SAMPLE QUESTION PAPER
ACCOUNTANCY (055)
CLASS-XII (2012-13)
BLUE PRINT

PART A. PARTNERSHIPS – COMPANY ACCOUNTS

	Form of Questions/Units	Long Answer 6,8	Short Answer 3,4	Very Short Answer 1	Total
1.	Accounting for Partnership firms–fundamentals	(6)(1)	3(1)	1(1)	10(3)
2.	Accounting for Partnership firms–Reconstitution and Dissolution	8(1) 6(1)	4(2)	1(3)	25(7)
3.	Accounting for share Capital	8(1)	4(2)	1(2)	18(5)
4.	Accounting for Debentures		3(2)	1(1)	7(3)
	Sub Total (A)	**28(4)**	**25(7)**	**7(7)**	**60(18)**

Part B - Financial Statement Analysis.

Form of Questions/ Units	Long Answer 6,8	Short Answer 3,4	Very Short Answer 1	Total
5. Analysis of Financial Statements		3(1) 4(2)	1(1)	12(4)
6. Cash flow Statement	6(1)		1(2)	8(3)
Sub Total (B)	6(1)	11(3)	3(3)	20(7)
Grand Total (A+B)	34(5)	36(10)	10(10)	80(25)

Note : Number of questions are given within brackets and marks outside the brackets.

OR

Part C - Computerized Accounting

	Form of Questions/ Units	Long Answer 6,8	Short Answer 3,4	Very Short Answer 1	Total
5.	Overview of Computerized Accounting System	–	3(1)	1(1)	4(2)
6.	Accounting Application of Electronic spread sheet	6(1)	–	–	6(1)
7.	Using Computerized Accounting System	–	4(1)	–	4(1)
8.	DBMS	–	4(1)	1(2)	6(3)
	Sub Total	**6(1)**	**11(3)**	**3(3)**	**20(7)**
	Grand Total (A+C)	**34(5)**	**36(10)**	**10(10)**	**80(25)**

Note : Number of questions are given within brackets and marks outside the brackets.

SAMPLE QUESTION PAPER

ACCOUNTANCY (055)

CLASS-XII (2012-13)

Time Allowed - 3 Hrs. **Max. Marks - 80**

General Instructions :-

1. *This question paper contains three parts A, B and C.*
2. *Part A is compulsory for all .*
3. *Attempt only one part of the remaining parts B and C.*
4. *All parts of questions should be attempted at one place.*

PART 'A'

1. Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed ₹2,00,000, ₹3,00,000 and ₹1,00,000 respectively. Alka and Barkha desire that the profits should be divided in the ratio of capital contribution. Charu does not agree to this. Is Charu correct? Give reason. (1)

2. Pawan and Jayshree are partners. Bindu is admitted for 1/4th share. What is the ratio in which Pawan and Jayshree will sacrifice their share in favour of Bindu? (1)

3. State any two occasions on which a firm may be reconstituted. (1)

4. When is 'Partner's Executers' Account prepared? (1)

5. What is the maximum amount of discount at which forfeited shares can be re-issued? (1)

6. What is meant by 'Mininum Subsription'? (1)

7. What is meant by 'Debentures issued as collateral security'? (1)

8. A, B and C are partners in a firm. They had omitted interest on capital @ 10% p.a. for three years ended 31st March, 2012. Their fixed capitals on which interest was to be calculated throughout were:

   A ₹1,00,000

   B ₹80,000

   C ₹70,000 (3)

   Give the necessary adjusting journal entry with working notes.

9. On 1st January, 2010, Rhythm Limited issued 1,000 10% debentures of ₹500 each at par. Debentures are redeemable after 7 years. However, the company gave an option to debenture holders to get their debentures converted into equity shares of ₹100 each at a premium of ₹25 per share anytime after the expiry of one year.

   Shivansh, holder of 200 debentures, informed on Jan. 1, 2012 that he wanted to exercise the option of conversion of debentures into equity shares.

   The company accepted his request and converted debentures into equity shares.

   Pass necessary journal entires to record the issue of debentures on Jan. 1, 2010 and conversion of debentures on Jan. 1, 2012. (3)

10. Pass necessary journal entries for 'issue of debentures' for the following:

(i) Jain Ltd. issued 750, 12% Debentures of ₹100 each at a discount of 10% redeemable at a premium of 5%.

(ii) Sohan Ltd. issued 800, 9% Debentures of ₹100 each at a premium of ₹20 per Debenture redeemable at a premium of ₹10 per Debenture. (3)

11. After doing their graduation Shabir suggested to his class mate David to form a partnership to sell low cost school uniforms to the students belonging to low income group who have been admitted to the private schools of the city as per the provisions of Right to Education Act 2009. David agreed to the proposal and requested to admit his friend Charu, a visually handicapped unemployed person also to be a member of the proposed firm. All of them agreed to form a partnership firm but they were not having enough capital to invest. Shabir therefore persuaded a rich friend of his, Rafiq, who hailed from Assam to be a partner and contribute the required capital. All of them formed a partnership on the following terms:

(i) Shabir will contribute ₹1,00,000; David ₹50,000, Rafiq ₹10,00,000 and Charu will be partner without Capital

(ii) Profits will be shared equally

(iii) Interest on capital will be allowed@5%.p a.

The profits of the firm for the year ended 31st March 2012 were ₹1,50,000

(a) Identify any four values which according to you motivated them to form the partnership firm. (2)

(b) Prepare Profit & Loss Appropriation Account of the firm for the year ending 31st March 2012 (4)

12. A, B and C were partners sharing profits in the ratio of 5:3:2. Their Balance-sheet as on Ist April 2011 was as follows:

Balance-sheet of A, B & C as on 1st April, 2012

Liabilities		₹ Amount	Assets	₹ Amount
Creditors		20,000	Cash	16,000
Employees Provident Fund		26,000	Debtors	16,000
			Stock	80,000
Capitals:			Furniture	34,000
A	1,00,000		Building	1,20,000
B	70,000			
C	50,000	2,20,000		
		2,66,000		**2,66,000**

C retires on the above date and it was agreed that:

(i) C's share of Goodwill was ₹8,000;

(ii) 5% provision for doubtful debts was to be made on debtors;

(iii) Sundry creditors were valued ₹4,000 more than the book value.

Pass necessary Journal entries for the above transactions on C's retirement. (4)

13. Raghav limited purchased a running business from Krishna Traders for a sum of ₹ 15,00,000 payable ₹ 3,00,000 by cheque and for the balance issued equity shares of ₹ 100 each at a premium of 20%.

The assets and liabilities consisted of the following:

	₹
Plant and Machinery	4,00,000
Building	6,00,000
Stock	5,00,000
Sundry Debtors	3,00,000
Sundry creditors	2,00,000

Record necessary Journal entries in the books of Raghav limited. (4)

14. Janta ltd. had an authorised capital of ₹ 2,00,000 divided into equity shares of ₹ 10 each. The company offered for subscription ₹ 1,00,000 shares. The issue was fully subscribed. The amount payable on application was ₹ 2 per share. ₹ 4 per share were payable each on allotment and first and final call. A share holder holding 100 shares failed to pay the allotment money. His shares were forfeited. The company did not make the final call.

Show how the 'share capital' will be shown in the company's balance-sheet.

Also prepare Notes to Accounts for the same. (4)

15. X, Y and Z were parners in a firm. Their capitals on 01.04.2011 were: X ₹ 2,00,000; Y ₹ 2,50,000 and Z ₹ 3,00,000. The partnership deed provided for the following:

(i) They will share profits in the ratio of 2:3:3

(ii) X will be allowed a salary of ₹ 12,000 p.a.

(iii) Interest on capital will be allowed @ 12% p.a.

During the year X withdrew ₹ 28,000; Y ₹ 30,000 and Z ₹ 18,000. For the year ended 31.3.2012 the firm earned a profit of ₹ 5,00,000.

Prepare profit and loss appropriation account and partners capital accounts. (6)

16. Ram, Mohan and Sohan were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2012 their Balance Sheet was as under :

Liabilities			₹	***Assets***	₹
Capitals :		₹		Leasehold	1,25,000
	Ram	1,50,000		Patents	30,000
	Mohan	1,25,000		Machinery	1,50,000
	Sohan	75,000	3,50,000	Stock	1,90,000
				Cash at Bank	40,000
Workmen's Compensation Reserve			30,000		
Creditors			1,55,000		
			5,35,000		5,35,000

Sohan died on 1st August, 2012. It was agreed that :

(i) Goodwill of the firm is to be valued at ₹ 1,75,000.

(ii) Machinery be valued at ₹ 1,40,000; Patents at ₹ 40,000; Leasehold at ₹ 1,50,000 on this date.

(iii) For the purpose of calculating Sohan's share in the profits of 2012-2013, the profits should be taken to have accrued on the same scale as in 2011-12, which were ₹ 75,000.

Prepare Sohan's Capital Account and Revaluation Account. (6)

17. Srijan Limited issued ₹ 10,00,000 new capital divided into ₹ 100 shares at a premium of ₹ 20 per share, payable as under :

On Application	₹ 10 per share
On Allotment	₹ 40 per share (including Premium of ₹ 10 per share)
On First and Final Call	Balance

Over- payments on application were to be applied towards sums due on allotment and first and final call. Where no allotment was made, money was to be refunded in full.

The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants.

All the money due was duly received.

(a) Which value has been affected by rejecting the applications of the applicants who had applied for 3000 shares? Suggest a better alternative for the same.

(b) Give Journal Entries to record the above transactions (including cash transactions) in the books of the company. (8)

OR

Sangita Limited invited application for issuing 60,000 shares of ₹ 10 each at par. The amount was payable as follows:

On Application	₹ 2 per Share
On Allotment	₹ 3 per Share
On First and Final Call	₹ 5 per Share

Applications were received for 92, 000 shares. Allotment was made on the following basis:

(i) To applicants for 40,000 shares - Full

(ii) To applicants for 50,000 shares - 40%

(iii) To applicants for 2,000 shares - nil. Most of this category had applied for less than 5 shares each.

₹ 1, 08,000 was realized on account of allotment (excluding the amount carried from application money) and ₹ 2,50,000 on account of call.

The directors decided to forfeit shares of those applicants to whom full allotment was made and on which allotment money was overdue.

(a) **Which value has been affected by the rejection of application of category (iii) applicants? Suggest a better alternative for the same.**

(b) Pass journal entries in the books of Sangita Limited to record the above transactions. (8)

18. L and M share profits of a business in the ratio of 5:3. They admit N into the firm for a fourth share in the profits to be contributed equally by L&M. On the date of admission, the Balance Sheet of L&M was as follows :

Balance Sheet as at

Liabilities	₹	*Assets*	₹
L's Capital	30,000	Machinery	26,000
M's Capital	20,000	Furniture	18,000
Reserve Fund	4,000	Stock	10,000
Bank Loan	12,000	Debtors	8,000
Creditors	2,000	Cash	6,000
	68,000		68,000

Terms of N's admission were as follows :

(i) N will bring ₹ 25,000 as his capital.

(ii) Goodwill of the firm is to be valued at 4 years' purchase of the average super profits of the last three years. Average profits of the last three years are ₹ 20,000; while the normal profits that can be earned on the capital employed are ₹ 12,000.

(iii) Furniture is to be revalued at ₹ 24,000 and the value of stock to be reduced by 20%.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the firm after admission of N. (8)

OR

Following is the Balance Sheet of X and Y, who share profits and losses in the ratio of 4:1, as at 31st March, 2012 :

Liabilities		*Amount* ₹	*Assets*		*Amount* ₹
Sundry Creditors		8,000	Bank		20,000
Bank overdraft		6,000	Debtors	17,000	
X's Brother's Loan		8,000	Less Provision	2,000	15,000
Y's Loan		3,000	Stock		15,000
Investment Fluctuation Fund		5,000	Investments		25,000
Capital:	X	50,000	Buildings		25,000
	Y	40,000	Goodwill		10,000
			Profit and Loss A/c		10,000
		1,20,000			**1,20,000**

The firm was dissolved on the above date and the following arrangements were decided upon :

(i) X agreed to pay off his brother's Loan

(ii) Debtors of ₹ 5,000 proved bad

(iii) Other assets realised - Investments 20% less; and goodwill at 60%

(iv) One of the creditors for ₹5,000 was paid only ₹3,000.

(v) Buildings were auctioned for ₹30,000 and the auctioneer's commission amounted to ₹1,000.

(vi) Y took over part of stock at ₹4,000 (being 20% less than the book value). Balance stock realised 50%.

(vii) Realisation expenses amounted to ₹2,000.

Prepare :

i) Realisation A/c

ii) Partners' Capital accounts

iii) Cash A/c (8)

Part-B

Financial Statement Analysis

19. X Ltd. has a Debt–Equity Ratio at 3 : 1. According to the management it should be maintained at 1:1. What are the two choices to do so? (1)

20. State whether cash deposited in bank will result in inflow, outflow or no flow of cash.(1)

21. Interest received by a finance company is classified under which kind of activity while preparing a cash flow statement ? (1)

22. List the items which are shown under the heading, 'Current Assets' in the Balance sheet of a company as per provisions of Schedule VI, of the Companies Act 1956. (3)

23. Prepare a 'Comparative Statement of Profit & Loss' with the help of following information:

Particulars	**2011**	**2012**
	₹	₹
Revenue from operations	20,00,000	30,00,000
Expenses	12,00,000	21,00,000
Other Incomes	4,00,000	3,60 ,000
Income Tax	50%	50% (4)

24. Find the value of current liabilities and current assets, if current Ratio is 2.5:1, liquid ratio is 1.2:1 and the value of inventory of the firm is ₹78,000. (4)

25. From the following summarised balance sheets of a company, calculate cash flow from operating activities:

	Particulars	**31-3-2011**	**31-3-2012**
		₹	₹
I.	**Equity and Liabilities**		
	Share holder's funds:		
	Equity Share Capital	1,00,000	1,00,000
	Reserves and Surplus (Profit & Loss Balance)	30,000	60,000
	Non-Current Liabilities		

	6% Debentures	60,000	80,000
	Current Liabilities		
	Creditors	30,000	35,000
	Bills Payable	30,000	10,000
	Other Current Liabilities	40,000	45,000
	Total	**2,90,000**	**3,30,000**
II.	**Assets**		
	Non-current Assets: Fixed Assets	1,50,000	1,90,000
	Non-current investments	40,000	30,000
	Current Assets:		
	Stock	40,000	55,000
	Debtors	40,000	45,000
	Cash	20,000	10,000
	Total	**2,90,000**	**3,30,000**

Additional Information:

(i) A piece of machinery costing ₹5,000, on which depreciation of ₹2,000 had been charged was sold for ₹1,000. Depreciation charged during the year was ₹17,000.

(ii) New debentures have been issued on 1st Aug. 2011. **(6)**

OR

PART 'C'

Computerized Accounting System

19. Name any two data elements in accounting transactions. 1mark

20. Why is normalization done? 1mark

21. What is meant by the terms 'Back-end' and 'Front-end' as used in database applications. 1mark

22. Explain any two features of computerized accounting system. 3 marks

23. Explain the security features associated with CAS software. 4 marks

24. What is DBMS? Explain its two advantages. 4 marks

25. Anjana Ltd. calculates conveyance allowance on the basis of the sales made by its employees. Write the formula in MS Excel for calculating:

(i) The difference between the expected sale and actual sale.

(ii) The conveyance allowance will be ₹5,000 if the employee meets the expected sales target and for every extra unit sold he would get ₹50.

(iii) ₹1,000 even if expected units are not sold. 6 mark

MARKING SCHEME
SAMPLE QUESTION PAPER
ACCOUNTANCY
Class - XII

Part A

Accounting for Partnership Firms and Companies

1. Charu is correct.

   Reason : In the absence of partnership deed profits are shared equally. (½+½=1 mark)

2. Old Ratio i.e. 1:1 (1mark)

3. A partnership firm may be reconstituted in the following circumstances: (Any two)

   (i) Change in the profit sharing ratio among the existing partners;

   (ii) Admission of a new partner;

   (iii) Retirement of an existing partner and (½x2=1 Mark)

   (iv) Death of a partner.

4. Partner's executer's account is prepared at the time of death of a partner. 1 Mark

5. Maximum amount of discount at which the forfeited shares can be re-issued the amount forfeited on such shares. 1 mark

6. Minimum subscription refers to the minimum amount which in the opinion of Board of Directors must be raised through the issue of shares so that the company has the necessary funds to carry out its business. It is 90% of the issued amount. 1 Mark

7. When the debentures are issued as a secondary security for obtaining loan, such debentures are said to have been issued as 'collateral security.' 1 Mark

8. **Journal**

Date	Particulars		L.F.	Dr. Amount ₹	Cr. Amount ₹
2012 March 31	B's Current A/c	Dr.		1,000	
	C's Current A/c	Dr.		4,000	
	To A's Current A/c				5,000
	(Being omission of interest on capital for three years rectified)				

(2)

Working Note: Statement showing adjustments to be made :

Particulars	A	B	C	Total
1. Total amount of interest on capital omitted, to be credited now	₹ 30,000	₹ 24,000	₹ 21,000	75,000
2. Total amount of loss to be debited	₹ 25,000	₹ 25,000	₹ 25,000	75,000
3. Balance	₹ 5,000 Cr.	₹ 1,000 Dr.	₹ 4,000 Dr.	

(1)

(2+1 = 3 Marks)

9. **Journal**

Date	Particulars	L.F.	Dr. Amount ₹	Cr. Amount ₹
2010 Jan. 1	Bank A/c Dr. To 10% Debenture Application and Allotment A/c (Being application money received on 1000 debentures @ ₹ 500)		5,00,000	5,00,000
2011 Jan. 1	10% Debenture Application and Allotment A/c Dr. To 10% Debentures A/c (Being application money transferred to 10% Debentures account consequent upon allotment)		5,00,000	5,00,000
2012 Jan. 1	10% Debentures A/c Dr. To Debenture holder A/c (Being amount due to Debentureholder on conversion)		1,00,000	1,00,000
2012 Jan. 1	Debenture holder A/c Dr. To Equity Share Capital A/c To Securities Premium A/c (Being the issue of 800 equity shares of ₹ 100 each at a premium of ₹ 25 per share)		1,00,000	80,000 20,000

(½+1+½+1=3 marks)

10. **Journal**

Date	Particulars	L.F.	Dr. Amount ₹	Cr. Amount ₹
(i)	Bank A/c Dr.		67,500	
	To 12% Debenture Application and Allotment A/c			67,500
	(Being Debenture application and allotment money received on 750 debentures @ ₹ 90 each)			
	12% Debenture Application and Allotment A/c	Dr.	67,500	
	Discount on issue of debentures A/c Dr.		7,500	
	Loss on issue of debentures A/c Dr.		3,750	
	To 12% debentures A/c			75,000
	To premium on redemption of debenture			3,750
	(Being issue of 750 debentures @ ₹ 100 each @ a discount of 10% redeemable at a premium of 5%)			
(ii)	Bank A/c Dr.		96,000	
	To 9% Debenture Application & Allotment A/c			96,000
	(Being application and allotment money received on 800 debentures @ ₹ 120 each.)			
(iii)	9% Debenture Application & Allotment A/C Dr.		96,000	
	Loss on issue of debenture A/c Dr.		8,000	
	To 9% debentures A/c			80,000
	To Securities Premium A/c			16,000
	To Premium on Redemption of Debentures A/c			8,000
	(Being issue of debentures at premium redeeemable at premium).			

(½+1+½+1 = 3 Marks)

11. (a) Values: (Any four)

(i) Secularism

(ii) Supporting the implementation of "Right to Education Act 2009".

(iii) Sensitivity towards differently abled individuals.

(iv) Empowering women entrepreneurship

(v) Providing entrepreneurial opportunities to people from different areas of the country. (Any four) ½x4=2 marks

(b) **Profit and Loss Appropriation Account**

To Interest on capital Shabir 5,000 David 2,500 Rafiq 50,000	57,500	By P &L A/c - net profit b/d	1,50,000
To Capital Accounts Shabir 23,125 David 23,125 Rabiq 23,125 Charu 23,125	92,500		
	1,50,000		1,50,000

(1mark for int. on capital + ½ mark for Bal. b./d + ½ mark for profit distribution) = 2 marks

2+2 = 4 marks

12.

Date	Particulars	L.F.	Dr. Amount ₹	Cr. Amount ₹
(i) 2012 April 1	Revaluation A/c Dr.		4,800	
	To Provision for Doubtful Debts A/c			800
	To Sundry Creditors A/c			4,000
	(Being decrease in the value of debtors and increase in the value of creditors transferred to Revaluation A/c)			
(ii)	A's Capital A/c Dr.		2,400	
	B's Capital A/c Dr.		1,440	
	C's Capital A/c Dr.		960	
	To Revaluation A/c			4,800
	(Being loss on revaluation transferred to Captial A/cs)			
(iii)	A's Capital A/c Dr.		5,000	
	B's Capital A/c Dr.		3,000	
	To C's Capital A/c			8,000
	(Being C's share of goodwill adjusted to the accounts of the continuing partners in their gaining ratio 5:3)			
(iv)	C's Capital A/c Dr.		57,040	
	To C's loan A'c			57,040
	(Being balance of C's capital A/c transferred to C's loan A/c)			

Working Note:

C's Capital A/c	= Opening balance in Capital A/c	₹ 50,000
	+ Share of Goodwill	+ 8,000
	– Loss on Revaluation	– 960
		57,040

(1+1+1+1 = 4 Marks)

13. **Journal**

Date	Particulars		L.F.	Dr. Amount ₹	Cr. Amount ₹
	Plant and Machinery A/c	Dr.		4,00,000	
	Building A/c	Dr.		6,00,000	
	Stock A/c	Dr.		5,00,000	
	Sundry Debtors A/c	Dr.		3,00,000	
	To Sundry Creditors A/c				2,00,000
	To Krishna Traders A/c				15,00,000
	To Capital Reserve A/c				1,00,000
	(Being the purchase of assets and liabilities of Krishna Traders)				
	Krishna Traders A/c	Dr.		3,00,000	
	To Bank A/c				3,00,000
	(Being ₹ 3,00,000 paid to Krishna Traders by cheque)				
	Krishna Traders A/c	Dr.		12,00,000	
	To Share Capital A/c				10,00,000
	To Securities Premium A/c				2,00,000
	(Being the balance of ₹ 12,00,000 discharged by issue of equity shares at 20% premium)				

(2 + 1 + 1 = 4)

14. Balance sheet of Janta Ltd.
As at........ (Presentation of Share Capital A/c)

	Particulars	Note No.	₹ Amount current year	₹ Amount Previous year
I	**Equity and Liabilities**			
	Shareholder's fund			
	(a) Share capital	1	59,600.	

Notes to Accounts

Note No. 1

Share Capital	₹ Amount
Authorised Capital	
20,000 equity shares of ₹ 10 each	2,00,000
Issued Captial	
10,000 equity shares of ₹ 10 each	1,00,000

Subscribed, but not fully paid

9,900 shares of ₹10 each ₹6 called up

= ₹59,400

Add: Share forfeited A/c – ₹200 59,600

15. **Books of X, Y and Z** **(1+3=4 marks)**

Dr. **Profit and Loss Appropriation Account** **Cr.**

Particulars	**Amount (₹)**	**Particulars**	**Amount (₹)**
To Interest on Capital: ₹ X – 24,000 Y – 30,000 Z – 36,000	90,000	By Net profit b/d	5,00,000
To Salary of X	12,000		
To Profit transferred to: ₹ X – 99,500 Y – 1,49,250 Z – 1,49,250	3,98,000		
	5,00,000		5,00,000

(1mark for each item on debit side)
1x3=3

Dr. **Partner's Capital Accounts** **Cr.**

Date	Particulars	X ₹	Y ₹	Z ₹	Date	Particulars	X ₹	Y ₹	Z ₹
2012 March, 31	To Bank-Drawing	28,000	30,000	18,000	2012 April 15th	By balance b/d	2,00,000	2,50,000	3,00,000
					2012 March 31st	By Interest on Capital	24,000	30,000	36,000
2012 March, 31	To balance c/d	3,07,500	3,99,250	6,67,250	2012 April 15th	By Salary - X	12,000	–	–
					2012 March 31st	By P&L Approp-riation Account	99,500	1,49,250	1,49,250
		3,35,500		4,29,250		5,85,250	3,35,500	4,29,250	5,85,250

(1mark for each capital A/c 1x3 = 3 marks 3+3 = 6marks

16.

Dr. **Revaluation Account** Cr.

Particulars	₹	**Particulars**	₹
To Machinery	10,000	By Leasehold	25,000
To Profit Transferred to Capital Accounts : ₹		By Patents	10,000
Ram : 12,500			
Mohan : 7,500			
Sohan : 5,000	25,000		
	35,000		35,000

(½x4=2marks)

Dr.	Sohan's Capital Account		Cr.
Particulars	**₹**	**Particulars**	
		By Balance b/d	75,000
To Sohan's Executor's A/C	1,26,000	By Revaluation A/c	5,000
		By Ram's Capital A/c $\left(₹.\,35{,}000\text{x}\,\frac{5}{8}\right)$	21,875
		By Mohan's Capital A/c $\left(₹\,35{,}000\text{x}\,\frac{3}{8}\right)$	13,125
		By P& L Suspense A/c	5,000
		By Workmen's Compensation Reserve A/c	6,000
	1,26,000		1,26,000

(4)

Working Notes:

(i) Sohan's share of Goodwill : 1/5 of ₹1,75,000 = ₹35,000.

The amount for Goodwill to be contributed by Ram and Mohan in the ratio of 5:3.

(ii) Profit of Sohan till the time of death that is upto 31.07.2006 (for 4 months)

₹75,000 x 4/12 x 2/10
= ₹5,000. (2+4=6)

17.

(a) Value of Equality has been affected by rejecting the applications of the retail investors from having shares of the company. (1mark)

The better alternative may be to allot the shares proportionately to all the applicants so that such applicants may not be demotivated from investing in the capital of big comparies in future. (1mark)

capital of big companies in future. (1 mark)

(b) Journal

Date	Particulars		L.F.	Dr. Amt. (₹)	Cr. Amount. (₹)
(i)	Bank A/c	Dr.		2,30,000	
	To Share Application A/c				2,30,000
	(Being application money received on 23000 shares @10 per share)				
(ii)	Share Application A/c	Dr.		2,30,000	
	To Share Capital A/c				1,00,000
	To Share Allotment A/c				80,000
	To calls-in-advance A/c				20,000
	To Bank A/c				30,000
	(Being application money adjusted and balance refunded)				
(iii)	Share Allotment A/c	Dr.		4,00,000	
	To Share Capital A/c				3,00,000
	To Securities Premium A/c				1,00,000
	(Being allotment money due)				
(iv)	Bank A/c	Dr.		3,20,000	
	To share Allotment A/c				3,20,000
	(Being allotment money due)				
(v)	Share First & Final Call A/c	Dr.		7,00,000	
	To Share Capital A/c				6,00,000
	To Securities Premium A/c				1,00,000
	(Being Call money due)				
(vi)	Bank A/c	Dr.		6,80,000	
	Call in advance			20,000	
	To Share First & Final Call A/c				7,00,000
	(Being call money received)				

(1x6=6marks) 2+6=8 marks

Working Notes:

(i) Total amount received on application = ₹ 10x23,000 = ₹ 2,30,000

(ii) Pro rata category applied ₹ 12,000 : Allotted 2,000 (i.e. 6:1)

Money received on application ₹ 12,000 x 10 = ₹ 1,20,000

Money required on application ₹ 2,000 x 10 = ₹ 20,000

Excess money received on application = ₹ 1,00,000

Money required on allotment ₹ 2,000 x 40 = ₹ 80,000

So entire amount due on allotment is already received. Excess ₹ 20,000 is transferred to calls in advance. This amount will be credited to Calls in Advance A/c. In that case, Calls in Advance A/c will be debited in entry No. 6 along with Bank A/c and Share First and

Final Call A/c will be credited with full amount of ₹7,00,000.

(a) Value of Equality has been affected by rejecting the applications of the retails investors from getting shares of the company. (1 mark)

The better alternative could have been to allot the shares proportionately to all the applicants so that such applicants may not be demotivated from investing in the capital of big companies in future. (1 mark)

(b) In the books of Sangita Ltd.

Date	Particulars	L.F.	Dr. Amt. (₹)	Cr. Amt. (₹)
(i)	Bank A/c Dr. To Share Application A/c (Being application money received on 92,000 shares @ ₹2 per share)		1,84,000	1,84,000
(ii)	Share Application A/c. Dr. To Share Capital A/c To Bank A/c To Share Allotment A/c (Being the application money adjustment towards share capital and share allotment and surplus refunded)		1,84,000	1,20,000 4,000 60,000
(iii)	Share Allotment A/c Dr. To Share Capital A/c (Being allotment money due on 60,000 Shares @ ₹3 per Share)		1,80,000	1,80,000
(iv)	Bank A/c Dr. To Share Allotment A/c (Being allotment money received)		1,08,000	1,08,000
(v)	Share First and Final Call A/c Dr. To Share Capital A/c (Being first and final call money due on 60,000 Shares @ ₹5 per Share)		3,00,000	3,00,000
(vi)	Bank A/c Dr. To Share First and Final Call A/c (Being first and final call money received)		2,50,000	2,50,000
(vii)	Share Capital A/c Dr. To Share Allotment A/c To Share first and final call A/c To Share forfeited A/c (Being 4000 shares forfeited due to non-payment of allotment and first and final call)		40,000	12,000 20,000 8,000

(1+1+1+1+½+½+1 = 6marks
´2+6 = 8)

18.

Dr. **Revaluation A/c** **Cr.**

Particulars ₹		Particulars	₹
To Stock A/c	2,000	By Furniture A/c	6,000
To Partners' Capital A/c			
L 2,500			
M 1,500	4,000		
	6,000		6,000

(1½)

Dr. **Partners' Capital A/c.** **Cr.**

Particulars	L ₹	M ₹	N ₹	Particulars	L ₹	M ₹	N ₹
To L's Capital A/C			4,000	By Balance b/d	30,000	20,000	-
To M's Capital			4,000	By Reserve Fund	2,500	1,500	-
To Balance c/d	39,000	27,000	17,000	By Revaluation A/c	2,500	1,500	-
				By Cash A/c	-	-	25,000
				By N's Capital A/C*	4,000	4,000	
	39,000	27,000	25,000		39,000	27,000	25,000

(1½x3=4½)

Balance Sheet as at..........

Liabilities		₹	Assets	₹
Capital	₹		Machinery	26,000
L	39,000		Furniture	24,000
M	27,000		Stock	8,000
N	17,000	83,000	Debtors	8,000
Bank Loan		12,000	Cash	31,000
Creditors		2,000		
		97,000		97,000

(2)

*Working Note

N's Capital A/c Dr. 8,000

To L's Capital A/c 4,000

To M's Capital A/c 4,000

1½ + 4½ + 2 = 8

OR

Dr. **Realisation Account** Cr.

Particulars	₹	Particulars	₹
To Goodwill A/c	10,000	By Investment Fluctuation Fund A/c	5,000
To Buildings A/c	25,000	By Provision for doubtful debts A/c	2,000
To Investments A/c	25,000	By Creditors A/c	8,000
To Stock A/c	15,000	By Bank overdraft A/c	6,000
To Debtors A/c	17,000	By X's Brother's loan A/c	8,000
To X's Capital A/c (X's brother's Loan)	8,000	By Cash : A/c Assets realised	
To Cash : A/c		Debtors 12,000	
Creditors 6,000		Investments 20,000	
Bank overdraft 6,000	12,000	Goodwill 6,000	
		Buildings 29,000	
		Stock 5,000	72,000
To Cash A/c (Realisation exp.)	2,000	By Y's Capital (Stock)	4,000
		By Loss transfered to:	
		X's capital A/c 7200	
		Y's capital A/c 1800	9000
	1,14,000		1,14,000

(4)

Dr. **Partners' Capital A/c** Cr.

Particulars	X (₹)	Y (₹)	Particulars	X (₹)	Y (₹)
To Profit & Loss A/c	8,000	2,000	By Balance b/d	50,000	40,000
To Realisation A/c	-	4000	By Realisation A/c	8,000	-
To Realisation A/c (Loss)	7,200	1,800			
To Cash A/c	42,800	32,200			
	58,000	40,000		58,000	40,000

(2)

Dr. **Cash A/c** Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To balance b/d	20,000	By Y's Loan A/c	3,000
To Realisation A/c	72,000	By Realisation A/c Liabilities paid off	12,000
		By Realisation Exp. A/c	2,000
		By X's Capital A/c	42,800
		By Y's Capital A/c	32,200
	92,000		92,000

(2)

(4+2+2= 8)

PART - B

Financial Statement Analysis

Balance Sheet

19. The two choices to maintain Debt equity at 1:1 from 3:1 are : (Any Two)
(i) To increase equity
or (ii) To reduce Debt
(iii) Both i.e. increase equity and reduce Debt. ½x2=1

20. No Flow 1

21. Operating Activity 1

22. Balance Sheet of ....

as at 31st March 2012

Particulars	Note No.	₹
II. Assets		
(2) Current Assets		
(a) Current Investments		
(b) Inventories		
(c) Trade Receivables		
(d) Cash and Cash Equivalents		
(e) Short Term loans and Advances		
(f) Other Current Assets		

(½ x 6 = 3 Marks)

23. **Comparative Statement of Profit Loss**
for the year ended 31st March, 2012

Particulars	Absolute Figures		Change (Base year 2011)	
	31-6-2011 (₹)	31-3-2012 (₹)	Absolute Figures (₹)	Percentage (%)
I. Revenue from operations	20,00,000	30,00,000	10,00,000	50%
II. Add: other Incomes	4,00,000	3,60,000	40,000	10%
Total Revenue (I+II)	24,00,000	33,60,000	9,60,000	40%
III. Less Expenses	12,00,000	21,00,000	9,00,000	75%
Profit before Tax	12,00,000	12,60,000	60,000	5%
IV. Less Tax (50%)	6,00,000	6,30,000	30,000	5%
PROFIT AFTER TAX	6,00,000	6,30,000	30,000	5%

(One mark for each correct Row-1x4=4 Marks

24. Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

or $\frac{2.5}{1} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$ ½

or 2.5 Current Liabilities = Current Assets ½

Liquid Ratio = $\frac{\text{Liquid Assets}}{\text{Current Liabilities}}$ ½

or $\frac{1.2}{1} = \frac{\text{Liquid Assets}}{\text{Current Liabilities}}$ 1

or Current Liabilities = $\frac{\text{Liquid Assets}}{1.2}$

or $\frac{\text{Current Assets} - \text{Stock}}{1.2}$ ½

or C.L = $\frac{2.5\,\text{Current Liabilities} - 78,000}{1.2}$

or 1.2 C.L = 2.5 Current Liabilities – 78,000

or 78,000 = 1.3 C.L

or $\frac{78,000 \times 10}{13}$ = Current Liabilities

or ₹ 60,000 = Current Liabilities 1

or Current Assets = 2.5 x ₹ 60,000 1

= ₹ 1,50,000

(½+½+½+½+1+1 = 4 Marks)

25. **Cash Flow Statement**

		₹	₹
Cash flows from operating Activities			
Net Profit before Tax and Extra-ordinary items (W. Note – 1)			30,000
Adjustments for:			
Depreciation (W. Note 2)	17,000		
Interest on Debentures	4,400		
Loss on sale of Machinery	2,000	23,400	23,400
Operating profit before working capital changes			53,400
Increase in Current Liabilities			
Increase in Creditors		5,000	
Increase in other current liabilities		5,000	10,000
			63,400
Decrease in current liabilities			
Bills Payable		20,000	
Increase in Current Assets			
Stock		15,000	
Debtors		5,000	(40,000)
Net Cash flow from operating activities			23,400

Working Note 1. Closing Balance of Profit & Loss A/c = ₹ 60,000

Less: Opening Balance of Profit & Loss A/c = ₹ 30,000

Net Profit for the Year = ₹ 30,000

Working Note 2. Interest on Debentures $= 60,000 \times \frac{4}{12} \times \frac{6}{100}$

$= 1200$

$= 80,000 \times \frac{8}{12} \times \frac{6}{100}$

$= 3,200$

$= (1,200 + 3,200 = 4,400)$

PART - C

Computerized Accounting System

19. Elements of accounting transactions (any two):

    1. Name of account
    2. Accounting code
    3. Date of transaction
    4. Amount (½ x 2) = 1

20. It is done to remove data redundancy. (1)

21. The standard single user applications are known as 'Back-end' whereas interactive multi-user applications are known as 'Front-end' user applications.

    (½ x 2) = 1

22. Features of CAS (any two):

    1. Simple and integrated. (1/2 mark for naming + 1 mark for explanation)
    2. Transparency and control.
    3. Accuracy and speed.
    4. Scalability.
    5. Reliability. (1½ x 2 = 3 Marks)

23. Every accounting software ensures data security, safety and confindentialily through:

    (i) **Password Security** : Password is a mechanism, which enables a user to access a system including data. The system facilitates by defining the user rigths according to the organisational policy. As a result, a person in an organisation is authorised to access a particular set of a data while he/she may be denied access tp another set of data.

    (ii) **Data Audit** : This feature enable the user to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and also ensures data integrity. Basically, this features is similar to Audit Trail.

    (iii) **Data Vault** : This software provides additional security through data encryption. **Encryption** essentially scrambles the information so as to make its interpretation extremely difficuit (almost impossible). Thus, **Encryption** ensures security of data even if it lands in wrong hands, because the receiver of data will not be able to decode and iterpret it.

    (1½+1½+1=4marks)

24. It is a set of programs that control and manage creation, utilization and maintenance of database of a business organization.

Advantages (Any Two)

1. Reduce Data redundancy.
2. Information protection
3. Data dictionary management.
4. Greater consistency
5. Reduced cost
6. Backup and recovery facility. (1+1½+1½=4 marks)

25. (i) Sum (C2-B2)

When actual sale is projected in C2 and expected in B2

(ii) = If(D2 = 0,5000, IF(D2>0,5000+D2x50,1000))

(iii) Answer for the third point is included in this point. (2+4=6 marks)