CBSE
Class XII Accountancy
Sample Paper 1

Time: 3Hrs **Max. Marks: 80**

General Instructions:

1) This question paper contains two parts **A** and **B**.
2) Part A consists of 60 marks and Part B consists of 20 marks.
3) All parts of a question should be attempted at one place.

Part A

1. What is meant by Reconstitution of Partnership Firm? **(1)**

2. Vinod, Karan and Sampurna are partners. Vino wants to admit his son Yuvraj into business as a new partner, but Karan and Sampurna do not agree. Can Yuvraj become a partner of the firm? Give reason. **(1)**

OR

Explain the provisions of section 31 of the Indian Partnership Act, 1932 with respect to the admission of a partner.

3. What steps can a company take other than rejecting applications in case of oversubscription? **(1)**

OR

Explain what is collateral security?

4. X, Y and Z are partners sharing profits in the ratio of 1/2, 2/5 and 1/10. Find the new ratio of the remaining partners if Z retires. **(1)**

5. Name the liability which is not shown in the Balance Sheet but paid at the time of dissolution of a partnership firm. **(1)**

6. Adjustments for outstanding expenses, prepaid expenses or depreciation are not made in receipts and payments accounts. Why? **(1)**

OR

Explain the following terms:

i. Endowment Fund.
ii. Annuity Fund.

7. In the year ended 31st March, 2018, subscriptions received were ₹2,10,000. These subscriptions include ₹3,000 for the year ended 31st March, 2017 and ₹4,000 for the year ending 31st March, 2019. On 31st March, 2018, subscriptions due but not received were ₹5,000. The corresponding amount on 1st April, 2017 was ₹6,000. Determine the amount that should be credited to Income and Expenditure Account as subscriptions for the year ended 31st March, 2018. **(3)**

8. Vinod and Dhruvwere equal partners. They decided to admit a new partner Mr.Gaurav in to firm and for this purpose goodwill of the firm is to be valued at two years purchase of super profits. Onthe admission of Mr. Gaurav Average Profits of the firm were calculated at 21,500 and Capital Employed at ₹2,00,000.

The normal rate of return in similar business is 10%.
Find out the value of goodwill. **(3)**

9. Vinod, Deepak and Mukesh were partners in a firm sharing profits in the ratio of 4:4:2. The firm closes its books on 31st March every year. Deepak died on 24 August 2009. On Deepak's Death the goodwill of the firm was valued at ₹1,50,000. The partnership deed provided that on the death of a partner his share in the profits of the firm in the year of his death will be calculated on the basis of last year's profit. The profit of the firm for the year ended 31st March 2009 was ₹4,00,000. Give necessary journal entries and calculation of Deepak's Share of profit. **(3)**

OR

What are the adjustments required on the admission of a partner?

10. Vinod and Mridul are partners sharing profits in the ratio 6:4, with capitals of ₹1,00,000 and ₹60,000 respectively. Interest on capital is agreed to be paid @ 6% p.a. Mridul is allowed a salary of ₹5,000 p.a. During 2013, the profits prior to the calculation of interest on capital but after charging Mridul's salary amounted to ₹25,000. A provision of 5% of profits is to be made in respect of manager's commission. Prepare accounts showing the allocation of profits and partner's capital accounts. **(3)**

11. Vinod, Ashish and Gaurav were partners sharing profits in the ratio of 4/7:2/7:1/7, respectively. Following was their Balance Sheet as on 31st March 2016:

Liabilities	₹	Assets	₹
Workmen Compensation Reserve	14,000	Preliminary Expenses	14,000
Capital:		Cash	14,000
Vinod	60,000	Stock	30,000
Ashish	40,000	Debtors	22,000
Gaurav	30,000	Building	40,000
Creditors	30,000	Plant	53,000
Bills Payable	4,000	Motor van	26,000
General Reserve	21,000		
	1,99,000		**1,99,000**

On the above date, Vinod retired and he donated half of his amount to an NGO working for the education of girls belonging to the backward class. It was agreed that

i. Assets and liabilities were valued as Stock ₹18,000, Debtors `21,000, Building ₹51,200, Plant ₹50,000 and Creditors ₹28,000.
   Amount due to Vinod will be transferred to Vinod's loan account.
ii. Prepare Revaluation Account and Vinod's Capital Account and identify any two values disclosed by Vinod. **(4)**

12. M, N and O are partners in a partnership firm where N is the partner who is entitled to guaranteed profits. N is guaranteed profit in the business by all remaining partners. In case where the actual profit as per the profit share is less than the guaranteed amount of profit, how should N be paid to assure him the guaranteed profit? **(4)**

13. Vinod and Yuvraj were partners sharing profits and losses equally. On 31st March, 2016 when the firm was dissolved their books showed the following balances on that date:

Liabilities	₹	Assets	₹
General Reserve	1,500	Investments	9,500
Vinod's Capital A/c	20,000	Furniture	2,700
Yuvraj's Capital A/c	10,000	Goodwill	10,000
Sundry Creditors	14,700	Sundry Debtors	10,300
Bills Payable	3,800	Closing Stock	16,000
		Preliminary Expenses	1,500
	50,000		**50,000**

Vinod agreed to bear all expenses of realization and for this he was to be paid ₹500. The firm could realize only ₹9,400 of sundry debtors and 75% of the value of the stock. Furniture was sold for ₹1,600 but nothing could be realized for the goodwill. Vinod took over the investment for ₹11,000.
You are required to prepare Realisation Account. **(6)**

14. Following are the details of Subscription Account of a Not-for-Profit Organisation. You are required to show how the Subscription Account should be disclosed in the Income and Expenditure Account and in the Balance Sheet of the organization at the end of the year on 31st March, 2018.

Dr. Receipt and Payments Account for year ended 31st March, 2018 Cr.

Receipts	Amount	Payments	Amount
To Subscriptions:			
2016-17	10,000		
2017-18	90,000		
2018-19	15,000		

Additional information:
Subscription outstanding as at 31st March, 2017: 15,000
Subscription outstanding as at 31st March, 2018: 20,000
Subscription received in advance as at 31st March, 2017: 17,000. **(6)**

15. Vinod Ltd. has an authorised capital of ₹50,00,000 divided into equity shares of ₹100 each. The company offered ₹42,000 shares to the public. The amount payable was as follows:
On Application – ₹30 per share
On Allotment – ₹40 per share (including premium)
On First and Final Call – ₹50 per share
Applications were received for 40,000 shares.
All sums were duly received except the following:
Lal, a holder of 100 shares, did not pay allotment and call money.
Pal, a holder of 200 shares, did not pay call money.
The company forfeited the shares of Lal and Pal. Subsequently, the forfeited shares were reissued for ₹70 per share as fully paid-up. Show the entries for the above transactions in the cash book and journal of the company **(6)**

OR

What do you mean by change in profit sharing ratio of partners and what are the issues that need to be dealt with at the time of such change?

16. Vinod and Manthan are partners in a firm sharing profits in the ratio of 3:2. Their Balance Sheet on 1st April, 2015 was as follows:

Liabilities	₹	Assets	₹
Capital A/c:		Plant	60,000

Vinod	60,000		Patents	20,000
Manthan	50,000	1,10,000	Stock	40,000
GeneralReserve		20,000	Debtors	36,000
Creditors		30,000	Cash	4,000
		1,60,000		**1,60,000**

Devansh is admitted as a partner on the above date on the following terms:

i. He will pay ₹20,000 as premium for 1/4th share in the future profits.
ii. The assets are to be valued as: Plant ₹64,000; Stock ₹36,000; Debtors at book figure less a provision of 5% for doubtful debts.
iii. It was found that creditors include a sum of ₹2,800 which was not to be paid. But it was also found that there was a liability for compensation to workers amounting to ₹4,000.
iv. Devansh was to introduce ₹40,000 as capital and the capitals of the other partners were to be adjusted in the new profit sharing ratio. For this purpose current accounts were to be opened. Prepare Revaluation A/c, Partners Capital A/c and Balance Sheet and identify the value being conveyed in the question. **(8)**

OR

Record the journal entries for forfeiture and reissue in the following cases:

a. X Ltd. forfeited 200 shares of ₹100 each, ₹70 called up, on which the shareholders had paid application and allotment money of ₹50 per share. Of these, 150 shares were re-issued to Naresh as ₹70 paid up for ₹80 per share.
b. Y Ltd. forfeited 180 shares of ₹10 each, ₹8 called up, issued at a premium of ₹2 per share to R for non-payment of allotment money of ₹5 per share (including premium). Of these, 160 shares were re-issued to Sanjay as ₹8 called up for ₹10 per share fully paid up.
c. Z Ltd. forfeited 30 shares of ₹100 each issued at a discount of ₹10 per share for non-payment of first and final call money of ₹30 per share. Of these, 20 shares were re-issued at ₹30 per share fully paid up.

17. Kush Ltd issued Rs.30,00,000, 12% debentures of Rs.100 each at a discount of 10% on 1 April 2008 redeemable at par through draw of lots as under:

Rs.10,00,000 Debentures on 31/03/2009

Rs.10,00,000 Debentures on 31/03/2010

Rs.10,00,000 Debentures on 31/03/2011

Compute the amount of discount to be written off in each was till debentures are paid. Also prepare Discount on issue of Debentures Account. **(8)**

OR

Pooja, Minal and Reena are partners sharing profits and losses in the ratio of 5:3:2. Reena died on the 1st January, 2018. Profit sharing after death between Pooja and Minal is agreed as 2:1. The partnership deed of the firm provides that in case of death of any partner of the firm, share of goodwill of the deceased partner shall be calculated as half of the profits credited to her account during the last 4 years. For this purpose profits of last 4 years are mentioned as follows: 2013-2014 =70,000; 2014-2015 = 85,000; 2015-2016 = 60,000; 2016-2017 = 90,000.

It is also given that on the date of Reena's death, Machinery is to be appreciated by Rs. 50,000 and Furniture was erroneously undervalued by Rs.15,000 which is to be rectified now.

From the above details, find the amount that should be credited to Reena's Account as her goodwill. Also give journal entries for the same when Goodwill Account is not opened.

Part B

18. What is meant by outflow of cash while preparing the Cash Flow Statement? **(1)**

19. While preparing the Cash Flow Statement, the accountant of Vinod Ltd., a financing company showed 'Dividend received on Investments' as 'Investing Activity'. Was he correct in doing so? Give reason. **(1)**

20. Under which major headings, the following items will be presented in the Balance Sheet of a company according to Schedule III of the Companies Act, 2013?

i. Loans provided repayable on demand
ii. Goodwill
iii. Copyrights
iv. Loose tools
v. Cheques
vi. General reserve
vii. Stock of finished goods
viii. 9% Debentures repayable after three years **(4)**

21. From the following information, calculate return on capital employed or investment (ROI):

Share Capital ……..₹2,00,000
Reserves & Surplus ……₹2,00,000
10% Debentures ……..₹8,00,000
Net Profit after interest & Tax …….. ₹2,40,000
Tax ……..₹2,40,000 **(4)**

OR

From the information given below, calculate the Net Profit Ratio for the company:
Net Sales = 4,00,000
Gross Profit Ratio = 20%
Operating Ratio = 90%
Non-Operating Expenses = 2,000
Non-Operating income = 50,000

22. With the help of the following information from the books of Vinod Limited, prepare Comparative Statement of Profit and loss for the year ended 31st March 2016:

Particulars	2015–16	2014–15
Revenue from operations	36,00,000	20,00,000
Cost of Material Consumed	1/3 of the Revenue from Operations	50% of the Revenue from Operations
Other expenses	20% of the cost of material consumed	10% of the cost of material consumed

Tax Rate of 50%. **(4)**

OR

Discuss whether the following statement is correct. Justify the same.
"Common size statement is known as 100% statement."

23. Prepare the Cash Flow Statement from the following Balance Sheet of Vinod Limited:

	Particulars	Note No.	31.3.2016 ₹	31.3.2015 ₹
I	**EQUITY & LIABILITIES**			
1.	**Shareholders' Funds**			

	a. Share Capital		10,00,000	8,54,000
	b. Reserves & Surplus		3,50,000	2,00,000
2.	**Non-Current Liabilities**			
	Long-term Borrowings (Bank Loan)		1,00,000	2,00,000
3.	**Current Liabilities**			
	Trade Payables		60,000	56,000
	Short-term Provisions	1	1,90,000	1,50,000
	Total		**17,00,000**	**14,60,000**
II	**Assets:**			
1.	**Non-Current Assets**			
	Fixed Assets			
	Tangible Assets (Machinery)		8,00,000	8,00,000
	Intangible Assets (Goodwill)		1,60,000	2,00,000
	Non-current Investment		1,40,000	--------
2.	**Current Assets**			
	Inventories		1,50,000	1,00,000
	Trade Receivables		3,50,000	3,00,000
	Cash & Cash Equivalents		1,00,000	60,000
	Total		**17,00,000**	**14,60,000**

Note No	Particulars	2016	2015
1	**Short Term Provisions:**		
	Proposed Dividend	1,00,000	80,000
	Provision for Tax	90,000	70,000

Additional Information:
During the year machinery costing ₹2,50,000 was purchased. Loss on sale of machinery amounted to ₹20,000. Depreciation ₹30,000 was charged on machinery.
Prepare the Cash Flow Statement. **(6)**