

# ACCOUNTING- H.S.P.II

TIME:3HRS.

(2020-21)

M.MARKS:80

## GENERAL INSTRUCTIONS

- (i) This question paper contains two parts A and B.
- (ii) Part A is compulsory for all.
- (iii) Part B has two options- Analysis of Financial Statements and Computerised Accounting.
- (iv) Attempt only one option of Part B
- (v) All parts of a question should be attempted at one place.

## Part A

(Accounting for Partnership firms and companies)

One mark each.

1. Name the account to which the amount of premium received on issue of debentures is to be credited.
2. What is the formula for calculating new ratio at the retirement of a partner.
3. The firm maintains the partner's capital accounts under the fixed capital account method. The accountant of firm has credited their salary and interest on capital to their capital accounts. Is the treatment correct . Give reasons.
4. Differentiate between sacrificing ratio and new profit sharing ratio.
5. ABC. LTD invited applications for 10000 shares of RS.10 each. Applications were received for 15000 shares. Name the kind of subscription. Give three alternatives for allotting shares in this form of subscription.
6. What is the nature of revaluation account.

7. State two main characteristics of partnership.
8. How would you calculate interest on drawings on unequal amounts drawn at unequal monthly intervals.
9. How does the factor location affect the goodwill of the firm.
10. X is a partner in M/S XYZ has advanced a loan of Rs. 200,000 to the firm. Rate of interest was not deducted but X demands interest on loan @ 10% p.a. at the year end. Is the demand of X justified.
11. Differentiate between call in arrear and call in advance.
12. What is meant by P&L appropriation account.
13. What is a realisation account.

**3 MARKS EACH.**

14. Give the treatment of workmen compensation reserve Rs. 13,000 appearing in the books of A&B on the admission of C.

**4 MARKS EACH.**

15. A&B were partners in a firm sharing profits in the ratio of 4:3. They admitted C as a new partner for  $\frac{3}{7}$ th share in the profits of the firm. The new ratio will be 2:2:3. C brought Rs. 200,000 as his capital and Rs. 60,000 for his share of premium as Goodwill. Half of which was withdrawn by A&B from the firm. Calculate sacrificing ratio and journal entries in the books of firm.
16. Pass Journal entries for the following transactions
  - 1) The assets of the firm realised Rs. 1,00,000
  - 2) Creditors paid Rs. 26,000 in full settlement of their account of Rs. 30,000
  - 3) Dissolution expenses amount to Rs. 1,000
  - 4) An unrecorded asset realised to Rs. 1,500
17. Gltd. Purchased plant from S Ltd. for Rs. 3,78,000 payable in fully paid shares of 10 each. Pass Journal entries when
  - 1) Shares are issued at par
  - 2) Shares are issued at 20% premium.
18. State the provisions of Companies Act 2013 for the creation of Debenture Redemption Reserve.

**6 MARKS EACH.**

19. A company issued 1000 6% Debentures of Rs.100 each at Rs.110 payable as follows:

Rs.30- On application (including premium of Rs.5)

Rs.30-On allotment (including premium of Rs.5)

Rs.50-On first and final call

All the debentures were applied for and allotted. All money due was received except final call on 20 debentures. Pass journal entries for the above.

20. What are different modes of dissolution of a partnership firm with or without the interference of court.

**8 MARKS EACH.**

21. Gautam and Yashica are partners in a firm, sharing profits and losses in 3:1 respectively. The balance sheet of the firm as on 31<sup>st</sup> march 2018 was as follows:

Balance Sheet as at 31.3.2018

LIABILITIES	AMT(RS.)	ASSETS	AMT(RS.)
Sundry Crs.	50,000	Furniture	60,000
Bills payable	30,000	Stock	1,40,000
Capitals-		Debtors	80,000
GAUTAM	4,00,000	Cash in hand	90,000
YASHICA	1,00,000	Machinery	2,10,000
	5,80,000		5,80,000

Asma is admitted as a partner for  $\frac{3}{8}$ <sup>th</sup> share in profits with a capital of Rs.210000 and 50000 for her share of goodwill. It was decided that

- i) New profit sharing ratio will be 3:2:3.
- ii) Machinery will depreciate by 10% and furniture by 5000.
- iii) Stock was re valued at 210000
- iv) Provision for doubtful debts is to be created at 10% of debtors.
- v) The capitals of all the partners were to be in the new profit ratio on the basis of capital of new partner any adjustment to be done through current accunts.

Prepare Revaluation Account, Partners Capital Account and the Balance Sheet of the new firm.

OR

X,Y,Z were in partnership sharing profits in proportion to their capitals. Their Balance Sheet as on 31<sup>st</sup> march,2018 was as follows:

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Sundry Crs.	16,600	Cash	15,000
Workmen's compensation fund	9,000	Debtors 21,000 less: prov. (1400) for doubtful debts	19600
General Reserve	6,000	Stock	19,000
Capitals-		Machinery	58,000
X 90,000		Building	1,00,000
Y 60,000	1,80,000		
Z 30,000			
	2,11,600		2,11,600

On the above date, Y retired owing to ill health. The following adjustments were agreed upon for calculation of amount due to Y.

- Provision for Doubtful Debts to be increased to 10% of Debtors.
- Goodwill of the firm be valued at 36000 and be adjusted into the capital accounts of X and Z, who will share profits in future in the ratio of 3:1.
- Included in the value of sundry creditors was 2500 for an outstanding legal claim, which will not arise.
- X and Z also decided that the total capital of the new firm will be 120000 in their profit sharing ratio. Actual cash to be brought in or to be paid as the case may be.
- Y to be paid 9000 immediately and balance to be transferred to his Loan account.

Prepare Revaluation account, Partners capital accounts and Balance sheet of the new firm after Y's retirement.

22. A Company invited applications for 50000 shares of 10 each on the following terms-
- On application- Rs.3

On allotment-Rs.2

On first and final call –Rs.5

Applications were received for 110000 shares. It was decided i) to refuse allotment to the applications for 10000 shares ii) to allot 50% to Mr. Black who applied for 20000 shares iii) to allot in full to Mr. Brown who applied for 10000 shares iv) to allot balance of available shares equitably among the other applicants and v) to utilise excess application money in part payment of allotment and final call.

Give Journal entries till the stage of allotment assuming that the entire sum due on allotment is received in full.

Or

- a) Rajan was allotted 150 shares of Rs.100 each by Duplex Company. He could not pay first call of Rs.25 and final call of Rs.15 on his shares, consequently, his shares were forfeited. Pass entry for the forfeiture.
- b) Raxon company forfeited 500 shares of Rs.10 each issued at 10% premium. Application money Rs.4(including premium) has been received. Allotment Rs.3 has not been received. Final call has not been made. Pass forfeiture entry.

## PART B (ANALYSIS OF FINANCIAL STATEMENTS)

1 MARK EACH.

23. Interest received and paid is considered as which type of activity by the finance company while preparing cash flow statement
24. Give advantages for preparing cash flow statement.
25. The two basic measures of operational efficiency of a company are:
  - a) Inventory Turnover ratio and working capital turnover ratio
  - b) Liquid ratio and operating ratio
  - c) Liquid ratio and current ratio
  - d) Gross profit ratio and net profit ratio
26. Common size analysis is also known as \_\_\_\_\_ analysis.
27. Mast head is an \_\_\_\_\_.
28. Working capital = \_\_\_\_\_.
29. Operating cost ratio = \_\_\_\_\_ \* 100.

3 MARKS .

30. Under which major heads and subheads the following items be placed in the balance sheet of the company as per schedule III part I of Co's Act 2013

- a) Security premium reserve
- b) Provident fund
- c) Short term loan and advances

4 MARKS.

31. Calculate the following ratio (i) liquid ratio (ii) Proprietary ratio

Information:

Sales	5,00,000
Cost of revenue from operations	2,40,000
Selling expenses	80,000
Office expenses	40,000
Total current assets	2,00,000
Current liabilities	1,00,000
Closing inventory	20,000
Fixed assets	8,00,000
Equity share capital	3,00,000
General reserve	2,00,000

Or

The current assets of a company are 15,00,000. Its current ratio is 3 and liquid ratio is 1.25. calculate the amount of current liabilities, liquid assets and inventory.

6 MARKS.

32. From the following Balance sheet of Dreams Converge Ltd. as at 31.3.2018 and 31.3.2017; Calculate cash from operating activities. Showing your workings clearly

Particulars	Note No.	31.3.2018(Rs.)	31.3.2019(Rs.)
<b>I. EQUITY AND LIABILITY:</b>			
1. Shareholder's fund :			
a. Share capital		7,00,000	5,00,000
b. Reserve and surplus		3,50,000	2,00,000
2. Non current liabilities:			

Long term borrowings		50,000	1,00,000
<b>3. Current liabilities:</b>			
a. Trade payable		1,22,000	1,05,000
b. short term provisions (provision for tax)		50,000	30,000
<b>TOTAL</b>		<b>12,72,000</b>	<b>9,35,000</b>
<b>II. ASSETS:</b>			
<b>1. Non Current Assets:</b>			
<b>a. Fixed assets:</b>			
i. Tangible assets	1	5,00,000	5,00,000
ii. Intangible assets	2	95,000	1,00,000
b. Non current Investments		1,00,000	0
<b>2. Current Assets :</b>			
a. inventory		1,30,000	55,000
b. Trade Receivable		1,47,000	80,000
c. Cash and Cash Equivalents		3,00,000	2,00,000
<b>TOTAL</b>		<b>12,72,000</b>	<b>9,35,000</b>

NOTE NO.	PARTICULARS	31.3.2018	31.3.2017
1	<b>TANGIBLE ASSETS</b>		
	Machinery	2,80,000 <u>(1,00,000)</u> 1,80,000	2,00,000 <u>80,000</u> 1,20,000
	Equipment	<u>3,20,000</u> 5,00,000	<u>3,80,000</u> 5,00,000
2.	<b>INTANGIBLE ASSETS</b>		
	Goodwill	95,000	1,00,000

Additional information :

I. Machinery of the book value of 80,000 (accumulated depreciation 20,000) was sold at a loss of 18,000.

## PART B (OPTION 2)

(COMPUTERISED ACCOUNTING)

ONE MARK EACH.

23. List any two attributes of information to be stored in payroll data base.

24. which of the following is not an advantage of computerised accounting system :

- a) Efficient record keeping
- b) Ensures effective control over the system
- c) Generation of reports and information in fixed format
- d) Economy in the processing of accounting data.

25. Arrange the following steps of constructing Bank Reconciliation Statements in Tally in Chronological sequence

- a) Bringing up the monthly summary of Bank Book. Bringing the cursor to the first month and pressing enter.
- b) The display becomes Edit Screen in Reconciliation mode. The primary components are A column for the 'bankers date' amounts not reflected in banks and balance as per banks.
- c) This Brings up the vouchers for the month. Since this is a bank account , an additional button F5: reconcile will be visible on the right Press F5.

26. Match the following :

a) Single valued attributes	i)	Attributes that can be divided in smaller sub parts to represent some more basic attribute with independent meaning.
b) composite attribute	ii)	Attributes that cannot be further sub divided in smaller parts.
c) Atomic attributes	iii)	Attributes with single value for an entity.

27. What is the activity sequence of the basic information processing mode.

28. Differentiate between Generic Software and Specific Software on the basis of installation and maintainence.

29. Which of the following situations may not require the use of null Value:

- a) when a particular attribute does not apply to an entity.



- b) value of an attribute is unknown, although it exist
- c) unknown because it does not exist.
- d) multi value attributes may be nested (or grouped) to constitute complex ones.

3 MARKS.

30. Explain adjusting entries

Or

Explain 'Transparency control' and 'scalability' as features of Computerised accounting system.

4 MARKS.

31. Name and explain the function which returns the future value of an investment which has constant payment and interest.

6 MARKS.

32. What is meant by conditional formatting ? Give its two uses and three benefits.

**Blue Print for question paper of Accountancy for class XII**

Part- A	No. of questions					Total marks
	1 mark	3 marks	4 marks	6 marks	8 marks	
Partnership (Admission Retirement Death)	10	1	1	-	1	25 marks
Dissolution	-	-	1	1	-	10 marks
Shares	1	-	1	-	1	13 marks
Debentures	2	-	1	1	-	12 marks
	<b>13</b>	<b>01</b>	<b>04</b>	<b>02</b>	<b>02</b>	
<b>Part-B</b>						
Analysis of financial state	5	1	1	-	-	12 marks
Cash flow statement	2	-	-	1	-	6 marks
	<b>07</b>	<b>01</b>	<b>01</b>	<b>01</b>	<b>Nil</b>	
<b>Total questions</b>	<b>20</b>	<b>02</b>	<b>05</b>	<b>03</b>	<b>02</b>	<b>32 questions</b>

**Typology of questions**

1. Remembering knowledge based	16
2. Understanding	24
3. Application	20
4. High order theory	16
5. Evaluate multi disciplinary	08

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**80**