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INDIAN SCHOOL MUSCAT SECOND PERIODIC TEST



ACCOUNTANCY

CLASS: XII

Sub. Code: 055

Time Allotted: 50mts

16.09.2018

Max. Marks: 20

General Instructions:

1. All questions are compulsory.
2. Please write question number before attempting a question.
3. Attempt all parts of a question at one place.
4. Use of calculators or any other calculating device not allowed.
5. Show clearly working notes wherever necessary.

1. What is dissolution of a firm? 1
2. List any two items which are not transferred to Realisation Account 1
3. The Balance Sheet of Sanjay, Rajan and Kavi who were sharing profits in the ratio of 4:2:4 as on 31st March, 2014 was as follows: 4

Balance Sheet as at 31st March, 2014

Liabilities	Rs.	Assets	Rs.
General Reserve	10,000	Cash	26,000
Bill Payable	20,000	Stock	64,000
Loan	22,000	Investments	85,000
Capital A/cs		Land & Building	97,000
Sanjay 80,000		Sanjay's Loan	20,000
Rajan 60,000			
Kavi 1,00,000	2,40,000		
	2,92,000		2,92,000

Sanjay died on 31st July, 2014. The Partnership Deed provided for the following on the death of a partner:

- (i) Goodwill of the firm be valued at two years' purchase of average profits for the last three years.
- (ii) Sanjay's share of profit or loss till the date of his death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2014 amounted to Rs.4,50,000 and that from 1st April to 31st July, 2014 to Rs.2,70,000. The profit for the year ended 31st March, 2014 was calculated as Rs.1,25,000.

(iii) Interest on capital was to be provided @ 5% p.a.

(iv) The average profit of the last three years were Rs.55,000.

Prepare Sanjay's Capital Account to be rendered to his executor.

4. On 31st March, 2018 the Balance Sheet of Anant, Binoy and Charan sharing profits and losses in the proportion to their capitals, stood as follows. 6

Particulars	Rs.	Particulars	Rs.
Creditors	1,08,000	Cash at Bank	80,000
General Reserve	12,000	Debtors	1,00,000
		Less Provision for Doubtful Debts	2,000
			98,000
Capital A/cs		Stock	90,000
Anant	4,50,000	Machinery	2,40,000
Binoy	3,00,000	Land and Building	5,00,000
Charan	1,50,000	Profit and Loss A/c	12,000
	10,20,000		10,20,000

Binoy retires from the firm on 1st April, 2018 and the remaining partners decide to carry on the partnership. Following adjustments of assets and liabilities have been agreed upon before the ascertainment of the amount payable to Binoy.

- (i) That out of Fire Insurance Premium paid during the year Rs.10,000 be carried forward as unexpired.
- (ii) Provision for doubtful debts be brought up to 5% of debtors.
- (iii) Provision of Rs.15,000 be made for repairs.
- (iv) Land and Building be appreciated by 10%.
- (v) Machinery be decreased by 5%.
- (vi) Goodwill of the entire firm be fixed at Rs.1,80,000 and Binoy's share of the same be adjusted in the accounts of Anant and Charan who share the future profits in the proportion of 3/4th and 1/4th respectively.
- (vii) Binoy be paid Rs.50,000 in cash and the balance be transferred to his Loan Account.

Prepare Revaluation A/c and Capital Accounts of Partners

5. Xavier, Yash and Zayn were partners sharing profits in the ratio of 2:2:1. The Balance Sheet as at 31st March, 2018 when they dissolved the firm was as follows: 8

Liabilities	Rs.	Assets	Rs.
Xavier's Capital	1,27,500	Other Sundry Assets	1,17,000
Yash's Capital	1,10,000	Furniture	11,000
Zayn's Capital	17,000	Debtors	1,24,200
		Less Provision for Doubtful Debt	1,200
			1,23,000
Loan	11,500	Stock	17,800
Creditors	16,000	Cash	13,200
	2,82,000		2,82,000

It was agreed that :

- (i) Xavier to take over furniture at Rs.8,000 and debtors amounted to Rs.1,20,000 at Rs.1,17,200 and the creditors of Rs.16,000 were to be paid by him at this figure.
- (ii) Yash is to take over all stock for Rs.17,000 and some sundry assets at Rs.72,000 (being 10% less than the book value)
- (iii) Zayn to take over remaining sundry assets at 80% of the book value and assume the responsibility of discharge of loan together with accrued interest of Rs.2,300.
- (iv) The expenses of realization were Rs.2,700. The remaining debtors were sold to a debt collecting agency at 50% of the value.

Prepare Realisation Account, Partners' Capital Account and Cash Account to close the books of the firm.

End of the Question Paper