SAMPLE QUESTION PAPER
ACCOUNTANCY
Class - XII
Set - II

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 candidates.*
3. *Candidates can attempt only one part of the remaining part B and C.*
4. *All parts of a question should be attempted at one place.*

Part A

Accounting for Not for Profit Organizations, Partnership Firms and Companies

1. Name the account which shows the classified summary of transactions of a Cash Book in a not-for-profit organisation. (1)

2. List two items that may appear on the Credit side of a partner's fixed capital account.(1)

3. Give two circumstances in which sacrificing ratio may be applied. (1)

4. Name any two factors affecting goodwill of a partnership firm. (1)

5. What is the nature of Interest on Debentures? (1)

6. On the basis of following information, calculate the amount of stationery to be shown in Income and Expenditure Account for the year ended 31st March, 2007. (3)

	Rs.
Stock of stationery on 1.4.2006	50,000
Stock of stationery on 31.3.2007	40,000
Amount paid for stationery during the year	2,00,000
Creditors for stationery on 1.4.2006	20,000
Creditors for stationery on 31.3.2007	10,000

7. State the exceptions to the creation of Debenture Redemption Reserve as per SEBI Guidelines. (3)

8. Akash Ltd. issued 1,00,000 shares of Rs. 10 each, payable as follows : Rs. 2 on application payable on 1st March, 2006; Rs. 3 on allotment payable on 1st May, 2006; Rs. 2 on first call payable on 1st August, 2006 and Rs. 3 on second and final call payable on 1st December, 2006. All these shares were subscribed for and amounts duly received. Akriti, who had 8,000 shares, paid the amount of both the calls alongwith allotment.

Suniti, who had 4,000 shares, paid the amount of second and final call with the first call. Calculate the amount of interest on calls-in-advance payable to Akriti and Suniti.

The Company adopts Table A. (3)

9. X, Y and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared, it was discovered that interest on drawings @ 5% p.a. had not been taken into consideration. The drawings of the Partners were : X Rs. 15,000; Y Rs. 12,600; Z Rs. 12,000.Give the necessary adjusting journal entry. (4)

10. P, Q and R are partners sharing profits and losses in the ratio of 5:3:2. From 1st January, 2006, they decide to share profits and losses in equal proportion. The partnership deed provides that in the event of any change in profit sharing ratio, the goodwill should be valued at three years' purchase of the average of five years' profits. The profits and losses of the preceding five years are:

Profits : 2001 - Rs. 60,000 2002 Rs. 1,50,000 2003 - Rs. 1,70,000 2004 - Rs. 1,90,000.

Loss : 2005 - Rs. 70,000.

Give the necessary journal entry to record the above change. (4)

11. A company took a loan of Rs. 5,00,000 from State Bank of India and issued 10% debentures of Rs. 8,00,000 of Rs. 100 each as a collateral security. Explain how will you deal with issue of debentures in the books of company. (4)

12. (a) Alpha Ltd. has 5,000 8% Debentures of Rs. 100 each due for redemption on March 31, 2007. Assume that Debenture Redemption Reserve has a balance of Rs. 1,90,000 on that date. Record the necessary entries at the time of redemption of debentures.

(b) What journal entries should be made for the issue of debentures in the following cases:

(i) X Limited issued 30,000 12% Debentures of Rs. 100 each at par, redeemable at a premium of 5%.

(ii) Y Limited issued 50,000 12% Debentures of Rs 100 each at a premium of 5%, redeemable at par. (3+3=6)

13. From the following extract of Receipts and Payments Account of Sonic club and the given additional information, show the Salaries items in the Income and Expenditure Account for the year ending 31st Dec. 2006 and the Balance Sheet as on 31st December, 2005 and 31st December, 2006. (6)

An Extract of Receipts and Payments Account

for the year ending 31st December, 2006

Receipts	**Rs.**	**Payment**	**Rs.**
		By Salaries	
		2005	20,000
		2006	2,80,000
		2007	18,000

Additional Information :

		Rs.
a)	Salaries outstanding on 31.12.2005	25,000
b)	Salaries outstanding on 31.12.2006	45,000
c)	Salaries paid in advance on 31.12.2005	10,000

14. A and B Share profits and losses in the ratio of 5:2. They have decided to dissolve the firm. Assets and external liabilities have been transferred to Realization A/c. Pass the journal entries to effect the following :

a) Bank Loan of Rs. 12,000 is paid off.

b) A was to bear all expenses of realisation for which he is given a commission of Rs. 400/-

c) Deferred Advertisement Expenditure A/c appeared in the books at Rs. 28,000.

d) Stock worth Rs. 1,600 was taken over by B at Rs. 1,200.

e) An unrecorded computer realised Rs. 7000.

f) There was an outstanding bill for repairs for Rs. 2000, which was paid off.

(6)

15. Metallic Ltd. invited applications for 40,000 equity shares of Rs. 50 each issued at a premium of Rs. 10 per share. The amount was payable as follows :

On application and allotment Rs. 20 per share. Balance (including premium)- on first and final call.

Applications for 70,000 shares were received. Applications for 20,000 shares were rejected and pro-rata allotment was made to the remaining applicants. First and final call was made and duly received except on 400 shares allotted to Nitesh and his shares were forfeited.

Journalise the above transactions. (8)

OR

Arti Limited invited applications for issuing 80,000 shares of Rs. 10 each at a premium of Rs. 4 per share. The amount was payable as follows

On Application - Rs. 5 per share

On Allotment - Rs. 9 per share

(Including Premium)

Applications were received for 1,40,000 shares.

Allotment was made on the following basis :

(i) To applicants for 80,000 shares - 60,000 shares

(ii) To applicants for 60,000 shares - 20,000 shares

Money overpaid on applications was utilized towards sum due on allotment.

Rajiv, belonging to category (i),/had applied for 1,200 Shares failed to pay his dues and his shares were forfeited.

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

16. Rajat and Ravi are partners in a firm sharing profits and losses in the ratio of 7:3. Their Balance Sheet as at 31st March, 2007 is as follows :

Liabilities		**Rs.**	**Assets**	**Rs.**
Creditors		60,000	Cash in hand	36,000
Reserve		10,000	Cash at Bank	90,000
Capital Accounts			Debtors	44,000
Rajat	1,00,000		Stock	50,000
Ravi	80,000	1,80,000	Furniture	30,000
		2,50,000		2,50,000

On 1st April, 2007, they admit Rohan on the following terms :

(i) Goodwill is valued at Rs. 40,000 and Rohan is to bring in the necessary amount in cash as premium for goodwill and Rs. 60,000 as Capital for 1/4 share in profits.

(ii) Stock is to be reduced by 40% and furniture is to be reduced to 40%.

(iii) Capitals of the partners shall be proportionate to their Profit Sharing Ratio taking Rohan's Capital as base. Adjustments of Capitals to be made by cash.

Prepare Revaluation Account, Partners' Capital Accounts and Cash Account. (8)

OR

The Balance Sheet of X, Y and Z who were sharing profits in the ratio of 5 : 3 : 2 as at March 31, 2007 :

Liabilities	**Amount**	**Assets**	**Amount**
Creditors	50,000	Cash at Bank	40,000
Employees' Provident		Sundry Debtors	1,00,000
Fund	10,000	Stock	80,000
Profit & Loss A/c	85,000	Fixed Assets	60,000
Capital A/cs :			
X 40,000			
Y 62,000			
Z 33,000	1,35,000		
	2,80,000		2,80,000

X retired on March 31, 2007 and Y and Z decided to share profits in future in the ratio of 2:3 respectively.

The other terms on retirement were as follows :

(i) Goodwill of the firm is to be valued at Rs. 80,000.

(ii) Fixed Assets are to be valued at Rs. 57,500

(iii) Make a provision for doubtful debts at 5% on debtors

(iv) A liability for claim, included in creditors for Rs. 10,000, is settled at Rs. 8000.

The amount to be paid to X by Y and Z in such a way that their Capitals are proportionate to their profit sharing ratio and leave a balance of Rs. 15,000 in the Bank Account.

Prepare Profit and Loss Adjustment Account and Partners' Capital Accounts. (8)

Part B

Financial Statement Analysis

17. Assuming that the Debt - Equity Ratio is 1:2, state giving reason, whether the ratio will improve, decline or will have no change in case equity shares are issued for cash. (1)

18. Mention the net amount of 'Source' or 'Use' of cash when a fixed asset (having book value of Rs. 15,000) is sold at a loss of Rs. 5,000. (1)

19. Dividend paid by a trading company is classified under which kind of activity while preparing cash flow statement. (1)

20. Show the major headings into which the assets side of company's Balance Sheet is organised and presented as per Schedule VI Part I of the Companies Act, 1956. (3)

21. Prepare the Common Size Income Statement from the following information : (4)

Particulars	March 31, 2006	March 31, 2007
Net Sales	1,00,000	Rs. 1,00,000
Cost of Goods Sold	70% of sales	74.8% of sales
Operating Expenses	8,000	9,800
Income Tax Rate	50%	50%

22. A company's Stock Turnover is 5 times. Stock at the end is Rs. 20,000 more than that at the beginning. Sales are Rs. 8,00,000. Rate of Gross Profit on cost 1/4; Current Liabilities Rs. 2,40,000. Acid Test Ratio 0.75.

Calculate Current Ratio. (4)

23. The Balance Sheets of Kewal Ltd. as on 31st December, 2006 and 31st December, 2007 were as follows

Liabilities	31.12.07 Rs.	31.12.06 Rs.	Assets	31.12.07 Rs.	31.12.06 Rs.
Share Capital	10,00,000	7,00,000	Plant and Machinery	8,00,000	5,00,000
P/L Account	2,50,000	1,50,000	Stock	1,00,000	75,000
Proposed Dividend	50,000	40,000	Cash	4,00,000	3,15,000
	13,00,000	8,90,000		13,00,000	8,90,000

Additional Information :-

(a) Rs. 50,000 depreciation has been charged to Plant and Machinery during the year 2007.

(b) A Piece of machinery costing Rs.12,000 (book value Rs. 5,000) was sold at 60% profit on book value.

Prepare Cash Flow Statement.

(6)

Part C

Computerised Accounting

Marking Scheme
Sample Question Paper
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1. Receipts and Payments Account. (1)

2. (i) Opening Capital.

   (ii) Additional Capital Introduced. (½x2=1)

3. (i) Admission of a partner.

   (ii) Change in profit-sharing ratio of partners. (½x2=1)

4. (i) Location of the business.

   (ii) Skill of the management. (½x2=1)

5. It is a charge against profits. (1)

6. Consumption of Stationery =

   Opening stock + Amount paid + Creditors (beginning) + Creditors (end) - Closing stock

   = Rs. 50,000+ 2,00,000- 20,000+10,000-40,000
   = Rs. 2,00,000

   (½ mark for Formula
   (½ mark for each adjustments
   ½ x 5 = 2½ marks
   = (½ + 2½ = 3)

7. SEBI guidelines would not apply :
   (i) To Infrastructure companies.
   (ii) A company issuing debentures with a maturity period of not more than 18 months.
   (iii) For debentures issued by All India Financial Institutions regulated by RBI.
   (iv) For debentures issued by Banking companies.
   (v) For Privately placed debentures

   (any three 1x3=3)

8. Interest on calls-in-advance payable to Akriti.

   On Ist Call $8000 \text{ x } 2 \text{ x } \frac{6}{100} \text{ x } \frac{3}{12} = Rs.240$ (1)

   (for three months)

   On 2nd Call $8000 \text{ x } 3 \text{ x } \frac{6}{100} \text{ x } \frac{7}{12} = Rs.840$ (1)

   (for seven months)

   Rs.1080

Smriti

On 2nd Call $4000 \text{ x Rs.}3 \text{ x } \frac{6}{100} \text{ x } \frac{4}{12} = Rs.240$ (1) mark

(for four months) = (1+1+1=3)

9.

Journal

Date	Particulars	L. F.	Amount (Dr.)	Amount (Cr.)
	Z's Capital A/c Dr.		135	
	To X's Capital A/c			120
	To Y's Capital A/c			15
	(Interest on drawings omitted, now adjusted)			

(2) marks

Working Notes : (Interest is to be calculated for six months only.)

Partners	Dr. interest on drawings (Rs.) to Capital A/cs in the ratio of 3:2:1 to Capital A/cs	Cr. profits	Net effect	
			Dr.	Cr.
X	375	495	-	120
Y	315	330	-	15
Z	300	165	135	-
	990	Rs. 990	135	135

(2)

(2+2 = 4)

10.

(i) Valuation of goodwill

Average Profits = $\frac{\text{Rs. } 60{,}000 + 1{,}50{,}000 + 1{,}70{,}000 + 1{,}90{,}000 - 70{,}000}{5}$

$= \frac{\text{Rs. } 5{,}00{,}000}{5} = \text{Rs. } 1{,}00{,}000$

Goodwill = Rs. 1,00,000x3 = Rs. 3,00,000 (1)

(ii) Calculation of Gain/ Loss

	P	Q	R
New Share	1/3	1/3	1/3
Old Share	5/10	3/10	2/10

Difference

P' Sacrifice = $\frac{5}{10} - \frac{1}{3} = \frac{15-10}{30} = \frac{5}{30}$

Q's Gain = $\frac{1}{3}-\frac{3}{10}=\frac{10-9}{30}=\frac{1}{30}$

R's Gain= $\frac{1}{3}-\frac{2}{10}=\frac{10-6}{30}=\frac{4}{30}$

(iii) Compensation (5/30 x Rs. 3,00,000 = 50,000) payable by Q and R in the ratio of 1/30 and 4/30 of Rs. 3,00,000. i.e., Rs. 10,000 and Rs. 40,000 respectively.

(1)

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Date	Particulars	L. F.	Debit Rs.	Credit Rs.
	Q's Capital A/c Dr R's Capital A/c Dr To P's Capital A/c (Being adjustment made for goodwill on change in profit sharing ratio		Rs. 10,000 Rs. 40,000	 Rs. 50,000

(2)

= (1+1+2 = 4)

11. There are 2 methods to deal with issue of debentures as collateral security. They are given below :

First Method

Balance Sheet of Co. (Extract)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Secured Loans : Loan from SB India (Secured by issued of 8000, 10% debentures of Rs. 100 each as collateral security)	5,00,000		

Note : No entry in the books of accounts. (1½)

Second Method

Journal Entries

Date	Particulars	LF	Amount (Rs.) Dr	Amount (Rs.) Cr
	Debentures Suspense A/c Dr To 10% Debenture A/c (Being 8000 debentures of Rs. 100 each issued as collateral security to SBI Bank)		8,00,000	 8,00,000

1½ marks

Balance Sheet of Co. (Extract)

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Loan from SBI Bank 10% Debentures 8,00,000 less Debenture 8,00,000 Suspense A/c	5,00,000		

Note : No entry in the books of accounts. (1)

(1½+1½+1=4)

12. (a)

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Date	Particulars	L. F.	Debit Rs.	Credit Rs.	
2007 Mar 31	Profit and Loss Appropriation A/c Dr. To Debenture Redemption Reserve A/c. (Being amount transfered to Debenture Redemption Reserve A/c)		60,000	60,000	(1)
2007 Mar 31	8% Debentures A/c Dr. To Debentureholders A/c. (Being amount due to debentureholders)		5,00,000	5,00,000	(½)
2007 Mar 31	Debentureholders A/c. Dr. To Bank A/c (Being amount paid to the debentureholders)		5,00,000	5,00,000	(½)
2007 Mar 31	Debenture Redemption Reserve A/c Dr. To General Reserve A/c. (Being DRR transferred to general reserve)		2,50,000	2,50,000	(1)

(1+½+½+1= 3)

12(b).

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Date	Particulars	L. F.	Debit Rs.	Credit Rs.	
	Case (i) Bank A/c Dr. To Debenture Application and Allotment A/c (Being amount received on application)		30,00,000	30,00,000	(½)
	Debenture Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 12% Debentures A/c To Premium on Redemption of Debentures A/c (Being transfer of application money to debentures account redeemable at a premium)		30,00,000 1,50,000	30,00,000 1,50,000	(1)
	Case (ii) Bank A/c Dr. To Debenture Application and Allotment A/c (Being amount received on application)		52,50,000	52,50,000	(½)
	Debenture Application and Allotment A/c Dr. To 12% Debentures A/c To Securites Premium A/c (Being transfer of application money to Debentures, issued at a premium, redeemable at par)		52,50,000	50,00,000 2,50,000	(1)

(½+1+½+1 = 3)

13. **BALANCE SHEET**
As on 31st December, 2005

Dr. Particulars	Amount	Particulars	Amount *Cr.*
Salaries Outstanding	25,000	Salaries Prepaid	10,000

(1)

INCOME AND EXPENDITURE ACCOUNT
for the year ending 31.12.2006

Dr. Particulars	Amount	Particulars	Amount *Cr.*
To Salaries	2,80,000		
(+) Advance at beginning	10,000		
	2,90,000		
(+) Outstanding for 2006	40,000		
	3,30,000		

(3)

BALANCE SHEET
As on 31.12 2006

Assets	Amount	Liabilities	Amount
Salaries Outstanding		Salaries Prepaid	
for 2005 5,000		for 2007	18,000
for 2006 40,000	45,000		

(2)
(1+3+2 = 6)

14.

	Date	Particulars		Dr. (Rs.)	Cr. (Rs.)
a.		Realisation A/c	Dr.	12,000	
		To Bank A/c			12,000
		(Being bank loan discharged)			
b.		Realisation A/c	Dr.	400	
		To A's Capital A/c			400
		(Being commission credited to A)			
c.		A's Capital A/c	Dr.	20,000	
		B's Capital A/c	Dr.	8,000	
		To Deferred Advertisement Expenditure A/c			28,000
		(Being the deferred advertisement expenditure written off			
d.		B's Capital A/c	Dr.	1,200	
		To stock A/c			12,00
		(Being stock taken our by B at Rs. 1,200)			

e.		Bank A/c Dr. To Realisation A/c (Being unrecorded computer sold for Rs. 7,000)	7,000	7,000
f.		Realisation A/c Dr. To Bank A/c (Being outstanding repair bill paid)	2,000	2,000

(1x6 = 6)

15. **JOURNAL**

Date	Particulars	L. F.	Debit Rs.	Credit Rs.
i.	Bank A/c Dr. To Share Application & Allotment A/c (Being application money received on 70,000 shares @ Rs. 20 per share)		14,00,000	14,00,000
ii.	Share Application and Allotment A/c. Dr. To Share Capital A/c To Calls in advance A/c To Bank A/c (Being application and allotment money adjusted towards share capital; first & final call account and refunded on 20,000 shares)		14,00,000	8,00,000 2,00,000 4,00,000
iii.	Share First & Final A/c Dr. To Share Capital A/c To Securities Premium A/c (Being amount due on share first & final call)		16,00,000	12,00,000 4,00,000
iv.	Bank A/c Dr. Calls in Advance A/c Dr. To Share First and Final Call A/c (Being share first & final call money received on 39,600 shares @ Rs. 40 per share less received in advance with share application and allotment money)		13,86,000 2,00,000	15,86,000
v)	Share capital A/c Dr. Securities premium A/c Dr. To Share first & final call A/c To Share forfeited A/c (Being 400 shares forfeited for non-payment of share first & final call money)		20,000 4,000	14,000 10,000

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

Working Note :

Application recd.	No of shares	Application Rejected for	No of shares Allotted
	70,000	20,000	40,000 to Applicants for 50,000 shares

Hence Prorata Ratio is 5:4

So Nitesh applied for 500 shares and paid Application and allotment money @ Rs. 20 =10,000 but required application and allotment money on his 400 shares (400x20) Rs.8,000. So his excess Rs. 2,000 is adjusted in advance of share first & final call money.

So Share First & Final Call Money due on 400 shares @ Rs. 40	Rs. 16,000
Less - Excess Money Received	Rs. 2,000
First & Final Call Money not received on 400 shares.	Rs. 14,000

15.

OR

IN THE BOOKS OF ARTI LIMITED

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Date	Particulars	L. F.	Debit Rs.	Credit Rs.
i)	Bank A/c Dr.		7,00,000	
	To Share Application A/c			7,00,000
	(Being application money received on 1,40,000 shares @ Rs. 5 per Share)			
ii)	Share Application A/c Dr.		7,00,000	
	To Share Capital A/c			4,00,000
	To Share Allotment A/c			2,80,000
	To Bank A/c			20,000
	(Being application money transferred to share capital and excess application money adjusted to share allotment and returned the balance)			
iii)	Share Allotment A/c Dr.		7,20,000	
	To Share Capital A/c			4,00,000
	To Securities Premium A/c			3,20,000
	(Being allotment money due on 80,000 Share @ Rs.9 per share including premium @ Rs.4 per share)			
iv)	Bank A./c Dr.		4,33,400	
	To Share Allotment A/c			4,33,400
	(Being allotment money received)			
v)	Share Capital A/c Dr.		9,000	
	Securities Premium A/c Dr.		3,600	
	To Share Allotment A/c			6,600
	To Share Forfeited A/c			6,000
	(Being 900 shares of Rajiv forfeited on non-payment of allotment money)			

[1+2+1+2+2 = 8]

Working Note

(i) <u>**Utilization of excess money received on application**</u>

(a) <u>**for pro rata cetegory of 4:3**</u>

		Rs.
Money received on application	80000xRs.5	= 4,00,000
Money required on application	60000xRs.5	= 3,00,000
∴ Excess money received		= 1,00,000
Amount due on allotment	60000xRs.9	= 5,40,000

So entire excess money (Rs.1,00,000) is adjusted towards allotment.

(b) <u>**for pro-rata category of 3:1**</u>

		Rs.
Money received on application	60000xRs.5	= 3,00,000
Money required on application	20000xRs.5	= 1,00,000
∴ Excess money received		= 2,00,000
Amount due on allotment	20000x9	= 1,80,000

So only Rs. 1,80,000 out of excess application money of Rs. 2,00,000 can be adjusted towards allotment and remaining Rs. 20,000 is to be returned.

Hence, Total excess application money adjusted towards allotment is Rs. 2,80,000 [i.e. Rs. 1,00,000 + Rs. 1,80,000]

It also shows that defaulter Rajiv belongs to pro-rata category of 4:3.

Rajiv's applied number of shares = 1,200

So shares alloted to him = $1{,}200\text{x}\frac{3}{4} = 900.$

(ii) <u>**Amount not paid by Rajiv.**</u>

		Rs.
Application money received	1200xRs.5	= 6,000
Less application money due	900xRs.5	= 4,500
Excess application money adjusted to allotment		= 1,500
Allotment money due	900xRs.9	= 8,100
Allotment money not received (Rs. 8,100 – Rs. 1500)		= 6,600

(iii) <u>**Calculation of Amount Received on Allotment**</u>

Total allotment money due	80,000xRs.9	= 7,20,000
Less allotment money already received		= 2,80,000
Less allotment money not received		= 6,600
∴ Amount received on allotment		= 4,33,400

16. **REVALUATION A/c**

Dr. ***Cr.***

Particulars	**Amount Rs.**	**Particulars**	**Amount Rs.**
To Stock	20,000	By Loss :	
To Furniture	18,000	Rajat's Cap A/c	26,600
		Ravi's Cap A/c	11,400
	38,000		38,000

(2)

PARTNERS' CAPITAL ACCOUNTS

Particulars	Rajat Rs.	Ravi Rs.	Rohan Rs.	Particulars	Rajat Rs.	Ravi Rs.	Rohan Rs.
To Revalution A/c	26,600	11,400	-	By Balance b/d	1,00,000	80,000	-
To Cash A/c	-	20,600	-	By Reserve	7,000	3,000	-
				By Cash	-	-	60,000
				By Premium	7,000	3,000	-
To Balance c/d	1,26,000	54000	60,000	By Cash A/c.	38,600		
	1,52,600	86,000	60,000		1,52,600	86,000	60,000

(3)

Working Notes : Rohan's Capital for 1/4 th share = Rs. 60,000

$\therefore$ Total capital = Rs. 60,000 x 4

= Rs. 2,40,000

Rajat' share in profits = $\frac{7}{10}\left(1-\frac{1}{4}\right)=\frac{21}{40}$, and Ravi's share = $\frac{3}{10}\left(1-\frac{1}{4}\right)=\frac{9}{40}$

Hence, Rajat's Capital = Rs. 2,40,000 x $\frac{21}{40}$ = Rs. 1,26,000

Ravi's Capital = Rs. 2,40,000 x $\frac{9}{40}$ = Rs. 54,000 (2)

Dr. **CASH A/C** *Cr.*

Particulars	Amount Rs.	Particulars	Amount Rs.
To Bal b/d	36,000	By Ravi's Capital A/c	20,600
To Rohan's Capital A/c	60,000	By Bal. c/d	
To Premium	10,000		1,24,000
To Rajat's Capital A/c	38,600		
	1,44,600		1,44,600

(1)

(2+3+2+1=8)

OR

Dr. **PROFIT AND LOSS ADJUSTMENT A/C** *Cr.*

Particulars	Amount Rs.	Particulars		Amount Rs.
		By Creditors A/c		2,000
		By Loss transferred to :		
To Fixed Assets A/c	2,500			
		X's Capital A./c	2,750	
To Provision for		Y's Capital A/c	1,650	
Doubtful Debts A/c	5,000	Z's Capital A/c	1,100	
				5,500
	7,500			7,500

(2)

PARTNERS' CAPITAL A/C

Particulars	X	Y	Z	Particulars	X	Y	Z
				By Balance b/d	40,000	62,000	33,000
				By P& L A/c	42,500	25,500	17,000
To P & L Adjustment A/c	2,750	1,650	1,100	By Y's Cap A/c	8,000		
To X' Cap A/c	-	8,000	32,000	By Z's Cap A/c	32,000		
To Bank A/c	1,19,750	-	-	By Bank A/c			96,800
To Bank A/c	-	2,050	-				
To Balance c/d		75,800	1,13,700				
	1,22,500	87,500	1,46,800		1,22,500	87,500	1,46,800

(2x3=6)

(2+6 = 8)

Working Notes :

Total Capital = Rs.77,850+ Rs.16,900+Rs. 94,750 = Rs.1,89,500

Total Capital of the new firm = 1,89,500

Y's Capital = Rs. 1,89,500 x $\frac{2}{5}$ = Rs. 75,800

Z's Capital = Rs. 1,89,500 x $\frac{3}{5}$ = Rs. 1,13,700

Shortage of cash at Bank

Opening Bal of Cash = Rs. 40,000

Less Minimum Balance Required = Rs. 1,5000

Amount available Rs. 25000 to pay to X

Amount payable to X = Rs. 1,19,750

Less Available at Bank Rs. 25,000

Shortage to be brought in By Y and Z = Rs. 94,750

17. Issue of Equity Shares

Debt equity ratio = $\frac{\text{Debt}}{\text{Equity}}$

The ratio will decline

Reason :- Debt remains unchanged.
Equity increases.

(½ mark for answer and ½ mark for reason)

18. Source - Rs. 10,000 (1)

19. Financing Activity (1)

20. Major headings on the asset side are :

1.	Fixed Assets	
2.	Investments	
3.	Current Assets, Loans and Advances (a) Current Assets (b) Loans and Advances	
4.	Miscellaneous Expenditure	
5.	Profit and Loss A/c. (Dr.)	

(½x6= 3)

21. **COMMON SIZE INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2006 & 2007**

Particulars	**Absolute Amounts**		**Percentage of Net Sales**	
	2006 (Rs.)	**2007(Rs.)**	**2006 (%)**	**2007(%)**
Net Sales	1,00,000	1,00,000	100	100
Less: Cost of goods sold	70,000	74,800	70	74.8
Gross Profit	30,000	25,200	30	25.2
Less: Operating Exp.	8000	9,800	8	9.8
Opereting Profit	22,000	15,400	22	15.4
Less: Tax	11,000	7,700	11	7.7
Net Profit	11,000	7,700	11	7.7

2 marks for % of 2006
2 marks for % of 2007
(2+2= 4)

22. Stock Turnover Ratio = $\frac{\text{Cost of goods sold}}{\text{Average stock}}$ (½)

$$5 = \frac{(\text{Rs.}8{,}00{,}000 - 1/5 \text{ of Rs. } 8{,}00{,}000)}{\frac{X + X + 20{,}000}{2}}$$

(Let Opening stock= X)

$$5 = \frac{6{,}40{,}000 \text{ x } 2}{2x + 20{,}000}$$

$10x + 1{,}00{,}000 = 12{,}80{,}000$
$10x = \text{Rs. } 11{,}80{,}000$

x = Rs. 1,18,000 (1)

Closing Stock = Opening Stock + 20,000
Rs. 1,18,000 + 20,000
= Rs. 1,38,000 (½) (½ +1+½=2)

$$\text{Acid Test Ratio} = \frac{\text{Liquid Assets}}{\text{Current Liabilities}}$$ (½)

$$0.75 = \frac{\text{Liquid Assets}}{\text{Rs. 2,40,000}}$$

Liquid Asset = 2,40,000 x 0.75
= Rs. 1,80,000 (½)
Current Assets = Liquid Assets + Closing Stock
Rs. 1,80,000 + Rs. 1,38,000 (½)
= Rs. 3,18,000

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

$$\text{Current Ratio} = \frac{\text{Rs.3,18,000}}{\text{Rs.2,40,000}} = 1.325$$ (½ +½+½ = 2)

(2+2 = 4)

23. **Cash Flow Statement**

	Particulars	Rs.	Rs.	
(A)	**Cash Flow from Operating Activities**			
	Profit before tax	1,50,000		1
	Adjustments:			
	Add : Depreciation on Plant and Machinery	50,000		½
	Less : Profit on sale of Plant and Machinery	(3,000)		½
	Operating Profit before working capital changes	1,97,000		
	Less : Increase in stock	(25,000)		
	Cash generated from operations	1,72,000		½
	(–) Tax Paid.	–		
	Net Cash Flow from Operating Activities		1,72,000	
(B)	**Cash Flow from Investing Activities**			
	Sale of Plant and Machinery	8,000		1
	Purchase of Plant and Machinery	(3,55,000)		1
	Net Cash used in Investing Activities		(3,47,000)	
(C)	**Cash Flow from Financing Activities**			
	Issue of Share Capital	3,00,000		½
	Dividend paid	(40,000)		½
	Net Cash flow from Financing Activities		2,60,000	
	Net Increase/Decrease in cash and cash equivalents		85,000	
	Add : Opening cash and cash equivalents		3,15,000	½
	Closing cash and cash equivalent		4,00,000	

(1+½+½+½+1+1+½+½+½= 6)

Working Notes :

(1) Profit Before Tax

	Rs.
Profit as per P/L Account	1,00,000
Add Proposed Dividend	50,000
	1,50,000

(2) **Plant and Machinery Account**

Dr. ***Cr.***

Particulars	**Rs.**	**Particulars**	**Rs.**
To Balance b/d	5,00,000	By Depreciation A/c	50,000
To Profit and Loss A/c	3,000	By Bank A/c (Sale)	8,000
To Bank A/c			
(Purchase)	3,55,000	By Balance c/d	8,00,000
(Balancing/figure)			
	8,58,000		8,58,000

(2)

SAMPLE QUESTION PAPER-II

Subject : Accountancy **Class XII** **Max. Marks 80** **Time : 3 hrs.**

QUESTION-WISE ANALYSIS

S. No of question	Unit/Ch. Number	Marks allotted	Estimated time (Minutes)	Estimated Difficulty level
1	1	1	2 minutes	A
2	2	1	2 minutes	A
3	2	1	2 minutes	A
4	3	1	2 minutes	A
5	4	1	2 minutes	B
6	1	3	6 minutes	A
7	4	3	6 minutes	A
8	4	3	6 minutes	B
9	2	4	8 minutes	B
10	3	4	8 minutes	B
11	4	4	8 minutes	C
12	4	6	12 minutes	B
13	1	6	12 minutes	B
14	3	6	12 minutes	B
15	4	8	16 minutes	C
16	3	8	16 minutes	B
17	5	1	2 minutes	A
18	6	1	2 minutes	A

S. No of question	Unit/Ch. Number	Marks allotted	Estimated time (Minutes)	Estimated Difficulty level
19	6	1	2 minutes	A
20	5	3	6 minutes	A
21	5	4	8 minutes	B
22	5	4	8 minutes	C
23	6	6	12 minutes	B
Reference for abbreviations to Difficulty Level				
A	Easy	20%	16	
B	Average	60%	48	
C	Difficult	20%	16	