

Series: DMS/1

Code No. 67/2/2

Roll No.

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परीक्षार्थी कोड को उत्तर-पुस्तिका के मुख-पृष्ठ पर अवश्य लिखें ।
Candidates must write the Code on the title page of the answer-book.

- kRpyaa jaaĐca laoM ik [sa p`Sna'p~ maom mauid` t pRYz 7 hOM.
- p`Sna'p~ maom daihnao haqa kl Aaor ide gae kaoD nambar kao Ca~]%tr'puistka ko mauK'pRYz pr ilaKoM.
- kRpyaa jaaĐca kr laoM ik [sa p`Sna'p~ maom 23 p`Sna hOM.
- kRpyaa p`Sna ka]%tr ilaKnaa Sau\$ krnao sao phlao , p`Sna ka ĘmaaMk AvaSya ilaKoM.
- [sa p`Sna'p~ kao pZ,nao ko ilae 15 imanaT ka samaya idyaa gayaa hO. p`Sna'p~ ka ivatrNa pUvaa-h\na maom 09º30 bajao sao 09º45 bajao tk Ca~ kovala pZ,ogao AaOr [sa AvaiQa ko daOrana vao]%tr' puistka pr kao[-]%tr nahIM ilaKoMgao.
- Please check that this question paper contains 7 printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains 23 questions.
- **Please write down the Serial Number of the question before attempting it.**
- 15 minutes time has been allotted to read this question paper. The question paper will be distributed at 09.30 a.m. From 09.30 a.m. to 09.45 a.m., the students will read the question paper only and will not write any answer on the answer-book during this period.

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First Pre-Board Examination, 2017 – 2018

Accountancy (055)

Grade: 12

Date: 00.00.0000

Time: 3 Hours

Max. Marks: 80

General Instructions:

- This question paper contains two parts A and B.*
- Both parts are compulsory.*

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

PART – A

(Accounting for Partnership Firms and Companies)

1. If a partner is admitted does it mean that the firm has dissolved? Why? **1**
2. Aakash Ltd. Invited applications for 20,000 shares of `10 each. Applications were received for 18,000 shares. Name the kind of subscription. **1**
3. Angad, Bali and Sugriv are partners sharing profits and losses in the ratio of 3:2:1. Sugriv retires from the firm and the new profit sharing ratio between Angad and Bali is 3:2. Share in profit of both Angad and Bali has increased in a particular ratio. What is it known as? Why? **1**
4. Differentiate between Reconstitution of Partnership and Dissolution of Partnership. **1**
5. MM Ltd. Issued 20,000, 8% Debentures of `100 each at a discount of 10%. It has credit balance in Securities Premium Reserve of `4,00,000. Can it write off the discount from Securities Reserve? Give reason. **1**
6. State the ratio in which the partners share profit or loss on revaluation of assets and reassessment of liabilities at the time retirement of a partner. **1**
7. Raghav Ltd. forfeited 20 shares of `10 each (`6 called up), issued to Mr. Z, on which he paid `2 per share. Out of these, 16 shares were reissued to Mr. Y as `8 called up for `6 per share. Pass necessary journal entries for forfeiture and reissue. Show your workings. **3**
8. Shabri Ltd. Issued 40,000 Equity Shares of `10 each. It received applications for 37,000 shares and allotment was made. It did not make final call of `2 on these shares. Raju holding 3,000 shares failed to pay first call of `3 each. Birju failed to pay the first call on 2,000 shares and the company forfeited his shares. Show how the share capital will appear in the Balance Sheet of the company as at 31st March, 2017. **3**
9. Amar, Akbar and Anthony are partners. Their fixed capitals as on 1st April, 2016 were: Amar – `10,00,000; Akbar – `20,00,000 and Anthony – `30,00,000. Profit for the year 2015 – 2016 amounting to `6,00,000 was distributed in the ratio of capitals after providing for the following:
(a) Amar's salary `2,40,000 p.a. and Akbar's commission of `80,000.
(b) Interest on Capitals: Amar – `1,00,000; Akbar – `2,00,000; Anthony – `3,00,000.
(c) Interest on Drawings: Amar – `60,000; Akbar – `1,00,000; Anthony – `1,60,000.
The partnership deed was silent as to sharing of profits and losses, interest on capital, interest on drawings and partner's salary and commission.
Pass necessary single adjustment entry. **3**
10. Aakruti Ltd. Decided to set up its new factory in rural India with the consideration to bring economic prosperity to the region. It also decided to open a school in the area. Aakruti Ltd. requires `40,00,000 for expansion purpose. The rate of return is 14% while the cost of borrowing is 12%. The company decides to raise the funds by issue of 4,00,000 Equity Shares of Rs. 10 each. Pass necessary journal entries for issue of shares. Also, indicate the value which has been fulfilled by the company by raising funds by issue share capital. **3**
11. P, Q and R were partners in a firm sharing profits in the ratio of 5:3:2. On 31st March 2017, their Balance Sheet was as follows: **4**

Liabilities		Assets	
Creditors	86,000	Cash	20,400
Bills Payable	34,000	Stock	49,000
General Reserve	1,40,000	Debtors	54,600
Capital A/cs	2,84,000	Land and Building	2,80,000
P – 80,000		Profit and Loss A/c	1,40,000
Q – 1,00,000			
R – 1,04,000			
	5,44,000		5,44,000

Q died on 30th June 2017. The partnership deed provided for the following on the death of a partner:

- Goodwill of the firm was to be valued at 3 years purchase of the average profit of last 5 years. The profit for the years ended 31st March 2016, 2015, 2014 and 2013 were `1,40,000; `1,20,000; `1,00,000 and `80,000 respectively.
- Q's share of profit or loss till the date of his death was to be calculated on the basis of the profit or loss for the year ended 31st March 2017.
- According to the Q's will, the executors should donate his share to "An old age home".

You are required to calculate the following:

- Goodwill of the firm and Q's share of goodwill at the time of his death.
- Q's share in the profit or loss of the firm till the date of his death.
- Prepare Q's Capital Account at the time of his death to be presented to his executors.

12. A and B are partners in a firm manufacturing solar cookers for sale, sharing profits in the ratio of 2:1. They invested capitals of `20,00,000 and `16,00,000 respectively. A withdrew the following amounts during the year to pay the college fees and other expenses of his son: 4

1 st April	`40,000
1 st June	`36,000
1 st November	`56,000
1 st December	`20,000

B withdrew `60,000 in the beginning of each quarter (i.e., 1st day of each quarter) for household expenses of his family. The firm also paid `20,000 per month as rent for the premises owned by B used as office of partnership firm.

Calculate interest on Drawings @ 6% p.a. for the year 2016 – 17.

13. (a) X, Y and Z are sharing profits and losses in the ratio of 5:3:2. They decide to share future profits and losses in the ratio of 2:3:5 with effect from 1st April, 2016. They also decide to record the effect of the following accumulated profits, losses and reserves without affecting their book figures by passing a single entry. 6

	Book Figure (`)
General Reserve	12,000
Profit and Loss A/c (Credit)	48,000
Advertisement Suspense A/c	24,000

Pass necessary single adjustment entry.

(b) A business has earned average profit of `8,00,000 during the last few years and the normal rate of return in similar business is 10%. Find the value of goodwill by

(i) Capitalisation of Super Profit Method, and

(ii) Super Profit Method if the goodwill is valued at 3 years purchase of super profits.

Assets of the business were `80,00,000 and its external liabilities `14,40,000.

14. (a) Rose Ltd. Took over assets of `5,00,000 and liabilities of `60,000 of Gracy Ltd. for the purchase consideration of `6,60,000. Rose Ltd. Paid the purchase consideration by issuing debentures of `100 each at 10% premium. 6

Give the Journal Entries in the books of the Rose Ltd.

(b) Abha Ltd. Had issued 20,000, 9% Debentures of `100 each which is due for redemption on 31st March, 2017. The company has in its Debentures Redemption Reserve Account a balance of `8,00,000. Record the necessary journal entries at the time of Redemption of Debentures.

15. A and B, who were partners sharing profits and losses in the proportion of 4/7 and 3/7 respectively, decide to dissolve the partnership firm as at 31st March, 2017. From the information given below, complete Realisation Account, Partners' Capital Accounts and Bank Account: 6

Realisation A/c

Particulars	`	Particulars	`
Sundry Assets	2,91,460	Sundry Creditors	46,300
Bank A/c – Creditors Paid	?	Bank A/c – Assets Realised	2,49,820
Bank A/c – Expenses Paid	3,720	Loss Transferred to :	?
		A's Capital A/c - ?	
		B's Capital A/c - ?	
	3,41,480		3,41,480

Partners' Capital A/c

Particulars	A (`)	B (`)	Particulars	A (`)	B (`)
Realisation A/c – Loss	25,920	19,440	?	?	?
Bank A/c – Final Payment	2,24,140		Bank A/c – Cash brought in		15,300
	?	?		2,50,060	19,440

Bank A/c

Particulars	`	Particulars	`
?	?	?	?
Realisation A/c – Assets	2,49,820	Realisation A/c – Expenses	3,720
B's Capital A/c (Cash brought in)	15,300	A's Capital A/c – Final Payment	2,24,140
	2,74,160		2,74,160

16. Mohan and Mahesh were partners in a firm sharing profits in the ratio of 3:2. On 1st April, 2017, they admitted Nusrat as a partner in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under: 8

Balance Sheet of Mohan and Mahesh as at 1st April 2017

Liabilities	`	Assets	`
Creditors	4,20,000	Cash in hand	2,80,000
Workmen Compensation Reserve	5,00,000	Debtors	3,20,000

General Reserve	3,20,000	Stock	2,40,000
Capital A/cs:	3,60,000	Machinery	2,00,000
Mohan 2,00,000		Building	5,60,000
Mahesh 1,60,000			
	16,00,000		16,00,000

It was agreed that:

- (i) The value of Building and Stock be appreciated to `7,60,000 and `3,20,000 respectively.
- (ii) The liabilities of workmen compensation reserve was determined at `4,60,000.
- (iii) Nusrat brought in her share of goodwill `2,00,000 in cash,
- (iv) Nusrat was to bring further cash as would make her capital equal to 20% of the combined capital of Mohan and Mahesh after above revaluation and adjustments are carried out.
- (v) The future profit – sharing proportions will be Mohan $\frac{2}{5}$ th, Mahesh $\frac{2}{5}$ th, Nusrat $\frac{1}{5}$ th.

Prepare Revaluation Account, Partners' Capital Account and Balance Sheet of the new firm. Also, show clearly the calculation of Capital brought by Nusrat.

17. Kalam Ltd. invited applications for issuing 1,60,000 Equity Shares of `10 each at a premium of `40 per share. The amount was payable as follows: **8**

On Application `35 per share (including `30 Premium)

On Allotment `8 per share (including `4 Premium)

On First and Final Call – Balance

Applications for 1,54,000 shares were received. Shares were allotted to all the applicants. Marry to whom 14,000 shares were allotted failed to pay the allotment money. Her shares were forfeited immediately after allotment. Afterwards the first and final call was made. Manjo the holder 10,000 shares failed to pay the first and final call. Her shares were also forfeited. Out of the forfeited shares 20,000 shares were re-issued at `90 per share fully paid up. The re-issued shares included all the shares of Marry.

Pass necessary journal entries for the above transactions in the books of Kalam Ltd.

PART – B

(Financial Statement Analysis)

18. Write two uses of a Cash Flow Statement. **1**
19. Interest paid by other than financial enterprise is shown in Cash Flow Statement under: **1**
- a) Operating Activities
 - b) Investing Activities
 - c) Financing Activities
20. Under which head and sub-head will you show the following items in Balance Sheet of a Company: **4**

(i) Sundry Creditors	(ii) Provision for Tax
(iii) Patents	(iv) Loose Tools
(v) Interest accrues on investments	(vi) Security Premium Reserve

21. Prepare a Comparative Income Statement from the following information: **4**

Particulars	2016	2017
Revenue from operation	₹25,00,000	₹40,00,000
Cost of Revenue	70% of Revenue	60% of Revenue
Operating Expenses	5% of Revenue	7% of Revenue
Rate of Income Tax	50% of Net Profit	50% of Net Profit

22. (a) Compute Debtors Turnover Ratio from the following information: 4
Total Sales ₹2,60,000; Cash sales 60% of the credit sales; Closing Debtors ₹40,000; Opening Debtors are 3/4th of Closing Debtors.

(b) Current liabilities of a company are ₹80,000. Its Liquid Ratio is 1.5:1 and Current Ratio is 2.5:1. Calculate Quick Assets and Current Assets.

23. From the following information prepare a 'Cash Flow Statement' for Sahara Ltd. 6

Balance Sheet of Sahara Ltd.

As on 31st March, 2016 and 2017

Particulars	Note No.	2015-16 (₹)	2014 -17 (₹)
I. Equity and Liabilities:			
(1) Shareholders' funds:			
(a) Equity Share Capital		4,00,000	6,00,000
(b) Reserves and Surplus		40,000	(20,000)
(2) Non-current Liabilities:			
Long Term Loan		2,80,000	2,40,000
(3) Current Liabilities		30,000	90,000
Total		7,50,000	9,10,000
II. Assets:			
(1) Non-Current Assets:			
(a) Fixed Assets		3,40,000	4,00,000
(b) Investments		2,10,000	2,10,000
(2) Current Assets:			
(a) Other Current Assets		1,60,000	2,40,000
(b) Cash and Cash Equivalent		40,000	60,000
Total		7,50,000	9,10,000

NOTE 1:

Reserve and Surplus:	₹	₹
Security Premium	NIL	20,000
Profit and Loss account	70,000	(30,000)
Discount on issue of shares	(30,000)	(10,000)

Additional information:

- a) During the year, a machine included in fixed assets costing ₹1,20,000 was purchased and another machine having Book Value of ₹36,000 was sold at a loss of ₹4,000.
