

**MODEL EXAMINATION (2020-'21)**

**CLASS: XII**

**Marks:80  
Time:3 Hrs.**

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**General Instructions:**

- 1. This question paper contains two Parts A and B.**
  - 2. Both the parts are compulsory.**
  - 3. Show the necessary working notes along with answer**
  - 4. All parts of a question should be attempted at one place**
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**PART A**

**(Accounting for Not-for profit Organizations, Partnership firms and Companies)**

- 1) If the date of drawings is not given, interest is calculated for: (1)**  
A. 6 months B. 12 months C. 7 months D. 3 months.
  - 2) When a new partner brings his share of goodwill in cash, the amount is debited to: (1)**  
A. Goodwill A/c B. New Partner's Capital A/c. C. Cash A/c D. Old Partners' Capital A/c.
  - 3) Premium on issue of shares can be used for: (1)**  
A. Issue fully paid bonus shares, B. Writing off preliminary expenses  
C. Writing off discount/loss on issue of debentures D. All of the above.
  - 4) Subscription received during the year 2018-19, ₹1,50,000. Outstanding Subscription as on 31<sup>st</sup> March, 2018 ₹1,00,000. The amount shown as subscription will be (1)**  
A. ₹ 50,000; B. ₹ 1,50,000; C. ₹ 1,00,000; D. None of the above.
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- 5) On firm's Dissolution, Goodwill was realized at ₹ 40,000. State which Account will be credited (1)
- A. Cash A/c. B. Realization A/c. C. Profit & Loss A/c. D. None of these.
- 6) X Ltd. forfeited 2,000 shares of ₹10 each (which were issued at par) held by Naresh for non-payment of allotment money of ₹4 per share. The called up value per share was ₹ 9. On forfeiture, the amount debited to Share Capital Account will be: (1)
- A. ₹ 20,000 B. ₹ 70,000 C. ₹ 15,000 D. ₹ 18,000
- 7) Rohit, a partner is to carry out dissolution and he gets ₹ 50,000. Realisation expenses were ₹25,000. How much amount debited to Realization Account? (1)
- A. ₹ 50,000 B. ₹ 90,000 C. ₹ 25,000 D. None of these.
- 8) Goodwill of a firm of A and B is valued at ₹30,000. Goodwill is appearing in the books at ₹ 12,000. C is admitted for 1/4<sup>th</sup> share, amount that he will bring for goodwill is (1)
- A. ₹ 3,000 B. ₹ 4,500 C. ₹ 7,500 D. ₹ 10,500.
- 9) As per Section 37 of the Indian Partnership Act, 1932, the executors would be entitled at their choice to the interest calculated from the date of death till the date of payment of the final amount due to the deceased partner at (1)
- A. 6% B. 7% C. 8% D. 10%.
- 10) Admission of a partner will create a situation for the old partners, which is known as: (1)
- A. Dissolution of Partnership, B. Dissolution of Partnership firm, C. Winding up of business, D. None of these.
- 11) On the death of the partner his legal representatives are entitled to the profit: (1)

- A. For the full year, B. From the date of death till the finalization of accounts, C. Beginning of the financial year up to the date of death, D. None of the above.

12) When guarantee is given to a partner by the other partners, deficiency on such guarantee will be borne by: (1)

- A. All of the other partners, B. Partnership firm, C. Partners who gave the guarantee, D. None of these.

13) The excess amount which the firm gets on selling its business over and above the net value is: (1)

- A. Surplus, B. Super Profits, C. Reserve, D. Goodwill.

14) From the following particulars relating to Guruji Charitable Society, prepare a Receipts and Payments Account for the year ending 31<sup>st</sup> March, 2019: (3)

Particulars	₹
Cash in hand on 1.04.2018	16,000
Cash at Bank as on 1.04.2019	28,000
Subscriptions (including ₹ 11,000 for 2017-18)	60,000
Donations for building	2,90,000
Miscellaneous expenses	98,000
Locker rent	32,000
Entrance fees	41,000

**OR**

From the information of a hospital, calculate the amount of medicines consumed during the year 2018-19:

<b>Particulars</b>	<b>₹</b>
Payment for purchase of medicines	5,10,000
Creditors for medicines purchased: on 1.04.2018	34,000
on 31.03.2019	29,000
Stock of medicines: on 1.04.2018	86,000
on 31.03.2019	39,000
Advance to suppliers of medicines:	
on 1.04.2018	26,000
on 31.03.2019	32,000

15) Veena and Somesh were partners in a firm with capitals of ₹ 1,00,000 and ₹ 80,000 respectively. They admitted Nisha on 1<sup>st</sup> April, 2019 as a new partner for 1/4<sup>th</sup> share in the future profits of the firm. Nisha brought ₹ 90,000 as her capital. Nisha acquired her share as 1/12<sup>th</sup> from Veena and the remaining from Somesh. Calculate the value of goodwill of the firm and pass the necessary journal entries on Nisha's admission. (4)

**OR**

Asha, Rina and Chahat were partners in a firm sharing profits and losses in the ratio of 2:2:1. Their Balance Sheet as at 31.03.2019 was as follows:

**Balance Sheet of Asha, Rina and Chahat as at 31<sup>st</sup> March, 2019**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Creditors	12,00,000	Plant & Machinery	14,80,000
General Reserve	2,00,000	Stock	2,20,000
Capitals:		Debtors 2,60,000	
Asha 3,00,000		Less: Provision <u>20,000</u>	2,40,000
Rina 2,00,000		Bank	60,000
Chahat <u>1,00,000</u>	6,00,000		
	<b>20,00,000</b>		<b>20,00,000</b>

Asha, Rina and Chahat decided to share future profits equally with effect from 1<sup>st</sup> April, 2019. For this, it was agreed that:

- (i) Goodwill of the firm be valued at ₹1,50,000.
- (ii) Bad debts amounted to ₹40,000. A provision for doubtful debts was to be made @5% on debtors.

Pass the necessary journal entries to record the above transactions in the books of the firm.

16) Complete the following journal entries: (4)

**Journal of X Ltd.**

Particulars	L.F	Dr.(₹)	Cr.(₹)
Equity Share Capital A/c(470x₹ 10) Dr ? <div style="text-align: right; padding-right: 20px;">Dr</div> To Forfeited shares A/c To Calls in Arrears A/c (Being 470 shares forfeited for non-payment of allotment and call money)		4,700  ?	  940 6,110
Bank A/c Dr. To ? To ? (Being 60 shares reissued at ₹ 14 per share)		840	 ? ?
? Dr. To ? (Being ?)		?	 ?

17) Vasudha and Devan were partners in a firm sharing profits and losses in the ratio of 2:3. The firm was dissolved on 31<sup>st</sup> March, 2019. After transfer of assets (other than cash) and external liabilities to Realization Account, the following transactions took place: (4)

- (a) Investments of the face value of ₹ 60,000 were sold in the open market for ₹ 63,000 for which a commission of ₹ 700 was paid to the broker.

- (b) Creditors worth ₹ 65,000 were settled by handing over the entire stock to them along with a payment of ₹ 23,000 by cheque.
- (c) There was an old furniture which had been completely written off from the books of the firm. It was taken over by Vasudha at ₹ 2,000.
- (d) Devan undertook to pay Ms.Devan's loan of ₹ 45,000.

**18) Ajay and Rayan are partners in a firm. They do not have Partnership Deed.**

What shall be the position in the following cases? **(4)**

- (i) Ajay devotes more time than Rayan in the business. Ajay demands a salary of ₹6,000 per month for it.
- (ii) Rayan has invested capital of ₹50,000 whereas Ajay invested ₹ 5,000 as capital. Ajay, however, has advanced ₹10,000 as loan to the firm. What interest, if any, will be allowed to Ajay and Rayan?
- (iii) Ajay wants to introduce his son Inder as partner. Rayan objects to his proposal.
- (iv) Rayan wants that profit should be distributed in the ratio of their capitals but Ajay wants that it should be distributed equally.

**19) From the given Receipts & Payments Account and additional information of Friends Club for the year ended 31st March, 2019, prepare Income & Expenditure Account for the year ending 31st March, 2019:** **(6)**

<b>Receipts</b>	<b>₹</b>	<b>Payments</b>	<b>₹</b>
To Balance b/d	50,400	By Furniture (purchased on 1.12.2018)	1,20,000
To Donations	44,000	By Salaries	1,00,000
To Sale of old sports material	2,000	By Secretary honorarium	4,000
To Subscriptions:		By Books	44,000
2017-18   1,600			
2018-19  60,000			

2019-20	<u>5,000</u>	66,600	By Balance c/d	15,000
To Entrance Fees		1,20,000		
		<b>2,83,000</b>		<b>2,83,000</b>

**Additional information:**

(i) On 1st April, 2018, the club had the following balances of assets and liabilities:

Furniture ₹ 1,00,000; Subscriptions in arrears ₹ 2,000 and Outstanding Salary ₹ 6,000.

(ii) The Club had 75 members each paying an annual subscription of ₹ 1,000.

(iii) Charge depreciation on Furniture @10%. P.a.

**20) Pass the necessary journal entries for the issue of debentures for the following transactions: (6)**

(i) Anand Ltd, issued 800, 9% Debentures of ₹500 each at a premium of 20% to the vendors, for machinery purchased from them costing ₹ 4,80,000.

(ii) Darwar Ltd. issued 5,000, 7% Debentures of ₹ 200 each at a premium of 5% redeemable at a premium of 10%.

(iii) Novelty Ltd. issued 1,000 8% Debentures of ₹ 100 each at a discount of 5%, redeemable at a premium of 10%.

**21) Following is the Balance Sheet of Subash and Asha as at 31st March, 2019 sharing profits in the ratio of 3:2: (8)**



Liabilities	₹	Assets	₹
Creditors	10,000	Debtors 22,000	
Employees' Provident Fund	8,000	Less: Provision <u>1,000</u>	21,000
General Reserve	30,000	Stock	11,000
Workmen Compensation Reserve	15,000	Bank	21,000
Capital A/cs:		Land & Building	18,000
Subash 15,000		Plant & Machinery	12,000
Asha <u>10,000</u>	25,000	Advertisement	5,000
	<b>88,000</b>	Suspense A/c.	
			<b>88,000</b>

They admit Tanya as a partner on 1<sup>st</sup> pril,2019 for 1/6<sup>th</sup> share in the profits.It was decided that:

- (i) Value of Land & Building be increased by ₹3,000.
- (ii) Value of Stock be increased by ₹2,500
- (iii) Provision for Doubtful Debts be increased by ₹1,500.
- (iv) A Bill of Exchange of ₹10,000 which was previously discounted with the banker, was dishonored on 31<sup>st</sup> March,2019 but no entry has been passed for dishonor.
- (v) Liability against Workmen Compensation Reserve was determined at ₹20,000.
- (vi) Tanya brought in as her share of goodwill ₹ 10,000 by cheque.
- (vii) Tanya was to bring in further cheque of ₹ 15,000 as her capital.

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

**OR**

X,Y and Z were partners in a firm with profit-sharing ratio of ½,1/3 and 1/6 respectively. The Balance Sheet of the firm as at 31<sup>st</sup> March,2019 were as

follows:

Liabilities	₹	Assets	₹
Trade Creditors	2,10,000	Cash at Bank	57,500
Workmen Compensation Reserve	1,20,000	Debtors 4,00,000	
Employees' Provident Fund	60,000	Less: Provision <u>20,000</u>	3,80,000
Investment Fluctuation Reserve	60,000	Stock	3,76,500
Capital A/cs:		Investments(Market Value ₹ 1,76,000)	1,50,000
X       6,80,000		Patents	1,00,000
Y       3,20,000		Machinery	5,00,000
Z <u>2,10,000</u>		Advertisement Expenditure	36,000
	12,10,000	Goodwill	60,000
	<b>16,60,000</b>		<b>16,60,000</b>

Z retired on 1<sup>st</sup> April,2019 on the following terms:

- (i) Goodwill of the firm is valued at ₹3,00,000.
- (ii) Value of patent is to be reduced by 20% and that of machinery to 90%.
- (iii) Provision for Doubtful Debts is to be raised to 6%.
- (iv) Liability for Workmen Compensation to the extent of ₹60,000 is to be created.
- (v) Z took the Investment at market value.
- (vi) Amount due to Z is to be settled on the following basis:

50% on retirement, 50% of the balance within one year and the balance by a bill of exchange (without interest) at 3 months.

You are required to prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of X and Y after Z's retirement.

22) R Ltd. invited applications for issuing 1,00,000 shares of ₹10 each at a premium of ₹2 per share. Amount per share was payable as follows:

On Application            ₹ 4 (including premium ₹1)

On Allotment            ₹ 4 (including premium ₹1)

On first & final call    Balance.

Applications were received for 1,50,000 shares and allotment was made to the applicants as follows:

- (i) Applicants of 80,000 shares were allotted 60,000 shares.
- (ii) Applicants of 50,000 shares were allotted 40,000 shares.
- (iii) No shares were allotted to the remaining applicants and their application money was returned.
- (iv) Y, who belonged to category (ii) and who had applied for 5,000 shares failed to pay the allotment and call money. His shares were forfeited. Later, half of Y's forfeited shares were reissued @ ₹ 18 per share as fully paid up.

Pass the necessary journal entries for the above transactions in the books of R Ltd. (8)

**OR**

E Ltd. invited applications for issuing 2,00,000 equity shares of ₹10 each at a premium of ₹ 3 per share. The amount was payable as follows:

On Application            ₹ 4 per share

On Allotment            ₹ 6 per share (including premium ₹3)

On first and final call    Balance.

Applications were received for 3,00,000 shares and allotment was made on pro-rata basis to all the applicants. Money over paid on application was utilized towards sums due on allotment. S, who had applied for 6,000 shares failed to pay the allotment money while R holding 2,000 shares paid the first and final call money with allotment. S's share were forfeited immediately after allotment. Thereafter, first and final call was made and was duly received. Half of the forfeited shares were reissued to V as fully paid for ₹ 9 per share.

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

## **PART B**

### **(Analysis of Financial Statements)**

- 23)** G Ltd. purchased machinery of ₹ 10,00,000 by issuing a cheque of ₹ 2,50,000 and 10% Debentures of ₹ 7,50,000. In the Cash Flow Statement, the transaction will be shown as: **(1)**
- A. Outflow under investing activity ₹ 10,00,000, inflow under financing activity as receipt for Debentures ₹ 7,50,000.
  - B. Outflow under Investing Activity ₹ 2,50,000.
  - C. Inflow of ₹ 7,50,000 as Financing Activity.
  - D. None of the above.
- 24)** If Current Ratio of a firm is 2.5:1 and its current liabilities are ₹ 2,00,000. Its working capital will be: **(1)**
- A. ₹ 3,00,000; B. ₹ 3,75,000; C. ₹ 4,00,000; D. ₹ 7,00,000.
- 25)** Which technique of financial analysis shows a comparative study of items or components of financial statements for two or more years? **(1)**
- A. Common-size Statement; B. Ratio Analysis; C. Comparative Statement; D. None of these.
- 26)** 'Public Deposits' appear in the Company's Balance Sheet under the

head/subhead: (1)

A. Intangible Assets; B. Current Liabilities; C. Shareholders' Funds;  
D. Non-Current Liabilities.

27) From the following, which ratio is not a part of Profitability Ratio: (1)

A. Liquid Ratio; B. Gross Profit Ratio; C. Operating Ratio; D. Net Profit Ratio.

28) Exe Ltd. has balance in Provision for Tax Account of ₹ 50,000 and ₹ 75,000 as on 31<sup>st</sup> March, 2018 and 2019 respectively. It made a provision for tax during the year of ₹ 65,000. The amount of tax paid during the year was: (1)

A. ₹ 50,000; B. ₹ 60,000; C. ₹ 40,000; D. None of these.

29) Which of the following is not a Non-Cash Transaction? (1)

A. Depreciation; B. Issue of Bonus Shares; C. Issue of Equity Shares for consideration other than cash; D. Payment of wages.

30) Calculate the Current Ratio and Debt-Equity Ratio from the following information: (3)

	₹
Non-Current Assets	16,00,000
Current Assets	4,00,000
Working Capital	2,00,000
Non-Current Liabilities	12,00,000

**OR**

From the following information, determine the opening inventory and the closing inventory:

Inventory Turnover Ratio                      5times

Revenue from Operations ₹ 8,00,000

Gross Profit Ratio 25%.

31) From the following information obtained from the books of V Ltd., prepare a Comparative Statement of Profit and Loss for the year ending 31<sup>st</sup>

March,2019:

(4)

Particulars	2018-19	2017-18
Revenue from operations	300%of Cost of materials consumed.	200%of cost of materials consumed.
Cost of materials consumed	₹ 4,00,000.	₹ 2,00,000.
Other Expenses	20% of cost of materials consumed.	20%of cost of materials consumed.
Tax Rate	50%	50%.

OR

From the following Balance Sheet of S Ltd., as at 31<sup>st</sup> March,2019, prepare a common size Balance Sheet:

Particulars	Note No.	31.03.2019(₹)	31.03.2018(₹)
<b>I. Equity &amp; Liabilities:</b>			
<b>1. Shareholders' Funds:</b>			
(a) Share Capital		4,00,000	2,00,000
(b) Reserves and Surplus		1,00,000	70,000
<b>2.Non-Current Liabilities:</b>			
Long term borrowings		3,00,000	4,30,000
<b>3.Current Liabilities:</b>			
Trade Payables		2,00,000	3,00,000
Total		<b>10,00,000</b>	<b>10,00,000</b>

<b>II.Assets:</b>			
<b>1.Non-Current Assets:</b>			
<b>Fixed Assets:</b>			
Tangible Assets		6,00,000	5,00,000
<b>2.Current Assets:</b>			
(a) Inventories		2,50,000	2,00,000
(b) Cash and Cash Equivalents.		1,50,000	3,00,000
Total.		<b>10,00,000</b>	<b>10,00,000</b>

32) There was 'Nil' net cash flow from operating activities of Ashok Ltd. during the year ending 31<sup>st</sup> March, 2019. From the following Balance Sheet of Ashok Ltd as at 31<sup>st</sup> March, 2019, prepare a Cash Flow Statement: (6)

Particulars	Note No.	31.03.2019(₹)	31.03.2018(₹)
<b>I. Equity and Liabilities:</b>			
<b>1.Shareholders' Funds:</b>			
(a) Share Capital		19,00,000	11,00,000
(b) Reserves and Surplus	1	1,60,000	2,00,000
<b>2. Non-Current Liabilities:</b>			
Long term borrowings	2	1,00,000	4,00,000
<b>3.Current Liabilities:</b>			
(a) Short-term Borrowings	3	2,50,000	2,30,000
(b) Short-term Provisions	4	1,90,000	2,70,000
<b>Total</b>		<b>26,00,000</b>	<b>22,00,000</b>
<b>II.Assets:</b>			
<b>1.Non-Current Assets:</b>			

<b>Fixed Assets:</b>			
(i) Tangible Assets	5	15,00,000	11,00,000
(ii) Intangible Assets	6	2,80,000	1,70,000
<b>2.Current Assets:</b>			
(i) Current Investments		1,30,000	2,90,000
(ii) Trade Receivables		3,90,000	4,10,000
(iii) Cash at Bank		3,00,000	2,30,000
<b>Total</b>		<b>26,00,000</b>	<b>22,00,000</b>

**Notes to Accounts:**

Note No.	Particulars	31.03.2019(₹)	31.03.2018(₹)
1.	<b>Reserves &amp; Surplus:</b> Surplus(Balance in Statement of Profit & Loss)	1,60,000	2,00,000
2.	<b>Long term Borrowings:</b> 8% Debentures	1,00,000	4,00,000
3.	<b>Short term Borrowings:</b> Bank Overdraft	2,50,000	2,30,000
4.	<b>Short term Provisions:</b> Provision for Tax	1,90,000	2,70,000
5.	<b>Tangible Assets:</b> Plant & Machinery Accumulated Depreciation	16,30,000 <u>(1,30,000)</u> 15,00,000	11,70,000 <u>(70,000)</u> 11,00,000
6.	<b>Intangible Assets:</b> Goodwill	2,80,000	1,70,000



**Additional Information:** (i) A machinery of the book value of ₹ 60,000, (depreciation provided thereon ₹ 20,000) was sold at a loss of ₹ 6,000.

(ii) 8% Debentures were redeemed on 1<sup>st</sup> July,2018.