CBSE

Class XII Accountancy

Delhi Board Paper_Set1_2014

Time: 3 Hrs **Max. Marks: 80**

General Instructions:

1) This question paper contains two parts **A** and **B.**
2) Part **A** is **compulsory** for all.
3) All parts of a question should be attempted at one place.

Section A

(i) This section consists of **18** questions.
(ii) All the question are compulsory.
(iii) Question Nos. **1** to **7** are very short – answer questions carrying **1** mark each.
(iv) Question Nos. **8** to **10** carry **3** marks each.
(v) Question Nos. **11** and **14** carry **4** marks each.
(vi) Question Nos. **15** to **16** carry **6** marks each.
(vii) Question Nos. **17** and **18** Carry **8** marks each.

Section B

(i) This section consists of **7** questions
(ii) All questions are compulsory
(iii) Question Nos.**19** and **21** are very short – answer carrying **1** mark each
(iv) Question Nos. **22** carry **3** marks
(v) Question Nos. **23** to **24** carry **4** marks
(vi) Question No.**25** carries **6** marks

Section A

1. What is meant by 'Reconstitution of a partnership firm'?

2. X, Y and Z are partners sharing profit in ratio of 1/2, 2/5, and 1/10. Find the new ratio of remaining partners if Z retires.

3. Distinguish between 'Dissolution of partnership' and Dissolution of partnership firm 'on the basis of closure of Books.

4. Why heirs of a retiring/deceased partner are entitled to a share of goodwill of the firm?

5. Give the meaning of 'Debenture'?

6. What is the maximum amount of discount at which forfeited share can be re-issued?

7. Give any one purpose for which the amount received as 'Securities Premium' may be utilised.

8. Saloni and Shrishti were partners in a firm sharing profits in the ratio of 7:3. Their capitals were ₹2,00,000 and ₹1,50,000 respectively. They admitted Aditi on 1st April, 2013 as a new partner for $1/6^{th}$ share in future profits. Aditi brought ₹1,00,000 as her capital. Calculate the value of goodwill of the firm and record necessary journal entries for the above transaction on Aditi's admission.

9. BG. Ltd. issued 2,000, 12% debentures of ₹100 each on 1st April 2012. The issue was fully subscribed. According to the terms of issue, interest on the debentures is payable half-yearly on 30th September and 31st March and the tax deducted at source is 10%. Pass necessary journal entries related to the debenture interest for the half-yearly ending 31st March, 2013 and transfer of interest on debentures of the year to the Statement of Profit & Loss.

10. 'Pass necessary journal entries in the following cases :

i. Z Ltd redeemed 1500, 12% debentures of ₹100 each issued at a discount of 6% by converting them into equity shares of ₹100 each issued at a premium of ₹25 per share.

ii. X Ltd. converted 1,000, 12% debentures of ₹100 each issued at a discount of ₹10 per debenture int equity shares of ₹100 each ₹90 paid up.

11. Satnam and Qureshi after doing their MBA decided to start a partnership firm to manufacture 151 marked electronic goods for economically weaker section of the society. Satnam also expressed his willingness to admit Juliee as partner without capital who is specially abled but a very creative and intelligent friend of him. Qureshi agreed to this. They formed a partnership on 1st April 2012 on the following terms :

i. Satnam will contribute ₹4,00,000 and Qureshi will contribute ₹2,00,000 as capitals.

ii. Satnam, Qureshi and Juliee will share profits in the ratio of 2:2:1.

iii. Interest on capital will be allowed @ 6% p.a. Due to shortage of capital Satnam contributed ₹50,000 on 30th September, 2012 and Qureshi contributed ₹20,000 on 1st January, 2013 as additional capitals. The profit of the firm for the year ended 31st March, 2013 was ₹3,37,800.

a. Identify any two values which the firm wants to communicate to the society.

b. Prepare Profit & Loss Appropriation Account for the year ending 31st March, 2013.

12. Virad, Vishad and Roma were partners sharing profits in the ratio of 5 : 3 :2 respectively. On march 31, 2013, their Balance Sheet as under.

Liabilities		**Amount ₹**	**Assets**	**Amount ₹**
Capital:			Building	2,00,000
Virad	3,00,000		Machinery	3,00,000
Vishad	2,50,000		Patents	1,10,000
Roma	1,50,000	7,00,000	Stock	1,00,000
Reserve Fund		60,000	Debtors	80,000
Creditors		1,10,000	cash	80,000
		8,70,000		**8,70,000**

Virad died on October 1, 2013. It was agreed between his executors and the remaining partner's that:

a. Goodwill of the firm be valued at 2 ½ years purchase of average profits for the last three years. The average profits were ₹1,50,000.

b. Interest on capital be provided at 10% p.a.

c. Profit for the year 2013-14 be taken as having accrued at the same rate as that of the previous year which was ₹1,50,000.

Prepare Virad's Capital Account to be presented to his Executors as on October 1, 2013.

13. On 1st April, 2012; Vivek Ltd. Was formed with an authorized capital of ₹1,00,00,000 divided into 2,00,000 equity shares of ₹50 each. The company issued prospectus inviting applications for 1,80,000 shares. The issue price was payable as under:

On Application: ₹15

On Allotment: ₹20

On Call: Balance amount

The issue was fully subscribed and the company allotted shares to all the applicants. The company did not make the call during the year.

Show the following:

a. Share capital in the Balance Sheet of the company as per revised Schedule-VI, Part-I of the Companies Act, 1956.

b. Also prepare 'Notes to Accounts' for the same.

14. Pass necessary journal entries for the following transactions in the books of Rajan Ltd :

a. Rajan Ltd. purchased machinery of ₹7,20,000 from Kundan Ltd. The payment was made to Kundan Ltd. by issue of equity shares of ₹100 each at 10% discount.

b. Rajan Ltd purchased a running business from Vikas Ltd. for a sum of ₹2,50,000 payable as ₹2,20,000 in fully paid equity shares of ₹10 each and balance by a bank draft. The assets and liabilities consisted of the following:
Plant & Machinery ₹90,000; Building ₹90,000; Sundry Debtors ₹30,000; Stock ₹50,000; Cash ₹20,000; Sundry Creditors ₹20,000.

15. Naveen, Seerat and Hina were partners in a firm manufacturing blanket. They were sharing profits in the ratio of 5:3:2. Their capitals on 1st April, 2012 were ₹2,00,000; ₹3,00,000 and ₹6,00,000 respectively. After the floods in Uttaranchal, all partners decided to help the flood victims personally.

For this Naveen withdrew ₹10,000 from the firm on 1st September; 2012. Seerat, instead of withdrawing cash from the firm took blankets amounting to ₹12,000 from the firm and distributed to the flood victims. On the other hand, Hina withdrew ₹2,00,000 from her capital on 1st January, 2013 and set up a centre to provide medical facilities in the flood affected area.

The partnership deed provides for charging interest on drawings @ 6% p.a. After the Final Accounts were prepared, it was discovered that interest on drawings had not been charged. Give the necessary adjusting journal entry and show the working notes clearly. Also state any two values that the partners wanted to communicate to the society.

16. Shanti and Satya were partners in firm in a sharing profit in the ratio of 4:1. On 31st march ,2013 their Balance Sheet was as follows:

Balance Sheet of Shanti and Satya as on 31st March, 2013

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	45,000	Bank	55,000
Workman Compention Fund	40,000	Debtors	60,000
Satya's Current Account	65,000	Stock	85,000
Capital's:		Furniture	1,00,000
Shanti	2,00,000	Machinery	1,30,000
Satya	1,00,000	Shanti's Current Account	20,000
	4,50,000		**4,50,000**

On the above date the firm was dissolved:

1. Shanti took over 40% of the stock at 10% less than its book value and the remaining stock was sold for ₹40,000. Furniture realized ₹80,000.
2. An unrecorded investment was sold for ₹20,000. Machinery was sold at a loss of ₹60,000.
3. Debtors realized ₹55,000.
4. There was an outstanding bill for repairs for which ₹19,000 were paid.

Prepare Realisation Account.

17. Mohan and Mahesh were partners in a firm sharing profit in the ratio 3:2. On 1st April, 2012 they admitted Nusrat as a partners in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under:

Balance Sheet of Mohan and Mahesh as on 1st April, 2012

Liabilities		Amount ₹	Assets	Amount ₹
Creditors		2,10,000	Cash in hand	1,40,000
Workman's Compensation Fund		2,50,000	Debtors	1,60,000
General Reserve		1,60,000	Stock	1,20,000
Capital:			Machinery	1,00,000
Mohan	1,00,000		Building	2,80,000
Mahesh	80,000	1,80,000		
		8,00,000		**8,00,000**

It was agreed that:

i. The value of Building and Stock be appreciated to ₹3,80,000 and ₹1,60,000 respectively.

ii. The liabilities of workmen's compensation fund was determined at ₹2,30,000.

iii. Nusrat brought in her share of goodwill ₹1,00,000 in cash.

iv. Nusrat was to bring further cash as would make her capital equal to 20% of the combined capital of Mohan and Mahesh after above revaluation and adjustments are carried out.

v. The future profit sharing ratio will be Mohan 2/5th, Mahesh 2/5th, Nusrat 1/5th.

Prepare Revaluation Account, Partner's Capital Accounts and Balance Sheet of the new firm. Also show clearly the calculation of Capital brought by Nusrat.

OR

Kushal Kumar and Kavita were partners in a firm sharing profit in the ratio 3:1:1.
On 1st April ,2012 their Balance Sheet was as follows:

Balance Sheet of Kushal, Kumar and Kavita as on 1st April, 2012

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		1,20,000	Cash		70,000
Bill payable		1,80,000	Debtors	2,00,000	
General Reserve		1,20,000	Less: Provision	10,000	1,90,000
Capital:			Stock		2,20,000
Kushi	3,00,000		Furniture		1,20,000
Kumar	2,80,000		Building		3,00,000
Kavita	3,00,000	8,80,000	Land		4,00,000
		13,00,000			**13,00,000**

On the above date Kavita retired and the following was agreed:

i. Goodwill of the firm was valued at ₹40,000.
ii. Land was to be appreciated by 30% and building was to be depreciated by ₹1,00,000.
iii. Value of furniture was to be reduced by ₹20,000.
iv. Bad debts reserve is to be increased to ₹15,000.
v. 10% of the amount payable to Kavita was paid in cash and the balance was transferred to her Loan Account.
vi. Capitals of Kushal and Kumar will be in proportion to their new profit sharing ratio. The surplus/deficit, if any in their Capital Accounts will be adjusted through Current Accounts.

Prepare Revaluation Account, Partners Capital Accounts and Balance Sheet of Kushal and Kumar after Kavita's retirement.

18. XYZ Ltd. invited applications for 40,000 equity shares of ₹100 each at a discount of 6%. The amount was payable as follows:
On Application and Allotment - ₹90 per share
On First and Final call - the balance amount
Applications for 60,000 shares were received. Applications for 10,000 shares were rejected and shares were allotted on pro-rata basis to remaining applicants. Excess application money received on application and allotment was adjusted towards sums due on first and final call. The calls were made. A shareholder, who applied for 50 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were re-issued at ₹97 per share fully paid up. Pass necessary journal entries for the above transactions in the books of XYZ Ltd.

OR

AB Ltd. invited applications for issuing 75,000 equity shares of ₹100 each at a premium of ₹30 per share. The amount way payable as follows:
On Application and Allotment - ₹85 per share (including premium)
On First and Final call - the balance amount
Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sums due to first and final call. The calls were made. A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were reissued at ₹150 per share fully paid up.
Pass necessary journal entries for the above transactions in the books of AB Ltd.

Section B

19. What is meant by 'Cash Equivalent' while preparing Cash Flow Statement?

20. State the objective of preparing 'Cash Flow statement'.

21. State any one limitation of Analysis of Financial Statement'.

22. Under which major sub-headings the following items will be placed in the Balance Sheet of a company as per revised Schedule-VI, Part-I of the Companies Act, 1956:

i. Accrued Incomes
ii. Loose Tools
iii. Provision for employees benefits
iv. Unpaid dividend
v. Short-term loans
vi. Long-term loans.

23. From the following Statement of profit and loss of the year ended 31st March, 2013; prepare a comparative statement of Profit and Loss of Good Service Ltd.

Particulars	**2012-13** ₹	**2011-12** ₹
Revenue from operation	20,00,000	15,00,000
Other expenses	10,00,000	4,00,000
Expenses	21,00,000	15,00,000

Rate of Income tax was 50%.

24. *(a)* From the Following information , compute Debt-Equity Ratio:

	₹
Long Term Borrowings	2,00,000
Long Term Provision	1,00,000
Current Liabilities	50,000

Non-Current-Assets	3,60,000
Current -Assets	90,000

(b) The current ratio of X. Ltd is 2:1. State with reason which of the following transaction would

i. Increase or
ii. decrease or
iii. not change the ratio

1. Included in the trade payables was a bills payable of ₹9,000 which was met on maturity.
2. Company issued 1,00,000 equity shares of ₹10 each to the Vendors of machinery purchased.

25. Prepare a Cash Flow Statement from the information given in the balance sheet of live Ltd. as at 31-3-2013 and 31-3-2012:

Particulars	Note No.	31-3-2013 ₹	31-3-2012 ₹
i. Equity and Liabilities			
1. Shareholders' Funds			
a. Equity Share Capital		2,10,000	1,80,000
b. Reserves and Surplus		1,32,000	24,000
2. Non-current Liabilities	1		
a. Long term-borrowing		1,50,000	1,50,000
3. Current liabilities			
a. Trade Payables		75,000	27,000
Total		**5,67,000**	**3,81,000**
ii. Assets			
1. Non- Current assets			
a. Fixed Assets			
i. Tangible Assets		2,94,000	2,52,000
b. Non –Current Investment		48,000	18,000
2. Current assets			
a. Current-Investment (marketable)		54,000	60,000
b. Inventory		1,07,000	24,000
c. Trade Receivable		40,000	17,500
d. Cash and Cash equivalents		24,000	9,500
Total		**5,67,000**	**3,81,000**

Notes to Account:
Note 1

Particulars	2013 ₹	2012 ₹
Reserve and Surplus		
Surplus (balance in statement of profit and loss)	1,32,000	24,000