

Pre-Board Examination - 2020-21
Accountancy (055)
Class – XII

Max. Marks: 80
Time Allowed: 3 Hrs.

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. Part A is compulsory for all candidates.
3. Part B has two options i.e. (1) Analysis of financial Statement and (2) Computerized accounting. You have to attempt only one of the given options.
4. Question no.1 to 13 and 23 to 29 are very short answer type questions carrying 1 marks each.
5. Question no.14 and 30 are short answer type - I question carrying 3 marks each.
6. Question no.15 to 18 and 31 are short answer type-II question carrying 4 marks.
7. Question no.19, 20 and 32 are long answer type - I question carrying 6 marks each.
8. Question no.21 and 22 are long answer type – II question carrying 8 marks each.
9. There is no overall choice. However, an internal choice has been provided in 2 question of three Marks, 2 question of four Marks and 2 questions of eight marks. You have to attempt only one of the choices in such questions.

Part-A

(Accounting for Non for Profit Organization, Partnership firms and Companies)

- 1 Pick the odd one out: 1
 - a. Salary to partner A
 - b. Commission to Partner B
 - c. Interest on capital to partner C
 - d. Salary to D

- 2 P, Q and R are partners sharing profits in the ratio of 2:2:1. As per the partnership; 1
agreement, R is to get a minimum amount of ₹80,000 as his share of profit every year and any deficiency on this account is to be personally borne by A. The net profit for the year ended 31st March, 2020 amounted to 3,12,000. Calculate the amount of deficiency to be borne by A.
 - a. 15,600
 - b. 16,600
 - c. 16,500
 - d. 17,600

- 3 A, B and C are partners. C died on 18th December 2019 and as per agreement surviving partners A and B directed the accountant to prepare financial statement as on 18th December, 2019 and accordingly the share of profits of C (deceased partner) was calculated as 12,00,000. Which account will be debited to transfer C's share of profits: **1**
- Profit and loss Appropriation Account.
 - Profit and loss Account.
 - Profit and Loss Suspense Account.
 - None of the these.
- 4 At what rate interest is payable to on the amount remaining unpaid to the executor of deceased partner, in the absence of any agreement among the partner, when the partner opts for the interest and not share of profit. **1**
- 8%
 - 12%
 - 6%
 - 7.5%
- 5 Rex, Tex and Flex are partners in a firm in the ratio of 5:3:2. As per partnership deed, the share of deceased partner is to be calculated on the basis of profits and turnover of previous accounting year. Tex died on 31st December, 2019. Turnover till the date of death was ₹1,80,000. **1**
- Their profit and turnover for the year 2018-19 amounted to ₹2,00,000 and 20,00,000 respectively.
- An amount of -----will be given to his executor as his share of profit till the death of death.
- 6 Arun and Vijay are partners in a firm sharing profits and losses in the ration 3:2 **1**
- Their Balance sheet show Machinery at ₹1,20,000.
- If value of machinery in the balance sheet is overvalued by 20%, then at what valued will machinery be shown in new balance sheet:
- 1,00,000
 - 1,08,000
 - 1,32,000
 - 1,40,000
- 7 On the basis of the following data, how much final payment will be made to a partner on firm's dissolution? Credit balance of capital account of the partner was 50,000. Share of profit on realization amounted to ₹10,000. Firm's liability taken over by him was for ₹8,000. **1**
- 32,000
 - 48,000
 - 40,000
 - 52,000

- 8 A Company forfeited 4,000 shares of ₹10 each on which application money of ₹3 has been paid. Out to these 2,000 shares were reissued as fully paid up and ₹2,000 has been transferred to capital reserve. Calculate the rate at which these shares were reissued. **1**
- 10 per share
 - 9 per share
 - 11 per share
 - 8 per share
- 9 At the time of dissolution of partnership firm, journal entry for realisation expenses paid and borne by partner would be: **1**
- Realisation A/c Dr
 To Cash A/c
 - Realisation A/c Dr
 To Partner Capital
 - Partner's Capital A/c Dr
 To Cash A/c
 - No entry
- 10 Sports Star Charitable club has income of ₹16,000 and 'deficit' debited to capital fund of ₹11,700 for the year 2019-20, then expenditure for the year 2019-20 is: **1**
- 27,700
 - 4,300
 - 20,300
 - None of these
- 11 Surplus, i.e., Balance in statement of Profit and Loss is shown as **1**
- Share Capital
 - Reserve and Surplus
 - Other long term liabilities
 - Current liabilities
- 12 For which of the following situations, the old profit sharing ratio of partners is used at time of admission of a new partner? **1**
- When new partner brings only a part of his share of goodwill,
 - When new partner is not able to bring his share of goodwill.
 - When new partner brings his share of goodwill in cash.
 - When general reserve is given in the books of the firm.
- 13 Which of the following is not dealt through Profit and Loss Appropriation Account? **1**
- Partner's Salary
 - Interest on Partner's Capital
 - Interest on Partner's Drawings
 - Rent to Partner

- 14 Calculate the amount of Subscription to be credited to Income and Expenditure account for the year 2019-20. 3

Particulars	Amount (₹)
Amount received during the year (including 20,000 for 2018-19; 10,000 for 2020-21 and 30,000 for 2021-22)	8,70,000
Subscription received in advance as on 1 st April 2019 (including 15,000 for 2020-21)	45,000
Subscription in arrears as on 1.4.2019	50,000
Subscription in arrears as on 31.3.2020	40,000
Out of the subscription in arrears on 1.4.2019, ₹15,000 are no longer recoverable.	
Or	

From the following information, calculate the amount to be charged to Income and Expenditure Account for 'Sports material consumed' for the year 2019-20

Particulars	Amount (₹)
Stock of Sports material (01.04.2019)	50,000
Amount paid to creditors (during 2019-20)	3,50,000
Creditors for Sports Materials (1.4.2019)	80,000
Creditors for Sports Materials (31.3.2020)	1,00,000
Sports materials sold during the year (book value ₹35,000)	25,000
Cash purchased of Sports Materials (during the year 2019-20)	1,50,000

There was no stock at the end of the year 2019-20

- 15 Rohit, Raman and Raina are partners in a firm. Their capital accounts on 1st April, 2019, stood at ₹2,20,000, 1,20,000 and 1,40,000 respectively. Each partner withdrew 30,000 during the financial year 2019-20. As per the provisions of their partnership deed: 4

- a. Interest on capital was to be charged @ 6% per annum.
- b. Interest on drawings was to be allowed @4% per annum.
- c. Profit and losses were to be shared in the ratio of 5:4:1.

The net profit of 72,000 for the year ended 31st March, 2020, was divided equally amongst the partners without providing for the terms of the deed.

Pass adjustment entry to rectify the error (show working clearly)

Or

A & B are partners in the ratio of 3:2. The firm maintains fluctuating capitals account and the balance of the same as on 31.3.2020 amounted to ₹1,39,800 and 1,60,200 for A and B respectively. Their drawings during the year were ₹30,000 each.

As per the deed interest on capital @ 10% p.a. on opening capital had been provided to them. Calculate opening capitals of partner given that their profits were ₹90,000. Show your working clearly.

- 16 Ajay, Vinod and Chandra entered into partnership on 1st April, 2019 with capital of 2,00,000; 1,00,000 and 80,000 respectively. In addition to capital Chandra has advanced a loan of 1,00,000. Since they had no agreement to guide them, they faced following issues during the at the end of the year. 4

1. Ajay and Vinod want that the profit should be divided in the ratio of their capital contribution but Chandra does not agree.
2. Chandra wants that Loan given by him to the firm bear interest @ 8% p.a. but Ajay and Vinod do not agree.
3. Vinod want that partners should be allowed to draw salary but Ajay and Chandra do not agree.
4. Ajay wants that interest on capital should be allowed to the partners but Vinod and Chandra do not agree.

You are required to suggest and help them resolve these issues.

17 Pass necessary journal entries in the following cases on the dissolution of partnership firm X, Y, A and B: 4

- (i) Realization expenses of 10,000 were to be borne by Y, a partner. However, it was paid by X.
- (ii) Investment costing 50,000 (comprising 2,500 shares), had been written off from the books completely. These shares are valued at 15 each and were divided amongst the partners.
- (iii) Y's Loan of ₹50,000 settled at ₹52,000 including interest.
- (iv) Machinery (book valued 6,00,000) was given to creditor of ₹5,00,000 at a discount of 25% in full settlement.

From the following information complete Journal entries.

18 4

Date	Particulars	Debit (₹)	Credit (₹)
	Share Capital A/c Dr. Security Premium Reserve A/c Dr. To Share Forfeited A/c To Calls in Arrears A/c (being---?—shares forfeited for non-payment of --?—including premium of ₹3 per share)	? 1,800	 ? 2,400
	Bank A/c Dr. Share forfeiture A/c Dr. To Share Capital A/c (Being--?—shares reissued at ₹8 per share as fully paid)	? ?	 ?
	Share forfeiture A/c Dr. To Capital Reserve A/c (Being share forfeiture money transferred to Capital reserve)	1,200	1,200

Share Forfeiture A/c

Date	Particulars	Amount	Date	Particulars	Amount
	To Share Capital A/c	?		By Share Capital	
	To Capital Reserve	1,200		A/c	3,000

	To Balance c/d	1,000			
		3,000			3,000

(face value of share is 10 each)

- 19 I) Dheeraj Ltd took over business of RK Enterprises on 1.4. 2019. The details of the agreement regarding the assets and liabilities to be taken over are: **6**

particulars	Book Value	Agreed Value
stock	4,00,000	4,00,000
Trade receivables	5,00,000	4,00,000
Plant and Machinery	12,00,000	9,00,000
Building	20,00,000	36,00,000
Creditors	2,00,000	3,00,000
Outstanding expenses	1,50,000	1,00,000

It was decided to pay for purchase consideration as ₹7,00,000 through cheque and balance by issue of 80,000, 9% Debentures of ₹50 each at a premium of 20%. Journalize.

- II) On April 1, 2020, X Ltd. issued, 20,000, 9% debenture of ₹100 each at premium of 15%, to be redeemable at a premium of 10%, after 5 years. The entire amount was payable on application. The issue was oversubscribed to the extent of 10,000 debentures and the allotment was made proportionately to all the applicants. The securities premium amount has not been utilized for any other purpose during the year. Give journal entries for the issue of debenture and writing off loss on issue of debentures.

- 20 From the following Receipts and Payments Account of Being Human Club for the year ended 31, March 2020, prepare Income and Expenditure Account. **6**

Receipts and Payments Account
For the year ending 31st March, 2020

Receipts	Amount	Payments	Amount
To Balance B/d	80,000	By Tournament expenses	50,000
To Subscription	73,500	By Rent, rates and Taxes	15,000
To Entrance Fee	20,000	By Newspaper	8,000
To Life Member Fees	35,000	By Machinery	20,000
To Donations for tournament fund	20,000	By General Expenses	8,000
To Sale of old Medical equipment (book value ₹10,000)	5,000	By Medical Equipment	30,000
To Miscellaneous Receipts	15,000	By Medicines	25,000
		By Doctors Honorarium	15,500
		By Balance c/d	77,000
	2,48,500		2,48,500

Additional Information:

- (a) Tournament fund ₹25,000 (1.4.2019)
(b) Medical Equipment 1,50,000 (1.4.2019)

(c) Outstanding Subscription was 5,000 and advance subscription 8,000 (for 2019-20)

During the year 2019-20 Depreciation on medical equipment was ₹25,000.

There were 300 members each paying an annual subscription of 200.

- 21 Krish, Vrish and Peter are partners sharing profits in the ratio of 2:2:1. Vrish retired from the firm. On that date the Balance Sheet of the firm was as follows: Balance Sheet as on March 31, 2020. 8

Liabilities	Amount	Assets	Amount
Creditors	12,000	Bank	7,600
General Reserve	15,000	Furniture	41,000
Bills Payable	12,000	Stock	9,000
Outstanding Salary	2,200	Premises	80,000
Provision for legal charges	6,000	Debtors 6,000	
Capitals: Krish	20,000	Less: provision 400	5,600
Vrish	46,000		
Peter	30,000		
	1,43,200		1,43,200

Additional Information:

- Premises to be appreciated to 120%. Stock to be depreciated to 90% and provision for doubtful debts was to be maintained @5% on debtors. Further, provision for legal damages is to be increased to 7,500. Furniture is to be valued at 46,000.
- Goodwill of the firm valued at 20,000.
- ₹36,000 from Vrish's Capital account be transferred to his loan account and balance be paid through bank; if required, necessary loan may be obtained from bank.
- New profit sharing ratio of Krish and Peter is decided to be 3:2.

Prepare Revaluation Account, Partners Capital Accounts and Balance sheet.

Or

Sunaina and Tamanna are partners in a firm sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2020 stood as follows:

Balance Sheet

Liabilities	amount	Assets	amount
Capital Account		Plant and Machinery	1,20,000
Suanina 80,000		Land and Building	1,40,000
Tamanna 60,000	1,40,000	Debtors 1,90,000	
Current Account		Less: provision 40,000	1,50,000

Sunaina	30,000		Stock	40,000
Tamanna	10,000	40,000	Cash	20,000
General Reserve		1,00,000	Goodwill	30,000
Workmen's Compensation Reserve		50,000		
Creditors		1,70,000		
		5,00,000		5,00,000

They agreed to admit Pranav into partnership for 1/5 share of profits on 1st April, 2020, on the following terms:

- All debtors are good
- Value of land and building be increase by 40,000.
- Value of plant and machinery to be reduced to 1,00,000.
- The liabilities against workmen compensation fund is determined at 30,000 which is to be paid later in the year.
- Mr. Anil, a customer for 40,000 (already included in above debtors) accepted a bill of exchange for 3 months.
- Pranav to bring in capital of 1,00,000 and 10,000 as premium for goodwill in cash and 40% of premium money withdrawn by Partners.

Journalize

- 22 X Ltd offered 40,000 equity shares of 100 each at a premium of 20 payables as follows: **8**

Application 40

Allotment 50 (including Premium)

And balance on first and final call.

The bank account of the company has received 24,00,000 on account of share application money. X Ltd. decided to allot shares to all the applicants on Pro Rata basis. The balance in calls in arrear account at the time of allotment and call amounted to ₹60,000 and 60,000 respectively. These shares were forfeited and reissued at 90 per share as fully paid up. Journalize.

Or

Zocon Ltd. issued a prospectus inviting application for 5,00,000 equity shares of 10 each issued at a premium of 10% payable as:

₹2 on application

₹4 on Allotment (including premium)

And balance on call.

Applications were received for 6,60,000 shares.

Allotment was made as follows:

- Applicants for 4,00,000 shares were allotted in full.
- Applicants for 2,00,000 shares were allotted 50% on pro rata basis.
- Remaining applicants were sent letters of regret.

A shareholder to whom 1,000 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money. Another shareholder who applied for 2,000 share under category (b) failed to pay the amount due on allotment.

His shares were immediately forfeited. These shares were then reissued at a premium of ₹7 as ₹7 paid up. Call has not been made.
Journalize.

Part B
(Analysis of Financial Statement)

23 Balance Sheet (extract) 1

Equity and Liabilities	31.3.2020	31.3.2019
12% Debentures	1,40,000	2,00,000

Additional Information:

Interest on debentures is paid on half yearly basis on 30th September and 31st March each year. Debentures were redeemed on 30th September 2019.

How much amount (related to above information) will be shown in Financial Activity for Cash Flow Statement prepared on 31st March, 2020.

- a. Outflow ₹80,000
 - b. Inflow ₹60,000
 - c. Outflow ₹80,400
 - d. Outflow ₹84,000
- 24 What will be the Liquid asset if there is no closing stock and prepaid expenses and Current asset is 50,000? 1
- 25 Comparison of values of one period with those of another period for the same firm is: 1
- a. Intra-firm comparison
 - b. Inter-firm comparison
 - c. Pattern comparison
 - d. Trend comparison.
- 26 Which of the following is not an investing cash flow? 1
- a. purchase of patents for ₹10,000
 - b. sale of 2,500 shares (held as investment) for 15 each.
 - c. Sale of land for ₹28,000
 - d. Purchase of short term investment for ₹8,000
- 27 Proposed dividend on 31.3.2019, ₹34,000 and 31.3.2020 was ₹40,000. Which of the following is a contingent liability? 1
- 28 Calculate operating ratio if Revenue from Operations is ₹5,00,000, operating Profit is 75,000. 1
- a. 15%
 - b. 45%
 - c. 85%
 - d. 13.33%
- 29 Debt to Equity ratio of a company is 0.5:1. Which of the following suggestions would decrease it: 1

- a. Issued of Equity Shares
- b. Cash received from debtors
- c. Issued of debentures
- d. Purchased goods on credit.

- 30 Calculate proprietary ratio, if total Assets to Debt ratio is 2.5:1. Debt is 4,00,000. 3
 Equity share capital is 0.4 times of debt. Preference Share capital is 25% of equity share capital. Net profit after tax is 2,00,000 and rate of tax is 40%.

Or

From the following information, calculate 'interest coverage ratio.

Profit after interest, tax and Dividend ₹ 6,00,000
 Rate of income tax 50%
 10% Secured Loan ₹ 18,00,000
 Dividend declared ₹ 1,00,000

- 31 Prepare a comparative statement of Profit and Loss from the following: 4

Particulars	31.3.2020	31.3.2019
Revenue from operations	40,00,000	25,00,000
Cost of material consumed	30,00,000	13,00,000
Other expenses	1,20,000	Nil
Tax rate	40%	40

Or

From the following Balance Sheet of R Ltd, Prepare a Common Size Statement

Balance Sheet of R Ltd. (as at 31.3.2020)

	31.3.2019	31.3.2020
Share holders' Fund	12,00,000	18,00,000
Non-current Liabilities	6,00,000	6,00,000
Current Liabilities	2,00,000	6,00,000
Non-Current Asset	14,00,000	21,00,000
Current Assets	6,00,000	9,00,000

- 32 Following is the balance Sheet of Anubhav Ltd. as on 31st March, 2020: - 6

Particulars	Note No	31.03.2020	31.03,2019
I EQUITY AND LIABILITIES			
1. Shareholders' Fund			
(a) Share Capital		40,00,000	30,00,000

(b) Reserves and Surplus	1	10,00,000	6,00,000
2. Non-Current Liabilities			
Long Term Borrowings (10%)		6,00,000	4,00,000
3. Current Liabilities			
Trade Payable		3,00,000	4,00,000
Short Term Provisions (Tax)	2	1,40,000	1,20,000
		60,40,000	45,20,000
ASSETS			
1. Non-Current Asset			
Fixed Assets	3		
(a) Tangible Assets (Machinery)	4	38,00,000	30,00,000
(b) Intangible Assets (Goodwill)		9,40,000	5,40,000
2. Current Assets			
(a) Inventories		5,00,000	3,20,000
(b) Trade Receivable		4,20,000	4,20,000
(c) Cash and Cash Equivalents		3,80,000	2,40,000
		60,40,000	45,20,000

Notes to Accounts

Particulars	31.3.2020	31.3.2019
1. Reserve and Surplus		
Surplus, i.e. Balance in Statement of Profit	10,00,000	6,00,000
2. Short-Term Provisions		
Provision for tax	1,40,000	1,20,000
3. Tangible Assets		
Machinery	42,00,000	33,00,000
Less: Accumulated Depreciation	4,00,000	3,00,000
4. Intangible Assets		
Goodwill	9,40,000	5,40,000

Prepare a Cash Flow Statement after taking into account the following adjustment:

1. During the year a piece of machinery costing ₹40,000 was sold for ₹9,000.
2. Depreciation charging during the year was ₹1,30,000.
3. 10% Debentures were issued on 1st April 2019.
