Total No. of Printed Pages—10

HS/XII/Com/Ac/13

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ACCOUNTANCY

(Commerce)

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions :

(i) This question paper contains two parts—A and B.

(ii) Part—A and Part—B are compulsory for all candidates.

(iii) All parts of the questions should be attempted at one place.

PART—A

(Accounting for Not-for-Profit Organisations, Partnership Firms and Companies)

1. Why is Profit and Loss Appropriation Account prepared by a partnership firm? 2

2. What do you understand by 'minimum subscription'? 2

3. What is 'reserve capital'? 2

4. What is 'convertible debenture'? 2

5. In the absence of partnership deed, what are the rules relating to—

(a) Interest on Partners' Capital;

(b) Interest on Partners' Loan;

(c) Profit or Loss Sharing Ratio? 3

6. *AB* Ltd. purchased machinery worth ₹ 3,00,000 from *XY* Ltd. on 1st January, 2012. ₹ 80,000 was paid immediately and the balance was paid by issuing 10% debentures of ₹ 100 each issued at ₹ 110.

Pass necessary Journal Entries in the books of *AB* Ltd. 3

7. Give four items each of Capital Receipts and Revenue Receipts. 4

8. *(a)* Give the formula of valuation of goodwill by superprofit method. 2

(b) *A* and *B* are partners in the ratio of 3 : 2. *A* surrendered $\frac{1}{4}$th of his share and *B* surrendered $\frac{1}{2}$ of his share in favour of *C*.

Calculate the new ratio and sacrificing ratio. 2

9. Alok Ltd. forfeited 300 shares of ₹ 10 each fully called up held by Ram for nonpayment of allotment money of ₹ 3 per share and first and final call money of ₹ 4 per share. Out of these, 250 shares were reissued to Shyam for a total payment of ₹ 2,000.

Give Journal Entries for forfeiture and reissue. 4

10. A limited company has issued ₹ 3,00,000—9% debentures at a discount of 7%. These debentures are to be redeemed equally, spread over 5 annual instalments.

Show Discount on Issue of Debentures A/c for five years. 4

11. Distinguish between Equity Shares and Preference Shares. (Give any four points.) 4

12. *G* Ltd. invited applications for 100000 shares of ₹ 10 each. Applications were received for 140000 shares. Allotment was made proportionately. The amount payable was as follows :

On Application—₹ 3 per share
On Allotment—₹ 5 per share
On First and Final call—₹ 2 per share

The shareholders paid all the amounts except Raghav to whom 2000 shares were allotted failed to pay allotment and call money. His shares were forfeited. These shares were subsequently reissued at a discount of 10%.

Journalise these transactions. 3+2+1=6

13. Following are information and Receipts & Payments A/c of Prince Club :

Receipts	₹	*Payments*	₹
Balance b/d	3,190	Rent	1,680
Entrance Fees	550	Wages	2,450
Subscriptions	18,000	Lighting Charges	720
Donations	1,650	Books Purchased	2,480
Life Membership Fees	2,500	Office Expenses	4,500
Interest on Deposits	240	8% Fixed Deposit	
Proceeds of		(01.07.2012)	12,000
Tournament	2,320	Tournament Expenses	2,020
		Cash in Hand	2,600
	28,450		28,450

Other information :

(i) On 31st December, 2011, the club possessed books worth ₹ 20,000 and furniture worth ₹ 8,500. Provide depreciation on these assets @ 10% including purchases during the year

(ii) Subscription in arrears at the beginning of the year amounted to ₹ 350 and at the end of the year ₹ 550 were outstanding

(iii) The club paid three months' rent in advance both in the beginning and at the end of the year

Prepare an Income & Expenditure A/c for the year ending on 31st December, 2012. 6

14. *A* and *B* are partners with profit sharing ratio of 2 : 1. The Balance Sheet of the firm on 31st March, 2012 was as follows :

Balance Sheet

Liabilities		*Amount* ₹	*Assets*		*Amount* ₹
Creditors		20,000	Sundry Debtors	40,000	
Bills Payable		15,000	*Less* : Provision	3,600	36,400
Reserve Fund		12,000	Stock		20,000
Capitals :			Building		25,000
A	40,000		Patents		2,000
B	30,000	70,000	Machinery		33,600
		1,17,000			1,17,000

They admitted *C* into partnership on this date. The new profit sharing ratio is agreed as 3 : 2 : 1 on the following terms :

(i) *C* brings ₹ 10,000 in cash as his share of goodwill and ₹ 19,000 as his capital

(ii) Provision for Doubtful Debts is to be reduced by ₹ 2,400

(iii) There is an old typewriter valued at ₹ 2,600. It does not appear in the books of the firm. It is now to be recorded

(iv) Patents are now valueless

Prepare Revaluation A/c, Capital A/cs and Opening Balance Sheet of *A*, *B* and *C*. 2+2+2=6

15. *X*, *Y* and *Z* were partners sharing profits and losses in the ratio of $\frac{1}{2} : \frac{1}{3} : \frac{1}{6}$ respectively. The Balance Sheet of the firm on 31st December, 2012 stood as follows :

Liabilities		*Amount* ₹	*Assets*		*Amount* ₹
Creditors		9,500	Cash		1,250
Bills Payable		2,500	Debtors	8,000	
Reserve Fund		6,000	*Less* : Provision	250	7,750
Capitals :			Stock		12,500
X	20,000		Motor Vans		4,000
Y	15,000		Machinery		17,500
Z	12,500	47,500	Buildings		22,500
		65,500			65,500

Y retired on that date subject to the following conditions :

(i) Goodwill of the firm is to be valued at ₹ 9,000

(ii) Machinery to be depreciated by 10% and Motor Vans by 15%

(iii) Stock to be appreciated by 20% and Buildings by 10%

(iv) The Provision for Doubtful Debts to be increased by ₹ 975

(v) Liability for workmen's compensation to the extent of ₹ 825 is to be created

It was agreed that *X* and *Z* will share profits in future in the ratio of 3 : 2 respectively.

You are required to prepare the Revaluation A/c, Capital A/cs of the partners and the Balance Sheet of the firm after the retirement of *Y*. 3+3+2=8

Or

Sita, Geeta and Meeta were partners in the ratio of 4 : 3 : 2. Their Balance Sheet as on 31st December, 2011 stood as follows :

Balance Sheet

Liabilities		*Amount* ₹	*Assets*	*Amount* ₹
Outstanding Expenses		1,200	Goodwill	4,320
Creditors		3,600	Land and Building	16,800
Reserve Fund		10,800	Debtors	12,000
Capitals :			Cash at Bank	13,680
Sita	12,000			
Geeta	10,800			
Meeta	8,400	31,200		
		46,800		46,800

Geeta died on 14th March, 2012. According to an agreement the deceased partner will be entitled to get the following :

(i) Balance of partner's Capital Account

(ii) She will also be entitled to get her share of reserve fund

(iii) Interest on Capital @ 5%

(iv) Goodwill of the firm was valued at ₹ 25,920

(v) Her share of profit on the basis of average profits of the three completed years before death. Profits for the past four years 2008, 2009, 2010 and 2011 were ₹ 9,600, ₹ 11,520, ₹ 15,360 and ₹ 12,000 respectively

You are required to prepare Geeta's Capital A/c and her Executor's Account, if ₹ 6,000 were to be paid to her executors and balance due to her was kept as loan. 6+2=8

PART—B

(Financial Statement Analysis)

16. What is meant by 'cash-flow statement'? 2

17. What is the difference between Current Ratio and Liquid Ratio? (Give any two points.) 2

18. Give three examples each of Non-current Assets and Non-current Liabilities. 3

19. How is debt equity ratio calculated and what is the significance of this ratio? 1+2=3

20. Study the following details :

Gross Profit—20% on sales

Sales—₹ 1,80,000

Closing Stock—₹ 15,000 in excess of opening stock

Calculate—

(a) opening stock;

(b) closing stock;

when stock turnover ratio is 6 times. 2+2=4

21. The Balance Sheet of M/s Kailash and Sons as on 1st January, 2012 and 31st December, 2012 were as follows :

Liabilities	*01.01.2012* ₹	*31.12.2012* ₹
Creditors	40,000	44,000
Mrs. Kailash's Loan	25,000	—
Loan from SBI	40,000	50,000
Capital	2,25,000	2,53,000
	3,30,000	3,47,000

Assets		
Cash	10,000	7,000
Debtors	30,000	50,000
Stock	35,000	25,000
Machinery	80,000	55,000
Land	40,000	50,000
Building	1,35,000	1,60,000
	3,30,000	3,47,000

During the year a machine costing ₹ 10,000 (accumulated depreciation ₹ 3,000) was sold for ₹ 5,000. The Provision for Depreciation against machinery as on 1st January, 2012 was ₹ 25,000 and on 31st December, 2012 was ₹ 40,000. Net Profit for the year 2012 amounted to ₹ 45,000.

You are required to prepare Cash-Flow Statement. 6

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