

**GUESS PAPER 2013**  
**CLASS- XII**  
**SUBJECT - ACCOUNTANCY**

**Max Marks: 80 Max**

**Time : 3 Hours**

**General Instructions**

- ☐ This question paper contains 25 questions.
- ☐ Marks for question are indicated against each.
- ☐ All the questions are compulsory.
- ☐ All the parts of the question should be at one place.

**PART A**

1. Can a partner be exempted from sharing losses in a firm? If yes, under what circumstances.
2. How will you deal with goodwill if the incoming partner is unable to bring his share of goodwill in cash?
3. Distinguish between 'sacrificing ratio' and 'gaining ratio'.
4. How is new profit share calculated on the death of a partner?
5. What is meant by reserve capital?
6. Give rate of interest on calls in arrears and calls in advance as per table 'A'.
7. Why would an investor prefer to invest in debentures rather than in shares?
8. Amit and Sumit are partners sharing profits and losses in the ratio of 3:2. The firm pays 1000 per month as salary to their manager, Ram who deposited 30000 with the firm carrying interest at 8% p.a. On 1st January, 2008 it was decided to treat Ram as their partner w.e.f. 1st January, 2004 at 1/5th share in profit. It was decided to treat his deposit as capital carrying interest @6% p.a. like capital of other partners. The firm's profits and losses after above adjustment were as under:

2004 profit	₹	60000
2005 loss	₹	10000
2006 profit	₹	80000
2007 profit	₹	89600

Record the necessary journal entries.
9. Pass necessary journal entries for the issue of 7% debentures in following cases:
  - a) 100 debentures of ₹ 100 each issued at ₹ 105 each, repayable at ₹ 100 each
  - b) ₹ 100 debentures of ₹ 100 each issued at ₹ 100 each, repayable at ₹ 105 each.
  - c) ₹ 100 debentures of ₹ 100 each issued at ₹ 105, repayable at ₹ 108 each.
10. Journalise the following transactions:
  - a) X Ltd. Redeemed 200, 10% debentures of 100 each which were issued at a discount of 5% by converting them into 8% preference shares of 100 each at a premium of 25%.

b) Y Ltd. Redeemed its 400, 8% debentures of 100 each which were issued at a discount of 10% by issuing 4000 equity shares of 10 each, 9 paid up. Both the conversion took place at the option of debentures before the date of redemption.

11. Shivank and manvendra are good friends who are much more interest in sports activities. However they could not do well in sports activities due to non-availability of sports goods at reasonable rates. So both of them decided to form a partnership firm to sell the sports goods to the economically weaker sections students at lower rates. They formed the partnership on the following terms:

a) Interest on capital was provided @6% p.a. where capital of partners are Shivank's is 150000 and Manvendra is ₹ 8000.

b) Shivank will be paid a salary of 3500 p.m.

c) Manvendra will get commission of ₹ 12000 per year.

d) The profit sharing ratio Shivank and Manvendra will be 3:2 respectively.

e) The profit during the years ended 31st March, 2012 was ₹ 190000.

☑ Identify the values which motivated Shivank and Manvendra to form a partnership firm.

☑ Prepare profit and loss appropriation account for the year ended 31st March, 2012.

12. Give the answer to the following :

a) D, E, F, P and Z were partners in a firm sharing profits in the ratio 5:4:3:2:1 respectively. Unfortunately, P & Z met with an accident and died in a car accident. The goodwill of the firm was valued at ₹ 150000 and D, E and F decided to share future profits in the ratio of 4:6:5 respectively. Give journal entry to record goodwill.

b) E and F were partners in a firm sharing profits in the ratio of 3:1. They admitted G as a new partner on 1-3-2005 for 1/3rd share. It was decided that E, F and G will share profits equally in future, G brought 50000 in cash and machinery worth 70000 for his share of profit as premium for goodwill. Showing your calculations clearly, pass necessary journal entries in the books of the firm.

13. Journalise

a) PS Ltd. Forfeited ₹ 500 equity shares of ₹ 100 each for the nonpayment of first call of ₹ 30 per share. The final call of 10 per share was not yet made. The forfeited shares were reissued for ₹ 65000 fully paid up.

b) Samta Ltd. Forfeited ₹ 800 equity shares of ₹ 100 each for the non-payment of first call of ₹ 30 per share. The final call of ₹ 20 per share was not yet made. Out of the forfeited shares ₹ 400 were reissued at the rate of ₹ 105 per share fully paid up.

14. Journalise

a) Ramesh & Co. Forfeited ₹ 1000 shares of ₹ 10 each issued at a discount of ₹ 1 per share for non-payment of final call of ₹ 3 per share. The final call of ₹ 2 per share has not yet been made. ₹ 400 of these shares are reissued at ₹ 6 per share ₹ 8 paid up, and ₹ 400 shares issued at ₹ 7 per share fully paid up. Pass journal entries in the books of Ramesh and Co. To record the forfeiture and reissue of shares

b) Poonam Ltd. Forfeited ₹ 400, 8% preference shares of ₹ 100 each issued at a discount of 10%, for non-payment of first call of ₹ 20 each. The second and final call of 20 per share has not yet been made. The forfeited shares were reissued at ₹ 44000 fully paid up. Pass necessary journal entries for forfeiture and reissue of share.

15. i) A firm had ₹ 120000 worth of fixed assets and ₹ 80000 as current assets on 1st July 2008 on that day, creditor of firm were ₹ 20000, partners capital ₹ 170000 and reserve fund ₹ 10000. If the goodwill of the firm is valued at ₹ 40000 on the basis of four years purchase of super profit on the basis of 10% return on capital employed, find the average profit earned by the firm.

ii) R and G were partner in a firm sharing profits in 3:2. Their respective fixed capital were ₹ 1000000 and ₹ 150000. The partnership deed provided the followings :

a) interest on capital @10% p.a.

b) interest on drawing @12%p.a.during the year ending 31.3.2007, R's drawings were 1000 per month drawn at the end every month and G's drawings were 2000 per month drawn at the beginning of every month. After the preparation of final account for the year ended 31.3.2007, it was discovered that interest on R's drawing was not taken in to consideration. Calculate interest on R's drawing and give necessary adjustment entry for the same.

16. The following is the balance sheet of Ram , Mohan and Sohan as on 31st dec, 2004

Liabilities	Am	Assets	Am
Sundry creditors	10000 7500	Tools	3000
Reserve fund		Furniture	18000
Capital account:	20000	Stock	16000
Ram	10000	Debtors	12000
Mohan	10000	Cash at bank	8000
Sohan		Cash in hand	5000
	57500		57500

Ram, Mohan and Sohan share profits and losses in the ratio of 2:2:1. Sohan died on 31st March 2005.

Under the partnership agreement, the executor of Sohan was entitled to:

a) Amount standing to the credit to his capital account

b) Interest on capital which amounted to ₹ 150.

c) His share of goodwill ₹ 5000.

d) His share of profit from the closing of the last financial year to the date of death which amounted to ₹ 750.

Sohan's executor was paid ₹ 1775 on 1st April, 2005 and the balance in 4 equal yearly instalment starting from 31.3.2006 with interest @6% p.a. Pass the necessary journal entries and draw up Sohan's account

to be rendered to his executor's and Sohan's executor's account till it is finally paid.

17. X Ltd. Issued ₹ 2000 shares of ₹ 10 each at a premium of ₹ 2 per share payable ₹ 2 on application, ₹ 5 on allotment (including premium), ₹ 3 on first call and ₹ 2 on second call.

Applications were received for ₹ 3000 shares and pro-rata allotment was made among applicants for ₹ 2400 shares. Money overpaid was adjusted on sum due on allotment. R who was allotted ₹ 40 shares failed to pay allotment and first call and his shares were forfeited. M holding 60 shares failed to pay two calls and his shares were forfeited after second call. Of the forfeited share 80 shares were re-issued to K as fully paid up at ₹ 8 per share, the whole of R's shares were included. Pass the necessary journal entries, prepare forfeiture a/c and draw balance sheet.

Or

A company with an authorised capital of ₹ 500000 divided into 50000 shares of ₹ 10 each issued the entire amount of shares payable at follows: 3 with application (including 1 as premium); ₹ 3 on allotment (including 1 as premium); ₹ 3 on first call on ₹ 200 shares and the second call on ₹ 500 shares (including the ₹ 200 shares on which first call has not been paid). The above ₹ 500 shares are duly forfeited by the board and out of these ₹ 400 shares (including the ₹ 200 shares on which the first call has not been paid) are re-issued at ₹ 7 per share payable by the purchaser. Give journal entries; cash book, share forfeiture and securities premium a/c and show the balance sheet of the company.

18. A and B are partners sharing profits and losses in the ratio 3:2. The balance sheet as on 31.12.2008 stood as:

Liabilities	Am.	Assets	Am.
A's capital	65000	Fixed assets	30000
B's capital	22000	Investments	40000
Reserve	10000	Stock	25000
Creditors	30000	Book debts	24000
		Cash	8000
	127000		127000

C was admitted as a partner on this date for 25% share of profits on following terms:

Their profit sharing ratio will be 3:3:2.

- C brings ₹ 10000 for his share of goodwill and sufficient capital proportionate to his share of profit.
- Half the investment were taken over by A and B in their profit sharing ratio and remaining investment is valued at 25% more than book value.
- 10% of reserve is to be considered as provision for doubtful debts on book debts.
- Stock is valued 90% and fixed assets is reduced by 5%. Prepare revaluation account, partner's capital account and balance sheet of new firm.

Or

A, B and C were partners in a firm sharing profit in ratio 3:2:2. Whose balance sheet as on 31st dec, 2009 was as below:

Liabilities	Am.	Assets	Am.
Creditors	35000	Cash at bank	6000
General reserve	4000	Debtors	28000
A's capital	16000	Stock	30000
B's capital	15000	Furniture	12000
C's capital	10000	Patent	4000
	80000		80000

B retired on that date and in this connection, it was decided to make the following adjustment:

- To reduce stock and furniture by 5% and 10% respectively.
- To provide for doubtful debts @5% on debtors
- Expenses outstanding ₹ 300 was not yet recorded
- Goodwill was valued at ₹ 12000
- A and C decided
  - To share profit and losses in ratio 5:3 respectively
  - To readjust their capitals in the profit sharing ratio; and
  - To bring in sufficient cash to pay off B immediately and to leave a balance of 1000 in the bank. B was paid off. Give journal entries to record the above and draft the balance sheet

of the new firm.

### Part-B

19. What is the relation between Operating ratio and Operating profit ratio.

20. What is meant by 'cash equivalents'?

21. Classify the following into cash flow from i) operating activities ii) investing activities and iii) financing activities while preparing a cash flow statement:

- a) Purchase of machinery
- b) Issue of debenture
- c) Payment of dividend
- d) Issue of bonus share

22. On 1st april, 2012 Mtech Ltd. Was formed with an authorised capital of ₹ 20000000 divided into ₹ 400000 equity shares of 50 each. The company issued prospectus inviting applications for ₹ 200000 shares. The issue price was payable as under:

Application ₹ 20 ; allotment ₹ 15 ; on call balance. The issue was fully subscribed and the company allotted shares to all the applicants. The company did not make the call during the year. The also issued ₹ 10000 shares of ₹ 50 each fully paid up to the vendor for purchase of machinery. Show the 'share capital' in the balance sheet of the company as at 31st march, 2013 and also show 'Notes to Accounts'.

23. From the following Balance Sheet of RM Ltd. As at 31<sup>st</sup> march,2011 and 31st march, 2012, prepare a Common Size Balance Sheet:

	2011	2012
<b>I EQUITY AND LIABILITIES</b>		
Share Capital	300000	500000
Reserve	150000	200000
Non-Current Liabilities	400000	500000
10%loan	150000	200000
Current Liabilities	1000000	1400000
<b>II ASSETS</b>		
Non-current Assets:		
Fixed assets	600000	800000
Investments	100000	200000
Current Assets	300000	400000
	1000000	1400000

24. Debtors turnover ratio :4times; stock turnover ratio :8times; current ratio 3:1 ; average debtors; ₹ 180000; working capital turnover ratio :8times; cash sales 25% of total sales; gross profit ratio 33.33%; closing stock ₹ 10000 in excess of opening stock. Based on the above information, calculate a) sales b)cost of goods sold c) closing stock.

25. Prepare cash flow statement of A Ltd. From the following:

	2011	2012

<b>I EQUITY AND LIABILITIES</b>		
Share holders' fund		
Share capital	300000	500000
Profit and loss A/c	130000	210000
Non-current Liabilities		
10% Debentures	200000	100000
Current Liabilities		
Creditors	50000	60000
B/P	20000	15000
Provision for taxation	30000	40000
	<u>730000</u>	<u>925000</u>
II Assets		
Non – current assets		
Goodwill	60000	45000
Land and Building	200000	150000
Plant	300000	270000
Investments	-	300000
Current Assets		
Debtors		
Stock	55000	60000
Cash and bank	70000	50000
	45000	50000
	<u>730000</u>	<u>925000</u>

### Additional information

1. Dividend was proposed and paid during the year ₹ 45000
2. Income tax paid includes ₹ 4500 as dividend tax
3. Land and Building was sold at a profit of 100%