

CBSE
Class XII Accountancy
Sample Paper – 1

Time: 3 hrs

Max. Marks: 80

General Instructions:

- i. This question paper contains two parts A and B.
 - ii. Part A consists of 60 marks and Part B consists of 20 marks.
 - iii. All parts of a question should be attempted at one place.
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Part A

1. Choose the correct answer from the options given below: [1]
P and Q are partners in the ratio of 1:1. They admit C for $\frac{1}{5}$ th share and C brings only half of his share of goodwill i.e., ₹10,000 in cash. What would be the total amount of goodwill of the firm?
a) ₹20,000
b) ₹25,000
c) ₹50,000
d) ₹1,00,000
2. Choose the correct answer from the options given below: [1]
A firm had an average profit of ₹30,000 and rate of return on capital investment is 12.5% p.a. The firm had assets worth of ₹5,00,000 and liabilities of ₹2,00,000. What would be the amount of goodwill valued on the basis of two years' purchase of super profit?
a) ₹15,000
b) ₹30,000
c) ₹40,000
d) Nil
3. What steps can a company take other than rejecting applications in case of over subscription? [1]
4. Explain what is collateral security? [1]
5. X, Y and Z are partners sharing profits in the ratio of $\frac{1}{2}$, $\frac{2}{5}$ and $\frac{1}{10}$. Find the new ratio of the remaining partners if Z retires. [1]
6. Choose the correct answer from the options given below: [1]
What will be the amount of goodwill valued at two years' purchase of three years'

average profit. The profit for the first year was ₹25,000, for second year twice the profit of first year and for third year one and a half times the profit of second year.

- a) ₹1,00,000
- b) ₹2,00,000
- c) ₹3,00,000
- d) Cannot be determined

7. Choose the correct answer from the options given below: [1]

According to Sections 40 to 44 of the Indian Partnership Act, 1932, there are many modes to dissolve a firm. Which mode of dissolution of the firm is correct?

- a) Dissolution by Agreement
- b) Dissolution by Notice
- c) Dissolution by Court
- d) All of the above

8. Adjustments for outstanding expenses, prepaid expenses or depreciation are not made in receipts and payments accounts. Why? [1]

9. Choose the correct answer from the options given below: [1]

Which portion of the capital can be called-up only on winding up of the company?

- a) Authorised Capital
- b) Issued Capital
- c) Subscribed Capital
- d) Reserve Capital

10. Choose the correct answer from the options given below: [1]

A plant costing ₹4,50,000 is purchased and payment was made by issue of shares of ₹100 each at a premium of 20%. The Securities Premium Reserve A/c will be

- a) Debited by ₹75,000
- b) Credited by ₹75,000
- c) Debited by ₹90,000
- d) Credited by ₹90,000

11. Choose the correct answer from the options given below: [1]

Debenture holders are

- a) Owners of the Company
- b) Debaters of the Company
- c) Promoters of the Company
- d) Lenders of the Company

12. Choose the correct answer from the options given below: [1]

A company issued 1,000, 10% debentures of ₹100 each at a premium of 5%. What will be the total amount of interest for one year?

- a) ₹10,500
- b) ₹10,000
- c) ₹5,250
- d) ₹5,000

13. Choose the correct answer from the options given below: [1]

A and B are partners having capitals ₹2,00,000 and ₹3,00,000 respectively, sharing profit and losses in the ratio of 3:2. They admitted C as a new partner for $\frac{1}{4}$ th share and he brought ₹2,00,000 as his share of capital. What would be the amount of goodwill brought in by C?

- a) ₹25,000
- b) ₹75,000
- c) ₹1,00,000
- d) ₹3,00,000

14. Choose the correct answer from the options given below: [1]

A firm had an average profit of ₹30,000 and rate of return on capital investment is 12.5% p.a. The firm had assets worth of ₹5,00,000 and liabilities of ₹2,00,000. What would be the amount of goodwill valued on the basis of two years' purchase of super profit?

- a) ₹15,000
- b) ₹30,000
- c) ₹40,000
- d) Nil

15. 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]

(OR)

Active Sports Club is a Not-for-Profit Organisation which undertakes various sports activities for those who are interested in pursuing a sports career. The sports fund available with the club on 1st April, 2017 is ₹2,00,000 which is invested in bank deposit earning 10% returns. Expenses are incurred towards sports awards ₹10,000. Donation received is ₹30,000. Determine the amount of funds to be shown in the balance sheet along with its presentation in the books of Active Sports Club.

16. What are the adjustments required on the admission of a partner? [3]

17. Vinod, Ashish and Gaurav were partners sharing profits in the ratio of $\frac{4}{7}:\frac{2}{7}:\frac{1}{7}$, respectively. Following was their Balance Sheet as on 31st March 2016: [4]

Liabilities	₹	Assets	₹
Workmen Compensation	14,000	Preliminary Expenses	
Reserve			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.

18. 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]

(OR)

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.

19. Vinod and Dhruv were 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. On the 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. [4]

20. 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: [6]
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.

(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?

21. Explain the difference between Receipts and Payments Account and Cash Book. [6]

22. 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: [8]

Liabilities		₹	Assets		₹
Capital A/c:			Plant		60,000
Vinod	60,000		Patents		20,000
Manthan	50,000	1,10,000	Stock		40,000
General Reserve		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:

- He will pay ₹20,000 as premium for 1/4th share in the future profits.
- 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.
- 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.
- 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.

(OR)

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

- 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.

23. Kush Ltd issued ₹30,00,000, 12% debentures of ₹100 each at a discount of 10% on 1 April 2008 redeemable at par through draw of lots as under: [8]

₹10,00,000 Debentures on 31/03/2009

₹10,00,000 Debentures on 31/03/2010

₹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.

(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 ₹ 50,000 and Furniture was erroneously undervalued by ₹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

24. What is meant by outflow of cash while preparing the Cash Flow Statement? [1]

25. 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]

26. Choose the correct answer from the options given below: [1]

A sent 10,000 units of calculators to B at cost plus 30%. 2/3rd of the radios received were sold by B for ₹ 6,50,000 at 25% above Invoice price. What is the total cost of goods sent to B?

a) 4,00,000

- b) 4,50,000
- c) 6,00,000
- d) 8,50,000

27. Choose the correct answer from the options given below: [1]

A Common-size Statement is also known as

- a) Full-size Statement
- b) Absolute Statement
- c) 100% Statement
- d) Competitive Statement

28. Choose the correct answer from the options given below: [1]

With a set of given items in the Balance Sheet of a firm, Quick ratio and Current ratio are

- a) Different
- b) Equal
- c) Proportionate
- d) None of these

29. Choose the correct answer from the options given below: [1]

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

- a) Shareholders' Funds
- b) Current Assets
- c) Non-Current Assets
- d) Current Liabilities

30. From the following information, calculate return on capital employed or investment (ROI): [4]

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

(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

31. 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: [4]

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

Tax Rate of 50%

(OR)

Discuss whether the following statement is correct. Justify the same.

“Common size statement is known as 100% statement.”

32. Prepare the Cash Flow Statement from the following Balance Sheet of Vinod Limited: [6]

	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			
	a. Long-term Borrowings (Bank Loan)		1,00,000	2,00,000
3.	Current Liabilities			
	a. Trade Payables		60,000	56,000
	b. Short-term Provisions	1	1,90,000	1,50,000
	Total		17,00,000	14,60,000
II	Assets:			
1.	Non-Current Assets			
	a. Fixed Assets			
	i. Tangible Assets (Machinery)		8,00,000	8,00,000
	ii. Intangible Assets (Goodwill)		1,60,000	2,00,000
	b. Non-current Investment		1,40,000	-----
2.	Current Assets			
	a. Inventories		1,50,000	1,00,000
	b. Trade Receivables		3,50,000	3,00,000
	c. 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.