2022 **ACCOUNTANCY**

Full marks: 70 Time: 3 hours

General instructions:

- Approximately 15 minutes is allotted to read the question paper and revise the
- The question paper consists of 24 questions.
- iii) Marks are indicated against each question.
- iv) General choice has been provided in some questions.

| | Check to ensure that all pages of the question paper is complete as indicated on the side. | top l |
|-----|---|-------|
| 1. | What is meant by entrance fee? | 1 |
| 2. | Give two examples of non-cash items. | 1 |
| 3. | State the nature of Profit and Loss Adjustment Account. | 1 |
| 4. | Write two rights of a new partner. | 1 |
| 5. | What is meant by Realisation Account? | 1 |
| 6. | Write any two grounds under which the firm can be dissolved by Court. | 1 |
| 7. | Give the meaning of 'Premium on Redemption of Debenture Account'. | 1 |
| 8. | From the following information, compute the advance subscription as on 31.12.2021 a) A club has 39 members, each paying annual subscription of ₹1,000 b) Subscription received during 2021 ₹50,000 c) Subscription received in advance as at 31.12.2020 ₹10,000 d) Subscription outstanding as at 31.12.2021 ₹9,000 e) Subscription outstanding as at 31.12.2020 ₹18,000 f) Subscription of ₹7,000 are still in arrears for the year 2020 | 3 |
| 9. | List any three features of Receipts and Payments Account. | 3 |
| 10. | Explain three methods of redemption of debentures. | 3 |
| 11. | Write any three objectives of financial analysis. | 3 |
| | | |

3

12. From the following information, calculate revenue from operations.

Sale of products ₹1,35,000 Sale of services ₹15,000 Trade commission ₹30,000 Excise duty ₹90,000

Answer any three (3) from the following questions

3x6=18

13. X and Y are partners in a firm. X is entitled to a salary of ₹2,000 per month together with a commission of 10% of net profit before charging any commission. Y is entitled to a salary of ₹5,000 per annum together with a commission of 10% net profit after charging all commissions. Net profit before charging any commission for the year was ₹55,000.

Prepare Profit and Loss Appropriation Account.

- 14. Write any six points of differences between Revaluation Account and Realisation Account.
- 15. Distinguish between a share and a debenture on six bases.
- 16. Zee Ltd. issued 10,000, 12% debentures of ₹100 each at 6% discount, redeemable at 10% premium after 5 years, payable as ₹60 on application and the balance on allotment. This issue was over-subscribed by 1000 debentures and allotment was made on prorata basis. All money was duly received. Journalise these transactions.
- 17. From the following information, Prepare Comparative Balance Sheet.

| | 31.3.2020 | 31.3.2021 |
|-------------------------|-----------|-----------|
| | ₹ | ₹ |
| Shareholders' funds | 7,20,000 | 13,32,000 |
| Non-current Liabilities | 3,60,000 | 3,60,000 |
| Current Liabilities | 1,20,000 | 1,08,000 |
| Non-current Assets | 8,40,000 | 15,12,000 |
| Current Assets | 3,60,000 | 2,88,000 |

18. From the following information, Calculate

(i) Gross Profit Ratio (ii) Working Capital Turnover Ratio (iii) Proprietary Ratio

Paid up capital ₹8,00,000 Current Assets ₹5,00,000 Current Liabilities ₹2,90,000 9% Debentures ₹3,40,000

Cash Revenue from Operations 75% of Credit Sales

Credit Revenue from Operations ₹3,00,000 ₹3,80,000 Cost of Revenue from Operations

Answer **any three (3)** from the following questions:

3x10=30

19. The Balance Sheet of P and S sharing profits and losses in the ratio of 3:2 is given below:

| Liabilities | ₹ | Assets | ₹ |
|------------------------------|----------|------------------|----------|
| Bank over-draft | 20,000 | Cash | 8,000 |
| Creditors | 30,000 | Debtors | 10,000 |
| Provision for doubtful debts | 1,000 | Bills receivable | 60,000 |
| General reserve | 15,000 | Stock | 50,000 |
| V's loan | 20,000 | Building | 90,000 |
| Capitals Account | | Land | 1,48,000 |
| P | 1,00,000 | | |
| S | 1,80,000 | | |
| | 3,66,000 | | 3,66,000 |

They admitted V as a new partner on the following terms:

- i) V will get 1/8th share in the profits of the firm.
- ii) V's loan will be converted into his capital.
- iii) The goodwill of the firm was valued at ₹80,000 and V brought his share of goodwill premium in cash.
- iv) Provision for doubtful debts was to be made equal to 5% of the debtors.
- v) Stock to be depreciated by 7%, Land to be appreciated by 10%
 Prepare the Revaluation Account, Capital Accounts of P, S and V and the Balance Sheet of the new firm.
- 20. The Balance Sheet of A, B & C who are partners in a firm sharing profits according to their capitals was as under

| Liabilities | ₹ | Assets | | ₹ |
|-----------------|----------|-----------------|--------------|----------|
| Creditors | 21,000 | Buildings | | 1,00,000 |
| A's Capital | 80,000 | Machinery | | 50,000 |
| B's Capital | 40,000 | Stock | | 18,000 |
| C's Capital | 40,000 | Debtors | 20,000 | |
| General reserve | 20,000 | Less: Provision | <u>1,000</u> | 19,000 |
| | | Cash at bank | | 14,000 |
| | | | | |
| | 2,01,000 | | | 2,01,000 |

On that date, B decided to retire from the firm and was paid for his shares in the firm subject to the following:

- i) Building to be appreciated by 20%.
- ii) Provision for doubtful debts to be increased to 15% on debtors.
- iii) Machinery to be depreciated by 20%.

- iv) Goodwill of the firm is valued at ₹72,000 and the retiring Partner's share is adjusted through the capital accounts of remaining partners.
- v) The capital of the new firm be fixed at ₹1,20,000.

 Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet after retirement of B.
- 21. A Limited issued to the public for subscription 40,000 shares of ₹10 each at par payable as ₹2 each on application, allotment and 1st call and the balance on the final call. Applications were received for 60,000 shares and allotment was made prorata to 80% applicants. R to whom 1600 shares were allotted paid only the application money and S who had applied for 2400 shares paid the entire call money due along with the allotment money. Pass the necessary journal entries to record the above transactions assuming that Calls-in-Arrears Account is maintained
- 22. Define share capital. State three purposes of securities premium. Write any six features of debentures. (1+3+6=10)
- 23. From the following information, prepare a Cash Flow Statement:

Balance Sheets as at 31.3.2020 & 31.3.2021

| Dalance Sheets as at 31.3.2020 | X 31.3.202 | 1 |
|---|-------------------|----------------|
| Particulars | 31.3.2021 ₹ | 31.3.2020 ₹ |
| | ` | ` |
| I. Equity & Liabilities | | |
| i) Shareholders' Funds: | | |
| - Share Capital | 8,50,000 | 4,60,000 |
| - Reserves & Surplus | 1,70,000 | 2,40,000 |
| ii) Non Current Liabilities(10% debentures) | 1,80,000 | 2,00,000 |
| iii) Current Liabilities | - | - |
| Total | 12,00,000 | 9,00,000 |
| II. Assets | | |
| i) Non Current Assets | | |
| -Tangible Fixed Assets | 7,00,000 | 5,00,000 |
| ii) Current Assets | | |
| - Inventories | 2,50,000 | 2,10,000 |
| - Trade Receivables | 1,90,000 | 1,40,000 |
| - Cash & Cash Equivalents | 60,000 | 50,000 |
| | | |
| Total | 12,00,000 | 9,00,000 |

Additional information: During the year, a machine costing ₹70,000 (Depreciation provided there on ₹10,000) was sold for ₹50,000. Dividend paid ₹80,000. Depreciation provided during the year ₹20,000.

24. From the following information, prepare the Cash Flow Statement.

BALANCE SHEETS as at 31st March, 2019 and 31st March, 2020

| | 31.03.2020 | 31 .03.2019 |
|---|------------|-------------|
| Particulars | ₹ | ₹ |
| I. Equity & Liabilities | | |
| i) Shareholders' Funds: | | |
| - Share Capital | 20,00,000 | 15,00,000 |
| - Reserve and Surplus (Profit & Loss A/C) | 4,00,000 | 2,00,000 |
| ii) Non-Current Liabilities | - | - |
| iii) Current Liabilities | | |
| - Other Current Liabilities | 4,00,000 | 3,00,000 |
| -Short term provision(Proposed Dividend) | 2,00,000 | 1,00,000 |
| Total | 30,00,000 | 21,00,000 |
| II. Assets | | |
| i) Non Current Assets | | |
| -Tangible Fixed Assets | 18,00,000 | 12,00,000 |
| -Intangible Fixed Assets(Goodwill) | _ | 1,00,000 |
| ii) Current Assets | | |
| - Inventories & Trade Receivables | 12,00,000 | 8,00,000 |
| Total | 30,00,000 | 21,00,000 |

Additional information:

- i) During the year ₹80,000 depreciation was charged on fixed assets.
- ii) A piece of machine included in fixed assets costing ₹20,000 on which depreciation charged was ₹8,000 was sold for ₹10,000.
