

CBSE Class 12 2017-18
Accountancy Sample Paper-02

General Instruction: -

1. All question are complusory.
 2. Marks are Given alongwith their questions.
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PART A (Partnership and Company accounts)

Q1 what are the number of months taken for calculation of interest on drawings if drawings are charged at the end of each quarter? (1)

Q2 A B and C are partners with no partnership deed. A advances 10,000 as loan to the firm and demands interest @12% p.a. Is A correct give reasons? (1)

Q3 what is the maximum discount that can be offered in case of reissue of shares. (1)

Q4 Pass journal entry for reissue of shares- 1000 shares were reissued at 70, 80 paid up. (1)

Q5 calculate interest on debentures- rs 5,00,000 7% debentures issued on 1st april 2013. (1)

Q6 A B C are partners sharing profits and losses in the ratio of 3:2:1. B retires from the firm. Calculate gaining ratio and new ratio. (1)

Q7 This question contains two parts – (3)

a) Gauri limited converted 450 10% debentures of 100 Each at a premium of 10% by converting them in to equity shares of 100 each issued at a premium of 25%. Pass journal entry.

b) S Ltd took a loan from PNB of 1,00,000 by issuing 10,000 debentures of 12 each as collateral security. Pass journal entry and show it in the balance sheet.

Q8 M ltd issued 2000 shares of 10 each at a premium of 5 payable – 3 on application 5 on allotment(including premium) and balance on first and final call. Prepare the cash book of the company. (3)

Q9 Rohit Mohit and Sohit are partners sharing profit and losses in the ratio of 2:1:1.. Their capitals on 31st march 2017 are 5,30,000 6,40,000 and 7,90,000. Their drawings were rohit = 70,000 mohit = 60,000 and sohit = 10,000. Partnership deed provided to charge interest on capital @10% p a and interest on drawings @ 5%. Prepare profit and loss appropriation account. (3)

Q10 Designs unlimited is in a garment business . it decided to install 100 toilets in school under swachh bharat. It purchased material from Indian traders limited costing 225000. Payment was made 5000 through cheque and remaining by issuing equity shares of 10 each at 10% premium. Pass journal entries. (3)

Q11 A B and C are partners sharing profits in the ratio of capitals. Their capitals were 50,000 25,000 and 25,000. The following omissions were made-

- i) Interest on capital @5%
- ii) Salary to C 1000 per month
- iii) The profit for the year was 33000 which was distributed equally. Pass journal entry . (4)

Q12 Pawan Iqbal and Rick are partners sharing profits in the ratio of 2:2:1. From april 2016 they decided to share profits in the ratio of 1:2:2. On that date following balances appeared – profit and loss account(debit balance) = 40,000 general reserve = 140,000 deferred revenue expenditure=20,000. Pass adjusting entry. (4)

Q13 K S and R are partners sharing profits and losses in the ratio of 3:2:1.on 31st march 2016 their balance sheet was as follows- (6)

Liabilities	Amount	Assets	Amount
Creditors	72000	Cash at bank	70,000
General reserve	24000	Investments	50000
Capitals –		Patents	15000
K- 75000		Stock	25000
S-70000		Debtors	20000
R- 50000	195000	Building	75000
		Machinery	36000
	291000		291000

R died on 31st may 2016

i) Goodwill of the firm be valued at 3 years purchase of average profits of last 5 years ,which were 2011- 40000 2012 -40000 2013- 30,000 2014 – 40,000 2015- 50,000

ii) Richa share of profits till the date of death to be calculated on average profit of last two years.

Prepare richa capital account.

Q14 following is the balance sheet of harsh and sureshwho share profits in the ratio of 3:2 (6)

Liabilities	Amount	Assets	Amount
Creditors	31500	Plant and machinery	21000
General reserve	1250	Stock	3000
Capitals –		Debtors 10,000	9500
Harsh -5000	9000	-provision(500)	5750
Suresh -4000		Bank	2500
		Profit and loss account	
	41750		41750

The firm was dissolved on 31st march. Plant and machinery realized 16000 and stock 2500. 9000 were collected from debtors. Creditors were paid 30,000. Prepare realization account partner's capital account and bank account.

Q15 a) A B C are partners sharing profit and losses in the ratio of 5:3:2. Pass journal entries- (3)

i) The value of fixed assets =1,00,000. Fixed assets are overvalued by 20%

ii) Make provision for outstanding expenses =10,000

iii) Goodwill of the firm was valued at 50,000. The new ratio was 3:2 . C retired from the firm.

(b) A ltd purchased rs 25000 of its own debentures of rs 100 each at rs 90 reedemed at a premium of 10%. Pass journal entries for cancellation. (3)

Q16 radha limited issued 40,000 shares of rs 10 each at a premium of rs 2 per share payable – 4 on application 5 on allotment (including premium)and on call 3 per share. applications were received for 60,000 shares . allotment was made on pro rata basis to the applicants of 48000 shares . excess money was adjusted towards allotment.C to whom 1600 shares were allotted failed to pay allotment and J to whom 2000 shares were allotted failed to pay call money . these shares were forfeited and reissued at rs 15 fully paid up. Pass journal entries. (8)

Or

Q16 f ltd issued 2,00,000 shares of 20 each payable 4 on application 6 on allotment and balance on first and final call. Application were received for 3,00,000 shares and pro rata allotment was made to all applicants.money overpaid on application was adjusted towards allotment. Sohan who applied for 3000 shares failed to pay allotment and call money. His shares were forfeited. Half of these shares were reissued at rs 18 fully paid up. Pass journal entries. (8)

Q17 A and D are partners sharing profits in the ratio of 3:2. There balance sheet was as follows –

Liabilities	Amount	Assets	Amount
Creditors	38500	Cash	2000
Employees provident fund	4000	Stock	15000
Workmen compensation fund		Prepaid expenses	1500
Capitals	2500	Debtors 9400	9000
A- 26000		- Provision(400)	19000
B- 13000		Machinery	35000
	39000	Building	5000
	86500	Furniture	86500

i) R is admitted with a capital of rs 16000 and the new ratio is 5:3:2

ii) R brings necessary amount of goodwill in cash

iii) Stock is depreciated at 5%

iv) Provision for doubtful debts to be made at 500

v) Furniture depreciated by 10%

vi) Building valued at 40,000

vii) Capitals of partners to be adjusted on the basis of new partner's capital making necessary adjustment in cash.

Prepare necessary accounts . (8)

Part – B(Analysis of financial statements)

Q18 under which type of activity will you classify purchase of investments while preparing cash flow statement. (1)

Q19 cash flow from operating activities = 23000

Cash flow from financing activity = 15000

Net increase in cash and cash equivalent – 22000

Calculate cash flow from investing activity. (1)

Q20 prepare comparative balance sheet – (4)

Particulars	31 st march 2015	31 st march 2016
Equity and liability		
Shareholder fund		
a) Share capital	2,00,000	3,00,000
b) Reserve and surplus	2,00,000	2,00,000
Non current liabilities		
Long term borrowings	40,000	1,60,000
c) Current liabilities	60,000	1,00,000
	5,00,000	7,60,000
Assets		
Non current assets		
a) Fixed assets	4,00,000	6,00,000

Current assets	1,00,000	1,60,000
	500000	760,000

Q21 draw the balance sheet of a company as per schedule III of companies act 2013. (4)

Q22 from the following information calculate – (4)

a.) Quick ratio

b.) Return on investment.

Sales = 4,00,000 opening stock 50,000 closing stock 60,000 current assets 2,00,000 working capital (60,000) net profit = 140000 total assets = 6,00,000

Q23 prepare cash flow statement – (6)

Particulars	Note no	2016	2017
Share capital		225000	225000
Reserve and surplus		178000	189000
Non current liabilities			
Loan		-	135000
Current liabilities			
Creditors		84000	67000
Provision for tax		37500	5000
		524500	621000
Assets			
Fixed assets		200000	160000
Investments		25000	30000
Current assets			
Inventories		225000	332000
Cash and cash equivalent		74500	99000
		524500	621000

Notes to account

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Particulars	2016	2017
Reserve and surplus		
General reserve	150000	155000
Statement of profit and loss	28000	34000

Adjustments-

- a) Investments costing 4000 was sold for 4250
- b) Provision for tax made was 4500
- c) Dividend paid during the year 20,000
- d) A part of fixed assets costing 5000 was sold for 6000 and the profit was included in profit and loss account.

Class XII
Accountancy Sample Paper-02
[Solutions]
Part A

Ans.1 4.5

Ans.2 A is incorrect as in the absence of partnership deed interest on loan payable is 6% p a

Ans 3 the amount in share forfeited account is the maximum discount that can be offered at the time of reissue of shares.

Ans 4

Particulars	LF	Debit	Credit
Bank a/c (1000*70) DR		7000	
Share forfeited a/c DR		1000	
To share capital a/c (1000*80) (being 1000 shares reissued)		8000	8000
		8000	8000

Ans 5 interest on debentures = $500000 \times 7/100 = 35000$

Ans 6 old ratio = 3:2:1

B retires so new ratio= 3:1 and gaining ratio =3:1

Ans 7 a)

Particulars	LF	Debit	Credit
10% debentures a/c (450*100) dr			
Premium on redemption a/c dr(450*10)			
To debenture holder (being debentures redeemed at a premium of 10%)		45000	
		4500	49500
Debenture holder a/c dr			

To equity share capital a/c(396*100)			
To securities premium a/c(396*25)		49500	39600
			9900

No of shares = $49500/100+25 = 396$

Q7 b) journal entry

Particulars	LF	Debit	Credit
Debenture suspense/c (10,000*12) To %debentures (being debentures issued as collateral security)		1,20,000	1,20,000

Balance sheet extract

Particulars	Note no	Amount
Non current liabilities		
Long term borrowings	1	1,00,000

Notes to account

Particulars	Note no	Amount
Long term borrowings		
Loan from PNB		1,00,000
%Debentures 1,20,000	1	
-debenture suspense (120,000)		

Ans 8

Particulars	Amount	Particulars	Amount
	6000		30,000
To share application	10,000		

To share allotment		By bal c/d	
To share first and final call	14000		
	30,000		30,000

Ans 9 profit and loss appropriation account

Particulars	Amount	Particulars	Amount
To interest on capital			703000
Rohit 60,000			
Mohit 70,000			
Sohit 80,000	2,10,000	By net profit	
		By int on drawings	7000
To profit (transferred to partner capital account)		Rohit 3500	
Rohit 250000		Mohit 3000	
Mohit 125000		Sohit 500	
Sohit 125000			
	5,00,000		
	710,000		7,10,000

interest on drawings =

Rohit = $70,000 \times \frac{5}{100} = 3500$

Mohit = $60,000 \times \frac{5}{100} = 3000$

Sohit = $10,000 \times \frac{5}{100} = 500$

Note – months are not taken for interest on drawings as per annum is not written with the percentage.

For interest on capital

Calculation of opening capital

Particulars	Rohit	Mohit	Sohit
Closing capital	530,000	6,40,000	790,000
+drawings	70,000	60,000	+10,000
	6,00,000	7,00,000	8,00,000

$6,00,000 \times \frac{10}{100} = 60,000$

$$7,00,000 \times 10/100 = 70,000$$

$$800000 \times 10/100 = 80,000$$

Ans 10

Particulars	Lf	Debit	Credit
Assets a/c dr To Indian traders ltd (being material taken from Indian traders)		2,25,000	2,25,000
Indian traders ltd dr To bank a/c (being amount paid by cheque)		5000	5000
Indian traders ltd dr To share capital a/c(20,000*10) To securities premium(20,000*1) (being shares issued to Indian traders)		2,20,000	2,00,000 20,000
		450,000	450,000

$$\text{No of shares} = 2,20,000/10+1 = 20,000$$

Ans 11

Particulars	LF	Debit	Credit
A's capital a/c dr B's capital a/c dr To C 's capital a/c (being adjusting entry passed)		500 5750	6250

Working note

Particulars	A	B	C	Firm
Interest on capital	2500	1250	1250	(5000)
Salary			12000	(12000)

Wrong profit	(11000)	(11000)	(11000)	33000
Adjusting profit	8000	4000	4000	(16000)
	(500)	(5750)	6250	0

Ans 12

Particulars	LF	Debit	Credit
Rick capital a/c dr To pawan capital a/c (being adjusting entry passed)		16000	16000

sacrificing ratio = old ratio-new ratio

$$2/5 - 1/5 = 1/5$$

$$2/5 - 2/5 = 0$$

$$1/5 - 2/5 = -1/5$$

General reserve – profit and loss- deferred revenue expenditure

$$= 140,000 - 40,000 - 20,000 = 80,000$$

$$80,000 * 1/5 = 16000$$

Ans 13 R's capital account

Particulars	Amount	Particulars	Amount
		By bal b/d	50,000
		By general reserve	4000
		By K's capital a/c	12000
		By S's capital a/c	8000
		By profit and loss suspense a/c	1250
To R's executor loan a/c	75250		75250
	75250		

Q14 realisation account

Particulars	Amount	Particulars	Amount
	21000	By creditors	31500

	3000	By provision for doubtful debts	500
	10,000	By bank	
To Plant and machinery	30,000	Plant and machinery 16000	
To Stock		Stock 2500	
To Debtors		Debtors 9000	27500
To bank a/c		By loss transferred to partner capital account	
		Harsh 2700	
		Suresh 1800	4500
	64000		64000

Partner's capital account

Particulars	Harsh	Suresh	Particulars	Harsh	Suresh
					4000
To loss	2700	1800		5000	500
To profit and loss account	1500	1000	By bal b/d	750	
To bank	1550	1700	By general reserve		4500
	5750	4500		5750	

Bank account

Particulars	Amount	Particulars	Amount
To bal b/d	5750	By realization	30,000
To realization a/c	27500	By harsh capital a/c	1550
		By suresh capital a/c	1700
	33250		33250

Ans 15 a)

Particulars	LF	DEBIT	CREDIT
a) Revaluation a/c dr To fixed assets (being assets depreciated)		20,000	20,000
b) Revaluation a/c dr To outstanding expenses (being provision created for outstanding expenses)		10,000	10,000
c) A 's capital a/c dr B's capital a/c dr To C 's capital a/c (being adjustment for goodwill made for retiring partner)		6000 4000	10,000
		40,000	40,000

b.

Particulars	Lf	Debit	Credit
Own debentures a/c dr(250*90) To bank a/c (being debentures purchased from open market)		22500	22500
%debentures a/c dr Premium on redemption a/c dr To own debentures To gain on cancellation (being debentures cancelled)		25000 2500	22500 5000
Gain on cancellation a/c dr To capital reserve		5000	

(being gain on cancellation transferred to capital reserve)			5000
		55000	55000

Ans 16

Particulars	Lf	Debit	Credit
Bank a/c dr To share application a/c (being application received)		240000	240000
Share application a/c dr To share capital To share allotment To bank a/c (being application due and money adjusted on allotment)		240000	160000 32000 48000
Share allotment a/c dr To share capital a/c To securities premium a/c (being allotment due)		200000	120000 80000
Bank a/c dr(200000-32000-6720) To share allotment/c (being allotment received)		161280	161280
Share first call a/c dr To share capital (being first call due)		120000	120000

Bank a/c dr(120000—10800) To share first and final call a/c (being money received on first call)		109200	109200
For C			
Share capital a/c dr			
Securities pemium a/c dr			
To share allotment		16000	
To share first call a/c		3200	
To share forfeited/c (being shares forfeited)			6720 4800 7680
For J			
Share capital a/c dr			
To share first call a/c			
To share forfeited a/c (being shares forfeited)		20,000	6000 14000
Bank a/c dr			
To share capital a/c			
To securities premium (being shares reissued)		54000	36000 18000
Share forfeited a/c dr			
To capital reserve (being amount transferred to capital reserve)		21680	21680

Or

Particulars	Lf	Debit	Credit
		12,00,000	

			12,00,000
Bank a/c dr			
To share application a/c (being application received)	12,00,000		800,000
			4,00,000
Share application a/c dr			
To share capital			
To share allotment			
(being application due and money adjusted on allotment)	1200000		1200000
Share allotment a/c dr			
To share capital a/c			
(being allotment due)	792,000		792000
Bank a/c dr(1200000-400,000-8000)			
To share allotment/c (being allotment received)	20,00,000		20,00,000
Share first call a/c dr			
To share capital			
(being first call due)	1980,000		1980,000
Bank a/c dr(2000000—20,000)			
To share first and final call a/c (being money received on first call)	40,000		
For C			8000
Share capital a/c dr			20,000
To share allotment			12,000
To share first call a/c			

To share forfeited/c (being shares forfeited)		18000	
		2000	
Bank a/c dr			20,000
Share forfeited a/c dr			
To share capital a/c (being shares reissued)		4000	
			4000
Share forfeited a/c dr			
To capital reserve (being amount transferred to capital reserve)			

Ans 17 Revaluation account

Particulars	Amount	Particulars	Amount
To stock	750		
To provision	100		5000
To furniture	500		
To profit (transferred to partner's capital account)	3650	By building	
A-2190			
B-1460	5000		5000

PARTNER'S CAPITAL ACCOUNT

PARTICULARS	A	D	R	PARTICULARS	A	D	R
	32625	17895	16000		26000	13000	

				By bal b/d	2190	1460	
				By revaluation	1500	1000	
				By general reserve	1500	1000	
To bal c/d				By workmen compensation reserve			16000
	32625	17895	16000	By cash	1435	1435	
				By premium for goodwill	32625	17895	16000
To bal c/d	40,000	24000	16000	By bal b/d	32625	18695	16000
	40,000	24000	16000	By cash a/c	7375	6105	
					40,000	24000	16000

Cash a/c

Particulars	Amount	Particulars	Amount
To bal b/d	2000		34350
To R 's capital a/c	16000		
To premium for goodwill	2870		
To A 's capital a/c	7375	By bal c/d	
To D's capital a/c	6105		
	34350		34350

Balance sheet

Liabilities	Amount	Assets	Amount
	38500		
Creditors	4000	Cash	34350
Employees provident fund	40,000	Stock	14250
Capitals	24000	Prepaid insurance	1500
A	16000	Debtors	8900
D		Machinery	19000
R			40000

		Building	4500
		Furniture	122500
	122500		

Hidden goodwill = total capital- adjusted capital

=80,000-65650

=14350

Capital adjustment = total capital = $16000 \times \frac{10}{2}$

=80,000

Divide 80,000 in the ratio of 5:3:2

Part –B

Ans 18 purchase of investment is considered as investing activity.

Ans 19 – cash flow from investing activity = 22000-23000-15000

=(16000)=cash used in investing activity

Ans 20

Particulars	2015	2016	Absolute change	Percentage
Equity and liability				
Shareholder fund				
a) Share capital	2,00,000	300,000	1,00,000	50%
b) Reserve and surplus	2,00,000	2,00,000	0	0
Non current liabilities				
Long term borrowings	40,000	1,60,000	120,000	300%
Current liabilities	60,000	1,00,000	40,000	66.67%
	5,00,000	7,60,000	2,60,000	52%
Assets				
Non current assets	400,000			

a) Fixed assets		6,00,000	2,00,000	50%
	1,00,000			
Current assets	5,00,000	1,60,000	60,000	60%
		7,60,000	2,60,000	52%

Ans 21 a) inventories

b) Trade receivables

c) Cash and cash equivalent

d) Current investments

Ans 22 quick assets = current assets- closing stock

$$=2,00,000-60,000= 140,000$$

Working capital = current assets – current liabilities

$$-60,000= 2,00,000-cl$$

$$\text{Current liabilities}= 140,000$$

Quick ratio = quick assets /current liabilities

$$=140,000/140,000 = 1:1$$

B capital employed= total assets- current liabilities

$$=600,000-140,000$$

$$=4,60,000$$

Return on investment = net profit before tax/ capital employed*100

$$=140,000/360,000*100= 38.89\%$$

Ans 23 Cash flow statement AS- 3 revised

Particulars	Amount	Amount
I) cash flow from operating activities		
net profit before tax and extra ordinary items		
adjustment for non operating items		
add depreciation 35000		
less profit on sale of investment (250)		
less profit on sale of fixed assets (1000)		
operating profit before working capital changes	35,500	
working capital changes		

add decrease in current assets and increase in current liabilities	33750	
less increase in current assets and decrease in current liabilities	69250	
inventories (107000)		
creditors (17000)		
cash used in operating activities	((124000))	
less tax paid		
net cash used in operating activities	(54750)	(91750)
	(37000)	
II) cash flow from investing activity		
add sale of fixed assets		
add sale of investment		
less purchase of investment	6000	
cash flow from investing activity	4250	1250
	(9000)	
III) Cash flow from financing activity		
Issue of loan		
Less dividend paid		
Cash flow from financing activity	135000	115000
	(20,000)	
Net increase in cash and cash equivalent		24500
Add opening cash and cash equivalent		78500
		99000
=closing cash and cash equivalent		

investment

Particulars	Amount	Particulars	AMOUNT
TO BAL B/D	25000		4250
To profit and loss account	250	By bank (sale)	30,000
To bank (purchase	9000	By bal c/d	34250
	34250		

Fixed assets

To bal b/d	2,00,000	By bank (sale)	6000
To profit and loss account	1000	By dep	35000
		By balc/d	160,000
	201000		201000

Provision for tax

Particulars	Amount	Particulars	Amount
Tax paid	37000	By tax made	4500
To bal c/d	5000	By bal b/d	37500
	42000		42000