

PRACTISE QUESTION PAPER-1 (2019-20)

ACCOUNTANCY- Class XII

Time allowed: 3 hours

Maximum Marks: 80

General instructions:

- i. This question paper contains two parts- A and B.
- ii. 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 is the following item presented in the financial statements of a Not-for-profit organization:- (i) outstanding interest on sports fund investment ₹ 2,000	1
2.	Arun, Ajay and Dinesh are partners sharing profit and losses in the ratio of 4:3:1: Ajay retires and gives his share of profit to Arun ₹ 7,200 and C ₹ 9,000. What is the Gaining sharing ratio of Arun and Dinesh? (a) 4:5 (b) 2:1 © 68:48 (d) 4: 1	1
3.	At the time of dissolution, partner's loan ₹ 20,000 appeared on the asset side. Pass the necessary journal entry for the settlement of the above.	1
4.	Asha and Nisha are partner's sharing profit in the ratio of 2:1. Asha's son Ashish was admitted for 1/4 share of which 1/8 was gifted by Asha to her son. The remaining was contributed by Nisha. Goodwill of the firm in valued at ₹80,000. How much of the share of premium of goodwill will be credited to the old partner's capital account if Ashish brings his share of premium for goodwill in cash. (a) ₹5,000 each (b) ₹10,000 each (c) ₹40,000 each (d) None of the above.	1
5.	In case of insufficient profits (Net profit is less than the interest of capital and partners salary), amount of profit is distributed by the accountant in partners profit sharing ratio. Is accountant correct?	1
6.	X, Y and Z sharing profits in the ratio of 2:2:1. They decided to share future profits w.e.f. 1 st April 2019 in the ratio of 5:3:2. On this date General reserve appeared in the books ₹ 1,00,000. Pass necessary journal entry.	1
7.	Anu, Prisha and Nipun are equal partners. Priya is admitted to the firm for one- fourth share. Priya brings ₹ 4,00,000 capital and ₹ 70,000 being one third of her share of the premium for goodwill. Calculate total goodwill of the firm.	1
8.	Name the Accounting standard which implies that normally goodwill should not be brought into books unless it is paid for, and whenever it is recorded it should be written- off over a period?	
9..	S, T and U were partners in a firm sharing profits in the ratio of 5:4:1. The profit of the firm for the year ending on March 31, 2019 was ₹.1,00,000. T dies on June 30, 2019. Champak's share of profit for the period from April 1 to June 30, 2019 is calculated ₹ 12,000. Pass necessary journal entry.	1
10.	State the order of losses, including deficiencies of capital, shall be paid in case of dissolution of partnership firm. I. Out of capital of partners II. Out of profits III. By the partners individually in their profit sharing ratio	1
11.	X, Y and Z are equal partners in a firm. They decided to share profits in future in the ratio of 2:2:1. Goodwill is valued on that is ₹ 60,000. Give adjustment entry for the Goodwill.	1
12.	The director of Krish Limited resolved that 200 equity shares of Rs.100 each be forfeited for non-payment of the second and final call of Rs.30 per share. State the total amount of maximum discount which can be allowed in case of reissue of these shares.	1
13.	A Ltd. Company has issued ₹ 1,00,000, 9% debentures at a discount of 6%. On 1.4.2019 These debentures are to be redeemed equally, spread over 5 annual instalments. State the amount of discount to be written off in the year 2019-20 as per AS-16.	1
14.	Find out the cost of medicines consumed during 2018-19 from the following information: Payment for purchase of medicines ₹3,70,000 Creditors for medicines purchased: On 1.4.2018 ₹25,000	3

	<p>On 31.3.2019 ₹17,000 Stock of Medicines: On 1.4.2018 ₹62,000 On 31.3.2019 ₹54,000 Advance to suppliers of medicines: On 1.4.2018 ₹11,500 On 31.3.2019 ₹18,200</p> <p style="text-align: center;">OR</p> <p>Show how you would deal with the following items in the financial statements of a Club as on 31-03-19 General Fund ₹80,000(1-04-18),10% General Fund Investments ₹80,000(1-4-18),Interest from General Fund Investments during 2018-19₹6,000, Prizes awarded ₹6,000</p>	
15.	<p>T, P and N were Partners in the firm sharing profits in the ratio of 5:3:2. The firm closes its books on 31st march every year. On 31stJuly ,2018 N'S died . On that day his capital account showed a credit balance of ₹ 4,00,000 and Goodwill of the firm was valued at ₹ 3,10,000. There was a debit balance of ₹ 1,00,000 in the profit and loss account. Naresh's share of profit in the year of death was to be calculated on the basis of average profit of last 3 year. The average profit of last 3 year was ₹ 1,50,000. Pass necessary journal entries in the books on N's death.</p>	4
16.	<p>A Ltd. issued 10,000 equity shares of ₹100 each at 10% premium. The net amount payable as follows: On application ₹20 On allotment ₹50 (Rs.40 + premium Rs.10) On first call ₹30 On final call ₹10</p> <p>A shareholder holding 200 shares did not pay final call. His shares were forfeited. Out of these 150 shares were reissued to Mr. B at ₹75 per share.</p> <p>Present the share capital as per schedule III of ofCompanies act 2013.</p>	4
17.	<p>A and B are partners sharing profits and losses in the ratio of 3 : 2. Their capital accounts showed balances of ₹3,00,000 and ₹4,00,000 respectively on Apr. 01, 2018. Show the treatment of interest on capital for the year ending Mar. 31, 2019 in each of the following alternatives:</p> <p>(a) If the partnership deed is silent as to the payment of interest on capital and the profit for the year is ₹1,00,000;</p> <p>(b) If partnership deed provides for interest on capital @ 8% p.a. and the firm incurred a loss of ₹20,000 during the year;</p> <p>(c) If partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ₹1,00,000 during the year;</p> <p>(d) If the partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ₹28,000 during the year.</p> <p style="text-align: center;">OR</p> <p>The net profit of X, Y and Z for the year ended March 31, 2019 was ₹1,20,000 and the same was distributed among them in their agreed ratio of 3 : 1 : 1. It was subsequently discovered that the under mentioned transactions were not recorded in the books :</p> <p>(i) Interest on Capital @ 5% p.a. (ii) Interest on drawings amounting to X ₹1,400, Y ₹1,000 and Z ₹600. (iii) Partner's Salary : X ₹2,000, Y ₹3,000 p.a.</p> <p>The capital accounts of partners were fixed as : X ₹2,00,000, Y ₹1,60,000 and Z ₹1,20,000. Record the adjustment entry.</p>	4
18.	<p>What journal entries would be recorded for the following transactions on the dissolution of a firm after various assets (other than cash) on the third party liabilities have been transferred to Realisation account.</p> <ol style="list-style-type: none"> 1. Atook over the Stock worth ₹95,000 at ₹78,000. 2. There was unrecorded Furniture of ₹40,000 half of which was taken over By Mr. K , a partner and remaining taken over by creditors in full settlement of their claim of ₹35,000 3. Sundry creditors amounting to ₹36,000 were settled at a discount of 15%. 4. Loss onRealisation₹21,000 was to be distributed between A and K in the ratio of 3:4. 	4
19.	<p>A company issues the following debentures:</p> <ol style="list-style-type: none"> (i) 10,000, 12% debentures of ₹100 each at par but redeemable at premium of 5% after 5 years; (ii) 10,000, 12% debentures of ₹ 100 each at a discount of 10% but redeemable at par after 5 years; (iii) 5,000, 12% debentures of ₹1000 each at a premium of 5% but redeemable at par after 5 years; (iv) 1,000, 12% debentures of ₹ 100 each issued to a supplier of machinery costing ₹ 95,000. The debentures are repayable after 5 years; and (v) 300, 12% debentures of ₹ 100 each as a collateral security to a bank which has advanced a loan of ₹ 25,000 to the company for a period of 5 years. 	6

Pass the journal entries to record the issue of debentures in all the above cases.

OR

XYZ Ltd. issued 200, 15% debentures of ₹ 100 each on April 01, 2016 at discount of 10% redeemable at premium of 10% out of profits. Give journal entries at the time of issue and redemption of debentures if debentures are to be redeemed in lump sum at the end of 4th year. The directors decided to transfer the minimum amount to Debenture Redemption Reserve on March 31, 2019. Ignore interest on debentures entries.

20. The following receipts and payment account of a club for the year ended 31st march, 2019:

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Receipts	Amount ₹	Payments	Amount ₹
Cash in hand (1-4-18)	2,00,000	Salaries	1,00,000
Subscription		Entertainment expenses	20,000
2017-18 5,000		Electricity expenses	20,000
2018-19 2,50,000		General expenses	10,000
2019-20 10,000		Misc. expenses	10,000
-----	2,65,000	Investment(10% p.a. on 1.10.18)	1,00,000
Entertainment receipts	50,000	Stationery	30,000
Sale of old furniture(book value ₹10,000)	8,000	Newspaper	10,000
	2,000	Furniture	50,000
Sale of newspaper		Cash in hand(31.3.19)	1,75,000
	5,25,000		5,25,000

- I. The club has 300 members each paying an annual subscription of ₹1,000; subscription outstanding for the year 2017-18 were ₹7,000.
 - II. Salaries includes ₹10,000 for the year 2017-18 and ₹20,000 for the year 2019-20
 - III. Opening stock of stationery ₹10,000 and closing stock of stationery ₹15,000.
 - IV. On 1.4.18, the club owned land and building ₹10,00,000; furniture valued ₹2,00,000 and car ₹3,00,000.
- Prepare income and expenditure account and balance sheet for the year ended 31st march 2019.

21. Following is the Balance Sheet of A, B and C sharing profits and losses in the ratio of 6:5:3 respectively

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BALANCE SHEET

Liabilities	₹	Assets	₹
Creditors	37,800	Cash	3,780
Bill Payable	12,600	Debtors	52,920
General reserve	21,000	Stock	58,800
A's capital	70,800	Furniture	14,700
B's capital	59,700	Land and Building	90,300
C's capital	29,100	Goodwill	10,500
	<u>2,31,000</u>		<u>2,31,000</u>

They agreed to take into partnership giving 1/0th share in profits on the following terms:

- (a) Furniture to be depreciated by ₹1,840 Stock by 10%

- (b) A provision of ₹2,640 to be made for an outstanding bill for repairs.
(c) That land and building be brought up to ₹1,19,700.
(d) That the goodwill is valued at ₹28,140.
(e) That D should bring in ₹35,400 as his capital and his share of goodwill in cash.
(f) After making the above adjustments the capital of old partners be adjusted in proportion to D's Capital by bringing in cash or excess to be paid off.
Prepare Revaluation Account, Capital Account of Partners and balance Sheet of new firm.

OR

Vijay, Vivek and Vinay were partners in a firm sharing profits in 2:2:1 ratio. On 31.03.2019 Vivek retired from the firm. On the date of Vivek's retirement the balance sheet of the firm was as follows :

BALANCE SHEET

Liabilities	₹	Assets	₹
Creditors	54,000	Bank	55,200
Bills Payable	24,000	Debtors	12,000
Outstanding	4,400	Less : Provision for	
Rent Provision	12,000	doubtful debts	800
for Legal		Stock	18,000
Claims		Furniture	8,000
Capitals :		Premises	1,94,000
Vijay	92,000		
Vivek	60,000		
Vinay	40,000		
	1,92,000		
	2,86,400		2,86,400

On Vivek's retirement it was agreed that:

- i. Premises will be appreciated by 5% and furniture will be appreciated by ₹2,000. Stock will be depreciated by 10%.
- ii. Provision for bad debts was to be made at 5% on debtors and provision for legal damages to be made for ₹14,400.
- iii. Goodwill of the firm is valued at ₹48,000.
- iv. ₹50,000 from Vivek's Capital A/C will be transferred to his loan A/c and the balance will be paid by cheque.

Prepare revaluation a/c, partners Capital A/cs And Balance Sheet of Vijay and Vinay after Vivek's retirement.

22. Super Star Ltd. issued a prospectus inviting applications for 2,000 shares of ₹10 each at a premium of ₹2 per share, payable as: On applications - ₹3 (including ₹1 premium), On allotments - ₹4 (including ₹1 premium) On first call - ₹3, On second and final call - ₹2 Applications were received for 3,000 shares and pro rata allotments were made on the applications for 2,400 shares. It was decided to utilise excess applications money towards the amount due on allotments. Ramesh to whom 40 shares were allotted, failed to pay the allotments money and on his subsequent failure to pay the first call, his shares were forfeited. Rajesh who applied for 72 shares failed to pay the two calls on such failures, his shares were forfeited of the shares forfeited, and 80 shares were sold to Krishna credited as fully paid up for ₹9 per share, the whole of Ramesh's share being included. Give journal entries to record the above transactions (including cash transactions).

OR

(a) Bright Ltd. was registered with a share capital of ₹10,00,000 in equity shares of ₹10 each.

Income Tax Rate (of profit before tax) 50% 50%

OR

From the following comparative statement of profit and loss fill in the blanks:

Comparative statement of profit and loss
For the year ended 31st march 2018 & 2019

Particulars	Note No.	31.3.18 (A) (₹)	31.3.19 (B) (₹)	Absolute change (₹) C= (B-A)	Percentage change (%) D= C/A X 100
I. Revenue from operations		45,00,000	-----	15,00,000	-----
II. Expenses					
(a) employee benefit expenses		-----	30,00,000	7,50,000	-----
(b) depreciation		6,00,000	-----	-----	25
(c) other expenses		10,00,000	15,50,000	-----	-----
Total expenses		-----	-----	-----	-----
III. Profit before tax (I-II)		-----	-----	-----	-----
IV. Less tax @ 30%		-----	-----	-----	-----
V. profit after tax		4,55,000	-----	35,000	-----

32. From the following Balance Sheet of Kavita Limited as on March 31, 2019, prepare a Cash Flow Statement:

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Particulars	Note Number	31-3-2019 (₹)	31-3-2018 (₹)
I. Equity and Liabilities			
(1) Shareholders' Funds			
(a) Equity Share Capital	1	5,00,000	5,00,000
(b) Reserves and Surplus		1,20,000	60,000
(2) Non- Current Liabilities			
Long-Term Borrowings- 12 % Debentures		1,60,000	1,20,000
(3) Current Liabilities			
(a) Trade Payables	2	90,000	1,20,000
(b) Other Current Liabilities	3	90,000	80,000
Total		9,60,000	8,80,000
II. Assets			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	4	6,70,000	6,00,000
(b) Non-Current Investments	5	1,20,000	80,000
(2) Current Assets			
(a) Inventories		60,000	80,000
(b) Trade Receivables		80,000	80,000
(c) Cash and Cash Equivalents		30,000	40,000
Total		9,60,000	8,80,000

Notes to accounts:

1	Reserves and Surplus		
	General Reserve	60,000	60,000
	Balance in Statement of Profit & Loss	60,000
		1,20,000	60,000
2	Trade Payables		
	Creditors	70,000	60,000
	Bills Payable	20,000	60,000
		90,000	1,20,000
3	Other Current Liabilities		
	Outstanding Rent	90,000	80,000
		90,000	80,000
4	Tangible Assets		
	Plant & Machinery	7,45,000	6,50,000
	Accumulated Depreciation	(75,000)	(50,000)
		6,70,000	6,00,000
5	Non-Current Investments		
	Shares in XYZ Limited	1,20,000	80,000
		1,20,000	80,000

Additional Information:

- (a) During the year 2018-19, a machinery costing ₹ 25,000 and accumulated depreciation thereon ₹ 7,500 was sold for ₹16,000.
- (b) 12% Debentures ₹ 40,000 were issued on Oct.1, 2018.