CBSE
Class XII Accountancy
Sample Paper 5

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. Monika and Manav are partners in a firm without any partnership Deed. Their capitals are ₹12,00,000 and ₹10,00,000 respectively. Monika is an active partner and looks after the business. Monika wants that profit should be shared in proportion of capitals. State with reasons whether her claim is valid or not. **(1)**

2. The capital of Aman and Bipasha are ₹15,00,000 and ₹13,00,000 . To increase the capital base of the firm to ₹40,00,000 , they admit Kiran. To join the firm, kiran is required to pay a sum of ₹14,00,000. What is the amount of premium for Goodwill? **(1)**

OR

Explain what is Prize Fund?

3. The firm of Rajvi and Mandar was dissolved on 1.3.2016. According to the agreement Rajvi had agreed to undertake the dissolution work for an agreed remuneration of ₹3,000 and bear all realization expenses. Dissolution expenses were ₹2,300 and the same were paid by the firm. Pass the necessary Journal entry for the payment of dissolution expenses. **(1)**

OR

Explain the term Goodwill.

4. Bela and Albela are partners in a firm sharing profits in the ratio of 4:1 respectively. They admitted Bijoy as a new partner for 1/4 share in the profit, which he acquired wholly from Bela. Determine new profit-sharing ratio of partners. **(1)**

5. Why non-cash expenditure such as depreciation is not shown in the Receipts and Payments Account? **(1)**

6. After all the debentures have been redeemed, the 'Balance of Debenture Redemption Reserve' will be transferred to which account? **(1)**

OR

Explain the term Redemption of Debentures.

7. In 2016-17, the subscriptions received were ₹42,000. These subscriptions include ₹600 for 2015-16 and ₹800 for 2017-18. On March 31, 2017, the subscriptions due but not received were ₹1,000. The corresponding amount on April 01, 2016 was ₹1, 200. What amount should be credited to the Income and Expenditure Account as subscriptions for the year 2015-17? **(3)**

8. Jairaj and Giridhar were partners sharing profits in the ratio of 3:2. Their Balance Sheet as 31st March, 2016 was:

Liabilities	₹	Assets		₹
Creditors	25,000	Cash		14,800
Bills Payable	12,000	Debtors	20,500	

Bank Overdraft	18,000	Less: Provision for Bad Debts	300	20,200
Reserve	15,000	Stock		20,000
Jairaj's Capital	70,000	Plant		48,000
Giridhar's Capital	60,000	Building		70,000
		Motor Vehicles		27,000
	1,90,000			**1,90,000**

They agreed to admit Mitul for 1/4th share from 1st April, 2016 subject to the following terms:

(i) Mitul to bring in capital equal to 1/4th of the total capital of Jairaj and Giridhar after all adjustments including premium for goodwill.
(ii) Building to be appreciated by ₹18,000 and Stock to be depreciated by ₹7,000.
(iii) Provision for Bad Debts on Debtors to be raised to ₹900.
(iv) A provision be made for ₹1,900 for outstanding legal charges.
(v) Mitul's share of goodwill/premium was calculated at ₹10,000.

Prepare Revaluation Account of the firm on Mitul's admission. **(3)**

9. Explain the features of Purchased Goodwill. **(3)**

Or

Dinesh and Vinesh are partners in a partnership firm sharing profits in the ratio 3:2. They admit Mamta as a partner in the firm for 20% of share in profit. Mamta acquired the share from old partners in the ratio of 2:3. Based on the above details, calculate the new profit sharing ratio for the partners.

10. Explain meaning of partnership in terms of Indian Partnership Act, 1932. Also, state what are the multiple occasions on which the firm is reconstituted? **(3)**

11. The following is the Balance Sheet of Anand, Bijal and Charu as on 31st March, 2016:

Liabilities		Amount ₹	Assets	Amount ₹
Sundry Creditors		6,500	Cash In hand	900
Reserve Fund		6,400	Cash at bank	8,500
Capital Accounts			Stock	9,000
Anand	15,000		Debtors	10,000
Bijal	7,500		Furniture	12,000
Charu	7,500	30,000	Tools	2,500
		42,900		42,900

'Charu' died on 30 June, 2016. Under the terms of Partnership Deed, the executors of the deceased partner were entitled to:

i. Amount standing to the credit of partner's capital account.
ii. Interest on capital @ 6% per annum.
iii. Share of goodwill on the basis of twice the average of past three years profits.
iv. Share of profit from the closing of last financial year to the date of death on the basis of last year's profit. The profits of the last three years were as follows:

Year	Profit
2013-2014	9,500
2014-2015	10,000
2015-2016	12,000

The firm closes its books on 31th March every year. The partners shared profits in the ratio of their capitals.

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

12. Kishor, Guarav and Kabir were partners in a firm sharing profits and losses equally. The firm was engaged in the storage and distribution of canned juice and its godowns were located at three different places in the city. Each godown was being managed individually by Kishor, Guarav and Kabir. Because of increase in business activities at the godown managed by Guarav, he had devote more time. Guarav demanded that his share in the profits of the firm be increased, to which Kishor and Kabir agreed. The new profit sharing ratio was agreed to be 1: 2: 1. For this purpose the goodwill of the firm was valued at two years purchase of the average profits of last five years. The profits of the last five years were as follows:

Years	Profit ₹
I	4,00,000
II	4,90,000
III	7,37,000
IV (Loss)	37,000
V	2,10,000

You are required to:

i. Calculate the goodwill of the firm.

ii. Pass necessary Journal Entry for the treatment of goodwill on change in profit sharing ratio of Kishor, Garav and Kabir. **(4)**

13. On 1.1.2010, Umesh and Kartik entered into partnership with fixed capitals of ₹18,00,000 and ₹12,00,000 respectively. They were doing good business and were interested in its expansion but could not do the same because of lack of capital. Therefore, to have more capital, they admitted Pujit as a new partner on 1.1.2012. Pujit brought ₹10,00,000 as capital and the new profit sharing ratio decided was 3:2:5. On 1.1.2014, another new partner Harshal was admitted with a capital of ₹8,00,000 for 1/10th share in the profits, which he acquired equally from Umesh, Kartik and Pujit. On 1.4.2016 Pujit died and his share was taken over by Umesh and Harshal equally. Calculate :

a. The sacrificing ratio of Umesh and Kartik on Pujit's admission.

b. New profit sharing ratio of Umesh, Kartik, Pujit and Harshal on Harshal's admission.

c. New profit sharing ratio of Umesh, Kartik and Hashal on Pujit's death. **(6)**

14. Given below is the Receipts and Payments Account of a Sakshi club for the year ended 31st March, 2017:

Receipts And Payments Account

Dr. **Cr.**

Receipts		₹	Payments	₹
To Balance b/d		1,02,500	By Salaries	60,000
To Subscription:			By Expenses	7,500
2015-16	4,000		By Drama Expenses	45,000
2016-17	2,05,000		By Newspapers	15,000
2017-18	6,000	2,15,000	By Municipal Taxes	4,000
To Donations		54,000	By Charity	35,000
To Proceeds of Drama Tickets		95,000	By Investments	2,00,000
To Sale of Waste Paper		4,500	By Electricity Charges	14,500
			By Balance c/d	90,000
		4,71,000		4,71,000

Prepare club's Income and Expenditure Account for the year ended 31st March, 2017 and Balance Sheet as at that date after taking the following information into account:

(i) There are 5,000 members, each paying an annual subscription of ₹50,₹5,000 are still in arrears for the year 2015-16.

(ii) Municipal Taxes amounted to ₹4,000 per year have been paid up to 30th June and ₹5,000 are outstanding of salaries.
(iii) Building stands in the books at ₹5,00,000.
(iv) 6% interest has accrued on investments for five months. **(6)**

15. 'Mugdha Ltd' had an authorized capital of ₹10,00,00,000 divided into 10,00,000 equity shares of ₹100 each. The company had already issued 2,00,000 shares. The dividend paid per share for the year ended 31.3.2009 was ₹30. The management decided to export its products to African countries. To meet the requirements of additional funds, the finance manager put up the following three alternate proposals before the Board of Directors

a. Issue 47,500 equity shares at a premium of ₹100 per share.
b. Obtain a long-term loan from bank which was available at 12% per annum.
c. Issue 9% debentures at a discount of 5%.

After evaluating these alternatives the company decided to issue 1, 00,000, 9% debentures on 1.4.20010. The face value of each debenture was ₹100. These debentures were redeemable in four installments starting from the end of third year, which was as follows:

Year	Amount
III	10,00,000
IV	20,00,000
V	30,00,000
VI	40,00,000

Prepare 9% debenture account from 1.4.2010 till all the debentures were redeemed. **(6)**

OR

Pratik, Deep and Harshit 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 Pratik, Deep and Harshit as on 31-3-2015

Liabilities		Amount ₹	Assets	Amount ₹
Creditors		25,000	Land	25,000
Bills Payable		15,000	Building	25,000
General Reserve		15,000	Plant	50,000
Capitals			Stock	20,000
Pratik	50,000		Debtors	15,000
Deep	25,000		Bank	7,500
Harshit	12,500	87,500		
		1,42,500		1,42,500

Pratik, Deep and Harshit decided to Share the profits equally with effect from 1-4-2015. For this It was agreed that:

(i) Goodwill of the firm will be valued at ₹75,000
(ii) Land will be revalued at ₹40,000 and building be depreciated by 6%.
(iii) Creditors of ₹3,000 were not likely to be claimed and hence should be written off.

16. 'Golden Ltd.' was registered with an authorized capital of ₹4,00,000 divided into 40,000 shares of ₹10 each. 6,000 of these shares were issued to the vendor for building purchased. 8,000 shares were issued to the public and ₹5 per share were called up as follows:

On application - ₹2 per share
On allotment - ₹1 per share
On first call - Balance of the called up amount

The amounts received on these shares were as follows:
On 6,000 shares - Full amount called
On 1,250 shares - ₹3 per share
On 750 shares - ₹2 per share
The directors forfeited 950 shares on which ₹2 per share were received.
Pass necessary journal entries for the above transactions in the books of Golden Ltd. **(8)**

OR

'Ruby Ltd.' invited applications for issuing 10,000 equity shares of ₹100 each at a premium of ₹100 per share. The amount was payable as follows:
On application and allotment - ₹100 per share (including ₹50 premium)
On first and final call - The balance
The issue was fully subscribed. A shareholder holding 500 shares paid the full share money with application. Another shareholder holding 300 shares failed to pay the first and final call money. His shares were forfeited. The forfeited shares were re-issued for ₹28,000 as fully paid up.
Pass necessary journal entries for the above transactions in the books of the company.

17. Charmi and Hemal were partners in a firm sharing profits in the ratio of 3:2. On 1-4-2015 their Balance Sheet was as follows:

Balance Sheet

Liabilities		Amount ₹	Assets	Amount ₹
Creditors		19,000	Cash	6,000
General Reserve		4,000	Debtors	17,000
Workmen Compensation Fund		9,000	Investments	20,000
Investment Fluctuation Fund		11,000	Plant	14,000
Provision for bad debts		2,000	Land and building	38,000
Capitals				
Charmi	30,000			
Hemal	20,000	50,000		
		95,000		95,000

On the above date Vrinda was admitted for 1/4th share in the profits of the firm on the following terms:
(a) Vrinda will bring ₹20,000 for her capital and ₹4,000 for her share of goodwill premium.
(b) All debtors were considered good.
(c) The market value of investments was ₹14,000.
(d) There was a liability of ₹6,000 for workmen compensation.
(e) Capital accounts of Charmi and Hemal are to be adjusted on the basis of Vrinda's capital by opening current accounts.

Prepare Revaluation Account and Partners' Capital Accounts. **(8)**

OR

Olive, Rajni and Suhas were partners in a firm sharing profits in the ration of 3:2:1. On 1st April, 2016 their Balance Sheet was as follows:

Balance Sheet

Liabilities		Amount ₹	Assets	Amount ₹
Capital Accounts			Land and Building	3,64,000
Olive	3,58,000		Plant and Machinery	3,20,000
Rajni	3,00,000		Furniture	2,33,000

Suhas	2,62,000	9,20,000	Bills Receivables	38,000
General Reserve		48,000	Sundry Debtors	90,000
Creditors		1,80,000	Stock	1,11,000
Bills payable		95,000	Bank	87,000
		12,43,000		12,43,000

On the above date Henry was admitted on the following terms:

(i) He will bring ₹1,00,000 for his capital and will get 1/10th share in the profits.

(ii) He will bring necessary cash for his share of goodwill premium. The goodwill of the firm was valued at ₹3, 00,000.

(iii) A liability of ₹18,000 will be created against bills receivables discounted.

(iv) The value of stock and furniture will be reduced by 20%.

(v) The value of land and building will be increased by 10%.

(vi) Capital accounts of the partners will be adjusted on the basis of Henry's capital in their profit sharing ratio by opening current accounts.

Prepare Revaluation Account and Partner's Capital Accounts.

PART – B

18. "Sale of marketable securities at par" will result into cash inflow, cash outflow or no cash flow. Explain with reason. **(1)**

19. 'Sanskruti Ltd'. was carrying on a business of packaging in Chennai and earned good profits in the past years. The company wanted to expand its business and required additional funds. To meet its requirements the company issued equity shares of ₹40,00,000. It purchased a computerised machine for ₹27,00,000. It also purchased raw material amounting to ₹5,75,000. During the current year, the Net Profit of the company was ₹23,00,000.
Find out 'Cash flow from Operating Activities' from the above transactions. **(1)**

20. (a) Under what heads and following items will appear in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013:
(i) Alls – in – Advance
(ii) Proposed Dividend
(iii) Computer Software
(iv) Balance of Statement of Profit and Loss
(b) State the importance of Financial Statement Analysis to the 'lenders.' **(4)**

21. From the following, calculate:
(a) Current Ratio; and
(b) Working Capital Turnover Ratio.

	₹		₹
Revenue from Operational	2,10,000	Total Assets	2,00,000
Shareholders' Funds	1,05,000	Non-current Liabilities	35,000
Non-current Assets	1,10,000		

(4)

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

22. Prepare Common -Size Statement of Profit and Loss from the following for the year ended 31st March, 2016: **(4)**

Particulars	₹
Revenue from Operations	25,00,000
Cost of Materials Consumed	7,80,000
Other Expenses	5,80,000
Interest on Investment	60,000
Tax Payable	@50%

OR

Z Ltd. is a company which carries on business of financing funds to the borrowers. Following is the information from the books of accounts of Z Ltd.
Interest on Loans = 5,00,000
Dividend = 90,000
Gain on Sale of Furniture = 55,000
Miscellaneous Income = 15,000

From the above information, compute the Revenue from Operations, Other Income and Total Revenue for Z Ltd.

23. From the following Balance Sheet of Vishwas Ltd. as at 31st March, 2016 and 31st March,2015 , prepare Cash Flow Statements:

Particulars	Note No.	31st March, 2016(₹)	31st March, 2015(₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital		65,000	45,000
b. Reserves and Surplus	1	42,500	24,000
2. Current Liabilities			
Trade Payables		15,000	12,700
Total		1,22,500	81,700
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets:		85,000	48,700
2. Current Assets			
a. Inventories (stock)		14,000	12,000
b. Trade Receivables (Debtors)		20,500	19,000
c. Cash and Cash Equivalents		3,000	2,000
Total		1,22,500	81,700

Note to Accounts

Particulars	31st March, 2016(₹)	31st March, 2015(₹)
1. Reserves and Surplus		
General Reserve	27,500	15,000
Surplus, i.e., Balance in Statement of Profit and Loss	15,000	9,000
	42,500	24,000

Additional Information:

1. Depreciation on Fixed Assets for the year 2015-2016 was ₹12,700.
2. An interim dividend ₹7,000 has been paid to the shareholders during the year. **(6)**