



विद्या सर्वार्थ साधिका

ANANDALAYA

Practice test

Class : XII

Subject: Accountancy

Date 18/12/2019

M.M: 80

Time: 3 Hours

General Instructions:

- i. Please check that this question paper contains 32 questions.
 - ii. The paper contains two parts A and B.
 - iii. Part A is compulsory for all.
 - iv. Part B has two options - Option-I Analysis of Financial Statements and Option-II Computerized Accounting.
 - v. Attempt only one option of Part B.
- All parts of a question should be attempted at one place.

PART A

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

1. How would you account for 'subscription due to be received' in the current year in the books of a non-trading organisation? (1)
2. At what rate is interest payable on the amount remaining unpaid to the executor of deceased partner, in absence of any agreement among partners, when (s)he opts for interest and not share of profit. (1)
(a) 12% p.a. (b) 8% p.a.
(c) 6% p.a. (d) 7.5% p.a.
3. State the order in which the proceeds from the sale of Assets are utilised at the time of dissolution of a firm. (1)
(a) To pay to each partner proportionately what is due to him/her, the loans advanced by partner will be paid off.
(b) To pay to each partner proportionately what is due to him on account of capital.
(c) To pay to the third party for the firms debts.
4. A and B share profits in the ratio of 3:2. A's capital is ₹ 48,000, B's capital is ₹ 32,000. C is admitted for 1/5th share in profits. C will bring as his Capital. (1)
(a) ₹ 20,000 (b) ₹ 16,000
(c) ₹ 1,00,000 (d) ₹ 64,000
5. How is interest on drawings calculated if the drawings are made at a regular intervals as on the fifteenth day of each month? (1)
6. Anant, Gulab and Khushbu were partners in a firm sharing profits in the ratio of 5:3:2. From 1.4.2014, they decided to share the profits equally. For this purpose, the goodwill of the firm was valued at ₹ 2,40,000. Pass necessary Journal Entry for the treatment of goodwill on change in profit sharing ratio. (1)
7. Vinay and Naman are partners sharing profits in the ratio of 4:1. Their capitals were ₹ 90,000 and ₹ 70,000 respectively. They admitted Prerak for 1/3rd share in the profits. Prerak brought ₹ 1,00,000 as his capital. Calculate the value of firms goodwill. (1)
8. Kumar, Verma and Naresh were partners in a firm sharing profits and losses in the ratio of 3:2:2. (1)

On 23rd January, 2015, Verma died. Verma's share of profit till the date of his death was calculated at ` 2,350. Pass necessary Journal Entry for the same in the books of the firm.

9. A and B are partners sharing profits and losses in the ratio of 3:2. They decided to admit C as a partner for 1/6th share in the profits. On that date, "Workmen Compensation Reserve" appears in the Balance Sheet at ` 50,000 Give the accounting treatment if a claim on account of Workmen Compensation is estimated at ` 20,000. (1)
10. Fill in the blank:
Unrecorded liability paid at the time of dissolution is to be debited to _____A/c. (1)
11. The goodwill brought at the time of admission of partner will be distributed among all the partners in new Profit-sharing Ratio.State whether the given statement is True or False. (1)
12. A company Redeem 1,000 6% Debentures of Rs 100 each at 10% premium out of profit. What will be amount transferred to Debentures Redemption reserve: (1)
(a) ` 25,000 (b) ` 15,000
(c) ` 50,000 (d) ` 1,00,000
13. A portion of share capital that is reserved by the company and will be utilized only on the happening of winding up of the company is called _____ . (1)

14. Calculate the amount that will appear against the item stationery Account, in the Income and Expenditure A/c for the year ended 31st March,2019: (3)

Particulars	01.04.18	31.03.19
Creditors for Stationery	3,000	12,000
Stock of Stationery	14,000	40,000

During 2018-19, the payment made to these creditors amounted to ` 60,000. Stationery purchased in cash during the year was 25% of the total purchase of Stationery.

OR

Give any three point of difference between Receipt and Payment A/c and Income and Expenditure A/c.

15. Vikas, Vishal and Vaibhav were partners in a firm sharing profits in the ratio of 2:2:1. The firm closes its books on 31st March every year. On 31.12.2015, Vaibhav died. On that date, his Capital A/c showed a credit balance of ` 3,80,000 and Goodwill of the firm was valued at ` 1,20,000. There was a debit balance of ₹ 50,000 in the profit and loss A/c. Vaibhav's share of profit in the year of his death was to be calculated on the basis of the average profit of last five years. The average profit of last five years was ` 75,000. Pass necessary Journal Entries in the books of the firm on Vaibhav's death. (4)
16. Anwar, Biswas and Divya are partners in a firm. Their Capital Accounts stood at ` 8,00,000, ` 6,00,000 and ` 4,00,000 respectively on 1st April, 2011. They shared profits and losses in the ratio of 3:2:1 respectively. Partners are entitled to interest on capital @ 6% p.a. and salary to Biswas and Divya @ ` 4,000 per month and ` 6,000 per quarter respectively as per the provisions of partnership deed. Biswas's share of profit including interest on capital but excluding salary is guaranteed at a minimum of ` 82,000 p.a. Any deficiency arising on that account shall be met by Divya. The profits for the year ended 31st March, 2012 amounted to ` 3,12,000. Prepare Profit and Loss Appropriation A/c for the year ended 31st March, 2012. (4)

OR

Mudit, Sudhir and Uday are partners in a firm sharing profits in the ratio of 3:1:1. Their fixed capital are ` 4,00,000, ` 1,60,000 and ` 1,20,000respectively. Net profit for the year ended 31st

March, 2018 distributed amongst the partners was ₹ 1,00,000, without taking into account the following adjustments:

(a) Interest on capital @ 2.5% p.a.

(b) Salary to Mudit ₹ 18,000 p.a. and commission to Uday ₹ 12,000.

(c) Mudit was allowed a commission of 6% of divisible profit after charging such commission.

Pass adjustment entry to rectifying the above given omissions. Show working clearly.

17. On 1st April, 2014, Vinay Ltd. Was formed with an authorised capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. During the first year, ₹ 8 per share were called. Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay the first call of ₹ 2 per share. Shyam's shares were forfeited after the first call and later on 1,500 of the forfeited shares were re-issued at ₹ 6 per share, ₹ 8 called up. Prepare the 'Share Capital' in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts. (4)
18. Pass necessary Journal Entries for the following transactions on the dissolution of the firm Sudha and Shiva after the various assets (other than cash) and outside liabilities have been transferred to Realisation Account: (4)
- a) Sudha agreed to payoff her husband's loan ₹ 19,000.
- b) Sundry Creditors ₹ 10,000 were paid at 9% discount.
- c) Realisation expenses ₹ 3,400 were paid by Sudha for which she was allowed ₹ 3,000.
- d) Loss on realisation ₹ 9,400 was divided between Sudha and Shiva in 3:2 ratio.
19. Following is the Receipt and Payment Account for the year ended 31.12.2018, prepare Income and Expenditure A/c of Bharat Sports Club for the year ended 31.12.2018 (6)

Receipts and Payments Account
For the year ended 31st December, 2018

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Salary	16,500
Cash 890		By Books	17,500
Bank 9,200	10,090	By Office Expenses	4,100
To Subscriptions	22,000	By Stationery	2,300
To Life Membership Fees	32,200	By Tournament Expenses	20,500
To Tournament Fund	20,000	By Furniture Purchased	7,700
To Locker Rent	1,800	By Sports Equipments	12,000
To Interest on fixed deposit	500	By Fixed Deposit	
To Legacy	37,500	(on 01.10.18 at 10% p.a.)	30,000
To Entrance Fees	9,000	By Balance c/d	
		Cash in hand 690	
		Cash at Bank 22,000	22,690
	1,33,290		1,33,290

Additional Information: Subscriptions outstanding on 1st January, 2018 were 1,500 and on 31st December, 2018 were ₹ 2,000. On 1st January, 2018, the Club had Building ₹ 40,000, Furniture ₹ 15,000, Sports Equipments ₹ 16,000. Charge depreciation on these items @ 10% including purchases during the year.

20. Journalise the following transactions (6)
- Mehar Ltd. issued ` 1,00,000, 12% Debentures of ` 100 each at a premium of 5% redeemable at a premium of 2%
 - 12 % Debentures were issued at a discount of 10% to a vendor of machinery for payment of ` 9,00,000
 - Issue of 10,000 11% debentures of ` 100 each as collateral in favour of State Bank of India. Company opted to pass necessary entry for issue of debentures.

Or

Faith and Belief Ltd has total redeemable debentures of ` 5,00,000. It decides to redeem these debentures in two installments of ` 3,00,000 and ` 2,00,000 on December 31st 2018 and March 31st 2020 respectively. Assuming that the Company has sufficient funds in Debenture Redemption Reserve Account, pass necessary journal entries for the year ending March 31st 2020.

21. Mohan and Mahesh were partners in a firm sharing profits in the ratio of 3:2. On 1st April, 2012 they admitted Nutan as a partner in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under: (8)

Liabilities	(`)	Assets	(`)
Creditors	2,10,000	Cash in hand	1,40,000
Workmen Compensation Fund	2,50,000	Debtors	1,60,000
General Reserve	1,60,000	Stock	1,20,000
Capital A/cs:		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:

- The value of building and stock be appreciated to ` 3,80,000 and ` 1,60,000 respectively.
- The liabilities of workmen compensation fund was determined at ` 2,30,000.
- Nutan bought in her share of goodwill ` 1,00,000 in cash.
- Nutan 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.
- The future profit sharing ratio will be 2:2:1.

Prepare Revaluation A/c, Partner's Capital A/c, and Balance Sheet of the new firm.

OR

The Balance Sheet of A , B and C who are partners in a firm sharing profits in the ratio of 2:1:1 as at 31st March, 2019 was as follows:

Liabilities	(`)	Assets	(`)
Creditors	1,22,000	Buildings	2,00,000
Capital A/cs:		Machinery	1,00,000
A 1,60,000		Stock	36,000
B 40,000		Debtors 40,000	
C 40,000	2,40,000	Less: Provision 2,000	38,000
General Reserve	40,000	Cash at Bank	28,000
	4,02,000		4,02,000

On 1st April, 2019, B decided to retire from the firm subject to the following:

- Building to be appreciated by 20%.
- Provision for Bad Debts to be increased to 15% on Debtors.
- Machinery to be depreciated by 20%.
- Goodwill of the firm is valued at ₹ 1,44,000 and the retiring partner's share is adjusted through the capital account of remaining partners.
- Capital of the new firm in total will be the same as before the retirement of B and will be in the new profit sharing ratio of the continuing partners.

Prepare Revaluation A/c, Partner's Capital A/c, and Balance Sheet of the new firm.

22. KS Ltd. Invited applications for issuing 1,60,000 equity shares of ₹ 10 each at a premium of ₹ 6 (8) per share. The amount was payable as follows:
 On Application ₹ 4 per share (including premium ₹ 1 per share)
 On Allotment ₹ 6 per share (including premium ₹ 3 per share)
 On first and final call - Balance.
 Application for 3,20,000 shares were received. Applications for 80,000 share were rejected and application money refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received with applications was adjusted towards sums due on allotment. Jain holding 800 shares failed to pay the allotment money. His shares were forfeited immediately after allotment. Afterwards, the final call was made. Gupta who had applied for 1,200 shares failed to pay the final call. These shares were also forfeited. Out of the forfeited shares, 1,000 shares were re-issued at ₹ 8 per share fully paid up. The re-issued shares included all the forfeited shares of Jain.
 Pass necessary Journal entries for the above transactions in the books of KS.

OR

- a) Y Ltd. Forfeited 1,500 shares of ₹ 10 each, ₹ 7 called up for non-payment of allotment money of ₹ 4 per share including ₹ 1 as premium. Of these 1,000 shares were reissued to M at ₹ 6 per shares as ₹ 7 called up. Record the Journal entries for the forfeiture and reissue of share.
- b) The Directors of a company forfeited 200 shares of ₹ 10 each issued at a premium of ₹ 3 per share, for the non payments of the first call money of ₹ 3 per share. The Final call of ₹ 2 per share has not been made. Half the forfeited shares were reissued at ₹ 1,000 fully paid. Record the Journal entries for the forfeiture and reissue of share.
- c) Sundaram Ltd. Purchased Furniture for ₹ 3,00,000 from Ravindran Ltd. ₹ 1,00,000 were paid by drawing a bills of exchange in favour of Ravindran Ltd. The balance was paid by issue of Equity Shares of ₹ 10 each at a premium of 25%.

Pass necessary journal entries in the books of Sundaram Ltd.

Part B: Analysis of Financial Statements

Option-I

23. What will be the operating profit ratio, if operating ratio is 86.64%? (1)
24. The two basic measures of Liquidity ratios are: (1)
 (a) Net profit Ratio and Current Ratio (b) Current Ratio and Gross Profit Ratio
 (c) Current Ratio and Acid Test Ratio (d) Operating Ratio and Return on Investment
25. Debt Equity Ratio of X Ltd. is 1:2. What is the effect of conversion of debenture into Preference Shares on this ratio? (1)
26. State the interest of tax authorities in the analysis of financial statement. (1)
27. While preparing Cash Flow Statement, the accountant of Gulfam Ltd. , a financing company showed ' dividend received on Investment' as investing Activity. Was he correct in doing so? Give reason. (1)
28. Rent received is operating activity by manufacturing concern. State whether the given statement is True or False. (1)
29. While preparing Cash Flow Statement, match the following activities (1)
- | | |
|---|-----------------------|
| I. Payment of cash to acquire Debenture by an Investing Company | a. Financing activity |
| II. Purchase of Goodwill | b. Investing activity |
| III. Dividend paid by manufacturing company | c. Operating activity |

30. Net Profit after Interest but before tax is ₹ 1,40,000; 15% Long term debts ₹ 4,00,000; (3)
Shareholders Funds ₹ 2,40,000; Tax rate 50%. Calculate Return on Capital Employed.

OR

Classify the following items under Major Head and Sub- Head in the Balance Sheet of a company as per Schedule III of the Companies Act. 2013. (Any three)

- (a) Capital Work -in- progress (b) Provision for Warranties
(c) Income received in advance (d) Capital Advance

31. From the following Comparative Statement of Profit & Loss for the years ended 31st March, (4)
2019 and 2018, ascertain the missing values:

**Comparative Statement of Profit & Loss
For the year ended 31st March, 2018 & 2019**

particulars	Note No.	31.03.18 (₹)	31.03.19 (₹)	Absolute change	Percentage change
I. Revenue from Operation		16,00,000	.....	4,00,000	25
II. Expenses					
Employees Benefit Expenses		10,00,000	2,00,000	25
Other Expenses		2,00,000	1,00,000	.....	(50)
III. Total Expenses		10,00,000	11,00,000	.....	.....
IV. Profit before Tax (I-III)		6,00,000	9,00,000	3,00,000	.....
Less: Tax @ 40%		2,40,000	....	1,20,000	50
V. Profit after Tax		5,40,000	1,80,000	.....

OR

Prepare the common size income statement from the following information:

Particulars	Note No.	31-03-2018	31-03-2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital		2,50,000	2,00,000
(b) Reserves and Surplus		80,000	60,000
(2) Current Liabilities:			
Trade payables		70,000	40,000
Total		<u>4,00,000</u>	<u>3,00,000</u>
II. ASSETS			
(1) Non- Current Assets			
a) Fixed Assets			
i) Tangible assets		1,60,000	1,20,000
ii) Intangible assets		20,000	30,000
(2) Current Assets:			
(a) Inventories		80,000	30,000
(b) Trade Receivables		1,20,000	1,00,000
(c) Cash and cash equivalent		20,000	20,000
Total		<u>4,00,000</u>	<u>3,00,000</u>

32. Following is the Balance Sheet of Vishva Ltd., prepare Cash Flow Statement for the year ended 31st March, 2018: (6)

Particulars	Note No.	31-03-2018	31-03-2017
II. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital		1,02,000	84,000
(b) Reserves and Surplus	1	36,000	22,560
(2) Non- Current Liabilities			
Long-term Borrowing	2	60,000	48,000
(3) Current Liabilities:			
(a) Short term Borrowing	3	10,000	5,000
(b) Trade payables		28,800	36,000
(c) Short term provisions	4	16,800	18,000
Total		<u>2,53,600</u>	<u>2,13,560</u>
II. ASSETS			
(1) Non- Current Assets			
(a) Fixed Assets			
(i) Tangible asset	5	1,18,800	1,32,000
(2) Current Assets:			
(a) Inventories		61,800	45,600
(b) Trade Receivables	6	33,600	27,600
(c) Cash and cash equivalent		39,400	8,360
Total		<u>2,53,600</u>	<u>2,13,560</u>

Note to Accounts

	31-03-2018	31-03-2017
1. Reserves and Surplus		
Surplus i.e. Balance in statement of profit & loss	15,600	5,760
General Reserve	20,400	16,800
	<u>36,000</u>	<u>22,560</u>
2. Long term Borrowings		
10% Debentures	60,000	48,000
3. Short term Borrowings		
Bank Overdraft	10,000	5,000
4. Short term Provisions		
Provision for Income Tax	16,800	18,000
5. Tangible assets:		
Land and Building	96,000	97,200
Plant and Machinery	22,800	34,800
	<u>1,18,800</u>	<u>1,32,000</u>
6. Trade Receivables		
Debtors	19,200	24,000
Bills Receivable	14,400	3,600
	<u>33,600</u>	<u>27,600</u>

Additional Information:

- Tax paid during the year 2017-18 ` 14,400.
- Depreciation on plant charged during the year 2017-18 was 14,400.
- Additional debentures were issued on March 31,2018.