

**CBSE**  
**Class XII Accountancy**  
**Sample Paper 2**

**Time: 3 hours**

**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. Choose the correct answer from the given options: [1]  
Which of the following statements is true?
  - a) Authorised Capital = Issued Capital
  - b) Authorised Capital > Issued Capital
  - c) Paid Up Capital > Issued Capital
  - d) None of the above
2. Choose the correct answer from the given options: [1]  
A company purchased machinery for ₹6, 00,000, out of which ₹1, 00,000 was paid immediately and the balance amount was discharged by issue of equity shares of ₹10 each at 25% premium. How many shares will be issued by the company to the vendor?
  - a) 50,000 shares
  - b) 40,000 shares
  - c) 60,000 shares
  - d) 48,000 shares
3. Choose the correct answer from the given options: [1]  
Which of the following is 'Issue of shares at a price higher than its face value'?
  - a) Issue at profit
  - b) Issue at discount
  - c) Issue at premium
  - d) Issue at loss
4. What is a Memorandum Revaluation Account? [1]
5. Choose the correct answer from the given options: [1]  
Profit on revaluation of assets and liabilities at the time of death of a partner will be credited to
  - a) Remaining partners in profit-sharing ratio

- b) All the partners in their old profit-sharing ratio  
c) To the deceased partner  
d) Remaining partners in their gaining ratio
6. Vinod, Karan and Sampurna are partners. Vinod 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? [1]
7. Choose the correct answer from the given options: [1]  
If the vendors are issued fully paid shares of ₹80,000 in consideration of net assets of ₹60,000, then the balance of ₹20,000 will be  
a) Credited to securities premium reserve A/c  
b) Debited to profit and loss A/c  
c) Debited to goodwill A/c  
d) Credited to capital reserve A/c
8. Distinguish between 'Dissolution of partnership' and 'Dissolution of partnership firm' on the basis of court's intervention. [1]
9. Choose the correct answer from the given options: [1]  
According to Table F of the Companies Act, 2013, interest payable on calls-in-advance is at the rate of  
a) 6% p.a.  
b) 7% p.a.  
c) 12% p.a.  
d) 18% p.a.
10. Explain the 2 types of donations received by a Not-for-Profit Organisation. [1]
11. Choose the correct answer from the given options: [1]  
In a partnership firm, new profit-sharing ratio minus old profit-sharing ratio is equal to  
a) Sacrificing Ratio  
b) Gaining Ratio  
c) New Ratio  
d) None of the above
12. What are the main provisions under which DRR can be created for a company according to the new Companies Act, 2013? [1]
13. Vinod and Manthan are partners in a firm without any partnership deed. Their capitals are ₹10,00,000 and ₹8,00,000, respectively. Vinod is an active partner and looks after the business. Vinod wants a salary of ₹10,000 per month and profits

should be shared in the capital ratio. State with the reason whether his claim is valid or not. [1]

14. Explain what is the need for Debenture Redemption Reserve [DRR] as per section 71[4] of the Companies Act, 2013? [1]

15. Ram, Mohan and Sohan were in a partnership sharing profits as 4:2:1, respectively. It was provided that in no case Sohan's share in profit should be less than ₹7500. The profits for the year 2014 amounted to ₹31,500. You are required to show the appropriation among partners. [3]

16. What amount of stationery will be recorded in Income & Expenditure A/c for the year 2018: [3]

	2017 [₹]	2018 [₹]
Stock of Stationery	3,000	500
Creditors for Stationery	2,000	1,300
Advance Stationery	200	1,300
Amount paid for Stationery	-	10,800

**(OR)**

What are the circumstances which necessitate valuation of Goodwill?

17. Champa, Kavita and Sonia were partners in a firm sharing profits in the ratio 5:3:2. The firm closes its books on 31<sup>st</sup> March every year. Champa died on 30<sup>th</sup> June 2015. On that date, her capital account showed a debit balance of ₹5,000 and goodwill of the firm was valued at ₹3,70,000. There was a debit balance of ₹12,000 in the profit and loss account. Champa's share of profit in the year of her death was to be calculated on the basis of the average profit of the last 5 years which was ₹80,000. Pass necessary journal entries in the books of the firm on Champa's death. [4]

18. MNO Ltd. acquires the business of XYZ Ltd. for a net consideration of ₹5,00,000. Total assets acquired were valued at ₹10,00,000 and liabilities taken over were of ₹6,00,000. Find the amount paid towards the goodwill of the company by the purchaser. [4]

**(OR)**

A and B were partners who contributed ₹3,00,000 and ₹5,00,000 respectively towards capital. The partnership was started on April 01, 2017 where the deed provides for Interest on Capital @10% p.a. It also provided that Capital Accounts were to be maintained following Fixed Capital Account Method. In the year ending March 31, 2018, the firm earned net profit of ₹2,00,000.

Record the accounting entry for Interest on Capital.

19. Arun, Pukhraj and Mehul were partners in a firm sharing profits in the ratio 2:2:1. On 31<sup>st</sup> March 2016, their firm was dissolved. The Balance Sheet of the firm at the date

of dissolution was as follows:

[4]

Liabilities	₹	Assets	₹
Creditors	1,60,000	Sundry Assets	2,60,000
Capitals:		Cash in Hand	14,000
Arun	1,50,000	Mehul's Capital A/c	46,000
Pukhraj	10,000	Profit and Loss A/c	50,000
General Reserve	50,000		
	<b>3,70,000</b>		<b>3,70,000</b>

The firm was dissolved on that date. Sundry assets were taken over by Mehul for ₹1,30,000 and Arun took over the creditors for ₹1,50,000. Expenses of dissolution paid by Pukhraj were ₹10,000.

Prepare the Revaluation Account, Partners Capital Account and Cash Account.

20. Prepare Income and Expenditure A/c for the year ending 31.12.2018 and Balance sheet: [6]

Receipts	₹	Payments	₹
Balance b/d	95,000	Salary	1,65,000
Subscriptions	3,30,000	Sports equipment	2,00,000
Interest on investment [ @8%p.a for full year ]	20,000	Balance c/d	80,000
	<b>4,45,000</b>		<b>4,45,000</b>

Additional information:

1. Club received ₹10,000 for subscription in 2017 for 2018.
2. Salary has been paid for 11 months.
3. Stock of sports equipment as on 31.12.2017 ₹1,50,000 and on 31.12.2018 ₹3,25,000.

(OR)

Vinod and Swami are partners in a firm sharing profits in the ratio 2:3. The balance sheet of the firm as on 31 March 2015 is given below:

**Balance Sheet**

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	3,10,000	Land	5,00,000
Outstanding Expenses	70,000	Building	7,20,000
Capitals:		Plant	8,00,000
Vinod 8,00,000		Furniture	1,20,000
Swami 12,00,000	20,00,000	Stock	1,80,000
General Reserve	1,20,000	Sundry Debtors	1,50,000
		Cash in hand	30,000
	<b>25,00,000</b>		<b>25,00,000</b>

The partners decided to share profits in equal ratio w.e.f. 1 April 2015. The following adjustments were agreed upon:

1. Goodwill of the firm was valued at ₹4,00,000, but it was not to appear in the books.
2. They decided to show the General Reserve in the new Balance Sheet without affecting its book value.
3. Land was valued at ₹8,00,000, Plant at ₹7,20,000 and Furniture at ₹1,00,000 and were to appear at revalued amounts in the balance sheet. Pass necessary journal entries to give effect to the above and prepare the Balance Sheet.

- 21. (a)** VK Refrigerators Limited had an outstanding balance of ₹5,000, 6% debentures of ₹100 each, redeemable at a premium of 10%. According to the terms of redemption, the company redeemed 10% of these debentures by converting them into 8% Preference Shares of ₹100 each issued at a premium of 10%. Calculate the number of shares to be issued on conversion and record the journal entries for the redemption in the books of the company.

**(b)** On 31<sup>st</sup> January 2005, Vinod Limited converted its ₹88,00,000, 6% Debentures into equity shares of ₹20 each at a premium of ₹2 per share. Pass the necessary journal entries in the books of the company for the redemption of debentures. [6]

**(OR)**

S and T are partners in a firm sharing profits and losses in the ratio of 3:2 and their capitals were 80,000 and 50,000 respectively. New partner U is admitted in the firm for 1/5<sup>th</sup> of share in future profits from 1<sup>st</sup> April, 2018. U introduced 60,000 as his capital. Find the value of firm's goodwill and record the necessary journal entries for the same on admission of new partner.

- 22.** Vinod Ltd. invited applications for 12,000 equity shares of ₹10 each at a premium of ₹2 per share payable as follows:

On Application..... ₹2  
On Allotment ..... ₹5 including premium  
On First Call ..... ₹3  
On Final Call ..... ₹2

Applications were received for 24,000 shares and pro-rata allotment was made to the applicants of 15,000 shares. Excess money was utilised for allotment only.

VK, a shareholder to whom 120 shares were allotted, failed to pay the allotment money on the first call. His shares were forfeited after the first call.

DK, a shareholder of 180 shares, failed to pay after two calls; his shares were forfeited after the second call. Of the forfeited shares, 240 were reissued [including 120 shares of VK] credited as fully paid for ₹9 per share.

Give journal entries.

[8]

**(OR)**

RS Ltd. has issued 25,000 equity shares of ₹10 each at a premium of ₹2 per share payable with application money. The incomplete journal entries related to the issue are given below. You are required to complete these blanks.

Date	Particulars	L.F.	Debit ₹	Credit ₹
	..... Dr.		-----	
	To ..... [Being application money received for 35000 shares @ ₹5 per share]			-----
	..... Dr.		-----	
	To ..... To ..... To ..... To .....			----- ----- ----- -----
	[Being transfer of share application money to share capital a/c, securities premium a/c, refunded for 4000 shares for rejected applications and balance to share allotment as shares were allotted on pro-rata basis]			
	..... Dr.		-----	
	To ..... [Amount due on allotment @ ₹4 per share]			-----
	..... Dr.		-----	
	To ..... [Being balance amount received on allotment]			-----
	..... Dr.		-----	
	To ..... [Being first and final call money due]			-----
	..... Dr.		-----	
	Calls in Arrears Dr.		-----	
	To ..... [Being money received on first and final call except on 500 shares]			-----
	..... Dr.		-----	
	To ..... To ..... [Being forfeited shares on which first and final call money was not received]			----- -----

.....	Dr.	-----	
.....	Dr.	-----	
To .....			-----
[Being re-issued forfeited shares @ ₹8 per share fully paid-up]			
.....	Dr.	-----	
To .....			-----
[Being.....]			
....]			

23. Vinod and David are partners sharing profits in the ratio 3:2. Their Balance Sheet as on 31<sup>st</sup> March 2016 was as follows:

**Balance Sheet**

Liabilities	Amount ₹	Assets	Amount ₹
Capitals		Office & Equipment	30,000
Vinod 5,00,000		Land & Building	5,00,000
David 3,00,000	8,00,000	Plant & Machinery	3,50,000
Creditors	1,80,000	Debtors	2,00,000
Bills Payable	1,20,000	Stock	1,20,000
Bank Loan	1,00,000	Cash in Hand	50,000
General Reserve	50,000		
	12,50,000		12,50,000

Madan was admitted as a partner on 1<sup>st</sup> April 2016 for 1/6<sup>th</sup> share and the following was agreed upon:

1. Madan will bring ₹20,000 as premium for goodwill and ₹2,50,000 as his capital.
2. Assets are revalued as Debtors 10% less, Stock 10% more and plant and machinery is to be appreciated by ₹20,000.
3. Creditors were undervalued by ₹20,000.
4. Vinod and David will adjust their capitals on the basis of Madan's capital and adjustment [if any] will be made in cash.

Prepare the Revaluation Account, Partners Capital Account and Balance Sheet of the new firm. [8]

(OR)

Vinod, Dhruv and Devansh are partners sharing profits and losses in the ratio 2:2:1. Their Balance Sheet as on 31<sup>st</sup> March 2016 is as follows: [8]

**Balance Sheet**

Liabilities	Amount ₹	Assets	Amount ₹
Capitals		Plant & Machinery	9,00,000
Vinod 6,00,000		Inventories	1,59,000
Dhruv 4,50,000		Debtors 1,50,000	

Devansh	3,00,000	13,50,000	Less: Provision	9,000	1,41,000
Creditors		1,50,000	Cash in Hand		4,50,000
General Reserve		1,50,000			
		16,50,000			16,50,000

Devansh gets retirement on the above-mentioned date and it was decided to pay his due amount in cash. Assets and liabilities are adjusted as follows:

1. Inventories will be revalued at ₹1,50,000.
2. Plant and machinery will be revalued at ₹9,90,000.
3. Provision for doubtful debts is to be maintained at 10% on debtors.

Prepare the Revaluation Account, Partners Capital Account and Balance Sheet of the new firm.

### Part-B

24. What is meant by a Cash Flow Statement? [1]
25. State under which major headings the Provision for Tax will be presented in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013. [1]
- a) Current Liabilities
  - b) Current Assets
  - c) Shareholders' Funds
  - d) Non-Current Assets
26. Which of the following is used as a tool for analysis of financial statements? [1]
- a) Cash Flow Statement
  - b) Ratio Analysis
  - c) Comparative Statements
  - d) All of the above
27. While preparing the Cash Flow Statement, the accountant of Vinod Limited [a finance company] showed dividend received on investments as 'Investing Activity'. Was he correct in doing so? Give reason. [1]
28. State under which major headings Patents will be presented in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013. [1]
- a) Current Liabilities
  - b) Current Assets
  - c) Shareholders' Funds
  - d) Non-Current Assets
29. Which of the following is not a type of Activity Ratio? [1]
- a) Working Capital Turnover Ratio
  - b) Debt to Equity Ratio



- c) Inventory Turnover Ratio  
d) All of the above

30. Calculate the Gross Profit Ratio and Working Capital Turnover Ratio from the following: [4]

Revenue from Operations	₹30,00,000
Cost of Revenue from Operations	₹20,00,000
Current Assets	₹6,00,000
Current Liabilities	₹2,00,000
Paid up Share Capital	₹5,00,000

(OR)

Following are the details given from which you need to determine the quick ratio.

Working Capital = 3,00,000

Total Outside Liabilities = 5,50,000

Long term debts = 4,00,000

Inventories = 1,80,000

31. From the following statement of profit and loss of Vinod Ltd. for the years ended 31<sup>st</sup> March 2016, prepare the Comparative Statement of Profit & Loss. [4]

Particulars	Note	31.03.2016	31.03.2015
Revenue from Operations		60,00,000	40,00,000
Other Income		15% of the Revenue from Operations	20% of the Revenue from Operations
Expenses		60% of the Revenue from Operations	50% of the Revenue from Operations
Tax Rate		50%	50%

(OR)

Explain the Nature of Financial Statements.

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

Particulars	Note No.	31 <sup>st</sup> Mar. 2016 ₹	31 <sup>st</sup> Mar. 2015 ₹
<b>i. Equity and Liabilities</b>			
1. Shareholders' Funds			
a. Share capital		15,00,000	11,00,000
b. Reserves and surplus		4,00,000	4,50,000
2. Non-current Liabilities			
Long term borrowings [Debentures]		5,00,000	4,10,000

3. Current liabilities			
a. Trade payables		1,00,000	90,000
<b>Total</b>		<b>25,00,000</b>	<b>20,50,000</b>
<b>ii. Assets</b>			
1. Non-Current assets			
a. Fixed assets:			
Tangible [Machinery]		15,00,000	12,00,000
2. Current assets			
a. Inventories		4,00,000	3,00,000
b. Trade receivable		5,00,000	4,20,000
c. Cash and cash equivalents		1,00,000	1,30,000
<b>Total</b>		<b>25,00,000</b>	<b>20,50,000</b>

Additional Information:

- i. Depreciation charged on machinery during the year was ₹1,50,000.
- ii. Company paid interest on debentures ₹40,000.
- iii. Dividend paid ₹1,00,000.