

DESIGN OF QUESTION PAPER
ACCOUNTANCY
Class - XII

Time Allowed - 3 Hrs.

Max. Marks - 80

The weightage to marks over different dimensions of the question paper shall be as under :

A. Weightage to Content/ Subject units

S. No.	Content Unit	Marks
Part A : Accounting for Not for Profit Organizations, Partnership Firms and Companies		
1.	Accounting for not for profit organizations	10
2.	Accounting for Partnership Firms	5
3.	Reconstitution of Partnership	20
4.	Accounting for Share Capital and Debentures	25
	TOTAL	60
Part B : Financial Statement Analysis		
5.	Analysis of Financial Statements	12
6.	Cash flow Statement	8
	Total	20
	OR	
Part C : Computerized Accounting		
5	Overview of computerized system	5
6.	Accounting using Database Management	
	System(DBMS)	8
7	Accounting Applications of Electronic	
	Spread sheet	7
	TOTAL	20
	Grand Total (A+B)/(A+C)	80

B. **Weightage to forms of Questions**

S. No.	Forms of Questions	Marks for each question	No. of questions	Total Marks
1.	Very short answer type (VSA)	1	8	8
2.	Short answer type (SAI)	3	4	12
3.	Short answer type (SAII)	4	5	20
4.	Long answer type (LAI)	6	4	24
5.	Long answer type (LAII)	8	2	16
	Total		23	80

C. **No. of Sections**

The question paper will have three sections A, B and C. The students will have choice between sections B and C.

D. **Scheme of Options**

There will be no overall choice. However, there is an internal choice in the questions of 8 marks.

E. **Weightage of difficulty level of questions**

S. No	Estimated difficulty level of questions	Percentage
1.	Easy	20%
2.	Average	60%
3.	Difficult	20%

SAMPLE QUESTION PAPER I
ACCOUNTANCY
Class - XII
Senior Secondary School Examination

Set-I & II

Marks - 60

Part A - PARTNERSHIP AND COMPANY ACCOUNTS

BLUE PRINT

Form of Questions/ Units	Long Answer 6,8	Short Answer 3,4	Very Short Answer 1	Total
1. Accounting for Not for profit organisations.	6(1)	3(1)	1(1)	10(3)
2. Accounting for Partnership Firms		4(1)	1(1)	5(2)
3. Reconstitution of Partnership	8(1) 6(1)	4(1)	2(2)	20(5)
4. Accounting for (a) Share Capital (b) Debentures	8(1) 6(1)	6(2) 4(1)	1(1)	25(6)
Sub Total (A)	34(5)	21(6)	5(5)	60(16)

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

SAMPLE QUESTION PAPER I
SENIOR SECONDARY SCHOOL EXAMINATION

Subject - Accountancy.

Max. Marks - 80

Class - XII

Set-I

Part B - Financial Statement Analysis.

Blue Print

Form of Questions/ Units	Long Answer 6,8	Short Answer 3,4	Very Short Answer 1	Total
5. Analysis of Financial Statements		3(1) 8(2)	1(1)	12(4)
6. Cash flow Statement	6(1)		2(2)	8(3)
Sub Total (B)	6(1)	11(3)	3(3)	20(7)
Grand Total (A+B)	40(6)	32(9)	8(8)	80(23)

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

SAMPLE QUESTION PAPER
ACCOUNTANCY
Class - XII
Set - I

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

Accounting for Not-for-Profit Organisations, Partnership Firms and Companies

1. Not-for-profit organisations have some distinguishing features from that of profit organisations. State any one of them. (1)
2. Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 2,00,000, Rs. 3,00,000 and Rs.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. How will you settle the dispute? (1)
3. Give the formula for calculating 'gaining share' of a partner in a partnership firm. (1)
4. 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)
5. What is meant by 'Convertible debentures'? (1)
6. Show the following information in the Balance Sheet of the Cosmos Club as on 31st March, 2007:

Particulars	Debit Rs.	Credit Rs.
Tournament Fund	–	1,50,000
Tournament Fund Investment	1,50,000	–
Income from Tournament Fund Investment	–	18,000
Tournament Expenses	12,000	–

Additional Information :-

- Interest Accrued on Tournament Fund Investment Rs. 6,000. (3)
7. Shubh Limited has the following balances appearing in its Balance Sheet :

	Rs.
Securities Premium	22,00,000
9% Debentures	120,00,000
Underwriting Commission	10,00,000

The company decided to redeem its 9% Debentures at a premium of 10%. You are required to suggest the ways in which the company can utilise the securities premium amount. (3)

8. 20,000 Shares of Rs. 10 each were issued for public subscription at a premium of 10%. Full amount was payable on application. Applications were received for 30,000 shares and the Board decided to allot the shares on a pro-rata basis. Pass journal entries. (3)
9. A, B and C are partners in a firm. They have omitted interest on capital @ 10% p.a. for three years ended 31st March, 2007. Their fixed capitals on which interest was to be calculated throughout were:

A	Rs. 1,00,000	
B	Rs. 80,000	
C	Rs. 70,000	(4)

Give the necessary adjusting journal entry with working notes.

10. X, Y and Z were sharing profits and losses in the ratio of 5:3:2. They decided to share future profits and losses in the ratio of 2:3:5 with effect from 1.4.2007. They decided to record the effect of the following, without effecting their book values:-
- (i) Profit and Loss Account Rs. 24,000
- (ii) Advertisement Suspense Account Rs. 12,000

Pass the necessary adjusting entry. (4)

11. Sajal Limited had issued shares of Rs. 100 each at a discount of 5%, payable as follows :
- | | |
|------------------------------|------------------|
| On application and allotment | Rs. 40 per share |
| On first Call | Rs. 40 per share |
| On Final Call | Balance Amount |

One shareholder, Pran holding 50 shares did not pay his first and final call. As a result, his shares were forfeited.

Of these, 80% shares were reissued to Ram as fully paid up @ Rs. 110 per share.

Pass necessary journal entries to record the forfeiture and reissue of shares in the books of Sajal Limited. (4)

12. (a) Raghav Limited purchased a running business from Krishna Traders for a sum of Rs. 15,00,000, payable Rs. 3,00,000 by cheque and for the balance issued 9% Debentures of Rs. 100 each at par.

The assets and liabilities consisted of the following :

	<i>Rs.</i>
Plant and Machinery	4,00,000
Buildings	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.

- (b) On January 1, 2004, Rhythm Limited issued 1,000 10% debentures of Rs. 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 Rs. 100 each at a premium of Rs. 25 per share anytime after the expiry of one year.

Shivansh, holder of 200 debentures, informed on Jan. 1, 2006 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 entries to record the issue of debentures on Jan. 1, 2004 and conversion of debentures on Jan. 1, 2006. (3+3 = 6)

13. From the following Receipts and Payments Account of Sonic Club and from the given additional information; prepare Income and Expenditure Account for the year ending 31st December, 2006 and the Balance Sheet as on that date :

Receipts and Payments Account
for the year ending 31st December, 2006

<i>Dr.</i>			<i>Cr.</i>
Receipts	Rs.	Payments	Rs.
To Balance b/d	1,90,000	By Salaries	3,30,000
To Subscriptions	6,60,000	By Sports Equipment	4,00,000
To Interest on Investments @ 8% p.a. for full year	40,000	By Balance c/d	1,60,000
	8,90,000		8,90,000

Additional Information :

- (a) The club had received Rs. 20,000 for subscription in 2005 for 2006.
- (b) Salaries had been paid only for 11 months
- (c) Stock of Sports Equipment on 31st December, 2005 was Rs. 3,00,000 and on 31st December, 2006 Rs. 6,50,000. (6)
14. Ram, Mohan and Sohan were partners sharing profits and losses in the ratio of 5:3:2. On 31st March, 2006 their Balance Sheet was as under :

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Capitals : Rs.		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
Creditors	1,55,000	Cash at Bank	40,000
Workmen's Compensation Reserve	30,000		
	5,35,000		5,35,000

Sohan died on 1st August, 2006. 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; Leasehold at Rs. 1,50,000 on this date.
- (iii) For the purpose of calculating Sohan's share in the profits of 2006-07, the profits should be taken to have accrued on the same scale as in 2005-06, which were Rs. 75,000.

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

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

On Application	Rs. 10 per share
On Allotment	Rs. 40 per share (including premium of Rs. 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 and application money was returned to them.

All the money due was duly received.

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 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 and Final Call	Rs. 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

Rs. 1,08,000 was realised on account of allotment (excluding the amount carried from application money) and Rs. 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.

Pass journal entries in the books of Sangita Limited to record the above transactions.

16. 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 is as follows :

Balance Sheet as at

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
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 Rs. 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 Rs. 20,000; while the normal profits that can be earned on the capital employed are Rs. 12,000.
- (iii) Furniture is to be appreciated to Rs. 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

On 31st December, 2006 the Balance Sheet of A. B and C, who were sharing profits and losses in proportion to their capitals, stood as follows :

<i>Liabilities</i>	<i>Amount Rs.</i>	<i>Assets</i>	<i>Amount Rs.</i>
Creditors	10,800	Cash at Bank	8,000
Capitals : Rs.			
A 45,000		Debtors Rs, 10,000	
B 30,000		Less : Provision <u>200</u>	9,800
C <u>15,000</u>	90,000	Stock	9,000
		Machinery	24,000
		Land and Buildings	50,000
	1,00,800		1,00,800

B retires and the following readjustments of assets and liabilities have been agreed upon before the ascertainment of the amount payable to B :

- (i) That Land and Buildings be appreciated by 12%.
- (ii) That provision for Doubtful Debts be brought upto 5% of debtors.
- (iii) That a provision of Rs. 3,900 be made in respect of an outstanding bill for repairs.
- (iv) That Goodwill of the entire firm be fixed at Rs. 18,000 and B's share of the same be adjusted into the accounts of A&C, who are going to share future profits in the proportion of 3/4th and 1/4th respectively.
- (v) That B be paid Rs. 5,000 immediately and the balance to be transferred to his Loan Account.

Prepare Revaluation Account, Capital Accounts of Partners and the Balance Sheet of the firm of A and C. (8)

Part-B

Financial Statement Analysis

17. 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)
18. State whether cash deposited in bank will result in inflow, outflow or no flow of cash. (1)
19. Interest received by a finance company is classified under which kind of activity while preparing a cash flow statement ? (1)
20. Show the major headings into which the liabilities side of a Company's Balance Sheet is organised and presented as per Schedule VI Part I of the Companies Act, 1956. (3)
21. Prepare a Comparative Income Statement with the help of the following information : (4)

Particulars	2006	2007
Sales	Rs. 20,00,000	Rs. 30,00,000
Gross Profit	40%	30%
Indirect Expenses	50% of G.P.	40% of G.P.
Income Tax	50%	50%

22. Following is the Balance Sheet of X Ltd. as on 31st March, 2008 :

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Share Capital	10,00,000	Fixed Assets (Net)	20,00,000
Reserves	5,00,000	Stock	9,00,000
10% Long Term Loan	10,00,000	Fixed Deposit (6 Months)	1,00,000
Creditors	15,00,000	Bills Receivable	4,00,000
Bills Payable	10,00,000	Debtors	20,00,000
Profit & Loss A/c	5,00,000	Cash	1,00,000
	55,00,000		55,00,000

The existing liquid Ratio stands at 1:1. A liability of Rs. 4,00,000 under dispute has to be paid immediately as per High Court Order

Show the effect of this order on Liquid Ratio and Current Ratio as on 31st March 08. (4)

23. From the following balance sheets of ABC Ltd., Find out cash from operating activities only.
: (6)

<i>Liabilities</i>	<i>31.3.2006 Rs.</i>	<i>31.3.2007 Rs.</i>	<i>Assets</i>	<i>31.3.2006 Rs.</i>	<i>31.3.2007 Rs.</i>
Equity Share Capital	30,000	35,000	Goodwill	10,000	8,000
General Reserve	10,000	15,000	Machinery	41,000	54,000
Profit & Loss Account	–	7,000	10% Investments	3,000	8,000
10% Debentures	21,000	25,000	Stock	6,000	24,500
Sundry Creditors	8,500	12,500	Cash and Bank	12,000	13,000
Provision for Depreciation on Machinery	9,000	13,000	Discount on Debentures	500	–
			Profit & Loss Account	6,000	–
	78,500	1,07,500		78,500	1,07,500

Additional Information :

*Debentures were issued on 31.3.2007.

*Investments were made on 31.3.2007.

Part C

Computerised Accounting

MARKING SCHEME
SAMPLE QUESTION PAPER -I
ACCOUNTANCY
Class - XII
Set - I
Part A

Accounting for Not for Profit Organizations, Partnership Firms and Companies

1. Such organisations are formed for providing service to a specific group or public at large and not to earn profit. (1)
2. Charu is correct.
Reason : In the absence of partnership deed profits are to be shared equally. ($\frac{1}{2} + \frac{1}{2} = 1$)
3. Gaining share = New Share - Old Share (1)
4. Old Ratio i.e. 1:1 (1)
5. The debentures which are convertible into equity shares or other securities either at the option of debentureholder or at the option of the company after a specified period. (1)

6. **COSMOS CLUB**

Balance Sheet as on 31 March, 2007

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
Tournament Fund	1,50,000	Tournament Fund Investment	1,50,000
(+) Income from Tournament Fund Investment	18,000	Accrued Interest on Tournament Fund Investment	6,000
	1,68,000		
(+) Accrued Interest on Tournament Fund Investment	6,000		
	1,74,000		
(-) Tournament expenses	12,000		
	1,62,000		

($\frac{1}{2} \times 6 = 3$)

7. (i) Utilise Rs. 10,00,000 to write off underwriting commission.
- (ii) Utilise remaining Rs. 12,00,000 to provide for premium on redemption of 9% Debentures. ($1\frac{1}{2} + 1\frac{1}{2} = 3$)

8.

JOURNAL

Date	Particulars	L.F.	Debit	Credit
	Bank Account Dr. To Share Application & Allotment A/c (Being application money received on 30,000 shares @ Rs.11 each)		3,30,000	3,30,000
	Share Application & Allotment Account Dr. To Share Capital Account To Securities Premium Account To Bank Account (Being application money adjusted towards share capital and securities premium; balance refunded)		3,30,000	2,00,000 20,000 1,10,000

(1 + 2 = 3)

9.

JOURNAL

Date	Particulars	L.F.	Debit	Credit
31.3.07	B's Current A/c Dr. C's Current A/c Dr. To A's Current A/c (Being omission of interest on capital for three years rectified)		1,000 4,000	5,000

(2)

Working Notes :**(i) Interest on capital**

$$(A) \quad \frac{10}{100} \times \text{Rs. } 1,00,000 = \text{Rs. } 10,000 \times 3 \text{ years} = \text{Rs. } 30,000$$

$$(B) \quad \frac{10}{100} \times \text{Rs. } 80,000 = \text{Rs. } 8,000 \times 3 \text{ years} = \text{Rs. } 24,000$$

$$(C) \quad \frac{10}{100} \times \text{Rs. } 70,000 = \text{Rs. } 7,000 \times 3 \text{ years} = \text{Rs. } 21,000$$

Total

Rs. 75,000

(1)

(ii) **Statement showing Adjustment to be made :**

Particulars	A	B	C
1. Amount already credited by way of share of profit	Rs. 25,000	Rs. 25,000	Rs. 25,000
2. Amount which should have been credited by way of interest on capital	Rs. 30,000	Rs. 24,000	Rs. 21,000
3. Difference (1-2)	Rs. 5,000	1,000	Rs. 4,000
	Cr.	Dr.	Dr.
	Short	excess	excess

(1)

(2 Marks -Journal Entry)
(2 Marks - Working Notes)

10.

	X	Y	Z
Old Ratio	5	3	2
New Ratio	2	3	5

Change in Ratio = OR – NR

$$X = \frac{5}{10} - \frac{2}{10} = 3/10 \text{ (Sacrificing Partner)}$$

$$Y = \frac{3}{10} - \frac{3}{10} = 0$$

$$Z = \frac{2}{10} - \frac{5}{10} = -\frac{3}{10} \text{ (Gaining Partner)} \quad (1)$$

Total amount of adjustment to be made :

Profit and Loss A/c (Cr. Balance)	Rs.24,000
Advertisement Suspense	(12,000)
Total Amount	<u><u>12,000</u></u>

$$Z's \text{ share of gain} = 3/10 \times Rs.12,000 = Rs.3,600$$

$$X's \text{ share of sacrifice} = 3/10 \times Rs.12,000 = Rs.3,600 \quad (1)$$

Adjusting Entry :

Z's Capital A/c Dr.

To X's Capital A/c

Rs.

3,600

Rs.

3,600

(Being adjustment made on account of change in profit-sharing ratio)

(2)

11.

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Particulars	L.F.	Debit Rs.	Credit Rs.
Share Capital A/c. Dr.		5,000	
To Share Forfeited A/c			2,000
To Discount on Issue of Shares A/c			250
To Share First Call A/c			2,000
To Share final Call A/c			750
(Being 50 shares of Pran forfeited due to non-payment of first and final call)			
Bank A/c Dr.		4,400	
To Share Capital A/c			4,000
To Securities Premium A/c			400
(Being 40 shares reissued to Ram as fully paid up @ Rs.110 each)			
Shares Forfeited A/c Dr.		1,600	
To Capital Reserve A/c.			1,600
(Being transfer of profit on reissue of shares to capital reserve)			

(1 + 1 + 1 = 3)

Working Note : Calculation of Capital Reserve

Amount forfeited = Rs.2,000

on 50 shares

$$\therefore \text{Amount forfeited on 40 shares} = \frac{2,000 \times 40}{50}$$

$$= \text{Rs.1,600}$$

Discount given

$$= \text{NIL}$$

Capital Reserve

$$= \underline{\underline{\text{Rs. 1,600}}}$$

(1)

12. (a)

JOURNAL

Date	Particulars	L.F.	Debit	Credit
	Plant and Machinery A/c Dr. Buildings A/c Dr. Stock A/c Dr. Sundry Debtors A/c Dr. To Sundry Creditors A/c To Krishna Limited A/c To Capital Reserve A/c (being the purchase of assets and liabilities of Krishna Limited)		4,00,000 6,00,000 5,00,000 3,00,000	2,00,000 15,00,000 1,00,000
	Krishna Limited A/c Dr. To Bank A/c (Being Rs.3,00,000 paid to Krishna Ltd. by cheque)		3,00,000	3,00,000
	Krishna Limited A/c Dr. To 9% Debentures A/c (Being the balance Rs.12,00,000 discharged by issue of 9% Debentures at par)		12,00,000	12,00,000

(1 + 1 + 1 = 3)

12. (b)

JOURNAL

Date	Particulars	L.F.	Debit	Credit
1.1.04	Bank A/c Dr. To 10% Debenture Application and Allotment A/c (being application money received on 1000 debentures @ Rs.500)		5,00,000	5,00,000
1.1.04	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
1.1.06	10% Debentures A/c Dr. To Debentureholder A/c (being amount due to Debentureholder on conversion)		1,00,000	1,00,000
1.1.06	Debentureholder A/c Dr. To Equity Share Capital A/c To Securities Premium A/c (being the issue of 800 equity shares of Rs. 100 each at a premium of Rs.25 per share)		1,00,000	80,000 20,000

Working Note : Calculation of Number of Shares

$$\begin{aligned}\text{Number of equity shares} &= \frac{1,00,000}{125} \\ &= 800.\end{aligned}$$

$$(\frac{1}{2} + 1 + \frac{1}{2} + 1 = 3)$$

13.

Income and Expenditure Account
for the year ending December, 2006

Dr.			Cr.
Expenditure	Rs.	Income	Rs.
To Salaries Rs.3,30,000		By Subscription Rs.6,60,000	
Add : Outstanding for salaries <u>30,000</u>	3,60,000	Add : Advance Subscription received in 2005 for 2006 Rs. <u>20,000</u>	6,80,000
To Depreciation on Sports Equipments 3,00,000		By Interest on Investments @8% on Rs.5,00,000	40,000
+ 4,00,000			
- <u>6,50,000</u>	50,000		
To Surplus (bal. fig.)	<u>3,10,000</u>		
	<u><u>7,20,000</u></u>		<u><u>7,20,000</u></u>

Balance Sheet as on 31st December, 2006

Liabilities	Rs.	Assets	Rs.
Capital Fund Rs. 9,70,000		Investments	5,00,000
Add : Surplus <u>3,10,000</u>	12,80,000	Sports Equipments Rs.3,00,000	
		Add : Purchased <u>4,00,000</u>	
		7,00,000	
Salaries Outstanding	30,000	Less : Depreciation <u>50,000</u>	6,50,000
		Cash	1,60,000
	<u><u>13,10,000</u></u>		<u><u>13,10,000</u></u>

Working Note :

Balance Sheet as on 31st December, 2005

Liabilities	Rs.	Assets	Rs.
Subscription Received in Advance	20,000	Cash	1,90,000
Capital Fund	<u>9,70,000</u>	Investment	5,00,000
(bal.fig)	<u><u>9,90,000</u></u>	Sports Equipment	<u>3,00,000</u>
			<u><u>9,90,000</u></u>

$$(2\frac{1}{2} + 2\frac{1}{2} + 1 = 6)$$

14.

REVALUATION ACCOUNT

Dr.

Cr.

Particulars	Rs.	Particulars	Rs.
To Machinery	10,000	By Leasehold	25,000
To Profit Transferred to Capital Accounts :		By Patents	10,000
Ram : Rs. 12,500			
Mohan : 7,500			
Sohan : <u>5,000</u>	<u>25,000</u>		
	<u>35,000</u>		<u>35,000</u>

(2)

Sohan's Capital Account

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

(2)

Working Notes :

- (i) Sohan's share of Goodwill : $1/5$ of Rs. 1,75,000 = Rs. 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)

$$\text{Rs. } 75,000 \times \frac{1}{5} \times \frac{4}{12}$$

$$= \text{Rs. } 5,000.$$

JOURNAL

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

Working Notes :

i) Total amount received on application = Rs.10x23,000 = Rs. 2,30,000

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

Money received on application 12,000xRs10 = Rs.1,20,000

Money required on application 2,000xRs10 = Rs.20,000

Excess money received on application = Rs. 1,00,000

Money required on allotment 2,000xRs.40 = Rs.80,000

So entire amount due on allotment is already received. Excess Rs.20,000 is transferred to Share First & Final Call A/c. This amount can also 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 Rs.7,00,000.

15.

OR

IN THE BOOKS OF SANGITA LTD.

JOURNAL

Date	Particulars	L. F.	Dr. Amt. (Rs.)	Cr. Amt. (Rs.)
(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 adjusted 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 @ Rs. 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 @ Rs. 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 Forfeited A/c To Share Allotment A/c To Share First and Final Call A/c (Being 4000 shares forfeited due to non-payment of allotment and first and final call)		40,000	8,000 12,000 20,000

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

Working Notes :

1. Utilization of excess money received on application for pro rata category 5 : 2

	Rs.
Money received on application 50,000x Rs.2	=1,00,000
Money required an application 20,000x Rs.2	= 40,000
Excess money received	= 60,000
Amount due on allotment 20,000x Rs.3	=60,000

So entire excess money (Rs. 60,000) is adjusted towards allotment.

2. Number of shares on which allotment is not received

	Rs.
Total Allotment money due 60000x Rs.3	= 1,80,000
Less : Allotment money already received	= 60,000
Less : Allotment money received	= 1,08,000
Amount not received on allotment	=12,000
Allotment money per share	= Rs. 3

Number of shares on which Allotment

$$\text{Money is not received} = \frac{12,000}{3} = 4,000 \text{ Shares}$$

3. Number of Shares on which first call is not received

	Rs.
Total First Call money due 60,000xRs.5	= 3,00,000
Less First Call money received	= 2,50,000
Amount Not Received on first call	= 50,000
First call per share	= 5

$$\text{Number of shares on which first call money is not received} = \frac{50,000}{5} = 10,000 \text{ Shares (5)}$$

(Which includes 4,000 shares on which allotment money was overdue. These shares were forfeited)

Revaluation A/c

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

(1½ Marks)

16.

Partners' Capital A/c.

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

(1½x3=4½ Marks)

Balance Sheet as at.....

Liabilities	Rs.	Assets	Rs.
Capital	Rs.	Machinery	26,000
L	39,000	Furniture	24,000
M	27,000	Stock	8,000
N	<u>17,000</u>	Debtors	8,000
Bank Loan		Cash	31,000
Creditors			
	97,000		97,000

(2 Marks)

*Working Note

N's Capital A/c Dr	8,000	4,000
To L's Capital A/c		4,000
To M's Capital A/c		

**OR
Revaluation Account**

	Rs.		Rs.
To Provision for Doubtful Debts	300	By Land and Buildings	
To Outstanding Repairs Bill	3,900		6,000
To profits transferred to Capital Accounts			
A 900			
B 600			
C <u>300</u>	<u>1,800</u>		<u>6,000</u>
	<u>6,000</u>		

Partners' Capital A/c

	A Rs.	B Rs.	C Rs.		A Rs.	B Rs.	C Rs.
To B's Capital	4,500		1,500	By Balance b/d	45,000	30,000	15,000
To Bank A/c		5,000		By Revaluation A/c	900	600	300
To B's Loan A/c		31,600		By A's Capital		4,500	
To Balance c/d	41,400		13,800	By C's Capital		1,500	
	<u>45,900</u>	<u>36,600</u>	<u>15,300</u>		<u>45,900</u>	<u>36,600</u>	<u>15,300</u>

(1½x3 = 4½ Marks)

A's Capital A/c	Dr.	4,500	
C's Capital A/c	Dr.	1,500	
	To B's Capital A/c		6,000
(B's share of goodwill is adjusted in sacrificing ratio)			

Liabilities		Rs.	Assets		Rs.
Creditors		10,800	Cash at bank		3,000
Outstanding Repairs		3,900	Debtors		10,000
B's Loan		31,600	Less : Provision for		<u>500</u>
Capitals :			Doubtful Debts		9,500
	Rs.		Stock		9,000
A	41,400				
B	<u>13,800</u>	55,200	Machinery		24,000
			Land and Building		56,000
		<u>1,01,500</u>			<u>1,01,500</u>

(1½+4½+2 = 8 Marks)

1

20.

Liabilities	Rs.	Asset	Rs.
1. Share Capital			
2. Reserves & Surplus			
3. Secured Loans			
4. Unsecured Loans			
5. Current Liabilities & Provisions :			
(A) Current Liabilities			
(B) Provision			

90

21.

Comparative Income Statement
for the year ended 31st Dec, 2007

Particulars	Absolute Figures		Change (Base year 2006)	
	2006 (Rs.)	2007 (Rs.)	Absolute figures (Rs.)	Percentage (%)
Sales	20,00,000	30,00,000	10,00,000	50%
Less : Cost of goods sold	12,00,000	21,00,000	9,00,000	75%
Gross Income/ Profit	8,00,000	9,00,000	1,00,000	12.5%
Less : Indirect Expenses	(4,00,000)	(3,60,000)	40,000	10%
Profit before Tax	4,00,000	5,40,000	1,40,000	35%
Less : Tax (50%)	(2,00,000)	(2,70,000)	(70,000)	35%
Profit after tax	2,00,000	2,70,000	70,000	35%

2 marks for calculating absolute changes
2 marks for calculating percentage

$$\begin{aligned}
 22. \quad \text{Liquid Ratio} &= \frac{\text{Liquid Assets}}{\text{Current Liabilities}} \\
 &= \frac{\text{Bills Receivables} + \text{Debtors} + \text{Cash}}{\text{Creditors} + \text{Bills Payable}} \\
 &= \frac{4,00,000 + 20,00,000 + 1,00,000}{15,00,000 + 10,00,000} \\
 &= \frac{25,00,000}{25,00,000}
 \end{aligned}$$

OR 1:1

(1 Mark)

After Court's decision, Current Liability increased by Rs. 4,00,000 and thus

$$\text{Liquid Ratio} = \frac{25,00,000}{29,00,000}$$

= .86:1 hence reduced

(1 Mark)

Current Ratio before court's decision was

$$\begin{aligned}
 &= \frac{\text{Current Assets}}{\text{Current Liabilities}} \\
 &= \frac{\text{Liquid Assets} + \text{Stock}}{\text{Current Liabilities}} \\
 &= \frac{25,00,000 + 9,00,000}{25,00,000}
 \end{aligned}$$

OR 1.36 : 1

(1 Mark)

After Court's decision

$$\text{Current Ratio} = \frac{34,00,000}{29,00,000}$$

OR 1.17 : 1

Hence reduced

(1 Mark)

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

23.

Statement of Cash Flow

Particulars	Details (Rs.)	Amount (Rs.)
Net profit before tax and extra-ordinary Items :		18,000
<u>Items to be added</u>		
Add : Depreciation	4000	
Discount on issue of Deb	500	
Goodwill Written off	2000	
Interest on Debentures	2100	
(10% of 21000)	8600	
<u>Items to be deducted</u>		
Less : Interest on Investment	(300)	8300
<u>Operating profit before working</u>		26300
<u>Capital Changes</u>		
Add : Increase in creditors	4000	- 14,500
Less : Increase in stock	(18,500)	-
Cash generated from operations		11,800

3 Marks

Working Note :

Calculation of profit before Tax

Closing balance as per P& L A/c

Rs. 7,000

Less : Opening balance as per P & L

– (6,000)

Add : Transfer to General Reserve

5,00018,000

SAMPLE QUESTION PAPER-I

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	3	1	2 minutes	A
4	3	1	2 minutes	A
5	4	1	2 minutes	A
6	1	3	6 minutes	A
7	4	3	6 minutes	C
8	4	3	6 minutes	A
9	2	4	8 minutes	B
10	3	4	8 minutes	C
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	B
16	3	8	16 minutes	B
17	5	1	2 minutes	B
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	B
23	6	6	12 minutes	C
Reference for abbreviations to Difficulty Level				
A	Easy	20%	16	
B	Average	60%	48	
C	Difficult	20%	16	