

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

**PART A - PARTNERSHIP & COMPANY ACCOUNTS**

|    | <b>Form of Questions/Units</b>                                  | <b>Long Answer<br/>6,8</b> | <b>Short Answer<br/>3,4</b> | <b>Very short Answer<br/>1</b> | <b>Total</b>  |
|----|-----------------------------------------------------------------|----------------------------|-----------------------------|--------------------------------|---------------|
| 1. | Accounting for Partnership firms – fundamentals                 | 6 (1)                      | 3(1)                        | 1(1)                           | <b>10(3)</b>  |
| 2. | Accounting for Partnership firms – Reconstitution & Dissolution | 8(1), 6(1)                 | 4(2)                        | 1(3)                           | <b>25(7)</b>  |
| 3. | Accounting for Share Capital                                    | 8(1)                       | 4(2)                        | 1(2)                           | <b>18(5)</b>  |
| 4. | Accounting for Debentures                                       |                            | 3(2)                        | 1(1)                           | <b>7(3)</b>   |
|    | <b>Sub Total (A)</b>                                            | <b>28(4)</b>               | <b>25(7)</b>                | <b>7(7)</b>                    | <b>60(18)</b> |

**PART B – FINANCIAL STATEMENT ANALYSIS**

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

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

**ACCOUNTANCY (055)**  
**CLASS – XII C (2012-13)**

**Time Allowed – 3 Hrs.**

**Max. Marks – 80**

**General Instructions :-**

1. *This question paper contains Two parts A & B.*
2. *Both the parts are compulsory for all.*
3. *All parts of questions should be attempted at one place.*
4. *Marks are given at the end of each question.*

**PART 'A'**

1. Rita, Sita and Teena are partners in a firm and do not have a partnership agreement. Teena had given a loan of Rs. 10,000 to the firm and expects an interest @ 10% for the loan. The other partners do not agree to this. Should Teena be given interest at the desired rate? Give reason. (1)
2. X, Y & Z are partners. Y retires and the new profit sharing ratio is 2 : 1. Calculate the gaining ratio of X & Z. (1)
3. State any two reasons for Dissolution of a Firm. (1)
4. When is 'Revaluation Account' prepared? (1)
5. State at least one way in which the amount of Securities Premium can be used by the Company. (1)
6. What is meant by 'Over Subscription'? (1)
7. When is 'Debenture Redemption Reserve' created? (1)
8. A, B and C are partners in a firm. When the Accounts were closed on 31<sup>st</sup> March, 2012, it was found that Interest on Capital was allowed @ 4% instead of 6%p.a. The capitals of partners were: A Rs.1,00,000 B Rs.80,000 C Rs.60,000 (3)  
Give the necessary adjusting entry with proper workings.
9. On 1<sup>st</sup> January, 2009 R Ltd has Rs. 25,00,000 as Debenture Redemption Reserve. The company has to redeem its 12% Debentures at the end of 2009 worth Rs.90,00,000. Pass journal entries to record the redemption of debentures. (3)
10. Pass necessary journal entries of 'Issue of debentures' for the following:
  - (i) S Ltd issued 150, 15% Debentures of Rs 100 each at a discount of 10% redeemable at a premium of 10%.
  - (ii) J Ltd issued 600, 9% Debentures of Rs. 100 each at a premium of Rs 10 per Debenture, redeemable at par. (3)

11. Anand and Sonu were childhood friends and colleagues in a company who were thinking of starting something of their own someday. On 1<sup>st</sup> Jan, 2011 they thought of starting a stationery depot for the financially backward children of their area. They also admitted Manoj a differently abled educated youth who was unemployed as a partner of their firm without any capital contribution. Sonu also approached Rohit Kaul from Jammu, who was also eager to start something of this sort having lot of funds at his disposal, and persuaded him to join them. The following terms were agreed upon:
- i) Anand, Sonu and Rohit will contribute 30,000; 50,000 and 4,00,000 respectively as capital.
  - ii) Profit will be shared equally.
  - iii) Interest on capital will be allowed @ 5% p.a.
- The Profits of the firm for the year ended 31<sup>st</sup> Dec 2011 were 50,000.
- a) Identify any two values which according to you motivated them to start the partnership firm. (2)
  - b) Prepare Profit & Loss Appropriation Account of the firm for the year ending 31<sup>st</sup> Dec 2011. (2)

12. Archana, Bindu and Charu were partners sharing profits in the ratio of 3:2:1. Their Balance Sheet as on 1<sup>st</sup> April 2010 was:

| Liabilities     |          | Amount          | Assets          |  | Amount          |
|-----------------|----------|-----------------|-----------------|--|-----------------|
| Creditors       |          | 20,000          | Cash            |  | 20,000          |
| General Reserve |          | 30,000          | Debtors         |  | 18,000          |
| Capitals:       |          |                 | Stock           |  | 60,000          |
| Archana         | 1,00,000 |                 | Furniture       |  | 52,000          |
| Bindu           | 70,000   |                 | Land & Building |  | 1,40,000        |
| Charu           | 70,000   | 2,40,000        |                 |  |                 |
|                 |          | <b>2,90,000</b> |                 |  | <b>2,90,000</b> |

Bindu Died on the above date and the executors were paid in the following manner:

- a) Bindu's Share of Goodwill was Rs. 6,000;
  - b) A provision for doubtful debts@ 5% was to be made on debtors;
  - c) Land & Building were to be depreciated by 5% and Stock was valued at Rs.61900.
- Pass necessary journal entries for the above transactions on Bindu's Death. (4)

13. R Ltd. purchased a running business from P Ltd for a sum of Rs.12,00,000 payable by issue of equity shares of Rs.10 each at a premium of Rs. 2 per share.

The Assets and liabilities were following:

|                  |          |
|------------------|----------|
| Plant            | 4,00,000 |
| Furniture        | 2,00,000 |
| Building         | 4,00,000 |
| Stock            | 3,00,000 |
| Sundry Creditors | 1,00,000 |

Record necessary Journal entries in the books of R Ltd. (4)

14. Janata Ltd. forfeited 1,500 shares of Rs. 10 each at a premium of Rs. 2 each due to non-payment of First call of Rs. 3. The final call of Rs. 2 is not yet made. Out of these 900 shares were re-issued at Rs. 6, Rs. 8 called up.

Pass journal entries to record the above transactions. (4)

15. X, Y and Z were partners in a firm. Their capitals were Rs.1,00,000; Rs.2,00,000 and Rs.2,50,000. Their agreement provided the following:

- (i) The profit sharing ratio will be 1:2:2
- (ii) X is being guaranteed a share of Profit Rs.50,000
- (iii) Y will be allowed a salary of Rs.12,000 p.a.
- (iv) Interest on capital will be allowed @ 12% p.a.

The interest on drawings were Rs.500, Rs.600, and Rs. 800 for X,Y and Z. The firm earned a profit of Rs.2,88,900 during the year.

Prepare profit & loss appropriation account and show the workings. (6)

16. L, M and N were partners sharing profits and losses in the ratio of 5:3:2. On 31<sup>st</sup> Dec 2011 their Balance Sheet was as under:

| <b>Liabilities</b>     | <b>Amount</b>   | <b>Assets</b> | <b>Amount</b>   |
|------------------------|-----------------|---------------|-----------------|
| Capitals:              |                 | Property      | 1,20,000        |
| L   1,50,000           |                 | Patents       | 30,000          |
| M   1,25,000           |                 | Machinery     | 1,50,000        |
| N <u>75,000</u>        | 3,50,000        | Stock         | 1,90,000        |
| Workmen's Compensation |                 | Bank          | 40,000          |
| Fund                   | 30,000          |               |                 |
| Creditors              | 1,50,000        |               |                 |
|                        | <b>5,30,000</b> |               | <b>5,30,000</b> |

N retired on 31<sup>st</sup> March 2012 and it was agreed that:

- (i) Goodwill of the firm is to be valued at Rs.1,75,000.
- (ii) Machinery be valued at Rs.1,40,000; Patents at Rs.40,000 and Property at Rs.1,50,000 on this date.
- (iii) For the purpose of calculating N's share in the profits of 2012, the profits should be taken to have accrued on the same scale as in 2011, which was Rs.60,000.

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

17. Riya and Priya are partners, who share profit in the ratio of 3:2. Following is the Balance sheet as on March 31, 2007.

| <b>Liabilities</b> | <b>Amount</b>   | <b>Assets</b> | <b>Amount</b>   |
|--------------------|-----------------|---------------|-----------------|
| Riya's Capital     | 32,500          | Cash at Bank  | 40,500          |
| Priya's Capital    | 11,500          | Stock         | 7,500           |
| Sundry Creditors   | 48,000          | Debtors       | 21,500          |
| Reserve Fund       | 13,500          | Less: PDD     | <u>500</u>      |
|                    |                 | Fixed Assets  | 21,000          |
|                    |                 |               | 36,500          |
|                    | <b>1,05,500</b> |               | <b>1,05,500</b> |

The firm was dissolved on March 31, 2007.

Close the books of the firm with the following:

- Debtors realized at a discount of 10%
- Stock realized at Rs. 7,000
- Fixed assets realized at Rs. 40,000
- Realisation expenses of Rs. 1,500 paid by Riya
- Creditors were paid 10% less. Prepare necessary accounts.

(8)

OR

A & B are partners sharing in the ratio 3:2 and their Balance Sheet is as follows:

| <b>Liabilities</b> | <b>Amount</b> | <b>Assets</b> | <b>Amount</b> |
|--------------------|---------------|---------------|---------------|
| Creditors          | 3600          | Cash          | 1000          |
| Bills Payable      | 2000          | Debtors       | 3400          |
| General Reserve    | 2400          | Stock         | 2400          |
| Capital            |               | Machinery     | 4200          |
| A                  | 15000         | Building      | 20000         |
| B                  | 8000          |               |               |
|                    | <b>31000</b>  |               | <b>31000</b>  |

The other terms of agreement on C's admission were as follows:

C will bring Rs. 10000 as Goodwill and Rs.15000 as Capital.

- Building will be valued at Rs. 18500 and Machinery at Rs. 5000.
- A provision of 5% will be credited on Debtors for Bad Debts.

Capital Accounts of A and B will be adjusted as per C's Capital his profit sharing ratio is  $\frac{1}{4}$  in the new firm. Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of A,B & C.

(8)

18. Creative Ltd issued Rs.10,00,000 divided into Rs.10 shares at a premium @ 20% per share, payable as under:

|                         |                                   |
|-------------------------|-----------------------------------|
| On Application          | Rs.3 per share                    |
| On Allotment            | Rs.5 per share(including premium) |
| On First and Final Call | Balance                           |

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

The issue was oversubscribed to the extent of 1,20,000 shares. Applicants for 10,000 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 been sent letters of regret? Suggest a better alternative for the same.

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

### OR

R Ltd invited application for issuing 70,000 shares of Rs.10 each at par. The amount was payable as follows:

|                       |                |
|-----------------------|----------------|
| On Application        | Rs.2 per share |
| On Allotment          | Rs.3 per share |
| On First & Final Call | Rs.5 per share |

Applications were received for 97,000 shares. Allotment was made on the following basis: (i) To applicants for 45,000 shares – Full

(ii) To applicants for 50,000 shares – 50%

(iii) To applicants for 2,000 shares – nil.

All the money due were received in full except for 300 shares on which First & Final Call money was in arrears.

**(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 R Ltd to record the above transactions. (8)

### PART ' B'

19. X Ltd has a Current Ratio of 2:1. If the money is collected from debtors, will the ratio increase or decrease or will not change? (1)
20. Payment of dividend to shareholders is what type of activity? (1)
21. Interest received by a Financing company will result in inflow, outflow or no flow. (1)

22. List the items which are shown under the heading, "Non-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 Income Statement with the following information:

| <b>Particulars</b> | <b>2010</b>                  | <b>2011</b>  |     |
|--------------------|------------------------------|--------------|-----|
| Net Sales          | 20,00,000                    | 25,00,000    |     |
| Cost of Goods Sold | 60% of Sales                 | 60% of Sales |     |
| Indirect Expenses  | 10% of Gross Profit          |              |     |
| Income Tax         | 50% of Net Profit before Tax |              | (4) |

24. Find the value of Opening Stock when Closing Stock is 15,000 more than Opening Stock. Stock Turnover Ratio is 6 times and cost of goods sold is 3,00,000. (4)

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

| <b>Particulars</b>                      | <b>31-3-2010</b> | <b>31-3-2011</b> |
|-----------------------------------------|------------------|------------------|
| <b>I. Equity and Liabilities</b>        |                  |                  |
| <b>Shareholder's Funds</b>              |                  |                  |
| Equity Share Capital                    | 1,00,000         | 1,00,000         |
| Reserves and Surplus                    | 30,000           | 60,000           |
| <b>Non-Current Liabilities</b>          |                  |                  |
| Debentures                              | 60,000           | 80,000           |
| <b>Current Liabilities</b>              |                  |                  |
| Creditors                               | 30,000           | 35,000           |
| Bills Payable                           | 30,000           | 10,000           |
| Other Current Liabilities               | 40,000           | 45,000           |
| <b>Total</b>                            | <b>2,90,000</b>  | <b>3,30,000</b>  |
| <b>II Assets</b>                        |                  |                  |
| <b>Non-Current Assets: Fixed Assets</b> | 1,50,000         | 1,90,000         |
| <b>Non-Current Investments</b>          | 40,000           | 30,000           |
| <b>Current Assets:</b>                  |                  |                  |
| Stock                                   | 40,000           | 55,000           |
| Debtors                                 | 40,000           | 45,000           |
| Cash                                    | 20,000           | 10,000           |
| <b>Total</b>                            | <b>2,90,000</b>  | <b>3,30,000</b>  |

Additional Information:

- (i) Depreciation charged during the year amounted to Rs.22,000.  
(ii) Dividend paid during the year amounted to Rs.12,000. (6)

**MARKING SCHEME**  
**ACCOUNTANCY**  
**Class – XII**

**Part A**

1. Teena will not get interest @ 10% p.a.  
Reason: In the absence of partnership agreement Interest on Partner's Loan to the firm will be 6% p.a. (  $\frac{1}{2} + \frac{1}{2} = 1$  mark)
2. Only X is gaining in this case. (1 mark)
3. Partnership dissolves in the following ways: (Any two)
  - i) Compulsory dissolution by court
  - ii) Voluntary dissolution by agreement of all partners
  - iii) Business becomes illegal
  - iv) When the term of the partnership agreement ends (2 x  $\frac{1}{2} = 1$  mark)
4. Revaluation Account is prepared at time of Reconstitution of Partnership firm ie., Admission, Retirement or Death of a Partner. (1 mark)
5. The amount of Securities Premium can be used in any of the following (any one)
  - i) Issue fully paid bonus shares
  - ii) Write off preliminary expenses or discount on issue of share / debentures (1 mark)
6. Over Subscription refers to the situation when number of shares applied by the public is more than the number of shares issued. In such an event either pro-rata allotment is done or excess applications are rejected. (1 mark)
7. Debenture Redemption Reserve is mandatory to be created to the extent of 50% of the debentures to be redeemed out of the available profit by SEBI's guidelines. (1 mark)

8. **Journal**

| Date | Particulars                                                                                           | L.F | Dr Amt | Cr Amt |
|------|-------------------------------------------------------------------------------------------------------|-----|--------|--------|
|      | C's Capital A / c Dr.<br>To A's Capital A / c<br>(Being Omission of Interest on Capital now adjusted) |     | 400    | 400    |

(2)

Working Note: Statement Showing Adjustment to be made:

| Particulars                                | A         | B    | C           | Total |
|--------------------------------------------|-----------|------|-------------|-------|
| Interest on Capital Allowed Less (6% - 4%) | 2000      | 1600 | 1200        | 4800  |
| Less: Profit wrongly credited              | 1600      | 1600 | 1600        | 4800  |
| Balance                                    | 400<br>Cr | Nil  | (400)<br>Dr | Nil   |

(1) (2 + 1 = 3 marks)

9.

**Journal**

| Date           | Particulars                                                                                                                      | LF | Dr Amt    | Cr Amt    |
|----------------|----------------------------------------------------------------------------------------------------------------------------------|----|-----------|-----------|
| 2009<br>Jan 1  | Profit & Appropriation A/c Dr.<br>To Debenture Redemption Reserve A/c<br>(Being DRR created upto 50% of the value of Debentures) |    | 20,00,000 | 20,00,000 |
| 2009<br>Dec 31 | 12% Debenture A/c Dr.<br>To Bank A/c<br>(Being the debentures redeemed)                                                          |    | 90,00,000 | 90,00,000 |
| 2009<br>Dec 31 | Debenture Redemption Reserve A/c Dr.<br>To General Reserve A/c<br>(Being DRR transferred to General Reserve)                     |    | 45,00,000 | 45,00,000 |

(3 x 1 = 3 marks)

10.

**Journal**

| Date | Particulars                                                                                                                                                                                                                                        | LF | Dr Amt                   | Cr Amt          |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------------|-----------------|
| i)   | Bank A/c Dr.<br>Loss on Issue of Debenture A/c<br>Discount on Issue of Deb A/c<br>To 15% Debenture A/c<br>To Premium on Redemption Of Debenture A/c<br>(Being Loss on Issue of Debenture on Account of Premium payable on Redemption of Debenture) |    | 13,500<br>1,500<br>1,500 | 15,000<br>1,500 |
| ii)  | Bank A/c<br>To 9% Debenture A/c<br>To Securities Premium A/c<br>(Being issue of debentures at 10% Premium and redeemable at par)                                                                                                                   |    | 66,000                   | 60,000<br>6,000 |

(1 ½ x 2 = 3 marks)

11. **a) Values** (any four)

- Secularism
- Helping the financially backward children
- Sensitivity towards differently abled individuals.
- Providing entrepreneurial opportunities to people from different areas of the country.
- Giving opportunities to the educated unemployed.

(4 X ½ =2 marks)

**b) Profit & Loss Appropriation Account**

| Partiucalars           | Amount        | Particulars  | Amount        |
|------------------------|---------------|--------------|---------------|
| To Interest on Capital |               | By P&L A / c | 50,000        |
| Anand   1,500          |               | (net profit  |               |
| Sonu     2,500         |               | b/ d)        |               |
| Rohit <u>20,000</u>    | 24,000        |              |               |
| To Capital Accounts    |               |              |               |
| Anand       6,500      |               |              |               |
| Sonu         6,500     |               |              |               |
| Rohit        6,500     |               |              |               |
| Manoj <u>6,500</u>     | 26,000        |              |               |
|                        | <b>50,000</b> |              | <b>50,000</b> |

(1 mark for Int on Capital + ½ mark for Bal b/ d + ½ mark for profit distribution)=2 marks

(2 + 2 = 4 marks)

12.

**Journal**

| Date | Particulars                                                                                                                                                                                                                                                | LF | Dr Amt                  | Cr Amt       |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------------|--------------|
| a)   | Archana Capital A / c                      Dr<br>Charu Capital A / c                         Dr<br>To Bindu Capital A / c<br>(Being Bindu's share of goodwill<br>Adjusted in their gaining ratio)                                                          |    | 4,500<br>1,500          | 6,000        |
| b)   | Revaluation A / c                              Dr<br>To Provision for Doubtful<br>Debt A / c<br>To Land & Building A / c<br>(Being PDD created and reduction<br>In the value of L&B accounted)                                                             |    | 7,900                   | 900<br>7,000 |
| c)   | Stock A / c                                        Dr<br>To Revaluation A / c<br>(Being value of stock increased)                                                                                                                                          |    | 1,900                   | 1,900        |
| d)   | Archana Capital A / c                      Dr<br>Bindu Capital A / c                            Dr<br>Charu Capital A / c                         Dr<br>To Revaluation A / c<br>(Being loss on revaluation transferred<br>To capital accounts of partners) |    | 3,000<br>2,000<br>1,000 | 6,000        |

|    |                                                                             |    |        |        |
|----|-----------------------------------------------------------------------------|----|--------|--------|
| e) | General Reserve A / c                                                       | Dr | 30,000 |        |
|    | To Archana Capital A / c                                                    |    |        | 15,000 |
|    | To Bindu Capital A / c                                                      |    |        | 10,000 |
|    | To Charu Capital A / c                                                      |    |        | 5,000  |
|    | (Being the balance in General Reserve Account transferred to Capital A / c) |    |        |        |

Working Note: Amount payable to Bindu's Executors.

|                                         |                |
|-----------------------------------------|----------------|
| Bindu's Capital A / c = Opening Balance | 70,000         |
| +Share of Goodwill                      | + 6,000        |
| -Loss on Revaluation                    | - 2,000        |
| +Share of Gen Reserve                   | <u>+10,000</u> |
|                                         | <u>84,000</u>  |

(1 + ½ + ½ +1+1=4 marks)

13.

### Journal

| Date | Particulars                                                                                      | LF  | Dr Amt    | Cr Amt    |
|------|--------------------------------------------------------------------------------------------------|-----|-----------|-----------|
|      | Plant A / c                                                                                      | Dr. | 4,00,000  |           |
|      | Furniture A / c                                                                                  | Dr. | 2,00,000  |           |
|      | Building A / c                                                                                   | Dr. | 4,00,000  |           |
|      | Stock A / c                                                                                      | Dr. | 3,00,000  |           |
|      | To Sundry Creditors A / c                                                                        |     |           | 1,00,000  |
|      | To P Ltd. A / c                                                                                  |     |           | 12,00,000 |
|      | (Being purchased running business From P Ltd for Rs.12,00,000)                                   |     |           |           |
|      | P Ltd A / c                                                                                      | Dr. | 12,00,000 |           |
|      | To Equity Share Capital A / c                                                                    |     |           | 10,00,000 |
|      | To Securities Premium A / c                                                                      |     |           | 2,00,000  |
|      | (Being purchase consideration paid Issue of Equity Shares of Rs.10 at Premium of Rs.2 per share) |     |           |           |

(2 + 2=4 marks)

14.

### Journal

| Date | Particulars                                                            | L F | Dr Amt | Cr Amt |
|------|------------------------------------------------------------------------|-----|--------|--------|
| (a)  | Share Capital A / c                                                    | Dr. | 12,000 |        |
|      | To Forfeited Shares A / c                                              |     |        | 7,500  |
|      | To Calls in arrears A / c                                              |     |        | 4,500  |
|      | (Being 1500 shares forfeited Due to non-payment of First Call of Rs.3) |     |        |        |

|     |                                                                               |     |       |       |
|-----|-------------------------------------------------------------------------------|-----|-------|-------|
| (b) | Bank A / c                                                                    | Dr. | 5,400 |       |
|     | Forfeited Shares A / c                                                        | Dr. | 1,800 |       |
|     | To Share Capital A / c                                                        |     |       | 7,200 |
|     | (Being Reissue of 900 shares @Rs6,<br>Rs.8 called up)                         |     |       |       |
| (c) | Forfeited Shares A / c                                                        | Dr. | 2,700 |       |
|     | To Capital Reserve A / c                                                      |     |       | 2,700 |
|     | (Being balance in Forfeited Shares<br>Account transferred to Capital Reserve) |     |       |       |

Calculation of Forfeited Share Account to be transferred to Capital Reserve:

Forfeited Shares for 1500 shares = 7,500

Forfeited shares for 900 shares =  $7,500 / 1,500 \times 900 = \text{Rs.}4,500$

Amount utilized towards difference in called up and received  
 $= 7,200 - 5,400 = \text{Rs.}1,800$

Therefore amount to be transferred to capital reserve =  $4,500 - 1,800 = \text{Rs.}2,700$

(1 + 1 + 1 + 1 = 4 marks)

15.

#### Profit and Loss Appropriation Account

| Particulars                                       | Amount          | Particulars                 | Amount          |
|---------------------------------------------------|-----------------|-----------------------------|-----------------|
| To Interest on Capital<br>(5% of Capital balance) |                 | By P & L A / c (Net profit) | 2,88,900        |
| X 12,000                                          |                 | By Interest on Drawings     |                 |
| Y 24,000                                          |                 | X 500                       |                 |
| Z <u>30,000</u>                                   | 66,000          | Y 600                       |                 |
| To Salary to Y                                    | 12,000          | Z <u>800</u>                | 1,900           |
| To Capital A / c                                  |                 |                             |                 |
| X $42560 + 3720 + 3720 = 50,000$                  |                 |                             |                 |
| Y $85120 - 3720 = 81,400$                         |                 |                             |                 |
| Z $85120 - 3720 = \underline{81,400}$             | 2,12,800        |                             |                 |
|                                                   | <b>2,90,800</b> |                             | <b>2,90,800</b> |

Calculation of Each item 1 mark each

Calculation of Share of Profit 3 marks

(3 x 1 + 3 = 6 marks)

16.

#### Revaluation Account

| Particulars      | Amount        | Particulars | Amount        |
|------------------|---------------|-------------|---------------|
| To Machinery     | 10,000        | By Patent   | 10,000        |
| To Capital A / c |               | By Property | 30,000        |
| L 15,000         |               |             |               |
| M 9,000          |               |             |               |
| N <u>6,000</u>   | 30,000        |             |               |
|                  | <b>40,000</b> |             | <b>40,000</b> |

(2)

**N's Capital Account**

| Particulars     | Amount          | Particulars                                             | Amount          |
|-----------------|-----------------|---------------------------------------------------------|-----------------|
| To N's Loan A/c | 1,25,000        | By Balance B / d                                        | 75,000          |
|                 |                 | By L's Capital                                          | 21,875          |
|                 |                 | By M's Capital                                          | 13,125          |
|                 |                 | <b>(1,75,000 x 2/10 and gaining Ratio of L &amp; M)</b> |                 |
|                 |                 | By Revaluation A / c                                    | 6,000           |
|                 |                 | By Workmen's Compensation Fund                          |                 |
|                 |                 | <b>(30,000 x 2/10)</b>                                  | 6,000           |
|                 |                 | By P & L Suspense A / c                                 |                 |
|                 |                 | <b>(60,000 x 3/12 x 2/10)</b>                           | 3,000           |
|                 | <b>1,25,000</b> |                                                         | <b>1,25,000</b> |

(4)

(2+4=6marks)

17.

**Realisation A/c**

| Particulars        | Amount          | Particulars     | Amount          |
|--------------------|-----------------|-----------------|-----------------|
| To Stock           | 7,500           | By S / Crs      | 48,000          |
| To Debtors         | 21,500          | By PDD          | 500             |
| To Fixed Assets    | 36,500          | By Bank         |                 |
| To Bank (Crs)      | 43,200          | (Stock = 7,000) |                 |
| To Riya's Capital  | 1,500           | (F A = 40,000)  |                 |
| To Capital A / c   |                 | (Drs = 19,350)  | 66,350          |
| Riya 2,790         |                 |                 |                 |
| Priya <u>1,860</u> | 4,650           |                 |                 |
|                    | <b>1,14,850</b> |                 | <b>1,14,850</b> |

(3)

**Partner's Capital A/c**

| Particulars | Riya          | Priya         | Particulars          | Riya          | Priya         |
|-------------|---------------|---------------|----------------------|---------------|---------------|
|             |               |               | By Balance b / d     | 32,500        | 11,500        |
|             |               |               | By Reserve Fund      | 8,100         | 5,400         |
| To Bank     | 44,890        | 18,760        | By Realisation A / c | 2,790         | 1,860         |
|             |               |               | By Realisation A / c | 1,500         | ----          |
|             | <b>44,890</b> | <b>18,760</b> |                      | <b>44,890</b> | <b>18,760</b> |

(3)

**Bank A/c**

| Particulars          | Amount          | Particulars          | Amount          |
|----------------------|-----------------|----------------------|-----------------|
| To Balance b/ d      | 40,500          | By Realisation A / c | 43,200          |
| To Realisation A / c | 66,350          | By Riya's Capital    | 44,890          |
|                      |                 | By Priya's Capital   | 18,760          |
|                      | <b>1,06,850</b> |                      | <b>1,06,850</b> |

(2)

(3+3+2=8 marks)

**OR**

**Revaluation A/c**

| Particulars | Amount       | Particulars      | Amount       |
|-------------|--------------|------------------|--------------|
| To Building | 1,500        | By Machinery     | 800          |
| To PDD      | 170          | By Capital A / c |              |
|             |              | A 522            |              |
|             |              | B <u>348</u>     | 870          |
|             | <b>1,670</b> |                  | <b>1,670</b> |

(1)

**Partner's Capital Account**

| Particulars          | A             | B             | C             | Particulars        | A             | B             | C             |
|----------------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
| To Revaluation A / c | 522           | 348           | -             | By Balance b/ d    | 15,000        | 8,000         | -             |
| To Balance c / d     |               |               |               | By Cash A / c      | -             | -             | 15,000        |
|                      |               |               |               | By Premium         | 6,000         | 4,000         | -             |
|                      | 27,000        | 18,000        | 15,000        | By General Reserve | 1,440         | 960           | -             |
|                      |               |               |               | By Cash (b / f)    | 5,082         | 5,388         | -             |
|                      | <b>27,522</b> | <b>18,348</b> | <b>15,000</b> |                    | <b>27,522</b> | <b>18,348</b> | <b>15,000</b> |

(2)

**Balance Sheet**

| Liabilities     | Amount        | Assets             | Amount        |
|-----------------|---------------|--------------------|---------------|
| Creditors       | 3,600         | Cash(1,000+10,000+ |               |
| Bills Payable   | 2,000         | 15,000+5082+5388)  | 36,470        |
| Capital         |               | Debtors            | 3,400         |
| A 27,000        |               | Less: PDD          | <u>170</u>    |
| B 18,000        |               | Stock              | 2,400         |
| C <u>15,000</u> | 60,000        | Machinery          | 5,000         |
|                 |               | Building           | 18,500        |
|                 | <b>65,600</b> |                    | <b>65,600</b> |

(2)

Calculation of New Profit Sharing Ratio ie., 9:6:5      1 mark

Calculation of Capital according to C's Capital

C's Capital 15,000 for  $\frac{1}{4}$  Share

Therefore Total capital of the firm =  $15,000 \times 4 = 60,000$

A's New Capital will be =  $60,000 \times \frac{9}{20} = 27,000$

B's New Capital will be =  $60,000 \times \frac{6}{20} = 18,000$       2 marks

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

18. a) Value of Equality has been affected by rejecting the applications of the retail 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) Each Journal Entry carry 1 mark each      6 marks  
(1+1+6=8 marks)

**OR**

- a) Value of Equality has been affected by rejecting the applications of the retail 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) Each Journal Entry carry 1 mark each      6 marks  
(1+1+6=8 marks)

### **Part B**

19. The current ratio will remain the same as there is no change in the current assets. (1 mark)
20. Financing Activity (1 mark)
21. Inflow of cash (1 mark)
22. **Non-Current Assets**
- a) Fixed Assets
    - i) Tangible Assets
    - ii) Intangible Assets
    - iii) Capital work in progress
  - b) Non-current Investments
  - c) Deferred tax assets (net)
  - d) Long term loans and advances
  - e) Other Non-current assets (any three) (3x1=3mark)

23.

### Comparative Income Statement

| Particulars              | 2010            | 2011            | Absolute change | % Change   |
|--------------------------|-----------------|-----------------|-----------------|------------|
| Net Sales                | 20,00,000       | 25,00,000       | 5,00,000        | 25%        |
| Less: Cost of Goods Sold | 12,00,000       | 15,00,000       | 3,00,000        | 25%        |
| Gross Profit             | 8,00,000        | 10,00,000       | 2,00,000        | 25%        |
| Less: Indirect Expenses  | 80,000          | 1,00,000        | 20,000          | 25%        |
| Profit Before Tax (PBT)  | 7,20,000        | 9,00,000        | 1,80,000        | 25%        |
| Less: Tax                | 3,60,000        | 4,50,000        | 90,000          | 25%        |
| Profit After Tax (PAT)   | <b>3,60,000</b> | <b>4,50,000</b> | <b>90,000</b>   | <b>25%</b> |

(1mark for each correct row 4 x 1=4 marks)

24. Stock Turnover Ratio =  $\frac{\text{Cost of Goods Sold}}{\text{Average Stock}}$  1/2

$$6 = \frac{3,00,000}{\text{Average Stock}}$$

$$\text{Therefore, Average Stock} = 3,00,000 / 6$$

$$= \text{Rs. } 50,000$$

1/2

$$\text{Average Stock} = \frac{\text{Opening Stock} + \text{Closing Stock}}{2}$$

1/2

Let Opening Stock be Rs. X

1/2

$$\text{Average Stock} = \frac{X + X + 15,000}{2} \quad \text{or} \quad 50,000 = \frac{2X + 15,000}{2}$$

$$X = \frac{50,000 \times 2 - 15,000}{2}$$

$$X = \text{Rs. } 42,500 = \text{Opening Stock}$$

1

$$\text{Therefore, Closing Stock} = \text{Opening Stock} + 15,000$$

$$= 42,500 + 15,000$$

$$= \text{Rs. } 57,500$$

1

Opening Stock = Rs.42,500 & Closing Stock = Rs.57,500

( $\frac{1}{2} + \frac{1}{2} + \frac{1}{2} + \frac{1}{2} + 1 + 1 = 4$  marks)

25.

**Cash Flow Statement**

| <b>Cash flow from Operating Activities</b>                           | Rs     | Rs            |
|----------------------------------------------------------------------|--------|---------------|
| Net Profit before Tax and Extra-ordinary items<br>(Working Note – 1) |        | 30,000        |
| <b>Adjustments for:</b>                                              |        |               |
| Depreciation                                                         | 22,000 |               |
| Dividend Paid                                                        | 12,000 | 34,000        |
| <b>Operating profit before working capital changes</b>               |        | 64,000        |
| <b>Add: Increase in Current Liabilities</b>                          |        |               |
| Increase in Creditors                                                | 5,000  |               |
| Increase in Other Current Liabilities                                | 5,000  | 10,000        |
| <b>Less: Decrease in Current Liabilities</b>                         |        | 74,000        |
| Bills Payable                                                        | 20,000 |               |
| <b>Increase in Current Assets</b>                                    |        |               |
| Stock                                                                | 15,000 |               |
| Debtors                                                              | 5,000  | (40,000)      |
| <b>Net Cash Flow from operating activities</b>                       |        | <b>34,000</b> |

**Working Note – 1** Closing Balance of Profit & Loss A / c = Rs.60,000  
Less: Opening Balance of P & L A / c = Rs.30,000  
Net Profit for the year =Rs. 30,000

(1 + 1 + 1 + 1 + 1 + 1 = 6 marks)