

KENDRIYA VIDYALAYA NER, BAREILLY
FIRST PRE-BOARD EXAMINATION
SESSION-2020-21
CLASS XII
SUBJECT -ACCOUNTANCY

Time Allowed: 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. Question nos. **1** to **13** and **23** to **29** are very short answer type questions carrying **1** mark each.
3. Question nos. **14** and **30** are short answer type–I questions carrying 3 marks each.
4. Question nos. **15** to **18** and **31** are short answer type–II questions carrying 4 marks each.
5. Question nos. **19**, **20** and **32** are long answer type–I questions carrying **6** marks each.
6. Question nos. **21** and **22** are long answer type–II questions carrying **8** marks each.
7. 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.

PART A: (Accounting for Not for profit organization, Partnership firm and companies)

1	What entry shall be passed if a debtor Ghanshyam for Rs.50000 agreed to pay the dissolution expenses which were Rs.40000 in full settlement of his debt	1
2are issued without specified rate of interest.	1
3	Mr. Arun, a partner withdraws a equal amount at the end of every month and interest is charged on drawings @ 9% p.a.. If interest on drawings for the year amounts to Rs.4950 then the amount of the drawings at the end of each month must be Rs.....	1

4	X ltd forfeited 500 shares of Rs. 10 each fully called up for non - payment of final call of Rs.3 per share. 300 of these shares were issued as fully paid up and after reissue the amount transferred to capital reserve was Rs.1800. what is the reissue price? (a) Rs.6 per share (b) Rs.8 per share (c) Rs.7 per share (d) Rs.9 per share	1
5	X and Y are partners in a firm having no partnership deed. X and Y have contributed Rs.500000 and Rs.800000 respectively as capitals. Y claims interest @ 6% p.a. on excess capital of Rs.300000. X does not want to give any interest. State giving reason who is correct in this case	1
6	State the need for treatment of goodwill on admission of a partner.	1
7	How goodwill is recorded on the retirement or death of a partner?	1
8	In the Balance sheet Total Debtors appear at Rs.50000 and Provision for Doubtful debt appear at Rs.1500. How much amount will be realized from Debtors, if bad debt amount to Rs.10000 and remaining debtors are realized at a discount of 5%.	1
9	Give one point of difference between a cash book and Receipt & Payment Account.	1
10	Ganesh, a partner, is paid remuneration of Rs.20000 for dissolution work. Realisation expenses amounted to Rs 5000 were paid by him. Pass necessary journal entry	1
11	On Arti's retirement, stock appeared in the books of the firm at Rs.160000 and Machinery at Rs.500000. On revaluation, it was found that stock is undervalued by 20% and machinery is overvalued by 25%. There were bad debt amounting to Rs.10000. Loss on revaluation will be (a) Rs.78000 (b) Rs.103000 (c) Rs.95000 (d) Rs.70000	1
12	A, B,C and D are partners. A and B share $\frac{3}{4}$ th of the profits in the ratio of 2:1. C and D share remaining profits equally. Profit sharing ratios will be (a) 2:1:1:1 (b) 2:1:2:2 (c) 4:2:1:1 (d) 2:1:2:1	1
13	Arti and Bina are partners with profit sharing ratio of 2:1 and capital of Rs.500000 and Rs.400000 respectively. They are allowed 8% p.a. interest on capital and are charged 10% p.a. interest on their drawings. Their drawings during the year were Arti Rs.80000 and Bina Rs.60000. Arti's share of net profit as per profit and loss appropriation account amounted to Rs.100000. Net profit of the firm before any appropriation was (a) Rs.208000 (b) Rs.215000 (c)Rs.179000 (d) Rs.222000	1

14	<p>Calculate the amount of Stationery to be debited to Income & Expenditure Account for the year ended 31st March,2020</p> <table border="1" data-bbox="250 302 1490 512"> <thead> <tr> <th></th> <th>April 1st ,2019</th> <th>March 31st ,2020</th> </tr> </thead> <tbody> <tr> <td>Stock of Stationery</td> <td>25000</td> <td>18000</td> </tr> <tr> <td>Creditors for stationery</td> <td>10000</td> <td>15000</td> </tr> </tbody> </table> <p>Amount paid for stationery during the year 2019-20 Rs.160000</p> <p style="text-align: center;">OR</p> <p>Subscription credited to Income & Expenditure Account was Rs.200000. Subscription received in advance for next year was Rs.10000 and received in advance during the previous year was Rs.8000. Subscription in arrears at the end of previous year was Rs.18000 and subscription in arrears at the end of current year was Rs.12000. What was the amount shown in Receipt & Payment Account.</p>		April 1 st ,2019	March 31 st ,2020	Stock of Stationery	25000	18000	Creditors for stationery	10000	15000	3
	April 1 st ,2019	March 31 st ,2020									
Stock of Stationery	25000	18000									
Creditors for stationery	10000	15000									
15	<p>A, B and C are partners sharing profits and losses in the ratio of 1:2:3. From April 1st 2020 they decided to share profits in the ratio of 2:3:4. On that date, Profit and Loss account disclosed a debit balance of Rs.90000. Record the necessary Journal entry for above adjustment also calculate sacrificing ratio.</p>	4									

16 A, B and C sharing profits and losses in the ratio of 2:2:1. They decide to share profits and losses equally with effect from 1st April,2020. Following is the extract of their Balance Sheet as on 31st March,2020 **4**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Investment Fluctuation Reserve	50000	Investment (at cost)	200000

Show the accounting treatment (Journal entry) under the following cases

Case (i) if the market value of the investment is Rs.200000

Case (ii) if the market value of the investment is Rs.180000

Case (iii) if the market value of the investment is Rs.130000

Case (iv) if the market value of the investment is Rs.275000

OR

X, Y and Z are partners . their capitals being Rs.300000,Rs.250000 and Rs.200000 respectively. In arriving at these figures, the profits for the year ended 31st March,2020 Rs.240000 has already been credited to the partners in the proportion in which they share profits. Their drawings were X Rs.50000,Y Rs40000 and Z Rs.30000 for the year ending 31st march,2020.Subsequently the following omissions were noticed and it was decided to bring them into account.

- (i) Interest on capital @10% p.a.
 - (ii) Interest on drawings X Rs.2500,Y Rs2000 and Z Rs.1500
- Make the necessary journal entry

17 Gujrat Gas Ltd. Issued 600000 ,9% debentures of Rs.1000 each payable as follows **4**
On application Rs.300 , On allotment Rs.700
The debentures were fully subscribed and all the money was duly received. As per terms of issue, the debentures are redeemable at Rs.1100 per debenture. Record necessary journal entries regarding issue of debentures.

18	<p>Ajay, Binod and Chandra entered into partnership on 1st April 2019 with a capital of Rs.3,00,000, Rs2,00,000 and Rs 1,00,000 respectively. In addition to capital Chandra has advanced a loan of Rs1,00,000. Since they had no agreement to guide them, they faced following issues during and at the end of the year.</p> <ol style="list-style-type: none"> 1. Ajay wanted interest on capital to be provided @8% p.a. but Binod and Chandra did not agree. 2. Chandra wanted that interest on loan be paid to him @ 10% p.a. but Ajay and Binod wanted to pay @ 5% pa. 3. Ajay and Binod demanded to share profits in the ratio of their capital contribution, Chandra is not in agreement with this proposal. 4. Binod, being working partner, demands a lump sum payment of Rs 40,000 as remuneration for which others partners are not in agreement. <p>You are required to suggest and help them resolve these issues.</p>	4
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19	<p>From the following Receipt and Payment Account of Jan Kalyan Club prepare Income and Expenditure account for the year ending March 31, 2020 and a Balance Sheet as at that date</p> <p>Receipt and Payment Account</p> <p>For the year ending March 31, 2020</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Receipt</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Payment</th> <th style="width: 15%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Cash in hand</td> <td style="text-align: center;">6800</td> <td>Salaries</td> <td style="text-align: center;">22000</td> </tr> <tr> <td>Subscription</td> <td style="text-align: center;">60200</td> <td>Travelling expenses</td> <td style="text-align: center;">8000</td> </tr> <tr> <td>Donation</td> <td style="text-align: center;">3000</td> <td>Stationery</td> <td style="text-align: center;">2300</td> </tr> <tr> <td>Sale of furniture (book value Rs 6000)</td> <td style="text-align: center;">4000</td> <td>Rent</td> <td style="text-align: center;">16000</td> </tr> <tr> <td>Entrance fee</td> <td style="text-align: center;">800</td> <td>Repairs</td> <td style="text-align: center;">700</td> </tr> <tr> <td>Life membership fee</td> <td style="text-align: center;">7000</td> <td>Books Purchased</td> <td style="text-align: center;">6000</td> </tr> <tr> <td>Interest on investment @5% for full year</td> <td style="text-align: center;">5000</td> <td>Building Purchased</td> <td style="text-align: center;">30000</td> </tr> <tr> <td></td> <td></td> <td>Cash in hand</td> <td style="text-align: center;">1800</td> </tr> </tbody> </table>	Receipt	Amount	Payment	Amount	Cash in hand	6800	Salaries	22000	Subscription	60200	Travelling expenses	8000	Donation	3000	Stationery	2300	Sale of furniture (book value Rs 6000)	4000	Rent	16000	Entrance fee	800	Repairs	700	Life membership fee	7000	Books Purchased	6000	Interest on investment @5% for full year	5000	Building Purchased	30000			Cash in hand	1800	6
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		86800		86800	
	<p>Additional information:</p> <p>(i) Subscription received included Rs.2000 for 2018-19 and Rs.3200 for 2020-21</p> <p>(ii) Subscription amounting to Rs.800 is still in arrears for 2018-19 and subscription of Rs.4000 is in arrears for 2019-20</p> <p>(iii) One month salary is outstanding at the end of the year</p> <p>(iv) On 1-4-2019 club owned books valued at Rs.13500 and Furniture Rs.16000. On 31.03.2020 books were valued at Rs.16500 and furniture Rs.8000.</p> <p>(v)</p>				
20	<p>Journalise the following transactions</p> <p>a) Mehar Ltd. issued ₹ 1,00,000, 12% Debentures of ₹ 100 each at a premium of 5% redeemable at par.</p> <p>b) 12 % Debentures were issued at a discount of 10% to a vendor of machinery for payment of ₹ 9,00,000</p> <p>c) Issue of 10,000 11% debentures of ₹ 100 each as collateral in favour of State Bank of India. Company opted to pass necessary entry for issue of debentures.</p>				6
21	<p>Saregama Ltd invited applications for issuing 80,000 equity shares of ₹ 100 each at a premium of ₹ 10. The amount was payable as follows On Application – ₹ 30 On allotment – ₹ 30 (including a premium of ₹ 10) On 1st call – ₹ 30 On Final Call Balance Applications of 1,20,000 shares were received. Allotment was made on pro rata basis to all applicants. Excess money received on application was adjusted on sums due on allotment. Dhvani, who was allotted 1,600 shares, failed to pay allotment money and Sargam who applied of 6,000 shares did not pay 1st call money. These shares were forfeited immediately after 1st call. 2,000 of these shares (including all shares of Dhvani were issued to Tarang for ₹ 95 per share as 80 paid up. Pass necessary journal entries in books of Saregama Ltd. by opening call in arrear, call in advance account, if final call has not been made.</p> <p style="text-align: center;">Or</p> <p>a. X Ltd. forfeited 10 shares of ₹ 10 each, ₹ 7 called up on which the shareholder had paid application and allotment money of ₹ 5 per share. Out of these, 8 shares were re-issued to Y for ₹8 per share at ₹ 8 per paid up per share. Record the journal entries for forfeiture and reissue of shares by opening call in arrear, call in advance account.</p>				8

- b. L Ltd forfeited Mr M's shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of ₹ 4 per share including premium of ₹ 2 on which he had paid application money of ₹ 2 only. Pass necessary journal entries for forfeiture of shares.
- c. Crown Ltd forfeited 50 shares of ₹ 10 each, for non- payment of final call money of ₹ 3 per share. Out of these 20 shares were reissued to Taj at ₹ 8 per share. Record the journal entries for forfeiture and reissue of shares assuming that the company maintains call in arrear, call in advance account

22 X and Y are in partnership sharing profits and losses in the ratio of 3:2 Their Balance Sheet as at 31st March, 2020 was as under **8**

Liabilities	Amount	Assets	Amount
Creditors	15,000	Cash	5000
General Reserve	12,000	Debtors 20000	
Capital Account		Less provision 800	19200
X	70,000	Patent	14800
Y	32,000	Investment	8000
		Fixed Asset	72000
		Goodwill	10000
	129000		129000

They admit Z on 1st April, 2020 on the following terms

1. A provision of 5% is to be maintained on Debtors
2. Accrued income of Rs.1500 does not appear in the books and Rs.5000 are outstanding for salaries
3. Present market value of investments is Rs.6000.
4. New profit sharing ratio is 4:3:2. Z will bring Rs.20000 as his capital

5. Z is to pay in cash an amount equal to his share in firm's goodwill valued at twice the average profits of the last 3 years which were Rs.30000, Rs.26000 and Rs.25000 respectively.

You are required to prepare Revaluation account, Capital Account, and Balance Sheet of the new firm.

Or

A, B and C were partners sharing profits and losses in the ratio of 5:3:2. Their Balance sheet as at 1st April, 2020 was as follows

Liabilities	Amount	Assets	Amount
Sundry creditors	10000	Cash	2000
Employees provident fund	5000	Sundry Debtors	8000
Reserve Fund	6000	Stock	40000
Workman compensation fund	2000	Furniture	13000
Capital		Patents	4000
A	50000	Building	60000
B	35000	Goodwill	6000
C	25000		
	133000		133000

C retires on above date and the partners agreed that

- (i) Goodwill is valued at two year purchase of the average profit of last four years Rs.14400, Rs.20000, Rs.10000(loss), Rs.15600, 5% provision for doubtful debt to be made on debtors. Stock is appreciated by 10%
- (ii) Patents are value less
- (iii) Buildings be appreciated by 20%
- (iv) Sundry creditors to be paid Rs.2000 more than book value

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

PART- B
(ANALYSIS OF FINANCIAL STATEMENTS)

23	Current ratio of X Ltd. is 2.4:1 and Y Ltd. is 8:1. Choose the most appropriate options from the followings	1								
	<table border="1" style="width: 100%;"> <tr> <td style="width: 10%;">(a)</td> <td>Y Ltd is better than X Ltd.</td> </tr> <tr> <td>(b)</td> <td>Both companies are having ideal current ratio</td> </tr> <tr> <td>(c)</td> <td>X Ltd. is better than Y Ltd.</td> </tr> <tr> <td>(d)</td> <td>Both the companies are having poor liquidity</td> </tr> </table>	(a)	Y Ltd is better than X Ltd.	(b)	Both companies are having ideal current ratio	(c)	X Ltd. is better than Y Ltd.	(d)	Both the companies are having poor liquidity	
(a)	Y Ltd is better than X Ltd.									
(b)	Both companies are having ideal current ratio									
(c)	X Ltd. is better than Y Ltd.									
(d)	Both the companies are having poor liquidity									
24	The debt equity ratio of X Ltd is 0.6:1. What is the effect of conversion of Debentures into Preference shares on this ratio(increase / decrease / no change).	1								
25	What is Horizontal analysis	1								
26	If the current liabilities are Rs.120000 , Working capital Rs.360000 and Inventory is Rs 60000. Its quick ratio will be (A)3:1 (B) 3.5:1 (C) 4;1 (D) 4.5:1	1								
27	In the statement of Profit & Loss of a common size statement figure of revenue from operations is assumed to be equal to 100 (True/False)	1								
28	In cash flow statement issue of debentures for consideration other than cash is shown under which activity	1								
29	Give one difference between an operating activity and an investing activity	1								
30	Calculate Debt equity ratio from the following information <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Long term borrowing Rs.1500000</td> <td style="width: 50%;">Share capital Rs.1000000</td> </tr> <tr> <td>Long term provisions Rs.300000</td> <td>Securities premium Rs.100000</td> </tr> <tr> <td>Trade payables Rs.400000</td> <td>General Reserve Rs.300000</td> </tr> <tr> <td colspan="2">Surplus, i.e. Balance in statement of profit and loss Rs.(200000)</td> </tr> </table>	Long term borrowing Rs.1500000	Share capital Rs.1000000	Long term provisions Rs.300000	Securities premium Rs.100000	Trade payables Rs.400000	General Reserve Rs.300000	Surplus, i.e. Balance in statement of profit and loss Rs.(200000)		
Long term borrowing Rs.1500000	Share capital Rs.1000000									
Long term provisions Rs.300000	Securities premium Rs.100000									
Trade payables Rs.400000	General Reserve Rs.300000									
Surplus, i.e. Balance in statement of profit and loss Rs.(200000)										

OR

Under what heading will you show the following items in the financial statement of a company

- (i) Interest accrued and due on unsecured loan
- (ii) Interest accrued and due on secured loan
- (iii) Interest accrued but not due on loan
- (iv) Bank Charges
- (v) Loss on issue of debenture written off
- (vi) Sale of services

31 Following is the information from the Statement of Profit & Loss of XL Limited for the years ended March 31, 2018 & March 31, 2019: **4**

Particulars	2018-19	2017-18
Revenue from Operations	1800000	1500000
Other income	60000	30000
Expenses	1040000	870000
Income tax	300000	250000

Prepare Comparative Statement of Profit & Loss of XL Limited.

Or

Prepare a Common-Size Statement from the following information:

Particulars	2018-19	2017-18
Revenue from operation	2500000	2000000
Employees benefit expense	1000000	700000
Other expenses	200000	300000
Tax rate 40%		

32

The following is the Balance Sheet of Pawan Ltd. as at 31st March, 2019, prepare a Cash Flow Statement:

6

Particulars	Note No.	2018-19 (Rs.)	2017-18 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital		12,00,000	11,00,000
(b) Reserves and Surplus	1	3,00,000	2,00,000
(2) Non-Current Liabilities			
Long-term Borrowings		2,40,000	1,70,000
(3) Current Liabilities			
(a) Trade Payables		1,79,000	2,04,000
(b) Short Term-Provisions		50,000	77,000
Total		1969000	1751000
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2	10,70,000	8,50,000
(ii) Intangible Assets	3	40,000	1,12,000
(2) Current Assets			
(a) Current Investments (Marketable Securities)		2,40,000	1,50,000
(b) Inventories		1,29,000	1,21,000
(c) Trade Receivables		1,70,000	1,43,000

(d)Cash and Cash Equivalents		3,20,000	3,75,000
Total		19,69,000	17,51,000

Note to Accounts	2018-19 (Rs.)	2017-18 (Rs.)
(1) Reserves and Surplus:		
Surplus, i.e., Balance in Statement of Profit and loss	3,00,000	2,00,000
(2) Tangible Assets:		
Machinery	1270000	10,00,000
Less: Accumulated Depreciation	<u>(2,00,000)</u>	<u>(1,50,000)</u>
	1070000	8,50,000
(2) Intangible Assets:		
Goodwill	40,000	1,12,000

Additional information:

During the year a piece of machinery, costing Rs. 24,000 on which accumulated depreciation was Rs. 16,000, was sold for Rs. 6,000.

Prepare Cash Flow Statement.