Delhi Public School, Jammu
Assignment for Pre-Board Examination (2019-20)

Subject: Accountancy **M.M:-80**
Class: XII **Max. Time: 3 Hrs.**

General Instructions:

1. **This question paper contains two Parts A and B.**
2. **Both Part A and B are compulsory.**
3. **All parts of a question should be attempted at one place.**
4. **Marks are indicated against each question.**
5. **All workings are a part of the answer.**

PART A
ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

1. **Show how Building Fund will be dealt with in the financial statements of Delhi Football Association:**
   Balance of Building Fund Rs.10,00,000
   Donation Received for Building Rs.12,00,000
   Expenditure Incurred on the Construction of sports room Rs.9,00,000 1
2. **Match the following:**

Group A	*Group B*
i) Dissolution of Firm	a)Appear in Balance Sheet
ii) Credit Balance in Realisation A/c	b) Realization A/c
iii) Reserve Fund for Distribution	c)Gain on Realization

1

3. **X and Y are partners in a firm not having a partnership deed. X spends twice the time that Y devotes to business. X claims that he should get a salary of Rs.10,000 per month for his extra time spent. Y does not want to give salary. State who is correct and why? 1**
4. **Ajay, Bhawna and Shreya were partners sharing profits in the ratio of 2:2:1. On 1st July, 2019 Shreya died. The books of accounts are closed on 31st March every year. Sale for the year 2018-19 was Rs.5,00,000 and that from 1st April to 30th June 2019 was Rs.1,40,000. The rate of profit during the past three years had been 20% on sales which it is to be the basis to calculate Shreya's share of profit. Calculate Shreya's share of profit till the date of her death and pass necessary journal entry. 1**
5. **Give the journal entry to distribute 'Workmen Compensation Reserve' of Rs.50,000 at the time of admission of Z, when there is no claim against it. The firm has two partners X and Y. 1**
6. **X, Y and Z are partners sharing profits in the ratio of 3:2:1. Y retired from the firm. New profit sharing ratio is decided to be 5:1. For the adjustment of goodwill, accountant has calculated Gaining Ratio as 2:3. Is he correct? 1**
7. **On death of a partner, his share of goodwill will be contributed equally by continuing partners, if ……….. 1**
8. **Pass the Journal Entry to distribute goodwill of Rs.1,00,000 brought by Anil, a new partner as his share, which he gains equally from Samay and Suraj. 1**
9. **Capital that a Company decides to call at the time of winding up is termed as ………… 1**
10. **Profit & Loss Appropriation Account is prepared to give effect to:**
    a) Partnership Act, 1932
    b) Partnership Act, 1932 and Partnership Deed
    c) Partnership Deed
    d) Partnership Deed and other Agreements 1

11. X Ltd. forfeited 100 shares of Rs.10 each (Rs.8 called up) issued at a premium of Rs.2 per share to Ramesh for nonpayment of allotment money of Rs.5 per share (including premium). Out of these, 70 shares were reissued to Ashok as Rs.8 called up for Rs.10 per share. The gain on the reissue is
    a) Rs.500
    b)Rs.400
    c) Rs.350
    d) Rs.300 **1**
12. Total Capital Employed in firm is Rs.1,60,000; Normal Rate of Return 15% and Profit for the year Rs.2,40,000. Value of goodwill by capitalization method is
    a)Rs.16,40,000
    b) Rs.2,40,000
    c) Rs.14,40,000
    d) Rs.8,40,000 **1**
13. What time period would be considered if equal amount is withdrawn by a partner every month in the beginning of each month? **1**
14. Prepare Subscription Account from the information given below to show the amount to be credited to Income & Expenditure Account of the Delhi Tennis Club for the year ended 31st March, 2019

	1st April, 2018	31st March, 2019
Subscriptions in Arrears	Rs.6,000	Rs.5,000
Subscriptions in Advance	Rs.3,500	Rs.3,000

An Extract from Cash Book

Date	Particulars	Rs.	Date	Particulars	Rs.
2018 April 1 2019 March 31	Bal. in Hand Total Sub Rec during	28,000 62,000	2018 April 4	Refund of Sub. to Members Leaving Town	500

OR

Calculate the amount of stationery that will be debited to Income & Expenditure A/c for the year ended 31st March,2019:

a) Amount Paid for stationery during the year ended 31st March,2019 Rs.54,000
b) Stock of stationery in hand on 31st March, 2019 Rs.2,500 **3**

15. X, Y and Z are in partnership sharing profits and losses in the ratio of 3:2:1. On 31st March, 2019, Y retired, X and Z continued their partnership sharing profits & losses in the ratio of 3:2. Balances after all adjustments were: Capital: X—Rs.1,00,000; Y---Rs.90,000; Z---Rs.50,000 and Cash---Rs.10,000. Y was to be paid in full. X and Z were to bting in such an amount so as to make their capitals in proportion to the new profit sharing ratio subject to the condition that a cash balance of Rs.20,000 was to be maintained. Pass the necessary journal entries to give effect to the above arrangement. **4**
16. XYZ Ltd. forfeited 600 Equity Shares of Rs.10 each issued at a premium of 20% to Hiteshawar who had applied for 720 Equity Shares, for non-payment of allotment money of Rs.5 per share (including premium of Rs.5 per share), the first and final call of Rs.5 per share. Out of these 200 equity shares were reissued at Rs.9 per share. As per the terms of the issue, company was to retain the excess application money to adjust against calls. Give Journal Entries to record. **4**
17. A, B and C were partners. Their capitals were Rs.30,000; Rs.20,000; and C Rs. 10,000 respectively. According to the Partnership Deed, they were entitled to an interest on capital at 5% p.a. In addition,

B was also entitled to draw a salary of Rs.500 per month. C was entitled to a commission of 5% on the profits after charging interest on capital, but before charging salary payable to B. Net profit for the year Rs.30,000 was distributed in the ratio of capitals without above appropriations. The profit was to be shared in the ratio of 2:2:1. Pass the necessary adjustment entry showing the workings clearly. 4

18. Ramesh, Suresh and Naresh were partners in a firm sharing profits in the ratio of 2:2:1. On 31st March, 2019, their Balance Sheet was as follows:

Liabilities	Amount	Assets	Amount
Creditors	60,000	Bank	90,000
Bills Payable	40,000	Stock	70,000
General Reserve	30,000	Debtors	40,000
Capital A/cs:		Land & Building	5,00,000
Ramesh 2,36,000			
Suresh 2,36,000			
Naresh 98,000	5,70,000		
-----------	7,00,000		7,00,000

Suresh died on 30th June, 2019. The partnership deed provided for the following on the death of a partner:

i) Goodwill of the firm was to be valued at 2 years' purchase of the average profit of the last 5 years. The profits for the year ended 31st March, 2015, 2016, 2017and 2018 were Rs.50,000; Rs.80,000; Rs.1,10,000 and Rs.2,20,000 respectively. Loss for the year ended 31st March, 2019 was Rs.1,60,000.

ii) Suresh's share in the profit or loss till the date of his death was to be calculated on the basis of the profit of loss for the year ended 31st March, 2019.

You are required to prepare Suresh's Capital A/c at the time of his death to be presented to his executor. 4

19. a) Kritika Ltd. took over the assets of Rs.15,00,000 and liabilities of Rs.5,00,000 of Pritam Ltd. for a purchase consideration of Rs.13,68,500. Rs.25,500 were paid by issuing a promissory note in favour of Pritam Ltd. payable after two months and the balance was paid by issue of equity shares of Rs.100 each at a premium of 25%. Journalise the above transactions in the books of Kritika Ltd..

b) XYZ Ltd. forfeited 500 shares of Rs.100 each issued at 10% premium on which allotment of Rs.30 per share (including premium) and first call of Rs.30 per share were not received, the second and final call of Rs.20 per equity share was not yet called. The directors of the company decided to reissue 200 of these shares as Rs.80 paid up for Rs.90 per share. (3+3=6)

20. Young India Club has been established on 1st April, 2018. Following is their Receipts & Payments A/c for the year ended 31st March, 2019:

Dr. Receipts and Payments A/c Cr.

Receipts	Amt	Payments	Amt.
To Entrance Fees	5,000	By Maintenance Charges	2,440
To legacies	12,000	By Furniture	5,000
To Subscriptions	10,000	By Rent	1,000
To sale of old newspapers	1,500	By Salary	4,500
To Surplus from Annual Dinner Event	1,500	By Honorarium	1,000
To Life Membership Fees	9,000	By Conveyance	500
		By Books	2,000
		By Balance c/d	22,560
	39,000		39,000

Additional Information:
i)Rent Outstanding Rs.600.
ii) Legacy Donation is without specific use.
iii) Subscription Outstanding for the year ended 31st March, 2019.
iv) Maintenance Charges Rs.100 were unpaid.
Prepare Income & Expenditure Account for the year ended 31st March, 2019 and the Balance Sheet as on that date. **6**

21. P, Q and R were partners in a firm sharing profits in the ratio of 7:2:1. On April, 1, 2019 their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Capital A/cs		Land	12,00,000
P 9,00,000		Building	9,00,000
Q 8,40,000		Furniture	3,60,000
R 9,00,000	26,40,000	Stock	6,60,000
--------------		Debtors 6,00,000	
General Reserve	3,60,000	Less Provision 30,000	
Workmen Compensation Reserve	5,40,000	---------	5,70,000
Creditors	3,60,000	Cash at Bank	2,10,000
	39,00,000		39,00,000

On the above date Q retired. Following was agreed: Goodwill of the firm was valued at RS.12,00,000. Land was to be appreciated by 30% and Building was to be depreciated by Rs.3,00,000. Value of furniture was to be reduced by Rs.60,000. Liability for Workmen's Compensation was determined at Rs.1,40,000. Amount payable to Q was transferred to his Loan A/c. His Loan should be paid after two years with interest due to 12% p.a. Capitals of P & Q were to be adjusted in their new profit sharing ratio and for this purpose Current accounts of the Partners will be opened. Prepare Revaluation A/c, Partners' Capital a/c and the Balance Sheet.

OR

A and B were partners in a firm sharing profits in the ratio of 3:1. They admitted C for ¼ share in profits. C was to bring Rs.60,000 for his capital but was not in a position to bring amount of goodwill. Balance Sheet of the firm was as follows on 1st April, 2019, on the date of C's admission:

Liabilities	Amount	Assets	Amount
Capital A/cs		Land &Building	40,000
A 50,000		Goodwill	40,000
B 80,000		Stock	30,000
--------------	1,30,000	Debtors 35,000	
General Reserve	10,000	Less Provision 1,000	34,000
Workmen Compensation Reserve	40,000	---------	
Creditors	70,000	Investments	26,000
		Cash	10,000
		Plant & Machinery	70,000
	2,50,000		2,50,000

Other terms agreed upon were as follows: Goodwill of the firm was valued at Rs.24,000. Land & Building was valued at Rs.65,000 and Plant & Machinery at Rs.60,000. Provision for doubtful debts was found to be in excess by Rs.400. A liability of Rs.1,200 included in Sundry Creditors was not likely to arise. Capitals of the partners are to be adjusted on the basis of C's contribution of capital of the firm. Excess or shortfall, if any, to be transferred to Partners' Current accounts. Prepare Revaluation Account, Partners' Capital A/c and Balance Sheet of the new firm. **8**

22. Metallic Ltd. invited applications for Rs.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 final call.
Applications for 70,000 shares were received. Applications for 20 shares were rejected and pro-rata allotment was made to remaining applicants. First and final was made and duly received except on 400 shares allotted to Nitesh and his shares were forfeited. Journalize the above transactions.

OR

Arti Ltd. invited applications for issuing 80,000 of Rs.10 each at a premium of Rs.4 per share. The amount was payable as follows:
On Applications-----Rs.5 per share
On Allotment -------Rs.9 per share (including premium)
Applications were received for Rs.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
Rajiv belonging to category (i), had applied for 1,200 shares failed to pay his dues and his shares were forfeited. Pass Journal Entries to record the above transactions. **8**

Part B---Analysis of Financial Statement

23. Give one difference between Investing Activity and Financing Activity. 1

24. Common Size Balance Sheet is the vertical analysis of Balance Sheet in which Total of Assets is taken as 100 and all other values of assets, equity and liabilities are expressed as percentage of Total Assets. Is it correct? 1

25. Arrange the following steps while preparing Cash Flow Statement:

a) Net Cash Flow from (used in) Investing Activities

b) Net Cash Flow from (used in) Financing Activities

c) Net Increase/ decrease in cash and cash equivalents

d) Net Cash Flow from (used in) Operating Activities 1

26. Match the following:

Group A	***Group B***
i) Proprietary Ratio	**a)Debt/Equity**
ii) Quick Ratio	**b) Proprietor's Fund/Total Funds X 100**
iii) Debt-Equity Ratio	**c) Quick Assets/ Current Liabilities**

1

27. Financial Statements of a company include Statement of Profit& Loss and …………… 1

28. Correct sequence of the following items while preparing Comparative Financial Statement is:

I. Absolute Change II. Amounts of Current Year III. Amounts of Previous Year IV. Percentage Change

a) III, I, IV, II b) II, III,IV, I c) III, II,I, IV d) IV, I, II, III 1

29. If Revenue from operations for Current year is Rs.10,00,000 and proportionate increase is 25%. Revenue from Operations for the previous year would be?

a) Rs.9,00,000 b) Rs.6,00,000 c)Rs.8,00,000 d) Rs.7,00,000 1

30. Net Profit after Interest and Taxes: Rs.6,00,000; 10% Debentures of Rs.100 each Rs.10,00,000; Capital Employed Rs.80,00,000; Tax Rate @ 40%. Calculate Return on Investment and Debt to Equity Ratio. 3

31. Prepare the Comparative Income Statement from the following information :

Particulars	**2018**	**2019**
Revenue from Operations Cost of Materials Consumed Other Expenses Rate of Income Tax	**10,00,000 70% of Revenue from Operations 5% of Revenue from Operations 50 % of Net Profit Before Tax**	**` 16,00,000 70% of Revenue from Operations 5% of Revenue from Operations 50 % of Net Profit Before Tax**

4

32. Prepare a Cash Flow Statement from the following information of Krishna Ltd.

Balance Sheets as at 31st March 2018 and 2019

Particulars	**Note No.**	**31st March, 2019**	**31st March, 2018**
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Share Capital		**14,00,000**	**10,00,000**
b. Reserves & Surplus (P&L Balance)	**1**	**5,00,000**	**4,00,000**
2. Noncurrent Liabilities		**5,00,000**	**1,40,000**
Long term Borrowings			
3. Current Liabilities		**1,00,000**	**60,000**
Trade Payables	**2**	**80,000**	**60,000**
Short Term Provisions		**25,80,000**	**16,60,000**
Total			
II. Assets			
1. Noncurrent Assets			
Fixed Assets	**3**	**16,00,000**	**9,00,000**
i. Tangible	**4**	**1,40,000**	**2,00,000**
ii. Intangible			
2. Current Assets		**2,50,000**	**2,00,000**
a. Inventories		**5,00,000**	**3,00,000**
b. Trade Receivables		**90,000**	**60,000**
c. Cash & cash equivalents			
Total		**25,80,000**	**16,60,000**

Notes to Accounts:

Particulars	**31st March 2019**	**31st March 2018**
1. Reserves and Surplus		
Surplus i.e; Balance in statement of P& L	**5,00,000**	**4,00,000**
2. Short Term Provisions		
Provision for Tax	**80,000**	**60,000**
3. Tangible Assets		
Machinery	**17,60,000**	**10,00,000**
Less : Accumulated Depreciation	**(1,60,000)**	**(1,00,000)**
4. Intangible Assets		
Goodwill	**1,40,000**	**2,00,000**

Prepare Cash Flow Statement after taking into account the following adjustment:

Tax paid during the year amounted to Rs.70,000. **6**