

ACCOUNTANCY

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	8(1)	6(2)	1(1)	25(6)
(b) Debentures	6(1)	4(1)		
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.		Debtors Rs, 10,000	
A 45,000		Less : Provision <u> 200</u>	9,800
B 30,000		Stock	9,000
C <u>15,000</u>	90,000	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 :

Liabilities	Rs.	Assets	Rs.
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</i> <i>Rs.</i>	<i>31.3.2007</i> <i>Rs.</i>	<i>Assets</i>	<i>31.3.2006</i> <i>Rs.</i>	<i>31.3.2007</i> <i>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.

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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**

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

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

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

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

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

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

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

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>

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

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

Adjusting Entry :	Rs.	Rs.
Z's Capital A/c Dr.	3,600	
To X's Capital A/c		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

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

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

$$\text{Discount given} = \text{NIL}$$

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

(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.		4,00,000 6,00,000 5,00,000 3,00,000	
	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)			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)

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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

$$\begin{aligned} \text{Number of equity shares} &= \frac{1,00,000}{125} \\ &= 800. \end{aligned} \quad \left(\frac{1}{2} + 1 + \frac{1}{2} + 1 = 3\right)$$

13.

Income and Expenditure Account
for the year ending December, 2006

Dr.	Rs.	Income	Rs.	Cr.
Expenditure				
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 (bal.fig)	<u>9,70,000</u>	Investment	5,00,000
	<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)

Rs. 75,000 \times $1/5$ \times $4/12$

= 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.

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

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

Number of shares on which first call money is not received $= \frac{50,000}{5} = 10,000$ 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		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>	83,000	Debtors		8,000
Bank Loan		12,000	Cash		31,000
Creditors		2,000			
		<u>97,000</u>			<u>97,000</u>

(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	6,000
To Outstanding Repairs Bill	3,900		
To profits transferred to Capital Accounts			
A 900			
B 600			
C <u>300</u>	1,800		<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)

Working Note :

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)

Balance sheet of the New Firm as on 31st Dec, 2006

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>	Machinery	24,000
	55,200	Land and Building	56,000
	<u>1,01,500</u>		<u>1,01,500</u>

(2 Marks)

(1½+4½+2 = 8 Marks)

PART - B

17. The two choices to maintain Debt equity at 1:1 from 3:1 are :

(i) To increase equity

or (ii) To reduce Debt

(iii) Both i.e. increase equity and reduce Debt.

1

18. No Flow

1

19. Operating Activity

1

20. **Liabilities side of the Company's Balance Sheet as per**
Schedule VI Part -I of the Companies Act, 1956

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			

½ Mark of Heading

(B/S of.....as at.....)

+½x5 =2½

(½+2½= 3

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

22. Liquid Ratio = $\frac{\text{Liquid Assets}}{\text{Current Liabilities}}$

$$= \frac{\text{Bills Receivables} + \text{Debtors} + \text{Cash}}{\text{Creditors} + \text{Bills Payable}}$$

$$= \frac{4,00,000 + 20,00,000 + 1,00,000}{15,00,000 + 10,00,000}$$

$$= \frac{25,00,000}{25,00,000}$$

OR 1:1

(1 Mark)

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

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

$$= .86:1 \text{ hence reduced}$$

(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

5,000

18,000

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	

SAMPLE QUESTION PAPER
ACCOUNTANCY
Class - XII
Set - II

Time Allowed - 3 Hrs.

Max. Marks - 80

General Instructions :-

1. This question paper contains three parts A, B and C.
2. Part A is compulsory for all candidates.
3. Candidates can attempt only one part of the remaining part B and C.
4. All parts of a question should be attempted at one place.

Part A

Accounting for Not for Profit Organizations, Partnership Firms and Companies

1. Name the account which shows the classified summary of transactions of a Cash Book in a not-for-profit organisation. (1)
2. List two items that may appear on the Credit side of a partner's fixed capital account.(1)
3. Give two circumstances in which sacrificing ratio may be applied. (1)
4. Name any two factors affecting goodwill of a partnership firm. (1)
5. What is the nature of Interest on Debentures? (1)
6. On the basis of following information, calculate the amount of stationery to be shown in Income and Expenditure Account for the year ended 31st March, 2007. (3)

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

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

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

The Company adopts Table A. (3)

9. X, Y and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared, it was discovered that interest on drawings @ 5% had not been taken into consideration. The drawings of the Partners were : X Rs. 15,000; Y Rs. 12,600; Z Rs. 12,000. Give the necessary adjusting journal entry. (4)
10. P, Q and R are partners sharing profits and losses in the ratio of 5:3:2. From 1st January, 2006, they decide to share profits and losses in equal proportion. The partnership deed provides that in the event of any change in profit sharing ratio, the goodwill should be valued at three years' purchase of the average of five years' profits. The profits and losses of the preceding five years are:
Profits : 2001 - Rs. 60,000 2002 Rs. 1,50,000 2003 - Rs. 1,70,000 2004 - Rs. 1,90,000.
Loss : 2005 - Rs. 70,000.
 Give the necessary journal entry to record the above change. (4)
11. Raja Ltd. forfeited 400 shares of Rs. 25 each (Rs. 20 called up) held by Asha, for non-payment of allotment money of Rs. 10 per share (including Rs. 5 per share premium) and the first call of Rs. 6 per share. Out of these, 300 shares were reissued to X at Rs. 20 per share at paid up value.
 Give journal entries for forfeiture and reissue of shares. (4)
12. (a) Alpha Ltd. has 5,000 8% Debentures of Rs. 100 each due for redemption on March 31, 2007. Assume that Debenture Redemption Reserve has a balance of Rs. 1,90,000 on that date. Record the necessary entries at the time of redemption of debentures.
 (b) What journal entries should be made for the issue of debentures in the following cases:
 (i) X Limited issued 30,000 12% Debentures of Rs. 100 each at par, redeemable at a premium of 5%.
 (ii) Y Limited issued 50,000 12% Debentures of Rs 100 each at a premium of 5%, redeemable at par. (6)
13. From the following Receipts and Payments Account of Sonic club and from the given additional information, prepare the expenditure on account of Salaries for the year ending 31st December, 2006 and show the Salaries items in the Income and Expenditure Account and the Balance Sheet as on 31st December, 2005 and 31st December, 2006. (6)

**An Extract of Receipts and Payments Account
for the year ending 31st December, 2006**

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

Additional Information :

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

14. Risha and Nisha were partners. The partnership deed provides :

- (i) That the accounts be balanced on 31st December each year.
- (ii) The profits be divided as follows :

Risha one-half, Nisha one-third and carried to Reserve account one-sixth.

- (iii) That in the event of death of a partner, her executor will be entitled to the following :

- (a) The capital to her credit at the date of death.
- (b) Her proportion of profit to date of death based on the average profits of the last three completed years.
- (c) Her share of goodwill based on three years' purchase of the average profits for the three preceding completed years.

On 31st December, 2006 the Trial Balance was as under :

Particulars	Debit (Rs.)	Credit (Rs.)
Risha's Capital	-	90,000
Nisha's Capital	-	60,000
Reserves	-	30,000
Bills Receivables	50,000	-
Investments	40,000	-
Cash	1,10,000	-
Creditors	-	20,000
	2,00,000	2,00,000

The profits for the three years were : 2004- Rs. 4200; 2005 - Rs. 3900 and 2006 - Rs. 4,500. Nisha died on 31st May, 2007. Draw up the deceased Partner's Capital A/c and Executor's A/c. (6)

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

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

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

Journalise the above transactions. (8)

OR

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

On Application - Rs. 5 per share

On Allotment - Rs. 9 per share

(Including Premium)

Applications were received for 1,40,000 shares.

Allotment was made on the following basis :

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

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

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

Rajiv, who had applied for 1,200 Shares failed to pay his dues and his shares were forfeited.

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

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

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

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

- (i) Goodwill is valued at Rs. 40,000 and Rohan is to bring in the necessary amount in cash as premium for goodwill and Rs. 60,000 as Capital for 1/4 share in profits.
- (ii) Stock is to be reduced by 40% and furniture is to be reduced to 40%.
- (iii) Capitals of the partners shall be proportionate to their Profit Sharing Ratio taking Rohan's Capital as base. Adjustments of Capitals to be made by cash.

Requirements :

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

OR

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

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

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

The other terms on retirement were as follows :

- (i) Goodwill of the firm is to be valued at Rs. 80,000.
- (ii) Fixed Assets are to be depreciated to Rs. 57,500
- (iii) Make a provision for doubtful debts at 5% on debtors
- (iv) A liability for claim, included in creditors for Rs. 10,000, is settled at Rs. 8000.

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

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

Part B

Financial Statement Analysis

17. Assuming that the Debt - Equity Ratio is 1:2, state giving reason, whether the ratio will improve, decline or will have no change in case equity shares are issued for cash. (1)
18. Mention the net amount of 'Source' or 'Use' of cash when a fixed asset (having book value of Rs. 15,000) is sold at a loss of Rs. 5,000. (1)
19. Dividend paid by a trading company is classified under which kind of activity while preparing cash flow statement. (1)
20. Show the major headings into which the assets side of company's Balance Sheet is organised and presented as per Schedule VI Part I of the Companies Act, 1956. (3)
21. Prepare the Common Size Income Statement from the following information : (4)

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

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

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

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

Additional Information :-

- (a) Rs. 50,000 depreciation has been charged to Plant and Machinery during the year 2007.
(b) A Piece of machinery costing Rs.12,000 (book value Rs. 5,000) was sold at 60% profit on book value.

Prepare Cash Flow Statement.

Part C
Computerised Accounting

Marking Scheme
Sample Question Paper
Accountancy
Class XII
Set - II

1. Receipts and Payments Account. 1
2. (i) Opening Capital.
- (ii) Additional Capital Introduced. (½x2=1)
3. (i) Admission of a partner.
- (ii) Change in profit-sharing ratio of partners. (½x2=1)
4. (i) Location of the business.
- (ii) Skill of the management. (½x2=1)
5. It is a charge against profits. 1
6. Consumption of Stationery =
 Opening stock + Amount paid + Creditors (beginning) + Creditors (end) - Closing stock
 = Rs. 50,000+ 2,00,000- 20,000+10,000-40,000
 = Rs. 2,00,000
- (1 mark -Formula
 2 Mark - Calculation
 (1 mark for stock adjustment and
 1 mark for creditor adjustment) 3.
7. SEBI guidelines would not apply :
 (i) To Infrastructure companies.
 (ii) A company issuing debentures with a maturity period of not more than 18 months.
 (iii) For debentures issued by All India Financial Institutions regulated by RBI.
 (iv) For debentures issued by Banking companies.
 (v) For Privately placed debentures
- (any three 1x3=3)
8. Interest on calls-in-advance payable to Akriti.
- On Ist Call $8000 \times 2 \times \frac{6}{100} \times \frac{3}{12} = Rs.240$ 1
 (for three months)
- On 2nd Call $8000 \times 3 \times \frac{6}{100} \times \frac{7}{12} = Rs.840$ 1
 (for seven months)

Rs.1080

Smriti

On 2nd Call

$$4000 \times \text{Rs.}3 \times \frac{6}{100} \times \frac{4}{12} = \text{Rs.}240$$

1

(for four months)

(1+1+1=3)

9.

Journal

Date	Particulars	L. F.	Debit Rs.	Credit Rs.
	Z's Capital A/c Dr.		270	
	To X's Capital A/c			240
	To Y's Capital A/c			30
	(Interest on drawings omitted, now adjusted)			

(2)

Working Notes :

Partners	Dr. interest on drawings (Rs.)	Cr. profits 3:2:1	Net effect	
			Dr.	Cr.
X	(-)750	(+990)	-	+240
Y	(-)630	(+660)	-	+30
Z	(-)600	(+330)	(-)270	-
	1,980	1,980	270	270

Rs.5,00,000

5

(2+2 = 4 marks)

10.

(1) Valuation of goodwill

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

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

$$\text{Goodwill} = \text{Rs. } 1,00,000 \times 3 = \text{Rs. } 3,00,000$$

(1 Mark)

(2) Calculation of Gain/ Loss

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

Difference

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

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

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

- (iii) Compensation ($\frac{5}{30} \times \text{Rs. } 3,00,000 = 50,000$) payable by Q and R in the ratio of $\frac{1}{30}$ and $\frac{4}{30}$ of Rs. 3,00,000. i.e., Rs. 10,000 and Rs. 40,000 respectively.

(1 mark)

JOURNAL

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

(2 Marks)

11.

BOOKS OF RAJA LTD. JOURNAL

Date	Particulars	L. F.	Debit Rs.	Credit Rs.
	Share Capital A/c Dr.		8,000	
	Securities Premium A/c Dr.		2,000	
	Share Forfeiture A/c			3,600
	Share Allotment A/c			4,000
	Share First Call A/c			2,400
	(400 shares forfeited for non- payment of allotment and first call money)			
	Bank A/c Dr.		6,000	
	Share Capital A/c			6,000
	(300 shares reissued at Rs. 20 at paid up value)			
	Share Forfeiture A/c Dr.		3,600	
	Capital Reserve A/c			3,600
	(Capital profit transferred to Capital reserve)			

(1+1+1+1=4)

12(a).

JOURNAL

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

(3 Marks)

12(b).

JOURNAL

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

(3 Marks)

BALANCE SHEET
As on 31st December, 2005

<i>Dr.</i>		<i>Cr.</i>	
Particulars	Amount	Particulars	Amount
Salaries Outstanding	25,000	Salaries Prepaid	10,000

INCOME AND EXPENDITURE ACCOUNT
for the year ending 31.12.2006

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

BALANCE SHEET
As on 31.12 2006

<i>Dr.</i>		<i>Cr.</i>	
Particulars	Amount	Particulars	Amount
Salaries Outstanding for 2005	5,000	Salaries Prepaid for 2007	18,000
for 2006	40,000		
	45,000		

14. **Working Note**

(i) Profit sharing ratio between Risha and Nisha

$$= \frac{1}{2} : \frac{1}{3} = 3 : 2$$

(ii) Nisha's share of profit

$$= \frac{(\text{Rs.}4,200 + \text{Rs}3,900 + \text{Rs} 4,500)}{3} \times \frac{5}{12} \times \frac{2}{5}$$

$$= \text{Rs. } 700$$

(iii) Nisha's share of goodwill =

=

$$= \text{Rs. } 5,040$$

(iv) Nisha's share of reserves =

$$= \text{Rs. } 30000 \times \frac{2}{5} = \text{Rs.}12000$$

NISHA'S CAPITAL A/C

<i>Dr.</i>		<i>Cr.</i>	
Particulars	Amount Rs.	Particulars	Amount Rs.
To Executor's A/c	77,740	By Bal b/d By P/L Suspense A/c By Richa's Capital A/c. - Share of Goodwill By Reserves	60,000 700 5,040 12,000
	77,740		77,740

NISHA'S EXECUTOR'S A/c

<i>Dr.</i>		<i>Cr.</i>	
Particulars	Amount Rs.	Particulars	Amount Rs.
To Nisha's Executor's Loan A/c	77,740	By Nisha's Cap. A/c	77,740
	77,740		77,740

JOURNAL

15.

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

Date	Particulars	L. F.	Debit Rs.	Credit Rs.
	Bank A/c Dr. Calls-in Advance A/c Dr. To Share first & final call A/c (Share first & final call money received on 39,600 shares)		13,86,000 2,00,000	15,86,000
v)	Share capital A/c Dr. Securities premium A/c Dr. To Share forfeited A/c To Share first & final call A/c (400 shares forfeited for non-payment of share first & final call money)		20,000 4,000	10,000 14,000

Working Note :

Application recd.	No of shares	Application Rejected for	No of shares Allotted
-------------------	--------------	-----------------------------	--------------------------

70,000 20,000 40,000 to Applicants for 50,000 shares

Hence Prorata Ratio is 5:4

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

So share First & Final Call.

Money due on 400 shares	Rs. 16,000
@ Rs. 40	

Less - Excess Money Received	<u>Rs. 2,000</u>
First & Final Call Money	Rs. 14,000

not received on 400 shares.

15.

OR
IN THE BOOKS OF ARTI LIMITED
JOURNAL

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

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

Working Note(i) **Utilization of excess money received on application**(a) **for pro rata category of 4:3**

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

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

(b) **for pro-rata category of 3:1**

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

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

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

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

Rajiv's applied number of shares = 1,200

So shares allotted to him = $1,200 \times \frac{3}{4} = 900$.

(ii)	<u>Amount not paid by Rajiv.</u>	Rs.
	Application money received	1200xRs.5 = 6,000
	Less application money due	900xRs.5 = 4,500
	Excess application money adjusted to allotment	= 1,500
	Allotment money due	900xRs.9 = 8,100
	Allotment money not received (Rs. 8,100 – Rs. 1500)	= 6,600
(iii)	<u>Calculation of Amount Received on Allotment</u>	
	Total allotment money due	80,000xRs.9 = 7,20,000
	Less allotment money already received	= 2,80,000
	Less allotment money not received	= 6,600
	\therefore Amount received on allotment	= 4,33,400

16.

REVALUATION A/c

<i>Dr.</i>		<i>Cr.</i>	
Particulars	Amount Rs.	Particulars	Amount Rs.
To Stock to Furniture	20,000 18,000	By Loss : Rajat's Cap A/c Ravi's Cap A/c	26,600 11,400
	38,000		38,000

(1)

PARTNERS' CAPITAL ACCOUNTS

Particulars	Rajat Rs.	Ravi Rs.	Rohan Rs.	Particulars	Rajat Rs.	Ravi Rs.	Rohan Rs.
To Rev. A/c	26,600	11,400	-	By Balance b/d	1,00,000	80,000	-
To Cash A/c	-	20,600	-	By Cash	-	-	60,000
				By Reserve	7,000	3,000	-
				By Premium	7,000	3,000	-
To Balance c/d	1,26,000	54,000	60,000	By Cash A/c.	38,600		
	1,52,600	86,000	60,000		1,52,600	86,000	60,000

(3)

Working Notes : Rohan's Capital for 1/4 th share = Rs. 60,000
 \therefore Total capital = Rs. 60,000 x 4
= Rs. 2,40,000

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

Hance, Rajat's Capital = Rs. 2,40,000 x = Rs. 1,26,000

Ravi's Capital = Rs. 2,40,000 x $\frac{9}{40}$ = Rs. 54,000 (3)

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

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

(1)

16. (1+3+3+1 = 8)

OR

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

Particulars	Amount Rs.	Particulars	Amount Rs.
		$\frac{21}{40} \left(1 - \frac{1}{4}\right) = \frac{9}{40}$	
		By Creditors A/c	2,000
To Fixed Assets A/c	2,500	By Loss transferred to :	
		X's Capital A/c	2,750
To Provision for Doubtful Debts A/c	5,000	Y's Capital A/c	1,650
		Z's Capital A/c	1,100
	7,500		5,500
			7,500

(1)

PARTNERS' CAPITAL A/C

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

(3)

Working Notes :

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

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

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

$$Z's \text{ Capital} = Rs. 1,89,500 \times \frac{3}{5} = Rs. 1,13,700 \quad (3)$$

Shortage of cash at Bank

Opening Bal of Cash = Rs. 40,000

Less Minimum Balance

Required = Rs. 1,5000

Amount available Rs. 25000

to pay to X

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

Less Available at Bank Rs. 25,000

Shortage to be brought

in By Y and Z = Rs. 94,750

(1+3+3+1 = 8)

17. Issue of Equity Shares

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

The ratio will decrease

Reason :- Debt remains unchanged.

Equity increases.

(½ mark for answer and ½ mark for reason)

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

19. Financing Activity (1)

20. Balance Sheet as on

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

½x6= 3 Marks

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

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

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

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

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

(Let Opening stock= X)

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

$$10x + 1,00,000 = 12,80,000$$

$$10x = \text{Rs. } 11,80,000$$

$$x = \text{Rs. } 1,18,000$$

$$\begin{aligned} \text{Closing Stock} &= \text{Opening Stock} + 20,000 \\ &= \text{Rs. } 1,18,000 + 20,000 \\ &= \text{Rs. } 1,38,000 \end{aligned}$$

(2)

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

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

$$\begin{aligned} \text{Liquid Asset} &= 2,40,000 \times 0.75 \\ &= \text{Rs. } 1,80,000 \end{aligned}$$

$$\begin{aligned} \text{Current Assets} &= \text{Liquid Assets} + \text{Closing Stock} \\ &= \text{Rs. } 1,80,000 + \text{Rs. } 1,38,000 \\ &= \text{Rs. } 3,18,000 \end{aligned}$$

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

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

(2)

23.

Cash Flow Statement

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

Working Notes :

(1) Profit Before Tax

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

(2)

Plant and Machinery Account

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

(2)

SAMPLE QUESTION PAPER-II

Subject : Accountancy

Class XII Max. Marks 80

Time : 3 hrs.

QUESTION-WISE ANALYSIS

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

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