

KENDRIYA VIDYALAYA SANGATHAN, CHENNAI REGION
COMMON PRE-BOARD EXAMINATIONS
XII-ACCOUNTANCY

MAX: 80 MARKS

TIME: 3 HOURS

General Instructions:

- (i) *This paper consists of two parts- A and B.*
 - (ii) *Part A and Part B are compulsory.*
 - (iii) *All parts of the questions should be attempted at one place.*
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PART-A

1. Mohan and Shyam are partners in a firm. State whether the claims is valid if the partnership agreement is silent in the following matters.
 - (a) Mohan is an active partner. He wants salary of Rs.15,000 p.a.
 - (b) Shyam has contributed Rs.2,00,000 as capital and wants interest on capital to be credited @ 6% p.a.(1)
2. Briefly explain the meaning of debentures issued as collateral securities.(1)
3. A and B are partners in a firm sharing profits in the ratio of 3:2. Their capitals were Rs.80,000 and 50,000 respectively. They admitted C as a new partner for 1/5th Share in the future profits. C brought Rs.60,000 as his capital. **Calculate the value of Goodwill of the firm.(1)**
4. Sahil, a shareholder failed to pay the share second and final call of Rs.20 on 1000 shares issued to him @ Rs.120 (Face value of Rs.100). His shares were forfeited after the second and final call. **Give necessary journal entry for the forfeiture of shares.(1)**
5. Alka, Harpreet and Shreya are partners in the ratio of 3:2:1. Alka retires and her share is taken up by Harpreet and Shreya in the ratio of 3:2. **Calculate the new profit sharing ratio.(1)**
6. There was an old typewriter which was written- off in the books of accounts in the previous year. The same has been taken over by a partner Nitin for Rs. 3000.**Journalise, supposing the firm has been dissolved. (1)**
7. Jaya Ltd. invited application for 30,000 equity shares of Rs.10 each. The amount payable along with application is Rs.10. This issue was fully subscribed. **Give journal entries on the above transaction and also show the B/S of the company. Also prepare notes to A/c for the same.(3)**
8. A Ltd. took over the assets of Rs.3,00,000 and liabilities of Rs. 10,000 from B Ltd for an agreed purchase consideration of Rs.2,70,000 to be satisfied by issue of equity shares of Rs.100 each at a premium of 20% p.a. **Show the journal entries in the books of A Ltd.(3)**
9. X Ltd decided to redeem Rs.25000, 12% debentures. It purchased Rs.20,000 debentures in the open market @ Rs.98.50. The expenses being Rs.100 and redeemed the balance of Rs.5,000 debentures by draw of lots. **Journalize.(3)**

10. Distinguish between Fixed and Fluctuating Capital A/c on the basis of

- (a) Number of Accounts
- (b) Adjustments
- (c) Credit balance (3)

11. Kavitha and Lalitha are partner sharing profits in the ratio of 2:1. They decide to admit Mohan with 1/4th Share in profits with a guaranteed amount of Rs.25,000. Both Kavitha and Lalitha undertake to meet the liabilities arising out of guaranteed amount to Mohan in their respective profit sharing ratio. The profit sharing ratio between Kavitha and Lalitha doesn't change. The firm earned profits of Rs.76,000 for the year 2015-16. Show the distribution among the partners. Also pass journal entries. (4)

12. Fill in the blanks:

(Journal Entries at the time of dissolution after various assets (other than cash) and outside liabilities have been transferred to Realization A/c)		
_____ Dr. To _____ (being the partners loan discharged)	10000	10000
_____ Dr. To _____ (being the realization expenses paid by partner X)	6000	6000
_____ Dr. To _____ (being bank loan paid)	8000	8000
_____ Dr. To _____ (being furniture taken by partner Y)	2000	2000

(4)

13.

(a) A , B and C are partners producing electronic goods and sharing profits & losses in the ratio of 2:3:4. They decided to share future profits in the ratio of 4:3:2. They also decided to record the effect of the following without affecting their book value.

General Reserve	1,60,000
P & L A/c (Cr)	80,000
Advertisement Suspenses A/c	60,000

You are required to give necessary journal entries.

(b) New electronics waste management and handling rules were implemented across the country. Hence the partners decided to spend 2% of their revenue for this purpose. Identify two values which motivates them to make such a decision. **(4+2)**

14. Lalit, Pankaj and Rahul are partners sharing profits & losses in the ratio of 4:3:3. After all adjustments on Lalit's retirement with respect to reserve, goodwill and revaluation etc, the balances in their capital A/c stood at Rs.70,000 , Rs.60,000 and Rs.50,000.

It was decided that the amount payable to Lalit will be brought by Pankaj and Rahul in such a way as to make their capitals proportionate to their profit sharing ratio. The new ratio between Pankaj and Rahul is 1:1. Calculate the amount to be brought by Pankaj and Rahul. Record the necessary journal entry for the same. Also record necessary entry for Payment to Lalit. **(6)**

15. The directors of Kumar Ltd. purchased assets of Rs.630000 from Bhanu Ltd. Kumar Ltd. issued 12% debentures of Rs. 100 each fully paid in consideration. What journal entries will be made if the debentures are issued

- (a) At a discount of 10%
- (b) At a premium of 20%
- (c) At par **(6)**

16. Puneet, Pankaj and Pammy are partners in a business sharing profits and losses in the ratio of 2 : 2 : 1 respectively. Their balance sheet as on March 31, 2007 was as follows:

**Books of Puneet, Pankaj and Pammy
Balance Sheet as on March 31, 2007**

Liabilities	Rs.	Assets	Rs.
Creditors	1,00,000	Cash at bank	20,000
Capital A/cs		Stock	30,000
Puneet 60,000		Sundry debtors	80,000
Pankaj 1,00,000		Investments	70,000
Pammy 40,000	2,00,000	Furniture	35,000
Reserve	50,000	Buildings	1,15,000
	3,50,000		3,50,000

Mr. Pammy died on September 30, 2007. The partnership deed provided the following:

(i) The deceased partner will be entitled to his share of profit up to the date of death calculated on the basis of previous year's profit.

(ii) He will be entitled to his share of goodwill of the firm calculated on the basis of 3 years' purchase of average of last 4 years' profit. The profits for the last four financial years are given below:

for 2003-04; Rs. 80,000; for 2004-05, Rs. 50,000; for 2005-06, Rs. 40,000;
for 2006-07, Rs. 30,000.

The drawings of the deceased partner up to the date of death amounted to Rs. 10,000. Interest on capital is to be allowed at 12% per annum.

Surviving partners agreed that Rs. 15,400 should be paid to the executors immediately and the balance in four equal yearly instalments with interest at 12% p.a. on outstanding balance.

Show Mr. Pammy's Capital account, his Executor's account till the settlement of the amount due. **(8)**

(OR)

X and Y are partners sharing profits in the ratio of 2:1. Z is admitted into to the firm with 1/4th share in profit. He will bring Rs.30,000 as capital and the capital's of X and Y are to be adjusted in the profit sharing ratio.

Balance Sheet as on 31st March, 2015			
Assets	Rs.	Liabilities	Rs.
Creditors	8000	Cash	12000
Bills payable	4000	Debtors	8000
Reserve	6000	Stock	10000
X's Capital	50000	Furniture	5000
Y's Capital	32000	Machinery	25000
		Buildings	40000
	100000		100000

Other terms of agreement are as under :-

1. Z will bring Rs.12,000 as his share of goodwill.
2. Building was undervalued by Rs.5000 and machinery was overvalued by Rs.2000.
3. A provision for Bad debts to be created @ 6% on debtors.
4. The capitals of X and Y are to be adjusted by opening current account.

Show Ledger A/c and prepare Balance Sheet. (8)

17. K ltd. With an authorized capital of Rs.2,00,000 divided into 20,000 equity shares of Rs.10 each.

The entire amount of the Share payable on
Rs.5 on application (including premium of Rs.2)
Rs.4 on allotment and Rs. 3 on call.

Mr.X holder of 1300 shares failed to buy his call money, subsequently his shares were forfeited.

Of these, 800 shares were re-issued @ Rs.15 to Kumar and 300 shares were re-issued @Rs. 8 to Anand.

PASS NECESSARY JOURNAL ENTRIES.

(OR)

Journalize the following transactions:-

- (a) 150 shares of Rs. 10 each issued at a premium of Rs. 4 were forfeited for non-payment of allotment Rs.8 (including premium). The first and final call of Rs.4 per share were not made. These shares were re-issued @ Rs.15.
- (b) 400 shares of Rs. 50 each issued at par were forfeited for non-payment of final call Rs.10 per share. Of these shares, 300 were re-issued @ Rs.45 per share fully paid.

- (c) Gee Ltd. made first call Rs.2 per share on its 1,00,000 shares on 1st March,2015. Ram a shareholder paid the second and final call Rs.3 along with the first call number. Pass journal for recording the above using the calls in Advance A/c.(3+3+2)

PART-B

(Analysis of Financial Statements)

18. State whether depreciation charged by the company-wise result in inflow, outflow or no-flow of cash.(1)
19. Give two examples of “Significant Non-Cash transactions”.(1)
- 20.
- (a) State two objectives of Analysis of financial statements.
- (b) Mention any two items that are shown under the head *Other Current Assets* in the balance sheet of a company as per Schedule III of the Companies Act, 2013.(2+2)
- 21.
- (a) Cost of goods sold- Rs.150000
Operating expenses - Rs. 60,000
Sales is- Rs.2,60,000 and sales return is Rs.10,000.
Calculate Operating Ratio.
- (b) Calculate Average collection period sales Rs.875000. Accounts receivable Rs.107000.(2+2)
22. **From the following Balance Sheets of KALYAN Ltd. as on 31st March 2015 and 2014.**

Prepare a comparative Balance Sheet.

Particulars	Note No.	31/03/2015	31/03/2014
I. <u>Equities and liabilities</u>			
1. <u>Share holders fund</u> Shares Capital		1200000	800000
2. <u>Non-Current liabilities</u> Long term borrowship		800000	500000
3. <u>Current Liabilities</u> Trade payable		400000	200000
	Total	2400000	1500000
II. <u>Assets</u>			
1. <u>Non-current assets</u> Fixed Assets		1700000	1000000
2. <u>Current assets</u> Inventories		700000	500000
		24000000	15000000

(4)

23. Following was the balance sheet of Guru Ltd. as on 31/03/2015.

Particulars	Note No.	31/03/2015	31/03/2014
I. <u>Equity and Liabilities</u>			
1. <u>Shareholders fund</u>			
(a) Share Capital		500000	300000
(b) Reserves and Supply		150000	100000
2. <u>Noncurrent liabilities</u>			
(a) Long term borrowings		100000	150000
3. <u>Current liabilities</u>			
(a) Short term borrowings		150000	50000
(b) Short term provisions	1	20000	30000
		920000	630000
II. <u>Assets</u>			
1. <u>Non-current assets</u>			
(a) Tangible	2	500000	350000
(b) Intangible	3	10000	20000
2. <u>Current assets</u>			
(a) Inventories	4	210000	80000
(b) Cash and cash equivalent		200000	180000
		920000	630000

Notes to Accounts:-

Particulars	31/03/2015	31/03/2014
1. <u>Short term provisions</u>	20000	30000
Provision for Tax		
2. <u>Tangible Assets</u>		
Machinery	600000	400000
Accumulated depreciation	(100000)	(50000)
	500000	350000
3. <u>Intangible Assets</u>	10000	20000
Goodwill		
4. <u>Inventories</u>		
Stock in trade	210000	80000

Additional information:-

Income tax Rs.25000 was paid during the year. Prepare Cash flow statement as per AS3. (6)