

**ASN Senior Secondary School**  
**PRE-BOARD**  
**ACCOUNTANCY**  
**(2019-20) CLASS XII**

Time allowed: 3 hour

Maximum Marks: 80

- Please check this question paper contains 32 questions.
- Please write down the Serial Number of the question before attempting it.
- 15 minutes time has been allotted to read this question paper. The students will read the question paper only and will not write any answer on the answer-sheet during this period.
- Students are not allowed to use any calculator during the examination.
- This question paper contains two parts – A and B
- All parts of a question should be attempted at one place

**PART A**

(Accounting for Not –for-Profit Organisations, Partnership Firms and Companies)

1. There are 500 members in Royentgen Sports Club, paying annual subscription of ₹ 50 each. Subscription received during the year ₹ 20,000 including ₹ 2000 for next year. What will be the amount to be shown as outstanding subscription (closing)?  
(a) ₹ 7000  
(b) ₹ 5000  
(c) ₹ 25,000  
(d) ₹ 18,000 (1)
2. At what rate interest on calls-in-advance given by the company according to 'Table F' of the Companies Act 2013?  
(a) 6% p.a  
(b) 8% p.a  
(c) 10% p.a  
(d) 12% p.a (1)
3. Change in profit sharing ratio amounts to Dissolution of Partnership or Dissolution of Partnership Firm? Give reason in support of your answer. (1)
4. At the time of dissolution of firm, Partner's Current A/c Balance will be transferred to \_\_\_\_\_ account. (1)
5. Arjun, Bhim and Nakul are partners in a partnership firm. They decided to admit Abhimanyu, a minor, as a partner to their firm. What will be the liability of Abhimanyu as a partner? (1)
6. Upon dissolution which is the proper order for application of the firm's assets?  
I. Payment of Partner's Loan.  
II. In paying the debts of the firm to third parties.  
III. Distribution of Surplus to partners in profit sharing ratio.  
IV. Payment of Partners capital.

- (a) I, IV, III, and II  
 (b) II, I, III, and IV  
 (c) II, I, IV, and III  
 (d) I, II, III, and IV (1)

7. Devi Ltd. purchased plant and machinery for ₹ 200,000 payable as ₹ 40,000 in cash and the balance by issuing of 6% Debentures of ₹ 1000 each at a premium of 25%. Find out the number of Debentures issued by Devi Ltd.

(1)

8. Ravi and Giri are partners sharing profits and losses equally. Ravi withdrew ₹ 1000 p.m regularly on the first day of every month during the year 2018-19 for personal expenses. If interest on drawings is charged @ 5% p.a, calculate interest on Ravi's Drawings. (1)

9. Goodwill accruing to the outgoing partner is adjusted in the capital accounts in the \_\_\_\_\_ ratio. (1)

10. Bhanu, Lalu and Paru are partners in the firm sharing profits and losses in the ratio 2:1:1. Lalu retired from the business. At the time of retirement of Lalu, building is appreciated by ₹ 20,000 and Machinery was found to be overvalued by ₹ 4000. Find out the share of partners in the Revaluation Profit/Loss. (1)

11. Abhinav and Bharath are partners in a firm sharing profits and losses in the ratio of 3:2. On 1<sup>st</sup> April 2019, they decided to admit Chantan for 1/5<sup>th</sup> share. Pass necessary journal entry to close Workmen Compensation Reserve A/c ₹ 1,20,000 found in the books at the time of Chantan's admission. Claim on workmen compensation amounted to ₹ 40000. (1)

12. The amount left unpaid to the deceased partner will be allowed interest @ \_\_\_\_\_, if the Partnership Deed is silent with regard to it.  
 a) 6% p.a  
 b) 5% p.a  
 c) 10% p.a  
 d) None of the above (1)

13. Rohit, Kohli and Rahane are partners in the firm sharing profits in the ratio of 5:3:2. From 1<sup>st</sup> April 2019, they decided to share the profits equally. For this purpose, the goodwill of the firm was valued at ₹ 240,000. Pass an adjustment journal entry. (1)

14. Calculate the amount of sports material to be transferred to Income and Expenditure account of Segal Sports Club, for the year ended 31<sup>st</sup> March, 2018:

Particulars	Amount (₹ )
Sports Materials sold during the year (Book Value ₹ 100,000)	112,000
Amount paid to creditors for sports material	182,000
Cash purchase of sports material	80,000
Sports material as on 31.3.17	100,000
Sports Material as on 31.3.18	110,000
Creditors for sports material as on 31.3.17	74,000
Creditors for sports material as on 31.3.18	90,000

OR

Explain the following:

(i) Legacy

(ii) Donation

(iii) Subscription

(3)

15. Pavan, Prince and Roy were partners in a firm sharing profits in 2:2:1 ratio. The partnership deed provided that in the event of death of a partner his executors will be entitled for the following:

- (i) Interest on capital @ 12% p.a.
- (ii) Interest on drawings @ 18% p.a.
- (iii) Salary of ₹ 36,000 p.a.
- (iv) Share in profit of the firm (upto the date of death) on the basis of previous year's profit.

Pavan died on 31.5.2019. His capital was ₹ 2,40,000. He had withdrawn ₹ 45,000 and interest on his drawings was calculated as ₹ 3,600. The profit of the firm for the

previous year ended 31.3.2019 was ₹ 90,000.

Prepare Pavan's Capital Account to be presented to his executors. (4)

16. Athul, Bhadra and Chitra were partners in a firm. On 1.4.2018 their capitals were ₹ 1,00,000; ₹ 50,000 and ₹ 50,000 respectively. As per the provisions of the partnership deed:

- (i) Chitra was entitled for a salary of ₹ 10,000 p.a.
- (ii) Partners were entitled to interest on capital at 5% p.a.
- (iii) Profits were to be shared in the ratio of partner's capital.

The net profit for the year 2018-19 of ₹ 66,000 was divided equally without providing for the above terms. Give an adjustment entry.

OR

Lakshmi, Saraswati and Parvati were partners in a firm sharing profits and losses in the ratio 7:2:1. Their fixed capitals were Lakshmi ₹ 300,000, Saraswati ₹ 200,000 and Parvati ₹ 100,000. The partnership deed provides the following for division of profit:

- (a). 10% of the trading profit will be transferred to the Reserve Account.
- (b). Parvati was guaranteed a profit of ₹ 50,000. Any deficit of Parvati will be shared by Lakshmi and Saraswati equally.

The trading profit of the firm for the year ended 31<sup>st</sup> March 2019 was ₹ 200,000. Prepare Profit and Loss Appropriation Account. (4)

17. On 1st April, 2019, Techno Ltd. was formed with an authorised capital of ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each. The company issued prospectus inviting applications for 4,50,000 equity shares. The company received applications for 4,20,000 equity shares. During the first year, ₹ 8 per share were called. Thara holding 1,000 shares and Rani holding 2,000

shares did not pay the first call of ₹ 2 per share. Rani's shares were forfeited after the first call and later on 1,500 of the forfeited shares were re-issued at ₹ 6 per share, ₹ 8 called up.

Show the following:

(a) Share Capital in the Balance Sheet of the company as per revised Schedule III Part I of the Companies Act, 2013.

(b) Also prepare 'Notes to Accounts' for the same. (4)

18. Pass the necessary Journal entries for the following transactions on the dissolution of the firm of Kapil and Sachin after the various assets (other than cash) and outside liabilities have been transferred to Realisation Account:

(i) Paid Bank Loan ₹ 45,000

(ii) Stock worth ₹ 60,000 was taken over by Sachin

(iii) Kapil paid ₹ 27,000 to a creditor

(iv) A liability not appearing in the books of accounts settled, ₹ 11,100

(v) Profit on realisation ₹ 21,300 was distributed between Kapil and Sachin in 7:3 ratio. (4)

19. Prepare Income and Expenditure Account from the following particulars of Crown Club, for the year ended on 31st March, 2018:

Receipts and Payments A/c for the year ended on 31st March, 2018

Receipts	₹	Payments	₹
To Balance B/d	32500	By Rent	20000
To Subscription:		By Postage	5250
2016-17      1500		By Salaries	19500
2017-18      60000		By Stationery	10000
2018-19      1800	63300	By Sports Material	11500
To Donation (Sports Court)	90000	By Miscellaneous Exp.	3100
To Sale of old Magazines	750	By Furniture (01/10/2017)	20000
To Entrance Fee	800	By 10% Investments (01/10/2017)	70000
		By Balance C/d	27000
	1,87,350		1,87,350

Additional Information:

i. Subscription outstanding as at March 31st 2018 ₹ 16,200

ii. ₹ 1200 is still in arrears for the year 2016-17 for subscription

iii. Value of sports material at the beginning and at the end of the year was ₹ 3,000 and ₹ 4,500 respectively.

iv. Depreciation to be provided @ 10% p.a. on furniture. (6)

20. Vinod Limited issued 25,000, 10% debentures of ₹ 100 each. Give journal entries in each of the following cases when:

(i) The Debentures were issued at a premium of 20%

(ii) The Debentures were issued as a collateral security to Bank against a loan of ₹ 20,00,000.

(iii) The Debentures were issued to a supplier of Machinery costing ₹ 28,00,000 as full and final payment.

OR

Krishna Ltd issued 42,000, 7% Debentures of ₹ 100 each on 1st April, 2015, redeemable at a premium of 8% on 31st March 2019. The Company decided to create required Debenture Redemption Reserve on 31st March 2018. The company invested the funds as required by law in a fixed deposit with State Bank of India on 1st April, 2018 earning interest @ 10% per annum. Tax was deducted at source by the bank on interest @ 10% per annum.

Pass necessary Journal Entries regarding issue and redemption of debentures. (Ignore interest to debenture holders) (6)

21. Kishore and Bashir are partners in a firm sharing profits and losses in the ratio of 3:1. They admit James for 1/4<sup>th</sup> share on 31<sup>st</sup> March 2019. Their balance sheet was as follows:

Balance sheet as on 31<sup>st</sup> March 2019

Liabilities	Amount	Assets	Amount
Creditors	20,400	Cash	6,100
Employees Provident Fund	17,000	Debtors 50,000	
Workmen's Compensation Fund		(-) Provision (2,000)	48,000
Investment Fluctuation Reserve	6,000	Inventories	15,400
Capitals: Kishore Bashir	4,100	Investment	7,000
	54,000	Buildings	20,000
	35,000	Goodwill	40,000
	136,500		136,500

The following adjustments were agreed upon:

- James brings in ₹ 16,000 as goodwill and proportionate capital
- Bad debts amounted to ₹ 3,000.
- Market value of investments is ₹ 4,500.
- Liability on account of Workmen's Compensation Reserve amounted to ₹ 2,000.
- The value of Buildings appreciated to ₹ 24,800

Prepare Revaluation A/c, Partners Capital A/c and Balance sheet of the new firm.

OR

Drona, Luka and Muna were partners in a firm sharing profits in the ratio of 5:3:2. Their Balance Sheet on March 31, 2019 was as follows:

Balance Sheet on March 31, 2019

Liabilities	Amount	Assets	Amount
Creditors	70,000	Bank	44,000
<u>Capitals</u>		Debtors	24,000
Drona 90,000		Inventories	60,000
Luka 56,000		Buildings	140,000
Muna <u>60,000</u>	206,000	Profit & Loss A/c	8,000
	276,000		276,000

On April 1, 2019 Luka retired on the following terms:

- Building was to be depreciated by ₹ 10,000.
- A Provision of 5% was to be made on Debtors for doubtful debts.
- Salary outstanding was ₹ 4,800.
- Goodwill of the firm was valued at ₹ 1,40,000.
- Luka was to be paid ₹ 20,800 through cheque and the balance was to be paid in two equal quarterly instalments (starting from June 30, 2019) along with interest @ 10% p.a.

Prepare Revaluation A/c, Luka's Capital A/c and his Loan A/c till it is finally paid. (8)

22. Dhanush Chemicals Ltd. issued applications for 2,00,000 equity shares of ₹ 10 each, at a premium of ₹ 4 per share. The amount was payable as follows:

On application ₹ 6 (including ₹ 2 premium) On allotment ₹ 7 (including ₹ 2 premium) Balance on first and final call

Applications for 3,00,000 shares were received. Allotment was made to all the applicants on pro-rata basis.

Suresh to whom 400 shares were allotted, failed to pay allotment and call money. Vinu who had applied for 300 shares failed to pay call money. These shares were forfeited after Final call. 400 of the forfeited shares (including all shares of Vinu) were reissued @ ₹ 8 per share as fully paid up.

Pass necessary journal entries in the books of Dhanush Chemicals Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.

OR

Santhosh Agro Products Limited issued 40,000 Equity Shares of ₹ 10 each at a premium of ₹ 2.50 per share. The amount was payable as follows:

On Application ₹ 2 per share  
On Allotment ₹ 4.50 per share (including premium) And on Call ₹ 6 per share

Allotment was made to the applicants as follows:

- Applicants for 20,000 shares were allotted 10,000 shares
- Applicants for 56,000 shares were allotted 14,000 shares
- Applicants for 48,000 shares were allotted 16,000 shares

It was decided that excess amount received on applications would be utilised on allotment and the surplus would be refunded.

Deepak, to whom 1,000 shares were allotted, who belongs to category (i), failed to pay allotment money. His shares were forfeited after the call.

Pass necessary journal entries in the books of Santhosh Agro Products Limited for the above transactions.

(8)

## PART B

23. Which of the following transactions will increase the Debt to Equity ratio, which is 1:2 ?
- (a) Issue of shares for cash
  - (b) Redemption of Preference shares
  - (c) Redemption of Debentures
  - (d) Conversion of Debentures into Shares (1)
24. What is highly liquid investment?
- (a) Cash convertible investment
  - (b) Short term investment
  - (c) Cash Equivalents
  - (d) All of the above (1)
25. What does Working capital Turnover ratio indicate? (1)

26. \_\_\_\_\_ refers to the comparison of financial statements within an enterprise. (1)

27. Operating Ratio + Operating Profit Ratio = \_\_\_\_\_ (1)

28. Opening balance and closing balance of Non-current investment was ₹ 10,00,000 and ₹ 20,00,000 respectively for Kirti Ltd. Half of the investment held in the beginning of the year were sold at 20% profit. Calculate the value of Non-current Investment purchased during the year. (1)

29. State the significance of Financial Statement Analysis to lenders of a company. (1)

30. Under which major heads and subheads of the Balance Sheet of a company, will the following items be shown:-

- (i) Loose Tools
- (ii) Retirement Benefits Payable to employees
- (iii) Patents
- (iv) Interest on Calls in Advance
- (v) Statement of P/L
- (vi) Bank Overdraft

OR

Calculate 'Return on Investment' and 'Debt to Equity Ratio' from the following information:

Net Profit after Interest and Tax ₹ 3,00,000 10%

Debentures ₹ 5,00,000

Tax Rate 40%

Capital Employed ₹ 40,00,000 (3)

31. Following information is extracted from the statement of Profit and Loss of Himalaya Ltd. for the year ended 31<sup>st</sup> March 2019 and 2018. Fill in the missing figures:

Comparative Statement of Profit and Loss  
for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019

Particulars	2017-18	2018-19	Absolute Change	% Change
Revenue from Operations	15,00,000	?	5,00,000	?

Add: ?	?	10,00,000	?	150%
Total Revenue	?	30,00,000	?	57.89%
Less: Expenses	(15,00,000)	?	6,00,000	?
Profit before Tax	4,00,000	9,00,000	?	?
Less: Tax @ 50%	?	(4,50,000)	2,50,000	?
?	?	?	2,50,000	125%

OR

From the following Statement of Profit and Loss of Star Ltd. for the year ended 31<sup>st</sup> March 2019, prepare a Common Size Statement of Profit & Loss:

Particulars	Note No.	31.03.2019 (₹)
Revenue from operation		20,00,000
Employee benefit expenses		10,00,000
Other Expenses		1,00,000

32. The Balance sheets of Viswa Plastics Ltd. as at 31<sup>st</sup> March 2019 and 2018 are given below. Prepare a

Cash flow statement using the information.

Viswa Plastics Ltd.

Balance sheets

Particulars	Note No.	31/03/2019 (□ )	31/03/2018 (□ )
I. EQUITY AND LIABILITIES			
1. Shareholder's Fund			

(a) Share Capital		14,00,000	10,00,000
(b) Reserves and Surplus		500,000	400,000
2. Non-Current Liabilities			
a. Long-Term Borrowings (9% deposits)		600,000	200,000
3. Current Liabilities			
a. Short term Provisions	1	80,000	60,000
<b>TOTAL</b>		<b>25,80,000</b>	<b>16,60,000</b>
<b>II. ASSETS</b>			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	2	16,00,000	900,000
ii. Intangible Assets	3	140,000	200,000
2. Current Assets			
a. Trade Receivables		500,000	300,000
b. Inventories		250,000	200,000
c. Cash and Cash-Equivalents		90,000	60,000
<b>TOTAL</b>		<b>25,80,000</b>	<b>16,60,000</b>

#### Notes to Accounts

Particulars	31/03/2019 (₹)	31/03/2018 (₹)
1. Short –term Provisions Provision for Taxes	80,000	60,000
2. Tangible Fixed Assets Machinery	16,00,000	9,00,000
3. Intangible Assets Goodwill	140,000	200,000

#### Additional Information

- i. Interest paid on Deposits (long term borrowings) ₹ 45,000  
ii. Depreciation Provided on Tangible Assets (Machinery) during the year ₹ 200,000  
iii. The net profit earned during the year ₹ 100,000

(6)