SAMPLE QUESTION PAPER
ACCOUNTANCY (055) CLASS-XII
2016-17

Time allowed – Three hours **Maximum Marks: 80**

General Instructions:

1) **This question paper contains two parts A and B.**
2) **Part A is compulsory for all.**
3) **Part B has two options – Financial Statements Analysis and Computerized Accounting.**
4) **Attempt only one option of Part B.**
5) **All parts of a question should be attempted at one place.**

	PART A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES	
Q1.	A, B and C are partners sharing profits and losses in the ratio of 5:3:2. C retired and his capital balance after adjustments regarding reserves, accumulated profits/ losses and gain/loss on revaluation was `2,50,000. C was paid `3,00,000 in full settlement. Afterwards D was admitted for $1/4^{th}$ share. Calculate the amount of goodwill premium brought by D. Sol: Goodwill share of C= `3,00,000-`2,50,000= `50,000 Firm's Goodwill = 50,000x10/2= `2,50,000 D's share in Goodwill= `2,50,000x1/4= `62,500	(1)
Q2.	A and B were partners in a firm. They admitted C as a new partner for 20% share in the profits. After all adjustments regarding general reserve, goodwill, gain or loss on revaluation, the balances in capital accounts of A and B were `3,85,000 and `4,15,000 respectively. C brought proportionate capital so as to give him 20% share in the profits. Calculate the amount of capital to be brought by C. Sol: Combined capital of A and B = `3,85,000+`4,15,000= `8,00,000 C's share=$1/5^{th}$ of total capital Remaining share= 1-1/5 =4/5 4/5= `8,00,000 C's capital= `8,00,000x5/4x1/5= `2,00,000	(1)
Q3.	A and B are partners. The net divisible profit as per Profit and Loss Appropriation A/c is `2,50,000. The total interest on partner's drawing is `4,000. A's salary is `4,000 per quarter and B's salary is `40,000 per annum. Calculate the net profit/loss earned during this year. Sol. Net Profit during the year=Divisible profits + Salary to partners – Interest on Drawings = 2,50,000+16,000+40,000-4000= `3,02,000	(1)
Q4.	ABC Ltd. purchased for cancellation its own 5,000, 9% Debentures of `100 each for `95 per debenture. Brokerage charges `15,000 were incurred. Calculate the amount to be transferred to capital reserve.  Amount paid for 5,000 Debentures=4,75,000+15,000= `4,90,000 The nominal value of debentures to be redeemed/cancelled= `5,00,000 Amount of profit on redemption to be transferred to capital reserve= `5,00,000--`4,90,000= `10,000	(1)
Q5.	When can shares held by a shareholder be forfeited? Answer: Shares held by a shareholder can be forfeited for the non-payment of call money due.	(1)

Q6. A partnership firm has 50 members. All the partners have agreed to admit Ram and Mohan as new partners. Can Ram and Mohan be admitted? Give reason in support of your answer. **(1)**

Answer: No, Ram and Mohan can't be admitted as partners.
Reason--- As per the Companies Miscellaneous Rules, 2014 the Maximum number of partners in a partnership firm can be 50.

Q7. Explain with an imaginary example how issue of debenture as collateral security is shown in the balance sheet of a company when it is recorded in the books of accounts. **(3)**

A Ltd. obtained Loan of ₹1,00,000 from Indian Bank and issued 1200, 10% Debentures of ₹`100 each as Collateral security. The company recorded the issue of debentures as collateral security by opening 'Debenture Suspense Account.' Present the issue of debentures in the Balance Sheet of the company.

Treatment:

An extract of Balance sheet of A Ltd.
as at -----------------------

Particulars	Note No.	₹
EQUITY AND LIABILITIES		
Non-current liabilities		
Long Term Borrowings	1	1,00,000

Notes to Accounts:

Note No	Particulars		`₹
1	Long Term Borrowings		
	Loan from Indian Bank		1,00,000
	1200, 10% Debentures of ₹100 each issued as Collateral Security	1,20,000	
	Less: Debenture Suspense Account	(1,20,000)	--------------
			1,00,000/-

Q8. Rekha, Sunita and Teena are partners in a firm sharing profits in the ratio of 3:2:1. Samiksha joins the firm. Rekha surrenders 1/4th of her share; Sunita surrenders 1/3rd of her share and Teena surrenders1/5th of her share in favour of Samiksha. Find the new Profit sharing ratio. **(3)**

Rekha surrenders for Samiksha = 1/4 x 3/6 = 3/24
Sunita surrenders for Samiksha = 1/3 x 2/6 = 2/18
Teena surrenders for Samiksha = 1/5 x 1/6 = 1/30
New share of Rekha = 3/6 – 3/24=9/24
New share of Sunita = 2/6-2/18=4/18
New share of Teena = 1/6-1/30=4/30

Share of Samiksha = 3/24+2/18+1/30=97/360

New Ratio :- 9/24:4/18:4/30:97/360
135 : 80 : 48 : 97

Q9. King Ltd took over assets of ₹25,00,000 and liabilities of ₹6,00,000 of Queen Ltd. King Ltd paid the purchase consideration by issuing 10,000 equity shares of ₹100each at a premium of 10% and ₹ 11,00,000 by a Bank Draft. **(3)**

Calculate Purchase consideration and pass necessary Journal entries in the books of King Ltd.

Solution:

Calculation of Purchase Consideration: ₹

Nominal Value of Shares issued = 10000 x 100 = 10,00,000
Securities premium Reserve = 1,00,000
Bank draft = 11,00,000
Purchase consideration = 22,00,000

KING LTD.
JOURNAL

S.No.	Particulars	L.F	Debit ₹	Credit ₹
i.	Sundry Assets A/c----------------------------------Dr Goodwill A/c (b/f) --------------------------------- Dr To Sundry Liabilities A/c To Queen Ltd. (Being the purchase of assets and liabilities of Queen Ltd.)		25,00,000 3,00,000	 6,00,000 22,00,000
ii.	Queen Ltd. --Dr To Equity Share Capital A/c To Securities Premium Reserve A/c To Bank A/c (Being 10,000 Equity shares of ₹100 each issued at a premium of 10% and ₹11,00,000/- paid by Bank draft)		22,00,000	 10,00,000 1,00,000 11,00,000

Q10 ABC Ltd was a cloth manufacturing company located in Delhi. Being a socially aware organization they wanted to set up a manufacturing plant in a backward area of Kashmir to provide employment to the local people. On July 17, 2014 a flood had hit the entire state of Jammu & Kashmir causing massive destruction and loss. The company wanted to help the people, so they decided to raise funds through issue of 50,000 Equity shares of ₹50 each to set up the plant in the rural area of Kashmir. (3)

Pass necessary Journal entries for the issue of shares and identify any two values that the company wanted to communicate to the society.

ABC LTD.
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S.No.	Particulars	L.F	Debit ₹	Credit ₹
(i)	Bank A/c --- Dr. To Equity Share Application & Allotment A/c (Being the amount of application money received on 50,000 shares @ Rs.50 per share.)		25,00,000	 25,00,000
(ii)	Equity Share Application & Allotment A/c ---- Dr. To Equity Share Capital A/c (Being the amount transferred to Share Capital A/c)		25,00,000	 25,00,000

Values which the Company wants to communicate to the Society:

(i) Discharge of Social Responsibility.
(ii) Generation of employment opportunities.
(iii) Helping the needy people
(iv) Sympathy for poor.

Q11 A,B,C and D were partners sharing profits in the ratio of 1:2:3:4. D retired and his share was acquired by A and B equally. Goodwill was valued at 3 years' purchase of average profit of last 4 years, which was ₹40,000. General Reserve showed a balance of ₹1,30,000 and D's Capital in the Balance Sheet was ₹3,00,000 at the time of D's retirement. (4)

You are required to record necessary Journal entries in the books of the firm and prepare D's capital account on his retirement.

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Date	PARTICULARS	L.F	DEBIT ₹	CREDIT ₹
(i)	A's Capital A/c ___________________________ Dr. B's Capital A/c ___________________________ Dr. To D's Capital A/c (Treatment of goodwill on retirement of D)		24,000 24,000	 48,000
(ii)	General Reserve ___________________________ Dr. To A's Capital A/c To B's Capital A/c To C's Capital A/c To D's Capital A/c (General Reserve distributed)		1,30,000	 13,000 26,000 39,000 52,000

Dr. **D's Capital Account** **Cr.**

PARTICULARS	₹	PARTICULARS	₹
To D's Loan A/c	4,00,000	By Balance b/d By A's Capital A/c By B's Capital A/c By General Reserve	3,00,000 24,000 24,000 52,000
	4,00,000		4,00,000

Q12 Kavita, Meenakshi and Gauri are partners doing a paper business in Ludhiana. After the accounts of partnership have been drawn up and closed, it was discovered that for the years ending 31st March 2013 and 2014, interest on capital has been allowed to partners @ 6% p.a. although there is no provision for interest on capital in the partnership deed. Their fixed capitals were ₹2,00,000; ₹1,60,000 and ₹1,20,000 respectively. During the last two years they had shared the profits as under: **(4)**

Year	Ratio
31 March 2013	3:2:1
31 March 2014	5:3:2

You are required to give necessary adjusting entry on April 1, 2014.

Table Showing Adjustment

	Kavita	Meenakshi	Gauri	Total
Interest on Capital (2012-13) Dr.	12,000	9,600	7,200	28,800
Interest on Capital (2013-14) Dr.	12,000	9,600	7,200	28,800
Total Dr.	24,000	19,200	14,400	57,600
Profit to be credited (2012-13) Cr.	14,400	9,600	4,800	28,800
Profit to be credited (2013-14) Cr.	14,400	8,640	5,760	28,800
Total Cr.	28,800	18,240	10,560	57,600
Adjustment	4,800 Cr.	960 Dr.	3,840 Dr.	

JOURNAL

DATE	PARTICULARS	L.F	DEBIT ₹	CREDIT ₹
2014 APR 1	Meenakshi's Current A/c ________________Dr.		960	
	Gauri's Current A/c ____________________Dr.		3,840	
	To Kavita's Current A/c			4,800
	(Adjustment for interest on capital for the year 2012-13 and 2013-14)			

Q13 On 31st March 2015 the Balance Sheet of Punit, Rahul and Seema was as follows **(6)**

Balance Sheet of Punit, Rahul and Seema
as at March 31, 2015

Liabilities		₹	Assets	₹
Capitals:			Buildings	40,000
Punit	60,000		Machinery	60,000
Rahul	50,000		Patents	12,000
Seema	30,000	1,40,000	Stock	20,000
			Cash	42,000
Reserves		20,000		
Creditors		14,000		
		1,74,000		1,74,000

They were sharing profit and loss in the ratio 5:3:2.
Seema died on October 1, 2015. It was agreed between her executors and the remaining partners that:

(i) Goodwill be valued at 2 years' purchase of the average profits of the previous five years, which were: 2010-11: ₹30,000; 2011-12: ₹26,000; 2012-13: ₹24,000; 2013-14: ₹30,000 and 2014-15: ₹40,000

(ii) Patents be valued at ₹16,000; Machinery at ₹56,000; Buildings at ₹60,000

(iii) Profit for the year 2015-16 be taken as having been accrued at the same rate as that in the previous year.

(iv) Interest on capital be provided at 10% p.a.

(v) A sum of ₹15,500 was paid to her executors immediately.

Prepare Revaluation Account, Seema's Capital Account and Seema's executors Account.

Dr. **Revaluation Account** **Cr.**

Particulars	LF	₹	Particulars	LF	₹
To Machinery To Profit Distributed: Punit 10,000 Rahul 6,000 Seema 4,000		4,000 20,000	By Patents By Buildings		4,000 20,000
		24,000			24,000

Dr. **Seema's Capital Account** **Cr.**

Date	Particulars	LF	₹	Date	Particulars	LF	₹
2015 Oct 1	 To Seema's Executor's A/c		 55,500	2015 Apr1 Oct1 Oct1 Oct1 Oct1 Oct1 Oct1	 By Balance b\d By Reserves By Punit's Capital By Rahul's Capital By Revaluation A/c By P & L Suspense By Int. on Capital		 30,000 4,000 7,500 4,500 4,000 4,000 1,500
			55,500				55,500

Dr. **Seema's Executor's Account** **Cr.**

Date	Particulars	LF	₹	Date	Particulars	LF	₹
2015 Oct 1 Oct 1	 To Bank A/c To Seema's Executor's Loan A/c		 15,500 40,000	2015 Oct 1	 By Seema's Capital A/c		 55,500
			55,500				55,500

Working Note:

Average Profit= (30,000+26,000+24,000+30,000+40,000)/5=₹30,000

Goodwill= 30,000X2=₹60,000

Seema's share of Profit for 6 months=40,000X6/12X2/12= ₹4,000

Interest on Seema's Capital = 30,000 X 10/100 X6/12 = ₹1,500

Q14 Ruchi Ltd issued 42,000, 7% Debentures of ₹100 each on 1st April, 2011, redeemable at a premium of 8% on 31st March 2015. The company decided to create required Debenture Redemption Reserve on 31st March 2014. The company invested the funds as required by law in a fixed deposit with State Bank of India on 1st April, 2014 earning interest @ 10% per annum. Tax was deducted at source by the bank on interest @ 10% per annum. (6)

Pass necessary Journal Entries regarding issue and redemption of debentures.

Sol. RUCHI LTD.

JOURNAL

ISSUE OF DEBENTURES

Date	Particulars	L.F.	Debit ₹	Credit ₹

Date	Particulars	L.F.	Debit	Credit
2011 April 1	Bank A/c ---------------------------------Dr. To Debenture Application & Allotment A/c (Being the Application and allotment money received on issue of Debentures		42,00,000	42,00,000
April 1	Debenture Application & Allotment A/c -----Dr. Loss on Issue of Debenture A/c ----------------Dr. To 7% debenture A/c To Premium on Redemption of Debenture A/c (Being allotment of Debentures redeemable at 8% premium)		42,00,000 3,36,000	42,00,000 3,36,000

REDEMPTION OF DEBENTURES:

Date	Particulars	L.F.	Debit ₹	Credit ₹
2014 Mar 31	Surplus i.e. balance in Statement of Profit & Loss Dr. To Debenture redemption Reserve A/c (Being the profits transferred to Debenture Redemption Reserve)		10,50,000	10,50,000
2014 April 1	Debenture Redemption Investment A/c ------------Dr. To Bank A/c (Being the Investment made as fixed deposit as per Companies Act, 2013 earning Interest @ 10%)		6,30,000	6,30,000
2015 Mar 31	Bank A/c --- Dr. TDS collected A/c ---------------------------------- Dr,. To Debenture Redemption Investment A/c To Interest Earned A/c (Being the fixed deposit encashed on Redemption and interest received @ 10% p.a.)		6,86,700 6,300	6,30,000 63,000
Mar 31	7% Debenture A/c ----------------------------------- Dr. Premium on Redemption of Debenture A/c ------ Dr. To Debentureholder's A/c (Being amount due to Debenture holders)		42,00,000 3,36,000	45,36,000
Mar 31	Debenture holder's A/c ----------------------------- Dr. To Bank A/c (Being the amount due paid on redemption)		45,36,000	45,36,000
Mar 31	Debenture Redemption Reserve A/c ---------------Dr. To General Reserve A/c (Being Debenture Redemption Reserve transferred to General Reserve)		10,50,000	10,50,000

Q15 Hema and Garima were partners in a firm sharing profits in the ration of 3:2. On March 31, 2015, their Balance Sheet was as follows: (6)

Balance Sheet of Hema and Garima
as at March 31, 2015

Liabilities	₹	Assets	₹
Creditors	36,000	Bank	40,000
Garima's Husband's Loan	60,000	Debtors	76,000
Hema's Loan	40,000	Stock	2,00,000
Capitals:		Furniture	20,000
Hema 2,00,000		Leasehold	1,00,000
Garima 1,00,000	3,00,000	Premises	
	4,36,000		4,36,000

On the above date the firm was dissolved. The various assets were realized and liabilities were settled as under:

- (i) Garima agreed to pay her husband's loan.
- (ii) Leasehold Premises realized ₹1,50,000 and Debtors ₹2,000 less.
- (iii) Half the creditors agreed to accept furniture of the firm as full settlement of their claim and remaining half agreed to accept 5% less.
- (iv) 50% Stock was taken over by Hema on cash payment of ₹90,00 and remaining stock was sold for₹94,000.
- (v) Realisation expenses of ₹10,000 were paid by Garima on behalf of firm.
- (vi) Pass necessary journal entries for the dissolution of the firm.

Sol: *Journal*

Date	Particulars	Dr.(` ₹)	Cr.(₹`)
1	Realisation A/c Dr. To Debtors A/c To Stock A/c To Furniture A/c To Leasehold Premises A/c (Being Assets transferred to Realisation A/c)	3,96,000	 76,000 2,00,000 20,000 1,00,000
2.	Creditors A/c Dr. Garima's Husband's Loan A/c Dr. To Realisation A/c (Being third party liabilities transferred to Realisation A/c)	36,000 60,000	 96,000
3	Bank A/c Dr. To Realisation A/c (Being Assets realized)	4,08,000	 4,08,000
4	Realisation A/c Dr. To Bank A/c (Being creditors paid)	17,100	 17,100
5	Realisation A/c Dr. To Garima's Capital A/c (Being realization expenses and Garima's husband loan paid off by Garima)	70,000	 70,000
6	Realisation A/c Dr. To Hema's Capital A/c To Garima's Capital A/c (Being profit on realization distributed among partners)	20,900	 12,540 8,360
7	Hema's Loan A/c Dr. To Bank A/c (Being Hema's loan paid)	40,000	 40,000
8	Hema's Capital A/c Dr. Garima's Captial A/c Dr. To Bank A/c (Being amount paid to partners at final settlement of accounts)	2,12,540 1,78,360	 3,90,900

Q16 P and Q were partners in a firm sharing profits in 3:2 ratio. R was admitted as a new partner for 1/4th share in the profits on April 1, 2015. The Balance Sheet of the firm on March 31,2015 was as follows: **(8)**

Balance Sheet of P and Q
as at March 31, 2015

Liabilities		₹	Assets	₹
Creditors		20,000	Cash	20,000
General Reserve		16,000	Debtors	18,000
Capitals:			Stock	20,000
P	96,000		Furniture	12,000
Q	68,000	1,64,000	Machinery	40,000
			Buildings	90,000
		2,00,000		2,00,000

The term of agreement on R's admission were as follows:

a) R brought in cash ₹60,000 for his capital and ₹30,000 for his share of goodwill.
b) Building was valued at ₹1,00,000 and Machinery at ₹36,000.
c) The capital accounts of P and Q were to be adjusted in the new profit-sharing ratio. Necessary cash was to be brought in or paid off to them as the case may be.

Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet of P, Q and R.

OR

Khushboo, Leela and Meena were partners in a firm sharing profits in the ratio of 5:3:2. Their Balance Sheet on March 31,2015 was as follows:

Balance Sheet of Khushboo, Leela and Meena
As at March 31, 2015

Liabilities		₹	Assets	₹
Creditors		70,000	Bank	44,000
Capitals:			Debtors	24,000
Khushboo	90,000		Stock	60,000
Leela	56,000		Buildings	1,40,000
Meena	60,000	2,06,000	Profit & Loss A/c	8,000
		2,76,000		2,76,000

On April 1,2015 Leela retired on the following terms:

i. Building was to be depreciated by ₹10,000.
ii. A Provision of 5% was to be made on Debtors for doubtful debts.
iii. Salary outstanding was ₹4,800
iv. Goodwill of the firm was valued at ₹1,40,000.
v. Leela was to be paid ₹20,800 through cheque and the balance was to be paid in two equal quarterly installments (starting from June 30,2015) along with interest @ 10% p.a.

Prepare Revaluation Account, Leela's Capital Account and her Loan Account till it is finally paid.

Solution:

Dr. **Revaluation Account** *Cr.*

Particulars		LF	₹	Particulars	LF	₹
To Machinery			4,000	By Buildings		10,000
To Profit Distributed:						
P	3,600					
Q	2,400		6,000			
			10,000			10,000

Dr. **Partners' Capital Account** *Cr.*

Particulars	P ₹	Q ₹	R ₹	Particulars	P ₹	Q ₹	R ₹

To Cash A/c	19,200	16,800		By Balance b/d	96,000	68,000	
				By General Reserve	9,600	6,400	
To Balance c/d	1,08,000	72,000	60,000	By Cash A/c			60,000
				By Premium for Goodwill	18,000	12,000	
				By Revaluation A/c	3,600	2,400	
	1,27,200	88,800	60,000		1,27,200	88,800	60,000

Balance Sheet of P,Q and R
as at April 1, 2015

Liabilities	₹	Assets	₹
Creditors	20,000	Building	1,00,000
Capital:		Machinery	36,000
P 1,08,000		Cash	
Q 72,000		(20,000+60,000+30,000-19,200-16,800)	74,000
R 60,000	2,40,000	Debtors	18,000
		Stock	20,000
		Furniture	12,000
	2,60,000		2,60,000

OR

Dr. Revaluation Account *Cr.*

Particulars	LF	₹	Particulars	LF	₹
To Buildings		10,000	By Loss Distributed:		
To Prov. for Doubtful Debts		1,200	Khushboo 8,000		
			Leela 4,800		
To Salary Outstanding		4,800	Meena 3,200		16,000
		16,000			16,000

Dr. **Leela's Capital Account** *Cr.*

Particulars	LF	₹	Particulars	LF	₹
To Profit & Loss A/c		2,400	By Balance b/d		56,000
To Revaluation A/c		4,800	By Khushboo's Capital		30,000
To Bank A/c		20,800	By Meena's Capital		12,000
To Leela's Loan A/c		70,000			
		98,000			98,000

Dr. **Leela's Loan Account** *Cr.*

Date	Particulars	LF	₹	Date	Particulars	LF	₹
2015				2015			
June30	To Bank A/c		36,750	Apr 1	By Leela's Capital		70,000
Sep 30	To Bank A/c		35,875	June 30	By Interest		1,750
				Sep 30	By Interest		875
			72,625				72,625

Q17.	Surya Ltd with a Registered capital of 10,00,000 Equity Shares of ₹10 each, issued 1,00,000 Equity Shares payable ₹3 on Application, ₹2 on Allotment, ₹3 on First Call and ₹2 on Second and Final call. The amount due on Allotment was duly received except from Mr. X holding 6,000 shares. His shares were immediately forfeited. On the first call being made, Mr. Y holding 5,000 Equity shares paid the entire balance on his holding. Second call was not made. Pass the necessary Journal Entries to record the transactions and show how the Share Capital will be presented in the Balance Sheet of the Company. Also prepare notes to accounts.	(8)

OR

a) Nidhi Ltd. Issued 2,000 Shares of ₹100 each. All the money was received except on 200 shares on which only ₹`90 per share were received. These shares were forfeited and out of the forfeited shares 100 shares were reissued at ₹80 each as fully paid up. Pass necessary Journal entries for the above transactions and prepare the Forfeited Share Account.

b) Complete the following Journal Entries:

Date	Particulars	L.F	Debit	Credit
i.	----------------------------……………………Dr To------------------------------ To------------------------------ (Being the forfeiture of 1000 shares of ₹10 each, ₹8 called up, on which allotment money of ₹2 and First Call of ₹3has not been received.)		--------------	________ ________
ii.	----------------------------……………………Dr To------------------------------ To------------------------------ (Being reissue of 1000 forfeited shares fully paid up at ₹11 per share)		--------------	________ ________
iii.	----------------------------……………………Dr To------------------------------ (Being gain on the reissue of shares transferred to capital reserve Account)		--------------	________

Sol.

Surya Limited

Journal

Date	Particulars	L.F	Debit ₹	Credit ₹
i	BankA/c Dr. To Equity Share Application A/c (Being the application money received on 1,00,000 shares @₹3 per share received)		3,00,000	3,00,000
ii	Equity Share Application A/c To Equity Share Capital A/c (Being the application money transferred to Share Capital A/c)		3,00,000	3,00,000
iii	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being Allotment made due on 1,00,000 Equity Shares @₹2 per share)		2,00,000	2,00,000
iv.	Bank A/c Dr. Calls in Arrears A/c To Equity Share Allotment A/c (Being the Allotment money received except for 6,000 shares)		1,88,000 12,000	2,00,000
v.	Equity Share Capital A/c Dr. To Share Forfeited A/c To Calls in Arrears A/c (Being 6,000 shares forfeited for non-payment of allotment money)		30,000	18,000 12,000

vi	Equity Share First Call A/c Dr. To Equity Share Capital A/c (Being First Call made due on 94,000 Equity Shares @₹3 per share)		2,82,000	 2,82,000
vii	Bank A./c Dr. To Equity Share First Call A./c To Calls in Advance A/c (Being the First Call money received on 94,000 Equity Shares @₹3 per share and ₹2 per share on 5,000 shares received in Advance)		2,92,000	 2,82,000 10,000

Balance Sheet of Surya Ltd.
as at----------------

Particulars	Note No	₹
I EQUITY AND LIABILITIES **1. Shareholder's Funds** Share Capital	1	7,70,000

Notes to Accounts:

Note No		₹
1	Share Capital Authorised Share Capital 10,00,000 Equity Shares of ₹10 each. Issued Share Capital 1,00,000 Equity Shares of ₹10 each Subscribed Share capital Subscribed but not fully paid-up 94,000 equity shares of ₹10 each, ₹8 Called up 7,52,000 Add: Share Forfeited Account 18,000	 1,00,000,000 10,00,000 7,70,000

OR

a)

Date	Particulars	L.F	Debit ₹	Credit ₹
i	Share Capital A/c Dr. To Forfeited Share A/c To Calls in Arrears A/c (Being 200 shares forfeited for non-payment of call money of₹10 per share)		20,000	 18,000 2,000
ii	Bank A/c Dr. Forfeited Share A/c Dr. To Share Capital A/c (Being 100 shares re-issued for ₹80 per share as fully paid up)		8,000 2,000	 10,000
iii.	Forfeited Share A/c Dr. To Capital Reserve (Being Allotment made due on 1,00,000 Equity Shares ₹2 per share)		7,000	 7,000

Forfeited Share Account

Particulars	₹	Particulars	₹
To Share Capital A/c (100X20) To Capital Reserve (100X70) To Balance c/d	2,000 7,000	By Share Capital A/c (200X90)	18,000

	9,000		
	18,000		18,000

b)**JOURNAL**

Date	Particulars	L.F	Debit ₹	Credit ₹
I	Share Capital A/c Dr To Forfeited Share A/c To Share Allotment A/c To share First Call A/c (Being the forfeiture of 1000 shares, ₹`8 called up, on which allotment money of₹2 and First Call of ₹3 has not been received.)		8,000	 3,000 2,000 3,000
II	Bank A/c Dr To Share Capital A/c To securities Premium Reserve A/c (Being reissue of 1000 forfeited shares fully paid up at₹11 per share)		11,000	 10,000 1,000
III	Share Forfeited A/c Dr To Capital Reserve A/c (Being gain on the reissue of shares transferred to capital reserve Account)		3,000	 3,000

PART – B
Option-I
ANAYSIS OF FINANCIAL STATEMENTS

Q18. The patents of X ltd. increased from₹3,00,000 in 2013-14 to ₹3,50,000 in 2014-15.What will be its treatment while preparing Cash Flow Statement for the year ended 31st March 2015? (1)

Sol. It will be taken as purchase of Patents of ₹ 50,000 and will be shown under Cash from Investing Activities as an outflow of cash.

Q19. Kartik Mutuals, a mutual fund company, provides you the following information: (1)

	31st March 2013	31st March 2014
Proposed Dividend	₹20,000	₹15,000

Additional Information:
Equity Share Capital raised during the year ₹3,00,000
10% bank loan repaid was ₹1,00,000
Dividend received during the year was ₹20,000
Find out the cash flow from financing activities.

Sol. ₹
Proceeds from Equity share capital: 3,00,000
Repayment of Bank Loan: (1,00,000)

2,00,000
Dividend Paid:(20,000)

1,80,000

Note: Dividend received during the year ₹20,000 will be shown in the Investing Activities.

Q20. Mudra Ltd. Is in the process of preparing its Balance Sheet as per Schedule III, Part I of the Companies Act, 2013 and provides its true and fair view of the financial position. (4)

a) Under which head and sub-head will the company show 'Stores and Spares' in its Balance Sheet?
b) What is the accounting treatment of 'Stores and Spares' when the Company will calculate its Inventory Turnover Ratio?
c) The management of Mudra Ltd. wants to analyse its Financial Statements. State any two objectives of such analysis.
d) Identify the value being followed by Mudra Ltd.

Sol.

a) Head: Current Assets Sub head ; Inventories
b) While calculating Inventory Turnover Ratio it is not included in Inventories
c) Objectives – Assessing the ability of the enterprise to meet its short term and long term commitments, Assessing the earning capacity of the enterprise
d) Values: Transparency, Honesty, Abiding by law

Q21. (4)

a) X Ltd. has a current ratio 3.5:1 and quick ratio of 2:1. If excess of current assets over quick assets represented by Inventory is ₹24,000, calculate current assets and current liabilities.
b) From the following information, calculate Inventory Turnover Ratio.
Revenue from Operations: ₹4,00,000, Average Inventory : ₹55,000, The rate of Gross Loss on Revenue from Operations was 10%.

Sol.

a) Current Ratio = 3.5:1
Quick Ratio = 2:1
Let Current Liabilities = x

Current Assets = 3.5x And
Quick Assets = 2x

Inventory = Current Assets – Quick Assets
24,000 = 3.5x – 2x
24,000 = 1.5x

x = Rs.16,000

Current Assets = 3.5x = 3.5 x ₹16,000 = ₹56,000

Verification : Current Ratio = Current Assets : Current Liabilities
=₹56,000 : ₹16,000
=3.5:1

Quick Ratio = Quick Assets : Current Liabilities
=₹32,000 : ₹16,000
=2:1

b) Revenue from Operations = ₹4,00,000
Gross Loss = 10% of ₹4,00,000 = ₹40,000

Cost of Revenue from Operations = Revenue from Operations + Gross Loss
= ₹`4,00,000 + ₹`40,000

	= ₹4,40,000 Inventory Turnover Ratio = Cost of Goods Sold/ Average Inventory = ₹4,40,000 / ₹55,000 = 8 times.	
Q22.	From the following Statement of profit and loss of the Sakhi Ltd for the years ended 31st March 2016, prepare Comparative Statement of Profit & Loss.	(4)

STATEMENT OF PROFIT & LOSS
for the years ended 31st March, 2016

Particulars	2014-15 ₹	2015-16 ₹
Revenue from operations	25,00,000	40,00,000
Expenses:		
(a) Employee benefit expenses were 5% of Revenue from operations		
(b) Other expenses	5,90,000	6,80,000
Rate of Tax 35%		

Sol. **STATEMENT OF PROFIT & LOSS**
For the years ended 31st March 2015 & 2016

Particulars	2014-15 ₹	2015-16 ₹	Absolute Change (in `)	%age Change
Revenue from operations	25,00,000	40,00,000	15,00,000	60
Expenses:				
(a) Employee benefit Expenses	1,25,000	2,00,000	75,000	60
(b) Other expenses	5,90,000	6,80,000	90,000	15.25
Total expenses	7,15,000	8,80,000	1,65,000	23.08
Profit before tax	17,85,000	31,20,000	13,35,000	74.79
Less: Taxes @35%	6,24,750	10,92,000	4,67,250	74.79
Profit after tax	11,60,250	20,28,000	8,67,750	74.79

Q23.	Following is the Balance Sheets of Akash Ltd. as at 31-3-2014.	(6)

Akash Ltd.
Balance Sheet

	PARTICULARS	NOTE NO.	2013-14 ₹	2012-13 ₹
I	**EQUITY & LIABILITIES**			
	(1) Shareholders' Funds			
	(a) Share Capital		15,00,000	14,00,000
	(b) Reserves & Surplus	1	2,50,000	1,10,000
	(2) Non-Current Liabilities			
	(a) Long Term Borrowings		2,00,000	1,25,000
	(3) Current Liabilities			
	(a) Short term borrowings	2	12,000	10,000
	(b) Trade Payable		15,000	83,000
	(c) Short term provisions	3	18,000	11,000
	TOTAL		**19,95,000**	**17,39,000**

II	**(1) Non-Current Assets** (a) Fixed Assets (i) Tangible assets (ii) Intangible assets **(2) Current Assets** (a) Current Investments (b) Inventories (c) Trade Receivables (d) Cash & Cash Equivalents	 4 5	 18,60,000 50,000 8,000 37,000 26,000 14,000	 16,10,000 30,000 5,000 59,000 23,000 12,000
	TOTAL		**19,95,000**	**17,39,000**

Notes to Accounts:-

Note No	PARTICULARS	2013-14 ₹	2012-13 ₹
1	Reserves and Surplus:- Surplus (balance in Statement of Profit and Loss)	2,50,000	1,10,000
2	Short Term Borrowings Bank overdraft	12,000	10,000
3	Short term provisions Provision for Tax	18,000	11,000
4	Tangible Assets Machinery Accumulated Depreciation	 20,00,000 (1,40,000)	 17,00,000 (90,000)
5	Intangible Assets Patents	 50,000	 30,000

Additional Information:

(i) Tax paid during the year amounted to ₹16,000.

(ii) Machine with a net book value of ₹10,000 (Accumulated Depreciation ₹40,000) was sold for ₹2,000.

Prepare Cash Flow Statement.

Cash Flow Statement
For the year ended 31st March, 2014

Particulars		₹
I – CASH FLOW FROM OPERATING ACTIVITIES		
Surplus: Balance in the Statement of Profit & Loss (closing)		2,50,000
Less: Surplus: Balance in the Statement of Profit & Loss (beginning)		1,10,000
		1,40,000
Add: Provision for Tax		23,000
Net Profit before Tax and Extraordinary Items		1,63,000
Add: Non-Cash and Non-operating Expenses:		
Depreciation	90,000	
Loss on Sale of Machine	8,000	98,000
		2,61,000
Add: Decrease in Current Assets & Increase in Current Liabilities	-	
Inventories	22,000	22,000

		2,83,000
Less: Increase in Current Assets & Decrease in Current Liabilities		
Trade Receivables	3,000	
Trade Payables	68,000	71,000
Cash generated from Operating Activities		2,12,000
Less: Income Tax paid		(16,000)
Cash Flow From Operating Activities		**1,96,000**
II – CASH FLOW FROM INVESTING ACTVITIES		
Sale Of Machinery		2,000
Purchase of Machinery		(3,50,000)
Purchase of Patents		(20,000)
Cash Used in Investing Activities		(3,68,000)
III – CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds form Issue of Share Capital		1,00,000
Proceeds from Long term Borrowings		75,000
Increase in Bank Overdraft		2,000
Cash Flow From Financing Activities		**1,77,000**
IV – NET INCREASE IN CASH & CASH EQUIVALENTS (I+II+III)		5,000
V – CASH & CASH EQUIVALENTS IN THE BEGINNING OF THE YEAR		
Current Investments	5,000	
Cash & Cash Equivalents	12,000	17,000
VI – CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		**22,000**
Current Investments	8,000	
Cash & Cash Equivalents	14,000	

WORKING NOTES:

Dr. Machinery Account Cr.

PARTICULARS	₹	PARTICULARS	₹
To Balance b/d To Bank A/c (purchase)	17,00,000 3,50,000	By Bank A/c (Sale) By Loss on Sale of Machinery A/c By Depreciation A/c By Balance c/d	2,000 8,000 40,000 20,00,000
	20,50,000		20,50,000

Dr. Accumulated Depreciation Account Cr.

PARTICULARS	₹	PARTICULARS	₹

To Machinery A/c (sold Asset) To Balance c/d	40,000 1,40,000	By Balance b/d By Statement of Profit & Loss	90,000 90,000
	1,80,000		1,80,000

Dr. **Provision for Tax Account** **Cr.**

PARTICULARS	₹	PARTICULARS	₹
To Bank A/c (Tax paid) To Balance c\/d	16,000 18,000	By Balance b/d By Statement of profit & Loss	11,000 23,000
	34,000		34,000

PART – B
Option-II
Computerised Accounting

18. While navigating in the workbook, which of the following commands is used to move to the beginning of the Current row: (1)

   a. [ctrl] + [home]
   b. [page up]
   c. [Home]
   d. [ctrl] + [Back space]

Sol: (c)

19. Join line in the context of Access table means: (1)

   a. Graphical representation of tables between tables
   b. Lines bonding the data within table
   c. Line connecting two fields of a table
   d. Line connecting two records of a table

Sol: (b)

20. Enumerate the basic requirements of computerized accounting system for a business organization. (4)

Sol: The computerized accounting is one the database-oriented applications wherein the transaction data is stored in well-organized database. The user operates on such database using the required interface and also takes the required reports by suitable transformations of stored data into information. Therefore, the fundamentals of computerized accounting include all the basic requirements of any database-oriented application in computers.

Accounting framework…………………………………………… [2]
It is the application environment of the computerized accounting. A healthy accounting framework in terms of accounting principles, coding and grouping structure is a pre-condition for any computerized accounting system.

Operating procedure……………………………………………....... [2]
A well-conceived and designed operating procedure blended with suitable operating environment of the enterprise is necessary to work with the computerized accounting system.

21. The generation of ledger accounts is not a necessary condition for making trial balance in a computerized accounting system. Explain. (4)

Sol: In computerized accounting system, every day business transactions are recorded with the help of computer software. Logical scheme is applied for codification of account and transaction. Every account and transaction is assigned a unique code. The grouping of accounts is done from the first stage. [Briefly explaining what is account groups and hierarchy of ledger.] The hierarchy of ledger accounts is maintained and the data is transferred into Ledger accounts automatically by the computer. In order to produce ledger accounts the stored transaction data is processed to appear as classified so

	that same is presented in the form of report. The preparation of financial statements is independent of producing the trial balance.	
22.	Internal manipulation of accounting records is much easier in computerized accounting than in manual accounting. How? **Sol:** Internal manipulation of accounting records is much easier in computerized accounting due to the following: i. Defective logical sequence at the programming stage ii. Prone to hacking	(4)
23.	Computerisation of accounting data on one hand stores voluminous data in a systematic and organized manner whereas on the other hand suffers from threats of vulnerability and manipulations. Discuss the security measures you would like to employ for securing the data from such threats. **Sol:** Every accounting software ensures data security, safety and confidentiality. Therefore every, software should provide for the following: • Password Security: Password is a mechanism, which enables a user to access a system including data. The system facilitates defining the user rights according to organization policy. Consequently, a person in an organization may be given access to a particular set of a data while he may be denied access to another set of data. • Data Audit: This feature enables one to know as to who and what changes have been made in the original data thereby helping and fixing the responsibility of the person who has manipulated the data and also ensures data integrity. Basically, this feature is similar to Audit Trial. • Data Vault: Software provides additional security through data encryption	(6)

ACCOUNTANCY (055)

CLASS-XII (2016-17)

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Units Part A	**Accounting for Partnership Firms and Companies**	1 mark Question	3 marks Questions	4 marks Questions	6 marks Questions	8 marks Questions	**Total**
Unit 1	Accounting for Partnership Firms	1(U) 2(H) 3(U) 6(E)	2(K)	11(K) 12(K)	13(K) 15(K)	16(U)	35
Unit 2	Accounting for Companies	4(K) 5(K)	7(A) 9(A) 10 (E)	-	14(H)	17(H)	25
Part B	Financial Statements Analysis	-	-	20(U) 21(A) 22(A)	-	-	12
Unit 3	Analysis for Financial Statements						
Unit 4	Cash Flow Statement	18(K) 19(H)	-	-	23(A)	-	08
Total		1(8)	3(4)	4(5)	6(4)	8(2)	80(23)

ACCOUNTANCY (055)

CLASS-XII (2016-17)

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S.No.	Typology of Questions	1 mark Question	3 marks Question	4 marks Question	6 marks Question	8 marks Question	Total
1	**Remembering**	4,5,18	8	11	13	-	6
2	**Understanding**	1,3	-	12,20	15	16	6
3	**Application**	-	7,9	21,22	23	-	5
4	**HOTS**	2,19	-	-	14	17	4
5	**Evaluation**	6	10				2
Total		1(8)	3(4)	4(5)	6(4)	8(2)	80(23)