DELHI PUBLIC SCHOOL, JAMMU
Sample questions for Term Exam (2019-20)
(as per the pattern of CBSE sample paper)
<u>Accountancy</u>
class:- XIIth

1. **A Club purchased a refrigerator for Rs.8,000 and spent Rs.600 on stabilizer and Rs.400 on electric fittings. The refrigerator should be capitalized for:**
   a) Rs.8,000 b)Rs.8,400 c)Rs.8,000 d)Rs.9,000 1
2. **Difference between the two sides of the Receipts and Payments Account reveals:**
   a) Net Profit/Loss b) Net Cash and Bank Balance c) Surplus/Deficit d) None of these 1
3. **Subscriptions received during the year is Rs.5,000, the amount received in advance for the next year is Rs.300, the amount outstanding for the current year was Rs.400. The amount to be credited to the Income & Expenditure account is:**
   a) Rs.4,600 b) Rs.5,100 c)Rs.4,300 d)Rs.5,700 1
4. **Realisation A/c is a:**
   a) Personal Account b) Real Account c) Nominal Account d) None of these 1
5. **State the order of payment of the following, in case of dissolution of partnership firm:**
   i) to each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e., partner's loan)
   ii) to each partner proportionately what is due to him on account of capital; and
   iii) for the debts of the firm to third parties 1
6. **A, B and C are partners sharing profits in the ratio of 5:3:2. They decided to share future profits in the ratio of 2:3:5. With effect from 1st April, 2019. They had the Rs.60,500 in their Profit& loss A/c(Dr.). Pass necessary Journal Entry. 1**
7. **Complete the following statement : When a liability is discharged by a partner, at the time of dissolution, Capital Account is credited because…………………………… 1**
8. **A and B are partners in a firm having capital balances of Rs.54,000 and Rs.36,000 respectively. They admit C in the partnership for 1/3rd share and C is to bring proportionate amount of capital. The capital amount of C would be :**
   a) Rs.90,000 b) Rs.45,000 c) Rs.5,4000 d)Rs.36,000 1
9. **Investment Reserve is Fluctuation Reserve is a reserve set aside out of profit to adjust the difference between …………….. and …………… of investment. 1**
10. **State weather True or False: Weighted Average Profit method of calculating goodwill is used when profits show a trend of financial performance. 1**
11. **State any two occasions on which firm can be reconstituted. 1**

12. Suman and Sudha are partners in a firm sharing profits and losses equally. Their fixed capitals are Rs.50,000 and Rs.25,000 respectively. The partnership deed provided interest on capital at the rate of 12% p.a. For the year ended 31st March 2019, the profits of the firm without providing interest on capital. Pass necessary adjustment entry.

1

13. Show how will be the following items dealt while preparing the Final Accounts of Kings' Club for the year ending 31st March, 2018:

Opening Capital Fund	**Rs.10,80,000**
Opening Building Fund	**Rs.4,80,000**
Donation Received for Building	**Rs.6,00,000**
10% Building Fund Investments	**Rs.4,80,000**
Interest received on Building Fund Investment	**Rs.48,000**

3

OR

Distinguish between Income & Expenditure A/c and Receipt & Payments A/c on the basis of i)Nature; ii) Nature of items; iii) Period **3**

14. From the following details calculate Interest Coverage Ratio: Net Profit after tax— Rs.7,00,000;

6% Debentures of Rs.20,00,000; Tax Rate 30%

OR

Under which category heads and sub heads will the following items be placed in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act,2013: a)Debentures with maturity period in current financial year; b)Securities Premium Reserve; c)Provident Fund **3**

15. Annie, Mohita and Ragini are partners of a firm. Their capitals as on 1st April, 2016 were Rs.90,000;Rs.70,000 and Rs.50,000 respectively. Manju gives a loan of Rs.30,000 to the firm on 1st July, 2018. Partnership deed states that partners are entitled to:

a) Interest on capital @ 10% p.a.

b) Each partner has a right to withdraw up to Rs.60,000 p.a. for personal use. Drawings in excess of the above limit will be charged interest @ 12% p.a.

c) Firm will pay interest on loan @ 12% p.a.

d) Ragini will get a commission of 5% of the net profit.

During the year 2016-17; the firm earned a profit of Rs.54,000. Partners' drawings during the year were Rs.12,000 p.m; Rs.8,000 p.m; and Rs.5,000 p.m. respectively. Prepare Profit & Loss Appropriation Account. **4**

16. M, N and O are partners sharing profits in the ratio of 2:2:1 respectively. Q died on 30th Sept, 2016. The partnership deed provided that on the death of the partner he will be entitled for the following:

a) Balance in his capital account and interest @ 12% p.a. on capital. On 1st April, 2016, the balance in N's Capital account was Rs.1,00,000.

b) His share in the profits of the firm in the year of his death which will be calculated on the basis of rate of net profit on sales of the previous year which was 25%. The sales of the firm till 30th Sept, 2016 were Rs.9,00,000.

c) His share in the goodwill of the firm. The goodwill of the firm was valued Rs.1,50,000 as on 30th Sept, 2016.

The partnership deed also provided that the following deductions will be made from the amount payable to the executor of the deceased partner:

a) His drawings in the year of his death. N's drawings till 30th Sept. 2016 were Rs.4,000.

b) Interest on drawings @ 6% per annum which was calculated as Rs.120.

The accountant of the firm prepared N's Account to be presented to his executor of N but in a hurry he left it incomplete. N's capital account as prepared by the Accountant is given below:

Dr. N's Capital A/c Cr.

Date	Particulars	Amount	Date	Particulars	Amount
2016			2016		
Sept. 30	To ……………	4,000	April 1	By …………….	1,00,000
Sept. 30	To ……………	………	Sept. 30	By …………….	6,000
Sept. 30	To ……………	………	Sept. 30	By …………….	90,000
			Sept. 30	By ………………	40,000
			Sept. 30	By ……………….	20,000
		2,56,000			2,56,000

You are required to complete N's Capital Account. 4

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

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

18. Sidharth, Tina and Johnny are partners sharing profit and losses equally. Their balance sheet as at 31st March, 2018, stood as follows:

Balance Sheet

Liabilities	Amount	Assets	Amount
Sidharth's Cap.	2,50,000	Building	2,00,000
Tina's Cap.	2,00,000	Plant & Machinery	1,00,000
Johnny's Cap.	1,50,000	Patents	1,50,000
Creditors	1,40,000	Stock	1,25,000
General Reserve	60,000	Debtors	1,50,000
		Bank	75,000
	8,00,000		8,00,000

From 1st April,2019, the partners decide to share profits and losses in the ratio of 3:2:1 and for that purpose, the following revised value of assets were agreed upon:
Building Rs.2,75,000; Plant & Machinery Rs.90,000; Patents Rs.1,32,500; Stock Rs.2,00,000; Debtors Rs.1,42,500; Prepaid Insurance Rs.5,000. Goodwill of the firm was valued at Rs.60,000.
Partners' decide not to disturb the reserves. Also, they decide not to record the revised values of assets in the book of accounts. You are required to:
a) Pass the necessary Journal Entry to give the effect to the above agreement without opening revaluation account.
b) Prepare Partners' Capital Accounts and Balance Sheet of the reconstituted firm. 6

19. From the following information prepared from Cash Book of Gymkhana Club, prepare Income & Expenditure Account for the year ended on 31st March, 2018 and Balance Sheet as on that date:

Receipts	Amount	Payments	Amount
To Balance b/d	4,800	By General Expenses	2,160
To Annual Subscription	6,520	By Salaries and wages	2,200
To Life Membership Fees	1,000	By Furniture	3,200
To Entrance Fees	4,960	By Rent and Taxes	2,240
To Interest on investment (Investment on 31st March,2017:Rs.10,000)	570	By Stationery	500
		By Balance c/d	7,870
To Sundry Receipts	320		
	18,170		18,170

Adjustments:

a. **Annual Subscription Rs.1,200 is outstanding.**
b. **General Expenses Rs.450 is outstanding and wages Rs.800 outstanding.**
c. **The opening and closing balances of stationery are Rs.2,000 and Rs.750 respectively.**
d. **Depreciate furniture by Rs.500.**
e. **Life Membership fee will be capitalized.**
f. **Accrued interest on investment Rs.190.** **6**

20. 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, 2018	31st March, 2019
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 2016	31st March 2017
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**

21. A and B are partners sharing profits and losses in the ratio of 4:1. They admit C into partnership for 1/6th share for which he pays Rs.2,000 for goodwill. Balance Sheet of A and B as at 31st March, 2019.

Balance Sheet

Liabilities		Amount	Assets	Amount
Capital Accounts:			Goodwill	2,000
A	17,600		Land & Building	6,000
B	25,400	43,000	Investment(MarketValueRs.6,500)	5,000
Investment Fluctuation Fund		500	Debtors	10,000
Employees' Provident Fund		3,500	Stock	30,000
Provision for Doubtful Debts		1,000	Bank	10,000
C's Loan		15,000		
		63,000		63,000

A, B and C decide to share future profits in the ratio of 3:2:1 for this purpose, it was agreed:

a) C's loan will be converted into his capital.

b) Land & Building was to be appreciated by Rs.3,500 and stock was found overvalued by Rs.7,000.

c) Provision for doubtful debts was to be maintained at 5% on debtors.

d) An unaccounted accrued income of Rs.1,000 was to be provided for.

e) Capital Accounts of partners was to be readjusted as per their new profit sharing ratio taking C's capital as base and any deficiency or excess was to adjusted. Prepare Revaluation Account, Partners' Capital Account and Balance Sheet. **8**

22. On 31st March, 2017 the Balance Sheet of Ujwal, Vani and Wasiq who were sharing profits in the proportion of their capital contributed in the business, stood as follows:

23. Balance Sheet

Liabilities		Amount	Assets		Amount
Capital Accounts:			Land & Building		2,00,000
Ujwal	2,00,000		Machinery		3,00,000
Vani	3,00,000		Debtors	1,10,000	
Wasiq	2,00,000	7,00,000	Less: Provision for		
Profit & Loss A/c		35,000	doubtful debts	10,000	1,00,000
Workmen Compensation Reserve		15,000	Bank		2,00,000
S. Creditors		50,000			
		8,00,000			8,00,000

Ujwal retires on 1st April, 2017 and it was agreed that:

a) Land & Building be appreciated by 30% and Machinery be depreciated to Rs.2,40,000.

b) There were bad debts of Rs.17,000.

c) The claim on account of Workmen's compensation was estimated at Rs.8,000.

d) Goodwill of the firm was valued at Rs.1,40,000.

e) Wasiq and Vani decided to share future profits in the ratio of 3:4.

f) Capital of the new firm will be same as before Ujwal's retirement and will be in the new capital sharing ratio of the continuing partners.

g) Amount due to Ujwal be settled by paying Rs.1,50,000 in cash and balance by transferring to his loan account. Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm. 8

24. 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. 8

25. 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:

) 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