



INDIAN SCHOOL MUSCAT
SECOND PRE-BOARD EXAMINATION
ACCOUNTANCY

CLASS: XII
 12.04.2021

Sub. Code: 055

Time Allotted: 3 Hours.
 Max. Marks: 80

General Instructions:

1. This question paper comprises **two** Parts – A and B. There are **32** questions in the question paper.
 All questions are compulsory.
2. **Part A** is **compulsory** for all candidates.
3. Question nos. **1 to 13** and **23 to 29** are very short answer type questions carrying **1** mark each.
4. Question nos. **14** and **30** are short answer type–I question carrying **3** marks each.
5. Question nos. **15 to 18** and **31** are short answer type–II questions carrying **4** marks each.
6. Question nos. **19, 20** and **32** are long answer type–I question carrying **6** marks each.
7. Question nos. **21** and **22** are long answer type–II questions carrying **8** marks each.
8. There is no overall choice. However, an internal choice has been provided in **2** questions of three marks, **2** questions of four marks and **2** questions of eight marks.
9. Please Attempt all parts of a question at one place.

- 1 In a firm, 10% of net profit after deducting all adjustments, including reserve is transferred to general reserve. The net profit after all adjustments but before transfer to general reserve is ₹ 44,000. Calculate amount to be transferred to general reserve. 1
 - A. ₹ 2,500
 - B. ₹ 4,000
 - C. ₹ 4,400
 - D. ₹ 2,200
- 2 Actual profit earned by a firm is ₹ 48,000. Capital employed by firm in business is ₹ 2,00,000 and goodwill is calculated on 3 years purchase of super profits. The normal rate of return is 15%. What is the amount of goodwill? 1
 - A. ₹ 90,000
 - B. ₹ 1,44,000
 - C. ₹ 54,000
 - D. ₹ 5,40,000
- 3 The balance of Investment Fluctuation Fund, after meeting loss on revaluation of investments at the time of admission is transferred to Account and Ratio. 1
- 4 Reserve Capital is not a part of : 1
 - A. Authorised Capital
 - B. Issued Capital
 - C. Subscribed Capital
 - D. Unsubscribed Capital

- 5 Opening stock of Medicines is ₹ 50,000. Credit Purchase of medicines is ₹ 48,000 and cash purchase of medicines is $\frac{1}{4}^{\text{th}}$ of total purchase. Closing stock is ₹60,000. Sale of medicines during the year is ₹ 5,000. The Organisation sold the medicines at a profit of 20% on sales. What is the amount of medicines consumed during the year? 1
- ₹ 45,000
 - ₹ 46,000
 - ₹ 49,000
 - ₹ 50,000
- 6 Raj, a partner was appointed to look after dissolution process for which he was allowed a commission of ₹ 34,000. Actual dissolution expenses ₹ 20,000 was paid by him. What will be the journal entry at the time of dissolution of partnership firm? 1
- Realisation A/c Dr 34,000
To Raj's Capital A/c 34,000
 - Realisation A/c Dr 20,000
To Raj's Capital A/c 20,000
 - Realisation A/c Dr 54,000
To Raj's Capital A/c 54,000
 - Realisation A/c Dr 14,000
To Raj's Capital A/c 14,000
- 7 Mr. Simar and Mr. Parth are involved in a partnership business since last 8 years with 4:3 ratio. They decided to add a new partner Ms. Chhaya and it is also decided that Mr.Parth and Ms.Chaaya will continue with the same profit sharing ratio which is existing between Mr.Simar and Mr.Parth. Find the New Ratio after Chaaya's admission 1
- 8 A Company issued 20,000 equity shares of ₹ 10 each payable as ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on I Call and the balance on Final Call. Nandu, to whom 1000 shares were allotted failed to pay allotment and calls. Yashodha who was allotted 600 shares paid till allotment only. Zahraa who held 400 shares, paid the I call money along with allotment and did not pay anything after that. What will be the amount of Share Capital in the Balance Sheet? 1
- ₹ 2,00,000
 - ₹ 1,80,000
 - ₹ 1,89,800
 - ₹ 1,89,000
- 9 Pick the odd one out: 1
- Salary paid to a partner
 - Interest on capital paid to a partner
 - Interest on drawings paid by a partner
 - Commission paid to a partner
- 10 Eena, Meena and Deeka are partners sharing profits as 7:2:1. Deeka retired and the amount payable to his executor after making all the adjustments of profit, loss and reserves is ₹ 1,20,000. Eena and Meena agreed to pay Deeka ₹ 1,50,000 in full settlement. The amount of goodwill of the firm is : 1
- ₹ 30,000
 - ₹ 15,000
 - ₹ 27,000
 - ₹ 3,00,000

- 11 Ranjana, a partner withdrew ₹ 12,000 per month in the beginning of every month till July1, 2019. Rate of interest on drawing is 12% p.a. Amount of interest on drawing at the end of the year is 1
- 12 A Company forfeited 100 equity shares of ₹10 each issued at a premium of 20% for non-payment of final call of ₹4 (including premium of ₹1). By what amount share forfeited will be credited? 1
- A. ₹ 700
B. ₹ 500
C. ₹ 600
D. ₹ 200
- 13 Anu, Bina and Charan are partners. The firm had given a loan of ₹ 20,000 to Bina. They decided to dissolve the firm. In the event of dissolution, the loan was settled by : 1
- A. Transferring it to Dr side of Realisation A/c
B. Transferring it to Cr side of Realisation A/c
C. Transferring it to Dr side of Bina's Capital A/c
D. Transferring it to Cr side of Anu and Charan in their Profit sharing ratio
- 14 Calculate the subscription income for the year 2018-2019 from the following information: 3

Particulars	₹
Subscription received during the year	60,000
Subscription outstanding as on 1-4-2018	5,000
Subscription received in advance as on 1-4-2018	4,000
Subscription outstanding as on 31-3-2019	10,000
Subscription received in advance on 31-3-2019	2,000

OR

Calculate the value of stationaries to be debited to income and expenditure account from the following information:

Particulars	₹
Opening stock of stationaries	12,000
Payment made for stationery during the year	30,000
Creditors for stationaries at the beginning of the year	4,000
Creditors for stationaries at the end of the year	7,500
Advance for stationery paid at the end of the year	3,000
Closing stock of stationaries	8000

- 15

(a) Vipin, David and Mrinal are partners in a trading firm contributing ₹20,000 each to the capital of the firm. Under the partnership deed in the event of death of a partner the partners were entitled to :

Profit up to the date of death be based on the average profits of last 3 years.

David died on 1.1.2019. The profits for the three years ending 31 March 2016 , 2017 and 2018 were ₹21,200; ₹3,200 (loss) and ₹9,000 respectively.

Calculate the amount of profit to be paid to David's executors.

3

OR

- (b) Complete the following journal entries and missing figures which the accountant had forgotten to post at the time of admission of a partner:

Date	Particulars	Dr (₹)	Cr(₹)
2018 April 1 st (i)	Cash A/C Dr	1,50,000	
	To Raman's Capital A/C		1,00,000
	To -----		50,000
	(being amount of premium for goodwill and capital brought in by Raman)		
2018 April 1 st (ii)	Premium for Goodwill A/C Dr	-----	
	To Naman's Capital A/C		-----
	To Shaman's Capital A/C		-----
	(being premium for goodwill distributed between old partners on the basis of their sacrificing ratio,i.e. 2:3)		
2018 April 1 st (iii)	----- Dr	-----	
	----- Dr	-----	
	To -----		-----
	(being half of amount of premium for goodwill withdrawn by old partners)		

- 16

Seema and Meena decided to start a partnership firm to manufacture low cost jute bags as plastic bags were creating many environmental problems. They contributed capitals of ₹1,00,000 and ₹50,000 on 1st April 2018 for this. Seema expressed her willingness to admit Neema as a partner without capital, who is specially abled but very creative and intelligent friend of her. Meena agrees to this. The terms of partnership were as follows:

(i) Seema, Meena and Neena will share profits in the ratio of 2:2:1.

(ii) Interest on Capital will be provided @6%p.a.

Due to shortage of Capital in the firm, Seema contributed ₹25,000 on 30th September 2018 and Meena contributed ₹10,000 on 1st January 2019 as additional Capital. The profit of the firm for the year ended 31st March 2019 before interest on capital was ₹1,68,900.

4

Prepare the Profit and Loss Appropriation account for the year ended 31st March 2019

OR

- Mudit and Uday are partners in a firm sharing profits in the ration 2:3. Their capital accounts as on April 1, 2019 showed balances of ₹70,000 and ₹60,000 respectively. The drawings of Mudit and Uday during the year 2019-20 were 16,000 and 12,000 respectively. Both the amounts were withdrawn on 1st January 2016. It was subsequently found that the following items had been omitted while preparing the final accounts for the year ended 31st March 2020.

(a) Interest on capital @6% p.a.

(b) Interest on drawings @ 6% p.a.

(c) Mudit was entitled to a commission of ₹4,000 for the whole year.

(d) Showing your working clearly, pass a rectifying entry in the books of the firm.

- 17 Pass journal entries in the books of accounts in case of dissolution of a firm: 4
- Loan of ₹10,000 advanced by a partner Y to the firm was refunded.
 - Undistributed balance of Profit & Loss A/C (Dr) ₹45,000. The firm had X, Y and Z as partners.
 - A Contingent liability of ₹4,000 was paid now.
 - Realisation expenses paid by Partner Y ₹1,000.

- 18 Abha. Electronics Ltd. purchased machinery for ₹1,98,000 and issued 9% debentures of ₹100 each to the vendors. 4
- Make journal entries if the debentures were issued (a) At par (b) at a premium of ₹10 (c) at a discount of ₹10.

- 19 The receipt and Payment account of Ram Manohar Charitable Institution is given below: 6

Receipt and Payment Account for the year ending 31-3-2019

Receipts	Amount	Payment	Amount
Balance B/d:		Furniture	3,000
Cash at Bank	22,000	Investments	55,000
Cash in hand	8,800	Advance for building	20,000
Donations	32,000	Charities	60,000
Subscriptions	50,200	Salaries	10,400
Endowment Fund	60,000	Rent and taxes	4,000
Legacies	24,000	Printing	1,000
Interest on Investment	3,800	Postage	300
Interest on deposits	800	Advertisements	1,000
Sale of old newspapers	500	Insurance	4,800
		Balance C/d:	
		Cash at bank	32,000
		Cash in hand	10,500
	2,02,100		42,500
			2,02,100

Prepare the income and expenditure account for the year ended on 31st March 2019 after considering the following :

- It was decided to treat fifty percent of the amount received on account of Legacies and Donations as income.
- Liabilities to be provided for are : Rent ₹ 800, salaries ₹1,200, advertisement ₹200
- ₹2,000 due for interest on investment was not actually received.

- 20 a) Pass necessary Journal entries for issue of Debentures for the following: 6
- R Ltd issued 750, 12% debentures of ₹100 each at a discount of 10% redeemable at a premium of 5%.
 - S Ltd issued 800 , 9% debentures of ₹100 each at a Premium of ₹20 per debenture redeemable debenture.
- b) Bansal Heavy Machine Ltd. Purchases assets worth ₹4,00,000 at ₹3,20,000 from Hoshiar Trader Ltd. And took creditors of ₹70,000 for a purchase consideration of ₹3,00,000. Payment was made as promissory note issued for ₹50,000 and remaining amount by issue of equity shares ₹100 each fully paid at an issue price of ₹125.
- Journalise the above transactions in the books of Bansal Heavy Machine Ltd.

21

P Ltd has been registered with an authorized capital of ₹2,00,000 divided into 2000 shares of ₹100 each of which 1000 shares were offered for public subscription at a premium of ₹50 per share payable as under:

Application-₹30; Allotment ₹70 (including premium); First call ₹20; final call ₹30.

Final call is not yet made. Applications were received for 2000 shares of which application for 500 shares were rejected. The rest of the applications were allotted 1000 shares on pro-rata basis. Excess application money was transferred to share allotment account.

All money were duly received except from Mohan , holder of 200 shares, who failed to pay allotment money and first call money. His shares were later on forfeited and re issued to Hari at ₹60 per share as ₹70 paid up.

Final call is not yet made. Record journal entries.

8

OR

- a) N Ltd. issued 2,000 shares of ₹100 each. All the money was received except on 200 shares on which only ₹90 were received. These shares were forfeited and out of the forfeited shares 100 shares were reissued at ₹80 each as fully paid up.
 Pass necessary journal entries for the forfeiture and reissue of shares.
- b) Complete the following Entries:

Date	Particulars	LF	Dr. (₹)	Cr.(₹)
(i)	<div>----- Dr</div> <div>To-----</div> <div>To-----</div> <div>(Being the forfeiture of 1000 shares of ₹10 each ,₹8 Called up, on which allotment money of ₹2 and First Call of ₹3 has not been received)</div>		-----	-----
(ii)	<div>----- Dr</div> <div>To -----</div> <div>To-----</div> <div>(Being reissue of 1000 forfeited shares as fully paid up at ₹11 per share)</div>		-----	-----
(iii)	<div>----- Dr</div> <div>To -----</div> <div>(Being gain on forfeiture and reissue of shares transferred to Capital reserve Account)</div>		-----	-----

22 P and Q are partners with profit sharing ratio of 3:1. R was admitted as a new partner for 1/5th share in the profits of the firm. The Balance sheet of the firm on 31st March ,2019 was as follows: 8

Balance Sheet an at 31st March,2019

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	20,000	Bank	80,000
Bills Payable	40,000	Debtors	60,000
General Reserve	40,000	Building	2,00,000
Profit & Loss a/c	1,00,000	Machinery	1,00,000
Outstanding Expenses	20,000	Investment	40,000
Capital		Patent	20,000
P- 2,00,0000		Goodwill	20,000
Q- 1,00,000	3,00,000		
	5,20,000		5,20,000

The terms of the agreement on R’s admission were as follows: R comes for 1/5th of share and brings ₹1,10,000 as Capital. He brings cash for his share of goodwill ₹20,000. Value of Building increased by 10 %. Outstanding expenses were valued at ₹24,000.Make a provision of 10% for Doubtful debts. Half the premium is withdrawn by old Partners.
Prepare Revaluation account & Partners’ Capital account .

OR

Ajay ,Vijay and Sanjay were partners in a firm sharing profits in the ratio of 5:3:2.Their Balance Sheet on March 31, 2019 was as follows:

Balance Sheet of Ajay, Vijay and Sanjay As at March 31,2019

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Creditors	70,000	Bank	44,000
Capital		Debtors	24,000
Ajay 90,000		Stock	60,000
Vijay 56,000		Building	1,40,000
Sanjay 60,000	2,06,000	P & L	8,000
	2,76,000		2,76,000

On April 1,2019 Vijay retired on the following terms:

- (i) Building was to be depreciated by ₹10,000.
- (ii) A provision of 5% was to be made on debtors for doubtful Debts.
- (iii) Salary Outstanding was ₹4,800
- (iv) Goodwill of the firm was valued at ₹1,40,000.
- (v) Vijay was to be paid ₹20,800 through cheque and the balance was to be paid in future.

Prepare Revaluation Account & Partners’ Capital Account.

PART B - FINANCIAL STATEMENT ANALYSIS

23. Rajesh Ltd is carrying on a mutual fund business. It invested ₹ 30,00,000 in shares, ₹ 15,00,000 in Debentures of Sheetal Farms. It also purchased Office Equipment’s for ₹ 3,00,000. It received ₹ 3,00,000 as dividend and it sold the debentures for ₹ 17,00,000. Amount of Cash Flow from Investing Activities of Rajesh Ltd is: 1
- A. Outflow ₹28,00,000
 - B. Inflow ₹17,00,000
 - C. Outflow ₹3,00,000
 - D. Inflow ₹3,00,000

24. If Long-term Loans & Advances for 2020 is ₹ 3,60,000 and the absolute change is 20%, calculate Long-term Loans & Advances for 2019: 1
- ₹ 2,40,000
 - ₹ 72,000
 - ₹ 4,50,000
 - ₹ 3,00,000
25. If Operating cycle is 18 months and expected period of payment is 24 months, then under what heading and sub-heading will trade payables be shown? 1
26. Bad debts recovered of ₹12,000 will not affect which of the following ratio? 1
- Gross Profit Ratio
 - Operating Ratio
 - Operating Profit Ratio
 - Interest Coverage Ratio
27. Under what situation can Current Investments be treated as Investing Activity? 1
28. The may indicate that the firm is experiencing stock outs and lost sales: 1
- Working Capital Turnover Ratio
 - Average Collection Period
 - Inventory Turnover Ratio
 - Gross Profit Ratio
29. A firm has Current ratio of 2.5:1 and a Liquid ratio of 2:1. Its opening Inventory is ₹ 80,000 which is 3 times lesser than its closing inventory. What will be the Quick Assets? 1
- ₹2,40,000
 - ₹ 9,60,000
 - ₹ 4,80,000
 - ₹12,00,000

30. A) From the Following Information compute Debt-Equity Ratio : 3

Items	Amount (₹)
Long Term Borrowings	2,00,000
Long Term Provisions	1,00,000
Current Liabilities	50,000
Non-Current Assets	3,60,000
Current Assets	90,000

OR

- B) The Current ratio of X Ltd is 2:1. State giving reason which of the following transaction would increase, decrease or not change the ratio
- Included in the Trade payables was a bills payable of ₹9,000 which was met on maturity.
 - Company issued 1,00,000 equity shares of ₹10 each to the vendors of machinery purchased.

- 31 I . (A) Under which major headings and sub headings will the following items be place in the balance sheet of a company as per Revised schedule III Part I of the Companies Act 2013 ? 4
- (i) Capital Reserves (ii) Bonds
(iii) Loose Tools (iv) Goodwill
- (B) State and explain any two objectives of Financial Statement Analysis

OR

II. From the following statement of Profit and loss of Xerox Ltd for the year ended 31st March, 2019-20 , Prepare a comparative Statement of Profit and Loss

Particulars	Note No.	2019-2020 (₹)	2018-2019 (₹)
Revenue from Operation		8,00,000	6,00,000
Other Incomes		1,00,000	50,000
Expenses		5,00,000	4,00,000
Tax rate		40%	40%

- 32 Prepare a Cash Flow Statement on the basis of the information given in the balance Sheet of M Ltd as at 31st March 2019. 6

Particulars	No	31-3-2019(₹)	31-3-2018(₹)
I EQUITY and LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital		2,60,000	1,80,000
(b) Reserves and Surplus	1	1,32,000	24,000
(2) Non –Current Liabilities			
(a) Long Term Borrowings		1,00,000	1,50,000
(3) Current Liabilities			
(a) Trade Payables		75,000	27,000
TOTAL		5,67,000	3,81,000
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		2,94,000	2,52,000
(b) Non-Current Investments		48,000	18,000
(2) Current Assets			
Current Investments(Marketable)		54,000	60,000
Inventories		1,07,000	24,000
Trade Receivables		40,000	17,500
Cash and Cash Equivalents		24,000	9,500
TOTAL		5,67,000	3,81,000

Additional Information:

Depreciation provided on fixed assets were ₹20,000. Dividend paid during the year was ₹ 30,000 .

Notes to Accounts : **Note 1 Reserves and Surplus:**

Particulars	31-03-2019 (₹)	31-03-2018 (₹)
Surplus(Balance in Statement of Profit & Loss)	1,07,000	14,000
General Reserve	25,000	10,000

End of the Question Paper

