

CBSE
Class XII Accountancy
Sample Paper 4

Time: 3 hrs

Total 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 options given below: [1]
Guarantee given to Partner X by other partners 'Y' and 'Z' means
 - a. In case of loss 'X' will contribute towards that loss
 - b. In case of loss or insufficient profits 'X' will withdraw minimum guaranteed amount
 - c. In case of insufficient profits 'X' will receive only share of his profits and not the minimum guaranteed amount
 - d. In case of loss 'X' will be required to bring in profits equal to minimum guaranteed profits
2. Ranjan and Rajani are partners in a firm without a partnership deed. Ranjan's Capital is Rs. 20,000 and Rajani's capital is Rs. 28,000. Ranjan has advanced a loan of Rs. 10,000 and claims interest @ 12% p.a. on it. State with reasons whether his claim is valid or not. [1]
3. Choose the correct answer from the options given below: [1]
Sunil and Suman were partners in a firm sharing profits in 3:2 ratio. From 1st March, 2016, they decided to change it to 3:1. For this purpose the goodwill of the firm was valued at Rs. 2,60,000. Which of the following is correct accounting treatment of goodwill.
 - a. Debit Sunil, Credit Suman by Rs. 39,000
 - b. Debit Suman, Credit Sunil by Rs. 2,60,000
 - c. Debit Suman and Credit Sunil by Rs. 39,000
 - d. Debit Sunil, Credit Suman by Rs. 2,60,000
4. Aman Club is a Not-for-Profit Organisation. It has now realized the importance of preparing books of accounts but does not have much of idea of the accounting treatments for the following items. Suggest Aman Club the accounting treatment for the below mentioned items to help them prepare books of account: [1]
 - i. Admission fee
 - ii. Life Membership fee

5. Varun, Vrijesh and Vrunda were partners sharing profits in the ratio of 5:3:2. Vrijesh retired on 1st January, 2016 with A and C agreeing to share the profits in future in the ratio of 6:4. Which of the following correctly defines the Gaining Ratio of Varun and Vrunda? [1]
- 2 : 1
 - 1 : 2
 - 5 : 2
 - 1 : 3
6. On 20.2.2016 the first call of Rs. 2 per share became due on 50,000 equity shares allotted by Indrani Ltd. Inder a holder of 1200 shares did not pay the first call money. Indu a holder of 850 shares paid the second and final call of Rs.4 per share along with the first call. [1]
Which of the following is correct accounting treatment of in case if company follows practice of using calls - in - arrears and calls - in - advance account in similar circumstances.
- Debit Calls-in-Arrears by Rs. 2,400 and Credit Calls-in-Advance by Rs. 3,400
 - Debit Calls-in-Advance by Rs. 2,400 and Credit Calls-in-Arrears by Rs. 3,400
 - Debit Calls-in-Arrears by Rs. 3,400 and Credit Calls-in-Advance by Rs. 2,400
 - Debit Calls-in-Advance by Rs. 3,400 and Credit Calls-in-Arrears by Rs. 2,400
7. What is Capital Fund? [1]
8. As per Rule 18(7)(b) of the Companies (Share Capital and Debentures) Rules, 2014 a company shall transfer _____ of the nominal value (face value) of the outstanding debentures to Debenture Redemption Reserve. [1]
- At least 15%
 - Exactly 25%
 - At least 25%
 - Exactly 100%
9. On the firm's dissolution, Joint Life Policy was Rs. 35,000. It was shown in the Balance Sheet at Rs. 15,000. Policy was surrendered at 80%. What amount will be credited to the Realisation A/c? [1]
- Rs. 7,000
 - Rs. 13,000
 - Rs. 28,000
 - Rs. 35,000
10. Which of the following is the value of goodwill of the firm if it is to be valued at 3 years purchase of super profits given that firm's average profits are Rs. 1,00,000 and Normal Profits as Rs. 40,000? [1]
- Rs. 1,50,000

- b. Rs. 1,80,000
c. Rs. 2,50,000
d. Rs. 3,80,000
- 11.** A, B and C are partners sharing profits and losses in the ratio 5:5:2. C dies on 31 March 2016. Accounts are closed on 31 December every year. Sales for the year 2015 amounted to Rs. 18,00,000. Sales from 1 January 2016 to 31 March 2016 amounted to Rs. 7,20,000. The profit for the year 2015 amounted to Rs. 90,000. What will be the share of the deceased partner in the profit for the year? [1]
a. Rs. 6,000
b. Rs. 15,000
c. Rs. 30,000
d. Rs. 36,000
- 12.** Which portion of the capital can be called-up only on winding up of the company? [1]
a. Reserve Capital
b. Capital Reserve
c. Issued Capital
d. Called-up Capital
- 13.** A company issued 1,000, 10% debentures of Rs.100 each at a premium of 5%. What will be the total amount of interest for one year? [1]
a. Rs. 5,000
b. Rs. 7,500
c. Rs. 10,000
d. Rs. 15,000
- 14.** The amount which is received as donation by a Not-for-Profit Organisation under WILL of a deceased person is known as [1]
a. Legacy
b. Deceased Donation
c. Special Receipts
d. Subscription
- 15.** From the following, find out the amount of subscriptions to be included in the Income and Expenditure Account for the year ended 31st March, 2015. Subscriptions were received during the year 2014 - 15 as:
For the year 2013 - 14 Rs. 200
For the year 2014 - 15 Rs. 3,000
For the year 2015 - 16 Rs. 300
Subscriptions outstanding as at 31st March, 2014 were Rs. 350 out of which Rs. 50 were considered to be irrecoverable. On the same date, subscriptions received in

advance for 2014-15 were Rs. 200. Subscriptions still outstanding as at 31st March, 2015 amounted to Rs. 600. [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 Rs. 2,00,000 which is invested in bank deposit earning 10% returns. Expenses are incurred towards sports awards Rs. 10,000. Donation received is Rs. 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. [3]

16. M, N and O are partners in the firm sharing profits and losses in the ratio of 5:3:2. From 01.04.2018 onwards they decide to share the profits and losses in the ratio of 5:2:3. Calculate each partner's gain or sacrifice ratio due to the change in the profit sharing ratio. [3]
17. Aadi, Bali and Khali were partners sharing profits in the ratio of 6:4:5. Their capitals were Aadi- Rs. 8,00,000, Bali- Rs. 4,80,000 and khali- Rs. 4,60,000. On 1st April, 2016, Bali retired from the firm and the new profit-sharing ratio between Aadi and khali was decided as 11:4. On Bali's retirement, the goodwill of the firm was valued at Rs. 5,25,000. Show your working clearly and pass necessary Journal entry for the treatment of goodwill on Bali's retirement. [4]
18. Nirmal Business House has acquired the business of MTC Operators where the amount of consideration paid involves payment towards net assets and goodwill. Management of acquiring company is of the opinion that such goodwill cannot be recorded in the books of accounts as per AS-26 on Intangible Assets. Decide whether the contention of the management is correct. [4]

Or

Explain what are the liabilities of a Retiring Partner?

19. Vijesh and Vishal were partners in a firm sharing profits in the ratio of 3:2. On 1.4.2015, Vrushali was admitted as a new partner for $\frac{1}{6}$ th the share in the profits with a guaranteed profit of Rs. 2,50,000. The new profit sharing ratio between Vishal and Vijesh will remain the same but they decided to bear any deficiency on account of guarantee to Vrushali in the ratio 2:3. The profit of the firm for the year ended 31.3.2016 was Rs. 12, 00,000. Prepare Profit and Loss Appropriation Account of Vijesh, Vishal and Vrushali for the year ended 31.3.2016. [4]

20. Following is the Receipts & Payments Account of a Star Club for the year ending Dec. 31, 2015: [6]

Receipts	Rs.	Payments	Rs.
To Balance b/d	1,90,000	By Salaries	4,40,000
To Subscriptions	6,70,000	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

Additional information:

- The club had received Rs. 30, 000 for subscription in 2014 for 2015.
 - Salaries had been paid only for 11 months
 - Stock of sports equipment on 31st December 2014 was Rs. 3,50,000 and on 31st December 2015 Rs. 7,00,000. Prepare Income & Expenditure Account.
21. The company issued 12% debentures on 1st Jan. 2008 of Rs. 10, 00,000 at 8% discount redeemable at par. Assume further that debentures are to be redeemed by draw of lots method in the following manner:

Year end	Amount (for value)
2	Rs. 1,00,000
3	Rs. 2,00,000
4	Rs. 3,00,000
5	Rs. 4,00,000

Calculate the amount of discount on debentures to be written off each year and also prepare discount on issue of debenture account. [6]

OR

Rajeev, Sarvil and Tarun were partners in a firm sharing profit in the ratio of 1:2:3. On 31-3-2015 their Balance sheet was as follows:

**Balance Sheet of Rajeev, Sarvil and Tarun
as on 31-3-2016**

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	50,000	Land	50,000
Bills Payable	35,000	Building	50,000
		Plant	1,05,000
Capitals		Stock	40,000
Rajeev 1,00,000		Debtors	35,000
Sarvil 50,000		Bank	10,000
Tarun 25,000	1,75,000		
General Reserve	30,000		
	2,90,000		2,90,000

On the above date Danish was admitted as new partner and it was decided that:

- (i) Goodwill of the firm will be valued at Rs. 2,70,000
 - (ii) Land will be revalued at Rs. 80,000 and building be depreciated by 6%.
 - (iii) Creditors of Rs. 6,000 were not likely to be claimed and hence should be written off
- Prepare Revaluations Account, Partner's Capital Accounts and Balance Sheet of the reconstitute firm.

22. Gagan Ltd has issued 50,000 equity shares of Rs. 10 each at a premium of Rs. 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. [8]

Books of Gagan Ltd
Journal

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
2016 Jan 12	<div style="text-align: right;">Dr.</div> <div style="text-align: left;">-----</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">(Being amount received on application for 75,000 shares @ Rs. 5 per share including premium)</div>		-----	-----
Jan 21	<div style="text-align: right;">Dr.</div> <div style="text-align: left;">Equity Share Application A/c</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">(Being Transfer of application money to share capital securities premium, money refunded for 10,000 shares for rejected application and balance adjusted towards amount due on allotment as shares were allotted on Pro-rata basis)</div>		-----	----- ----- ----- -----
Jan 27	<div style="text-align: right;">Dr.</div> <div style="text-align: left;">-----</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">(Being Amount due on allotment @ Rs. 4 per share)</div>		-----	-----
Feb 19	<div style="text-align: left;">-----</div> <div style="text-align: left;">To -----</div> <div style="text-align: left;">(Being Balance amount received on allotment)</div>		-----	-----
April 03	<div style="text-align: right;">Dr.</div> <div style="text-align: left;">-----</div> <div style="text-align: left;">To -----</div>		-----	-----

	(Being First and Final Call money due)			
April 18	Dr. ----- Calls – in – arrears A/c To ----- (Being Money received on First and Final Call)	Dr.	----- 1,500	-----
April 23	Dr. ----- To ----- To ----- (Being Forfeited the shares on which call money was not received)		-----	----- -----
Oct 5	Dr. ----- ----- To ----- (Being Re-issued the forfeited shares @ 8 per share fully paid up)	Dr.	----- -----	-----
----- -	Dr. ----- To ----- (-----)		-----	-----

OR

Silent Ltd. invited applications for issuing 3, 20,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share. The amount was payable as follows:

On application Rs. 3 per share (including premium Rs. 1 per share)

On allotment Rs. 5 per share (including premium Rs. 2 per share)

On First and Final Call - Balance.

Applications for 4, 00,000 shares were received. Applications for 40,000 shares were rejected and application money refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received with applications was adjusted towards sums due on allotment. Jagdish holding 800 shares failed to pay the allotment money and his shares were immediately forfeited. Afterwards final call was made. Gajanan who had applied for 2,700 shares failed to pay the final call. His shares were also forfeited. Out of the forfeited shares 1,500 shares were re-issued at Rs. 8 per share fully paid up. The re-issued shares included all the forfeited shares of Jagdish.

Pass necessary journal entries for the above transactions in the books of the company.

23. Jazz, Harry and Kimmi were partners in a firm sharing profits in the ratio of 5:3:2. On 31-3-2016 their Balance Sheet was as follows: [8]

**Balance Sheet of Jazz, Harry and Kimmi
as on 31-3-2016**

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	80,000	Land & Building	1,55,000
Investment Fluctuation Fund	20,000	Motor Vans	47,000
P & L Account	80,000	Investments	38,000
Capitals		Machinery	24,000
Jazz	1,00,000	Stock	30,000
Harry	80,000	Debtors	80,000
Kimmi	40,000	Less : Provision	6,000
	2,20,000	Cash	74,000
			32,000
	3,62,000		4,00,000

On the above data Harry retires and Jazz and Kimmi agreed to continue the business on the following terms:

- Goodwill of the firm was valued at Rs. 1,02,000.
- There was a claim of Rs. 9,000 for workmen's compensation.
- Provision for bad debts was to be reduced by Rs. 3,000.
- Harry will be paid Rs.14,000 in cash and the balance will be transferred in his loan account which will be paid in four equal yearly installments together with interest @ 10% p.a.
- The new profit sharing ratio between Jazz and Kimmi will be 3:2 and their capitals will be in their new profit sharing ratio. The capital adjustments will be done by opening current accounts.

Prepare Revaluation Account, Partner's Capital Accounts and Balance Sheet of the new firm.

OR

Arbaaz, Birbal and Chintan were partners in a firm sharing profit in the ratio of 3:2:1. On 31-3-2016 their Balance sheet was as follows:

Balance Sheet of Arbaaz, Birbal and Chintan as on 31-3-2016

Liabilities	Amount Rs.	Assets	Amount Rs.
Creditors	87,000	Bank	17,000
General Reserve	21,000	Debtors	23,000
		Stock	1,10,000
Capitals		Investments	30,000
Arbaaz	60,000	Furniture & Fittings	10,000

Birbal	40,000		Machinery	38,000
Chintan	20,000	1,20,000		
		2,28,000		2,28,000

On the above date Dhaval was admitted as new partner and it was decided that

- The new profit sharing ratio between Arbaaz, Birbal, Chintan and Dhaval will be 2:1:1:1.
- Goodwill of the firm was valued at Rs. 90,000 and Dhaval brought his share of goodwill premium in cash.
- The Market value of investments was Rs. 23,000
- Machinery will be reduced to Rs. 31,000
- A Creditor of Rs. 5,000 was not likely to claim the amount and hence to be written off.
- Dhaval will bring proportionate capital so as to give him $\frac{1}{6}$ th share in the profits of the firm.

Prepare Revaluations Account, Partner's Capital Accounts and Balance Sheet of the reconstitute firm.

PART – B

- “Declaration of final dividend” will result into _____. [1]
 - Cash Inflow
 - Cash Outflow
 - No Flow
 - Can't Say
- Oswal Ltd., is carrying on a Mutual Fund business. It invested Rs. 50,00,000 in shares and Rs. 25,00,000 in debentures of various companies during the year. It received Rs. 5,00,000 as dividend and interest. Find out Cash Flow from Investing Activities. [1]
 - Nil
 - 5,00,000 Inflow
 - 70,00,000 Inflow
 - 75,00,000 Outflow
- Under what heads and following items will appear in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013: [1]
 - Encashment of Employees Earned Leave payable on retirement
 - Mining Rights
- Interest or Dividend received by a non-financial enterprise is regarded as _____. [1]
 - Cash Inflow from Operating Activities
 - Cash Inflow from Investing Activities
 - Cash Inflow from Financing Activities

- d. No flow item and will not be recorded
28. Ascertain the amount of Net Profit from the information provided below: [1]
Opening Stock Rs. 30,000, Closing Stock Rs. 50,000, Purchases Rs. 1,80,000, Adjusted Purchases Rs. 1,35,000, Carriage Rs. 5,000, Bad Debts Recovered Rs. 5,500, Freight Outwards Rs. 3,000 and Sales Rs. 4,00,000.
- Rs. 2,50,500
 - Rs. 2,58,500
 - Rs. 2,62,500
 - Rs. 2,65,500
29. If Total Assets are Rs. 13,20,000, Non-Current Assets Rs. 6,00,000 and Capital Employed is Rs. 12,00,000. Which of the following correctly represents the current ratio for the venture? [1]
- 2 : 1
 - 4 : 1
 - 6 : 1
 - 7 : 1
30. From the details given below, calculate the following ratios. [4]
(a) Inventory (Stock) Turnover Ratio
(b) Operating Ratio

	Rs.		Rs.
Revenue from Operations (Net Sales)	2,20,000	Debtors	16,000
Cost of Revenue from Operations, i.e., Cost of Goods Sold	1,80,000	Operating Expenses	19,000
Opening Inventory	28,000	Net Fixed Assets	1,35,000
Closing Inventory	32,000		

31. From the following information provided, prepare Comparative Statement of Loss for the period 2016 and 2015: [4]

Particulars	2016	2015
Revenue from Operations	Rs. 8,00,000	Rs. 5,00,000
Cost of Materials Consumed	30% of Revenue from Operations	50% of Revenue from Operations
Other Expenses	5%	15%
% (Revenue from Operations - Cost of Materials Consumed)		
Income Tax	50%	50%

OR

Give the points of differences between Horizontal Analysis and Vertical Analysis.

32. Following are the Balance Sheets of Krishna Ltd. as on 31st March, 2016 and 2015: [6]

BALANCE SHEETS OF KRISHNA LTD. as of 31st March, 2016 and 2015			
Particulars	Note No.	31st March, 2016	31st March, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital		16,00,000	12,00,000
b. Reserves and Surplus		5,00,000	4,00,000
2. Non-Current Liabilities			
a. Long-term Borrowings		7,80,000	4,20,000
3. Current Liabilities			
Trade Payables		1,00,000	60,000
Short-term Provisions		2,80,000	2,00,000
Total		32,60,000	22,80,000
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets:			
i. Tangible Assets		16,00,000	9,00,000
ii. Intangible Assets		2,40,000	3,00,000
2. Current Assets			
a. Inventories		4,00,000	3,50,000
b. Trade Receivables		8,50,000	6,50,000
c. Cash and Cash Equivalents		1,70,000	80,000
Total		32,60,000	22,80,000

Notes to Accounts

Particulars	31st March, 2016	31st March, 2015
1. Reserves and Surplus		
Surplus, i.e., Balance in Statement of Profit and Loss	5,00,000	4,00,000
2. Short-term Provisions		
Provision for Tax	80,000	60,000
3. Tangible Assets		
Machinery	17,60,000	10,00,000
Less: Accumulated Depreciation	(1,60,000)	(1,00,000)
	16,00,000	9,00,000
4. Intangible Assets		
Goodwill	2,40,000	3,00,000

Prepare Cash Flow Statement after taking into account the following adjustment: Tax paid during the year amounted to Rs. 1, 10,000.