2. Their balance sheet as on 31st March, 2012 was as under:

Liabilities	Rs.	Assets	Rs.
Creditors	1,50,000	Cash	50,000
General Reserve	1,20,000	Debtors Rs.2,00,000 Less: Provision Rs. 8,000	1,92,000
P's Capital Account	6,00,000	Patents	1,48,000
Q's Capital Account	3 00,000	Investments	80,000
P's Current Account	1,00,000	Fixed Assets	7,20,000
Q' Current Account	20,000	Goodwill	1,00,000
	12,90,000		12,90,000

They admit R on the following terms :

i. Additional provision of 1% on debtors is to be created.

ii. Accrued Income of Rs.15,000 does not appear in the books and Rs.50,000 are outstanding for salaries.

iii. Present market value of investments is Rs.60,000. P takes over the Investments at this value.

iv. New profit sharing ratio of partners will be 4 : 3 : 2. R will bring in Rs.2,00,000 as his capital.

v. R is to pay in cash an amount equal to his share in Firm's Goodwill valued at twice the average profits of the last 3 years which were Rs.3,00,000; Rs.2,60,000 and Rs.2,50,000 respectively.

vi. Half the amount of goodwill is withdrawn by old partners.

You are required to prepare Revaluation Account, Partners' Capital Accounts, Current Accounts and the opening Balance Sheet of the new firm. **8**

OR

A, **B** and **C** are three partners sharing profits in the ratio of **3:1:1.** On 31st October,2012 they decided to dissolve their firm. On that date assets and liabilities of their firm was as under:-

Assets : Bank balance- Rs.16,700; Debtors-Rs.24,200; Stock in trade – Rs.7,800
Furniture- Rs.1,000 and Sundry Assets- Rs.17,000

Liabilities: Creditors- Rs.6,000; Provision for Bad debts- Rs.1,200; Loan- Rs.1,5000
A's Capital- Rs.27,500; B's Capital- Rs.10,000 and C's Capital- Rs.7,000

It is agreed that:-

(i) A is to take over furniture at Rs.1800 and Debtors amounting to Rs.4,200 at Rs.3,600; the Creditors of Rs.6,000 to be paid by him at this figure.

(ii) B is to take over all the Stock in Trade at Rs.7,000 and some of the Sundry Assets at Rs.7,200 (being 20% more than book value).

(iii) C is to take over the remaining Sundry Assets at 90% of the book value- less Rs.100 as discount and assume the responsibility for the discharge of the loan together with accrued interest of Rs.300 which has not been recorded in the books.

(iv) The expenses of dissolution were Rs.1,270. The remaining debtors were sold to a debt collecting agency for 80% of the book value.

Prepare necessary Accounts to close the books of the firm.

Part - B

19. **State with reason** whether repayment of Non-Current Liabilities will result in increase, decrease or no Change in Debt-Equity ratio.
1

20. **SRF Ltd. earned profit after tax** 6 timesof the last year and also has very huge cash inflow from its operating Activities. Company decided to distribute 20% of the profit among employees as bonus and also decide to upgrade its plant to improve the working conditions. **State any value** served by the company in such decisions. **1**

21. **List any two items** which result in inflow of cash and cash equivalent in Financing Activities. **1**

22. **State two items**for each of the following sub-heads of different major head of Company's Balance Sheet(Write for **any three** sub-head.):
3

(i) Reserve & Surplus (ii) Long Term Borrowings (iii) Short Term Provisions
(iv) Other Current Liabilities (v) Inventories

23. **From** the following Balance Sheets of Royal Industries as on 31st March, 2011 and 2012, prepare a comparative Balance sheet:
4

Particulars	**Note No.**	**31.03.2011 Rs.**	**31.03.2012 Rs.**
I EQUITY AND LIABILITIES :			
Shareholders' Funds :			
Share Capital		**5,00,000**	**8,00,000**
Reserve and Surplus		**1,00,000**	**1,00,000**
Non-Current Liabilities			
Long Term Borrowings		**3,00,000**	**4,00,000**
Current Liabilities			
Short Term Borrowings		**1,00,000**	**2,00,000**
Total		**10,00,000**	**15,00,000**
II Assets		**Rs.**	**Rs.**
Non-current Assets :		**4,00,000**	**6,00,000**

Current Assets :			
Inventories		**2,00,000**	**3,00,000**
Trade Receivables		**3,00,000**	**4,00,000**
Cash & Cash Equivalents		**1,00,000**	**2,00,000**
Total		**10,00,000**	**15,00,000**

24. **S**hareholders' Fund – Rs.6,00,000 ; 12% Debentures – Rs.50,000; 10% Mortgage Loan – Rs.1,50,000; Total Assets – Rs.10,80,000 ; Income tax paid – Rs.63,000 ; Rate of Income Tax was 50%.
With the help of above information of Rao Limited, **Calculate:**
(i) Debt-Equity ratio**(ii)**Proprietary Ratio**(iii)**Interest Coverage ratio. **4**

25. From the following statement, calculate the Cash Generated from Operating Activities : 6

Statement of Profit and Loss
For the year ended 31st March, 2012

Particulars			**Amount**
			Rs.
Revenue from Operations (Sales)			**85,000**
Add : Other Income :		Rs.	
Profit on sale of machinery		5,000	
Dividend Received		7,000	
Income Tax Refund	6,000		
Total Revenue			**18,000**
			1,03,000
Less : Employees Benefit Expenses (Salaries)		10,000	
Depreciation		20,000	
Goodwill written off		8,000	
Other Expenses : Rent		5,000	
Loss on sale of Building		5,000	**48,000**
Profit Before Tax			**55,000**
Less : Provision for Tax			**21,000**
Net Profit for the Period			**34,000**
Less : Appropriations :			
Proposed Dividend			**10,000**
Balance of profit			**24,000**

The following additional information is available to you:

	31-03-2011 Rs.	**31-03-2012 Rs.**
Trade Receivables	**50,000**	**60,000**
Inventories	**25,000**	**20,000**
Cash & Cash Equivalents	**1,00,000**	**1,25,000**
Trade Payables	**75,000**	**90,000**
Other Current Liabilities	**25,000**	**15,000**