

## HSC 12th Standard

### Accountancy

#### Model Question paper - III

Time: 2.30 hrs

Marks:90

#### Part-I

Choose the correct answer:

20x1=20

1. Closing stock is valued at cost price or \_\_\_\_\_ Price which ever is less.  
a. Book Value                      b. Market Price                      c. Selling Price.
2. Trial balance shows sundry creditors Rs.35000.\_ Provide 2% discount on Sundry Creditors. \_\_\_\_\_ will be the sundry creditors shown in balance sheet.  
a. Rs. 30,000                      b. Rs. 30,600                      c. Rs, 29,400
3. Gross profit is transferred to  
a. Capital account                      b. Profit & loss A/c.                      c. Trading Account
4. Single entry system is  
a. a scientific method                      b. an Incomplete double entry system  
c. Double entry system  
  
a. Trading Account                      b. Total Debtors A/c                      c. Total Creditors A/c
6. The term depletion is used for  
a. Intangible Assets                      b. Fixed assets                      c. Natural resources.
7. Total amount of depreciation provided on the written down value method at the rate of 10% p.a on Rs. 10,000 for first three years will be  
a. Rs. 2107                      b. Rs. 2710                      c. Rs. 2701
8. Loss on sale of fixed asset appear on the  
a. credit side of depreciation account  
b. debit side of fixed asset account  
c. Credit side of fixed asset account.
9. Operating ratio is equal to  
a. 100-operating profit ratio                      b. 100+operating profit ratio  
c. Operating profit ratio
10. Current assets of a business concern is Rs. 60,000 and current Liabilities are Rs. 30,000 current ratio will be  
a. 1:2                      b. 1:1                      c. 2:1

11. All activity ratios are expressed in terms of  
 a. Proportion                      b. Times                      c. Percentages
12. Cash budget deals with  
 a. Estimated cash receipts                      b. Estimated cash payments  
 c. Estimated cash receipts and Estimated cash payments.
13. The minimum number of persons in a partnership firm is  
 a. one                      b. Two                      c. Seven
14. Interest on capital is calculated on the  
 a. Opening capital                      b. Closing capital                      c. Average capital
15. In order to maintain fair dealings at the time of admission, it is necessary to revalue asset and liabilities of the firm and show them at  
 a. Cost price                      b. Good will A/c                      c. Revaluation A/c.
16. On admission of a Partner if good will account is to be raised this should be debited to.

share was purchased equally by A&B. Then new profit sharing ratio shall be.

- a. A-1/2 & B-1/2                      b. A-3/5 & B-2/5                      c. A-2/5 & B-3/5
18. A company issued 1,00,000 shares of Rs. 10 each to the public but only 75,000 shares were subscribed. Its unsubscribed capital is \_\_\_\_\_  
 a. Rs. 10,00,000                      b. Rs. 7,50,000                      c. Rs. 2,50,000
19. The balance of forfeited share account is \_\_\_\_\_ in Balance sheet  
 a. Added to paid up capital                      b. added to authorized capital  
 c. deducted from paid up capital.
20. Capital reserve is shown on the \_\_\_\_\_ side of Balance sheet.  
 a. Asset                      b. Liability                      c. Both.

## SECTION -II

**Answer any seven question in which question No: 21 is compulsory                      7 × 2 = 14**

21. What is income received in advance?  
 22. What is conversion method?

23. Define depreciation.
24. Give any 2 example for non. operating expenses.
25. Give 4 examples for cash receipts
26. If the partners capital accounts are fixed where will you record the following items?
  - a. Fresh capital introduced by the partners
  - b. Salary payable to partners.
27. How will you treat undistributed profits and losses at the time of admission of a partner. Give entries?
28. X, Y, Z were partner showing profits & losses in the ratio of 3:2:1. In view of X's retirement good will was valued at two years purchase of the average profits of last three years which were Rs. 16,000, Rs. 30,000 & Rs. 26,000. Pass entry for a good will.
29. What is meant by calls in advance?
30. a. State the name of capital which refers to that amount which is stated in memorandum of Association as the share capital of company.
  - b. D Ltd invited applications for issuing 10,00,000 equity shares of Rs. 10 each. Public applied for 8,55,000 shares. Can the company proceed for allotment of shares. Give reason in support of your answer.

### SECTION -III

**Answer any seven question in which question No: 31 is compulsory       $7 \times 3 = 21$**

32. Trial balance (31.03.15) Shows the following

	Dr	Cr
Bank Loan @ 10% (31.03.15)	-	20,00,000
Interest Paid	Rs. 1,20,000	-

Provide Interest outstanding,

Pass adjusting entry and show how it will appear in Balance sheet.

33. From the following find out sundry creditors at the end

	Rs
Opening sundry Creditors	38,000
Cash paid to Sundry Creditors	80,000
Discount received	2,000
Returns outwards	9,600
Credit Purchases	1,02,400

34. What are the reasons for providing depreciation? (any 3)
35. Why are the different users of accounting interested in the analysis of financial statements? (any 3)
36. Enumerate the steps in the preparation of cash budget.
37. P, Q, & R were partners sharing profits in the ratio of 3:2:1 P draws Rs. 5000 at the end of each quarter. Q draws Rs. 5,000 at the end of each half year. R draws Rs. 2000 on 01.05.2004, Rs. 3,000 on 31.11.2004, Rs. 5,000 on 30.11.2004 Calculate interest on drawings at 10% P.a for the year ending 31.03.2005.

38. Ramesh, Rajesh & Rakesh are partners sharing profit in the ratio of 5:4:3 Ramesh retires and his share is taken up entirely by Rajesh calculated new ratio.
39. A, B and C are partners sharing profits and losses in the ratio of 5:3:2 respectively. A retires from the firm on 1st April 2005. After his retirement his capital accounts shows a credit balance of Rs. 1,35,000 after the necessary adjustment are made. Give journal entries if any.
- amount due is paid off immediately
  - When the amount due is not paid immediately.
  - Rs. 45,000 is paid and balance in future.
40. A company has been incorporated with an authorised capital of Rs., 40,00,000 divided into 4,00,000 shares of Rs. 10 each. It offered 3,80,000 shares to the public, but only 3,60,000 shares were subscribed for. The directors called for an amount of Rs. 6 Per share. All the amounts were received except the call money of Rs. 2 on 2000 shares. Calculated the amount of different categories of shares capital show it in Balance sheet of company.

### SECTION -IV

**Answer All question**

**7 × 5 = 35**

41. a. Trial balance shows sundry debtors as Rs. 1,25,000. Bad debt Rs. 4,000 as on 31.03.2003.

**Adjustments**

(c) provide 1 1/2 % provision for discount on Debtors

Give journal entries and show how these items will appear in final accounts.

b. From the following information calculate the value of goodwill at three years purchase of super profit

(i) Average capital employed in the business Rs. 6,00,000

(ii) Net trading profits of the firm for the past three years were

Rs. 1,07,600    Rs. 90700    Rs. 1,12,500

(iii) Rate of interest expected from capital having to the risk involved is 12%

(iv) Fair remuneration to then partner for their service Rs. 12,000p.a

42. a. Ram & shyam were partner sharing profits & losses equally. The accounts are maintained under single entry system.

on 31.3.2002 their positions was as follows.

Liabilities		Assets	
Sundry creditors	1,00,000	Cash at Bank	4,0000
Loan	40,000	SundryDebtors	1,60,000
Capital		Stock	40,000
Ram	8000	plant& Machinery	60,000
shyam	8000		
	3,00,00		
	<u>0</u>		3,00,000

The position of the firm on 31.3.2003 was as follow.

Sundry creditoss	1,20,000
Stock	80,000
Plant & Machinery	1,00,000
Sundry debtors	1,50,000
Cash at bank	60,000

Depreciate plant & Machinery by 10% p.a Drawings Ram Rs. 10,000 Shyam Rs. 6000  
Find out the profit or loss during the year 2002-03

(or)

(b) Ashok brothers purchased a machinery on 1.1.2000 for Rs. 5,00,000. On 1.1.2002 the machinery was sold for Rs. 4,00,000. The firm charges depreciation at the rate of 15% P.a on straight line method. The books are closed an 31st March every year.

Prepare Machinery Account & Depereciation Accounts.

43. (a) (i) Calculate Debtors turnover ratio.

Total Sales	1,75,000
Sales return	10,000
Closing Debtors	12,000
Cash Sales	35,000
Opening Debtors	8,000

(ii) Calculate Creditors turnover ratio

Total Purchases	85,000
purchase return	5,000
Closing Creditors	15,000
Cash Purchases	20,000
Opening Creditors	25,000

(or)

(b) prepare cash budget for the month of March & April 2006

Month	Credit Purchases	Credit Sales	Administration & Selling expenses
January	75,000	1,50,000	1,20,000
February	1,00,000	1,35,000	1,35,000
March	85,000	1,75,000	65,000
April	1,25,000	1,20,000	70,000

### Additional Information

- (i) Expected cash balance on 1.3.2006 is Rs 80,000
- (ii) Suppliers allowed a credit period of two months
- (iii) A credit Period of one month is allowed to customes
- (iv) Expenses are paid in the same month
- (v) Sale of fixed asset Rs 25,000 in April

44. (a) The following is the balance - sheet of seetha and Geetha sharing profits in the ratio of 3:2 as on 31.3.2005

Liabilites	Rs.	Asset	Rs.
Sundry creditors	80,000	Bank	10,000
Bills payable	20,000	Sundry debtors	30,000
Capital accounts		Stock	20,000
Seetha 4,000 Geetha 3,000	70,000	Machinery	40,000
		Land & Buildings	70,000
	1,70,000		1,70,000

On 1.4.2005 they decided ot admit Latha into the partnership on the following terms.

- Lathe shall bring in a capital of Rs 30,000
  - Good will of the firm valued at Rs 20,000
  - Land & buildings appreciated by 10%
  - provision for out standing liability be Created at Rs 2000.
- prepare Revaluation A\C & Capital A\C only.

(or)

- GG Ltd had issued 50,000 equity shares of Rs. 10 each. Incomplete Journal entries

Date	particulars	Lf	Dr(Rs)	Cr(Rs)
2015 Jan 10	_____ Dr To _____ (Amount received on application for 70000 shares @ Rs. 3 per share.		?	?
Jan 16	Equity Share Application A/c To _____ To _____ (Transfer of Application money to Share capital, money refused on 20000 shares)		?	?
Jan 31	_____ Dr (Amount due on allotment @ Rs. 4 per share		?	?
Feb 20	_____ Dr To _____ (Balance received an allotment)		?	?
April 1	_____ Dr To _____ (First & final call money due)		?	?
April 20	_____ Dr To _____ (Money received on 49500 Shares		?	?

45. (a) Ashwin Ltd issued 1,70,000 shares of Rs. 10 each at discount of 10%. The shares were payable as under.

On Application Rs. 3

On Allotment Rs. 4 (with adjustment of discount Rs.1)

On Ist & final call Rs.2

Public applied for 160,000 shares and the shares have been duly allotted. All moneys were duly received. **pass journal entries.**

(or)

(b) A firm, bought a machinery on 1.1.2002 for Rs. 5,00,000 on 31.12.2003 the machinery was sold for Rs 3,90,000 The firm charges depreciation at the rate of 10% pa on diminishing balance method . The books are closed on 31st March every year.

Prepare Machinery A\C & Depreciation A\C

46. (a) Prepare cash budget for the month of April May & June 2006 from the following information.

Month	Sales (Rs)	Purchases(Rs)	Expenses(Rs)
March 2006	4,00,000	3,00,000	40,000
April 2006	5,00,000	5,00,000	60,000
May 2006	6,00,000	3,00,000	70,000
June 2006	8,00,000	5,00,000	90,000

**Additional Information**

(i) All sales are for cash.

(ii) Lag in payment of expenses one month

(iii) period of credit allowed by suppliers is one month

(iv) Opening cash balance on 1st April 2006 is Rs. 60,000

(or)

(b) Mr. Arul maintained his accounts books on single entry system. on 01.04.2005 his Capital was Rs,5,00,000

### Additional information

	Rs.
Opening stock	2,50,000
Cash received from sindry dobtors	50,000
Cash sales	2,00,000
Cash paid to Sundry Creditor	60,000
Opening Sundry debtors	40,000
Opening Sundry Creditous	1,83,000
Business expenses	1,20,800
Land& Building (31.03.2006)	4,00,000
Furniture (31.03.2006)	7,200
Closing Stock	2,60,000
Closing Sundry Debtors	80,000
Closing Sundry Creditors	2,00,000
Closing cash balance	55,000

Prepare Trading & Profit & loss Account for the year ended 31.03.2006 and Balance-Sheet as an that date.

47. (a) Prepare Trading Profit & loss A\C and Balance sheet as on 31.3.2005 from the following final balance of Mr. Imran.

particulars	Debit	Credit
Drawing & Capital	8000	1,50,000
Bank overdraft	-	25,200
Purchases & sales	6,60,000	9,00,000
Furniture	30,600	-
PATENTS	1,20,000	-
Debtors & Creditors	1,00,000	79,800
Opening Stock	1,32,000	-
Discount	-	2400
Fuel & gas	4000	-
Wages	20,000	-
Salaries	54,000	-
Advertisement	13,200	-
Carriage on purchases	10,800	-
Carriage on sales	800	-
Income Tax	4,000	-
	11,57,400	11,00,000

### Adjustments

(i) Closing stock Rs. 1,20,000

(ii) Create provision for discount on creditors @ 2%

(iii) provide 10% depreciation on patents(or)

(b) Lalitha, Jothi and Kanaga were partners of a firm sharing profit & losses in the ratio of 3:2:3 Balance sheet as on 31st December 2003 is as under



### Balance Sheet

Liabilities		Rs	Assets	Rs.
Bills payable		32,000	Cash in hand	750
Sundry creditors		62,500	Cash at bank	2,04,500
Capitals			Book debts	89,000
Lalitha	2,00,000		Stock	1,11,500
Jothi	1,25,000		Furniture	17,500
Kanaga	<u>1,50,000</u>	4,75,000	Plant & Machinery	48,750
Profit & loss A/C		22,000	Building	1,20,000
outstanding expenses		500		
		<u>5,92,000</u>		<u>5,92,000</u>

Lalitha retired on 1st January 2004 from partnership on the following terms

- (a) Goodwill of the firm to be valued at Rs. 30,000
- (b) Assets are to be valued as under Stock Rs. 1,00,000, Furniture Rs. 15,000 Plant & Machinery Rs. 45,000 Building Rs. 1,00,000
- (c) A provision for doubtful debts be created at Rs. 4250
- (d) Lalitha was paid off immediately prepare revaluation a/c, Capital a/c of the reconstituted partnership.