



ROLL NO.	
NAME	
CLASS & SECTION	

APEEJAY COMMON PRE-BOARD EXAMINATION, 2019-20

06

CLASS-XII

ACCOUNTANCY (Code 055)

Time allowed : 3 hrs.

Maximum Marks : 80

General Instructions :

1. This question paper consists of two parts A and B.
2. All questions are compulsory.
3. All parts of questions should be attempted at one place.
4. Show your working clearly.

(PART-A)

Accounting for Not-for-Profit Organisations, Partnership Firms and Companies

1. If Goodwill is Rs. 1,20,000, Average Profit is Rs. 60,000 Normal. Rate of Return is 10% on Capital Employed Rs. 4,80,000. Calculate capitalized value of the firm : (1)
(a) Rs. 6,00,000 (b) Rs. 5,00,000
(c) Rs. 4,00,000 (d) Rs. 7,00,000.
2. On 1st January 2019, a partner advanced a loan of Rs. 1,00,000 to the firm. In the absence of agreement, interest on loan on 31st March, 2019 will be (1)
(a) Nil (b) Rs. 1,500
(c) Rs. 3,000 (d) Rs. 6,000
3. _____ is accounted as a capital receipt and added to capital fund. It is not accounted in income because it is a one-time payment. (1)
4. Balance sheet had an investment fluctuation reserve of Rs. 20,000. New partner is admitted. Market value of investments is Rs. 60,000 against its book value of Rs. 80,000. What amount of the investments fluctuation reserve will be distributed among partners? (1)
5. State one use of securities premium reserve as per section 52(2) of the companies Act, 2013 that will increase the wealth of shareholders. (1)

P.T.O.

6. On the death of a partner, his share in the profits of the firm till the date of his death is transferred to the :
- Debit of Profit and Loss Account
 - Credit to Profit and Loss Account
 - Debit of Profit and Loss Suspense Account
 - Credit of Profit and Loss Suspense Account (1)
7. Geeta, Sunita and Anita were partners in a firm sharing profits in the ratio of 5:3:2. On 1.1.2015 they admitted Yogita as a new partner for 1/10th share in the profits. On Yogita's admission, the profit and loss account of the firm was showing a debit balance of Rs. 20,000 which was credited by the accountant of the firm to the capital accounts of Geeta, Sunita and Anita in their profit sharing ratio. Did the accountant give correct treatment? Give reason in support of your answer. (1)
8. A and B are partners sharing profits in the ratio of 7 : 3. C is admitted as a new partner. "A" gave 1/7th of his share and "B" gave 1/3rd of his share to C. New Profit-sharing Ratio will be :
- 6 : 2 : 2
 - 4 : 1 : 1
 - 3 : 2 : 2
 - None (1)
9. On dissolution of a firm, debtors were Rs. 17,000. Of these Rs. 500 became bad and rest realised 60%. Which account will be debited and by how much amount?
- Realisation Account by Rs. 16,500
 - Profit & Loss Account by Rs.500
 - Cash Account by Rs. 9,900
 - Debtors Account by Rs. 7,100. (1)
10. When the business of the firm is unlawful then it is compulsory dissolved. True/False. Give reason. (1)
11. P, Q and R are equal partners in a firm. R retires and the goodwill of the firm is valued at Rs.3,60,000. No goodwill account appears as yet in the books of the firm. P and Q agree to share future profits in the ratio of 3 : 2. Pass necessary journal entry for goodwill. (1)
12. 15% Debentures are issued as collateral security against a bank loan. Interest on these debentures will be paid at :
- 6% p.a.
 - Market rate of interest
 - 15% p.a.
 - No interest will be paid (1)
13. Calculate interest on A's drawings @ 10% if he withdrew Rs. 2, 50,000 during the year. (1)

14. Calculate the amount of subscriptions outstanding from the following information for the year ending 2018-19.

A club has 375 members each paying an annual subscription of Rs. 1,000.

Subscriptions outstanding on 31st march 2018..... Rs. 60,000

Subscriptions received in advance on 31st March 2019.....Rs. 45,000

Subscriptions received in advance on 31st March, 2018.....Rs. 18,000

The Receipt and payment Account showed a sum of Rs. 3,97,500 received as subscriptions.

(3)

OR

Punya Trust runs a charitable hospital. How will you deal with the following items while preparing Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date :

Particulars	As at 1.4.2018 (Rs.)	As at 31.3.2019 (Rs.)
Stock of Medicines	30,000	5,000
Creditors for Medicines	20,000	13,000
Advance paid for Medicines on 31 st March, 2019	—	13,000
Advance paid for Medicines carried from the year ended 31 st March, 2018	—	2,000
Amount paid for Medicines during the year	—	1,08,000

15. W, X and Y were partners sharing profits and losses in the ratio of 1:2:2. Mr Y died on 31st, December 2018. The firm closes its accounts on 31st March every year. Following adjustments were agreed upon :

- (i) Goodwill is to be calculated at the rate of two years' purchase on the basis of average of last three years' profit. The profits for the three years were as detailed below :

Year ended on	Profit/Loss (Rs.)
31 st March, 2018	30,000
31 st March, 2017	20,000
31 st March, 2016	(10,000) Loss

- (ii) Profit for the period 1st April, 2018 onward shall be ascertained proportionately on the basis of average profits of the preceding three years.
- (iii) During the year ending 31st March, 2018 a van costing Rs. 40,000 were purchased on 1st April, 2017 and wrongly debited to travelling expenses account on which depreciation is to be calculated at 20% per annum. The asset is to be brought into account at depreciated value.

Pass necessary journal entries for the treatment of goodwill and Y's share of profit at the time of his death assuming W and X share further profits and losses in the ratio of 3:2. (4)

16. P, Q and R are partners in a firm. Their Capital Accounts stood at Rs. 3,00,000; Rs. 1,50,000 and Rs. 1,50,000 respectively on 1st April, 2018.

As per the provisions of the deed: (i) R was to be allowed a remuneration of Rs. 36,000 per annum, (ii) Interest @ 5% p.a. was to be provided on capital and (iii) Profits were to be distributed in the ratio of 2:2:1. Ignoring the above terms, net profit of Rs. 1,80,000 for the year ended 31st March, 2019 was distributed among the three partners equally.

Pass the Journal entries to rectify the above errors. (4)

OR

Basu, Harish and Jadhav are partners in a firm with capital contributions of Rs. 50,000, Rs.40,000 and Rs. 30,000 respectively. Their partnership agreement provides for the following :

(i) Interest on capitals to be allowed @ 10% p.a.

(ii) Interest on drawings to be charged @ 10% p.a

(iii) Harish and Jadhav are each to be paid salaries @ Rs. 500 per month.

(iv) Basu is to be paid a commission of 5% of the net profit.

(v) The profits are to be divided as follows :

40% to Basu, 30% to Harish, 20% to Jadhav and 10% carried to a Reserve Account. The net profit for the year ended 31.03.2018 was Rs. 50,000, Basu withdrew Rs. 1,000 per month at the beginning of each month. Harish withdrew Rs. 1,000 per month in the middle of each month and Jadhav withdraw Rs. 1,000 per month at the end of each month. You are required to prepare the Profit & Loss Appropriation Account for the year ended 31.03.2018.

17. 'Tractors India Ltd.' is registered with an authorized capital of Rs. 10, 00,000 dividendo, 1,00,000 equity shares of Rs. 10 each. The company issued 50,000 equity shares at a premium of Rs. 5 per share. Rs. 2 per share were payable with application, Rs. 8 per share (including premium) on allotment and the balance amount on first and final call. The issue was fully subscribed and all the amount due was received except the first and final call money on 500 shares allotted to Balaram.

Present the 'share capital' in the balance sheet of 'Tractors India Ltd.' as per Schedule III Part I, of the Companies Act, 2013. Also prepare notes to accounts for the same.(4)

18. Pass necessary Journal entries for the following transactions in the books of X,Y and Z sharing profits in the ratio of 3:2:1 at the time of dissolution of the firm :

(i) Realisation expenses of Rs. 2,000 were to be borne by and also paid by X, partner.

- (ii) Y, a partner to bear realisation expenses agreed at Rs. 1,900. Actual expenses paid by Y were Rs. 1,500.
- (iii) A, a partner, had given loan to the firm of Rs. 10,000. It was repaid to him.
- (iv) There was a balance of Rs. 18,000 in the General Reserve on the date of dissolution. (4)
19. Given below is the Receipts and Payments Account of a Mayur Club for the year ended 31st, March, 2018.

RECEIPTS AND PAYMENTS ACCOUNT

Receipts	Rs.	Payments	Rs.
To Balance b/d	1,02,500	By Salaries	60,000
To Subscriptions:		By Expenses	7,500
2016-17 4,000		By Drama Expenses	45,000
2017-18 2,05,000		By Newspapers	15,000
2018-19 6,000	2,15,000	By Municipal Taxes	4,000
To Donations	54,000	By Charity	35,000
To Proceeds of Drama Tickets	95,000	By Investments	2,00,000
To Sale of Waste Paper	4,500	By Electricity Charges	14,500
		By Balance c/d	90,000
	4,71,000		4,71,000

Prepare club's Income and expenditure Account for the year ended 31st March, 2018 and Balance Sheet as at that date after taking the following information into Account :

- (a) There are 500 members, each paying an annual subscription of Rs. 500, Rs. 5,000 are still in arrears for the year ended 31st, March, 2017.
- (b) Municipal Taxes amounted to Rs. 4,000 per year is paid upto 30th June and Rs. 5,000 are outstanding of salaries.
- (c) Building stands in the books at Rs. 5,00,000.
- (d) 6% interest has accrued on investments for five months. (6)
20. (a) Madhur Ltd. took over the assets of Rs. 3,90,000 and liabilities of Rs. 40,000 of Rasova Ltd. for a consideration of Rs. 4,00,000. 20% was paid by a cheque and the balance by issue of fully paid equity shares of Rs.100 each at a premium of 60%. Show necessary Journal entries for these transactions in the books of Madhur Ltd.
- (b) Sh. Ganesh Ltd. issued on 1st April, 2018, 10,000, 8% Debentures of Rs. 100 each at 6% discount redeemable after five years at a premium of Rs. 10. All the debentures were subscribed. During the year ended 31st March, 2019, the company incurred a loss of Rs. 50,000. It has balance of Rs. 1,20,000 in Securities Premium Reserve. Pass the Journal entries for issue of debentures and writing off Loss on Issue of Debentures and also prepare Loss on issue of Debenture Account for the year ended 31st March, 2019. (6)

OR

G. Ltd had a balance of Rs.22,00,000 in its statement of profit and loss. Instead of declaring a dividend, it decided to redeem its Rs. 20,00,000, 9% debentures at a premium of 10% out of profits on 31st March, 2018. The company invested the required amount in fixed deposit in a bank on 30th April, 2017 earning interest @ 6% p.a Tax was deducted on interest earned @ 10% p.a by the bank. Pass the necessary journal entries in the books of the company for the redemption of debentures.

21. The Balance Sheet of Ram and Shyam, who were sharing profits in the ratio of 3:1, on 31st March 2018 as follows :

Liabilities	Rs.	Assets	Rs.
Creditors	28,000	Cash at Bank	20,000
Employees's Provident Fund	12,000	Debtors 65,000 Less : Provision for doubtful debts 5,000	60,000
General reserve	20,000		
Ram 60,000	1,00,000	Stock	30,000
Shyam 40,000		Investments	50,000
	1,60,000		1,60,000

They decided to admit Mohan on April 1st 2018 for 1/5 the share on the following terms :

- (i) Mohan shall bring Rs. 60,000 as his share of premium.
- (ii) That unaccounted accrued income of Rs. 1,000 be provided for.
- (iii) The market value of investments was Rs. 45,000.
- (iv) A debtor whose dues of Rs.5000 was written off as bad debts paid Rs. 4,000 in full settlement.
- (v) Mohan to bring in capital to the extent of 1/5th of the total capital of the new firm.

Prepare Revaluation A/c, partners Capital A/cs and the Balance Sheet of the new firm. (8)

OR

The Balance Sheet of X,Y and Z who were sharing profits in the ratio of 5:3:2 as at 31st March, 2017 :

Liabilities	Rs.	Assets	Rs.
Creditors	50,000	Cash at Bank	40,000
Employees's Provident Fund	10,000	Sundry debtors	1,00,000
Profit and Loss A/c	85,000	Stock	80,000

Capital A/cs			Fixed Assets	60,000
X	40,000			
Y	62,000			
Z		1,35,000		
	33,000			
		2,80,000		2,80,000

X retired on 31st March, 2017 and Y and Z decided to share profits in future in the ratio of 2:3 respectively.

The other terms on retirement were as follows :

- (i) Goodwill of the firm is to be valued at Rs. 80,000.
 - (ii) Fixed Assets are to be depreciated to Rs. 57,500.
 - (iii) Make a Provision for Doubtful Debts at 5% on Debtors.
 - (iv) A liability for claim, included in Creditors for Rs. 10,000, is settled and paid Rs. 8,000.
- The amount to be paid to X by Y and Z in such a way that their capitals are proportionate to their profit-sharing ratio and leave a balance of Rs. 15,000 in the Bank Account. Prepare Profit and Loss Adjustment Account Revaluation and Partner's Capital Accounts.

22. Fast Computers Ltd issued for public subscription 40,000 equity shares of Rs.10 each at a premium of Rs 2 per share payable as under.

On application Rs.4 per share; on allotment Rs. 5 per share (including premium) and on call Rs. 3 per share.

Applications were received for 60,000 shares. Allotment was made; pro-rata to the applications for 48,000 shares, the remaining being rejected. Money overpaid on applications was applied towards sum due on allotment. 'C' a shareholder, to whom 1,600 shares were allotted, failed to pay the allotment money and 'J' a shareholder to whom 2,000 shares were allotted, failed to pay the call money. These shares were subsequently forfeited. Record journal entries in the books of the company. (8)

OR

Anand Ltd., issued 50,000 shares of 10 each at a premium of 2 per share payable as follows

Rs. 3 on Application

Rs. 6 on Allotment (including premium) and

Rs. 3 On Call

Applications were received for 75,000 shares and a pro-rata allotment was made as follows.

To the applicants of 40,000 shares, 30,000 shares were issued and for the rest 20,000 shares were issued. All money due was received except the allotment and call money from Ram who had applied for 1,200 shares (out of the group of 40,000 shares). All his shares were forfeited. The forfeited shares were re-issued for Rs. 8 per share fully paid up. Pass necessary Journal entries for the above transactions.

(PART-B)

Analysis of financial Statement

23. Declaration of final dividend would result in inflow, outflow or no flow of cash. Give your answer with reason. (1)
24. What will be the operating profit ratio, if operating ratio is 83.64%? (1)
25. Fill in the missing figures.
- (a) Debt Equity Ratio = $\frac{\text{.....}}{\text{Rs.5,00,000}} = 0.36:1$
- (b) Gross Profit Ratio = $\frac{\text{Rs.30,000}}{\text{.....}} \times 100 = 25\%$ (1)
26. Carriage Inwards is shown in the Statement of Profit and Loss under :
- (a) Cost of Materials Consumed
(b) Other Expenses
(c) Employees Benefits Expenses
(d) Any of the above (1)
27. Under which head following revenue items of financial company will be shown in the statement of profit and loss of a company as per schedule III, Part II of the company Act, 2013?
- (a) Interest earned (b) Profit on sale of asset (1)
28. A Mutual Fund Company receives a dividend of Rs.20 Lakhs on its investments in another company's shares. Under which kind of activity it will be classified while preparing cash flow statement. (1)
29. Intra - Firm Analysis is also known as
- (a) Cross-section Analysis (b) Trend analysis
(c) Dividend decision Analysis (d) Debt Analysis (1)
30. Under which heads and sub heads will the following items appear in the balance sheet of a company as per schedule III, Part I of the company Act, 2013? (3)

Sr. No.	Items
A.	Interest on Calls-in-Advance
B.	Subsidy Reserve
C.	Mining Rights
D.	Proposed Dividend
E.	Loose Tools
F.	Arrears of Fixed Cumulative Dividend

OR

From the given information, calculate the Inventory turnover ratio. Revenue from Operations Rs. 2,00,000. Gross Profit 25% on cost. Inventory at the beginning is $\frac{1}{3}$ rd of the Inventory at the end which was 30% of Revenue from Operations.

31. Prepare a Common-size statement of Profit and loss of Shefali Ltd. with following information : (4)

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Revenue from operations	6,00,000	8,00,000
Indirect expenses	25% of gross profit	25% of gross profit
Cost of revenue from operations	4,28,000	7,28,000
Other income	10,000	12,000
Income tax	30%	30%

OR

From the following information provided, prepare a comparative income statement for the period 2017 and 2018.

Particulars	2017	2018
Revenue from operations	6,00,000	9,00,000
Cost of Raw Material consumed	60% of Revenue from Operations	50% of Revenue from Operations
Other Expenses as % of (Revenue from operations-Cost of Materials Consumed)	20%	15%
Income tax	50%	50%

32. Balance Sheets of PQR Ltd. as at 31st March, 2019 and 31st, March, 2018 are :

Particulars	Note No.	31.03.2019 Rs.	31.03.2018 Rs.
I. EQUITY AND LIABILITIES :			
1. Shareholder's Funds :			
(a) Share Capital		4,50,000	4,50,000
(b) Reserve and Surplus	1	3,78,000	3,56,000
2. Non-Current Liabilities :			
Long term borrowings : Mortgage Loan		2,70,000	—
3. Current Liabilities			
(a) Trade Payables		1,34,000	1,68,000
(b) Short term provision : Provision for tax		10,000	75,000
TOTAL		12,42,000	10,49,000

II. ASSETS :			
1. Non-Current Assets :			
(a) Fixed Assets (Tangible)		3,20,000	4,00,000
(b) Non-Current investments		60,000	50,000
2. Current Assets :			
(a) Current investments		17,000	19,000
(b) Inventories		2,10,000	2,40,000
(c) Trade receivables		4,55,000	2,10,000
(d) Cash & Cash Equivalents		1,80,000	1,30,000
TOTAL		12,42,000	10,49,000

Notes to Accounts :

Particulars	31 March, 2019	31 March, 2018
1. Reserve and Surplus		
General Reserve	3,10,000	3,00,000
Surplus <i>i.e.</i> Balance in Statement of Profit and Loss	68,000	56,000
	3,78,000	3,56,000

Additional Information :

- (a) Investments costing Rs. 8,000 were sold during the year for Rs. 8,500.
- (b) Provision for tax made during the year was Rs. 9,000
- (c) During the year, part of fixed assets costing Rs. 10,000 was sold for Rs. 12,000 and the gain (Profit) was included in the statement of profit and loss
- (d) Interim dividend paid during the year amounted to Rs. 40,000.

Prepare Cash Flow Statement.

(6)