

CBSE Class 12 Accountancy 2019 - 67-1-2 - Annual



Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions

- (i) This question paper contains **23 questions**, divided into Part A and Part B.
- (ii) Part A is compulsory for all candidates.
- (iii) Part B has two options: **Option I - Analysis of Financial Statements** and **Option II - Computerised Accounting**. Attempt only one option.
- (iv) Attempt one alternative where an internal choice is provided. Write all parts of an answer at one place.

1. What is meant by 'Gaining Ratio' on retirement of a partner ?

OR

1. P, Q and R were partners in a firm. On 31st March, 2018 R retired. The amount payable to R Rs 2,17,000 was transferred to his loan account. R agreed to receive interest on this amount as per the provisions of Partnership Act, 1932. State the rate at which interest will be paid to R.

2. Atul and Neera were partners in a firm sharing profits in the ratio of 3 : 2. They admitted Mitali as a new partner. Goodwill of the firm was valued at Rs 2,00,000. Mitali brings her share of goodwill premium of Rs 20,000 in cash, which is entirely credited to Atul's Capital Account. Calculate the new profit sharing ratio.

3. Chhavi and Neha were partners in a firm sharing profits and losses equally. Chhavi withdrew a fixed amount at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. At the end of the year, interest on Chhavi's drawings amounted to Rs 900. Pass necessary journal entry for charging interest on drawings.

4. What is meant by 'Issued Capital' ?

OR

4. What is meant by 'Employees Stock Option Plan' ?

5. How are Specific donations treated while preparing final accounts of a 'Not-For-Profit Organisation' ?

OR

5. State the basis of accounting of preparing 'Income and Expenditure Account' of a Not-For-Profit Organisation.

6. State any two situations when a partnership firm can be compulsorily dissolved.

7. Garvit Ltd. invited applications for issuing 3,000, 11% Debentures of Rs 100 each at a discount of 6%. The full amount was payable on application. Applications were received for 3,600 debentures. Applications for 600 debentures were rejected and the application money was refunded. Debentures were allotted to the remaining applicants. Pass the necessary journal entries for the above transactions in the books of Garvit Ltd.

OR

7. On 1st April 2015, P Ltd. Issued 6,000 12% Debentures of Rs 100 each at par redeemable at a premium of 7%. The Debentures were to be redeemed at the end of third year. Prepare Loss on issue of 12% Debentures Account.

8. A firm earned average profit of Rs 3,00,000 during the last few years. The normal rate of return of the industry is 15%. The assets of the business were Rs 17,00,000 and its liabilities were Rs 2,00,000. Calculate the goodwill of the firm by capitalisation of average profits.

9. Present the following information for the year ended 31st March, 2018 in the financial statements of a not-for-profit organisation.

Particulars	(Rs)
Opening balance of Match Fund	5,00,000
Sale of Match tickets	3,75,000
Donations for Match Fund received during the year	1,24,000
Match expenses	10,00,000

10. Krishna Ltd. had outstanding 20,000, 9% debentures of Rs 100 each on 1st April, 2014. These debentures were redeemable at a premium of 10% in two equal instalments starting from 31st March, 2018. The company had a balance of Rs 4,00,000 in Debenture Redemption Reserve on 31st March, 2017.

Pass necessary journal entries for redemption of debentures in the books of Krishna Ltd. for the year ended 31st March, 2018.

11. Gaurav, Saurabh and Vaibhav were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. They decided to dissolve the firm on 31st March, 2018. After transferring Sundry assets (other than cash in hand and cash at Bank) and third party liabilities to realisation account, the assets were realized and liabilities were paid off as follows :

- (i) A machinery with a book value of Rs 6,00,000 was taken over by Gaurav at 50% and stock worth Rs 5,000 was taken over by a creditor of Rs 9,000 in full settlement of his claim.
- (ii) Land and building (book value Rs 3,00,000) was sold for Rs 4,00,000 through a broker who charged 2 % commission.
- (iii) The remaining creditors were paid Rs 76,000 in full settlement of their claim and the remaining assets were taken over by Vaibhav for Rs 17,000.
- (iv) Bank loan of Rs 3,00,000 was paid along with interest of Rs 21,000.

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

12. P, Q and R were partners in a firm sharing profits in the ratio of 1 : 1 : 2. On 31st March, 2018, their balance sheet showed a credit balance of Rs 9,000 in the profit and loss account and a Workmen Compensation Fund of Rs 64,000. From 1st April, 2018 they decided to share profits in the ratio of 2 : 2 : 1. For this purpose it was agreed that :

- (a) Goodwill of the firm was valued at Rs 4,00,000.
- (b) A claim on account of workmen compensation of Rs 30,000 was admitted.

Pass necessary journal entries on reconstitution of the firm.

13. Sonu and Rajat started a partnership firm on April 1, 2017. They contributed Rs 8,00,000 and Rs 6,00,000 respectively as their capitals and decided to share profits and losses in the ratio of 3 : 2.

The partnership deed provided that Sonu was to be paid a salary of Rs 20,000 per month and Rajat a commission of 5% on turnover. It also provided that interest on capital be allowed @ 8% p.a. Sonu withdrew Rs 20,000 on 1st December, 2017 and Rajat withdrew Rs 5,000 at the end of each month. Interest on drawings was charged @ 6% p.a. The net profit as per Profit and Loss Account for the year ended 31st March, 2018 was Rs 4,89,950. The turnover of the firm for the year ended 31st March, 2018 amounted to Rs 20,00,000. Pass necessary journal entries for the above transactions in the books of Sonu and Rajat.

OR

13. Jay, Vijay and Karan were partners of an architect firm sharing profits in the ratio of 2 : 2 : 1. Their partnership deed provided the following :

- (i) A monthly salary of Rs 15,000 each to Jay and Vijay.
- (ii) Karan was guaranteed a profit of Rs 5,00,000 and Jay guaranteed that he will earn an annual fee of Rs 2,00,000. Any deficiency arising because of guarantee to Karan will be borne by Jay and Vijay in the ratio of 3 : 2.

During the year ended 31st March, 2018 Jay earned fee of Rs 1,75,000 and the profits of the firm amounted to Rs 15,00,000.

Showing your workings clearly prepare Profit and Loss Appropriation Account and the Capital Account of Jay, Vijay and Karan for the year ended 31st March, 2018.

14. From the following Receipts and Payments Account and additional information, prepare Income and Expenditure Account and Balance Sheet of Sears Club, Noida as on March 31, 2018.

Receipts and Payments Account of Sears Club for the year ended 31-3-2018

Receipts	Amount (Rs)	Payments	Amount (Rs)
To Balance b/d	20,000	By Stationery	23,400
To Subscriptions 2016-17 40,000 2017-18 94,000 2018-19 7,200	1,41,200	By 12% Investments By Electricity expenses By Expenses on lectures By Sports equipment	8,000 10,600 30,000 59,000
To Donations for building	40,000	By Books	40,000
To Interest on Investments	800	By Balance c/d	50,000
To Government Grant	17,400		
To Sale of old furniture (Book value Rs 4,000)	1,600		
	2,21,000		2,21,000

Additional Information :

- The club has 200 members each paying an annual subscription of Rs 1,000. Rs 60,000 were in arrears for last year and 25 members paid in advance in the last year for the current year.
- Stock of stationery on 1-4-2017 was Rs 3,000 and on 31-3-2018 was Rs 4,000.

15. Girija, Yatin and Zubin were partners sharing profits in the ratio 5 : 3 : 2. Zubin died on 1st August, 2015. Amount due to Zubin's executor after all adjustments was Rs 90,300. The executor was paid Rs 10,300 in cash immediately and the balance in two equal annual instalments with interest @ 6% p.a. starting from 31st March, 2017. Accounts are closed on 31st March each year.

Prepare Zubin's Executors Account till he is finally paid.

16. Akul, Bakul and Chandan were partners in a firm sharing profits in the ratio of 2 : 2 : 1. On 31st March, 2018 their Balance Sheet was as follows :

Balance Sheet of Akul, Bakul and Chandan as on 31-3-2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Sundry Creditors	45,000	Cash at Bank	42,000
Employees Provident Fund	13,000	Debtors 60,000 Less : Provision for doubtful debts 2,000	58,000
General reserve	20,000	Stock	80,000
Capitals : Akul 1,60,000 Bakul 1,20,000 Chandan 92,000	3,72,000	Furniture Plant and Machinery	90,000 1,80,000
	4,50,000		4,50,000

Bakul retired on the above date and it was agreed that :

- Plant and Machinery was undervalued by 10%.
- Provision for doubtful debts was to be increased to 15% on debtors.
- Furniture was to be decreased to Rs 87,000.
- Goodwill of the firm was valued at Rs 3,00,000 and Bakul's share was to be adjusted through the capital accounts of Akul and Chandan.
- Capital of the new firm was to be in the new profit sharing ratio of the continuing partners.

Prepare Revaluation account, Partners' Capital accounts and the Balance Sheet of the reconstituted firm.

16. Sanjana and Alok were partners in a firm sharing profits and losses in the ratio 3 : 2. On 31st March, 2018 their Balance Sheet was as follows :

Balance Sheet of Sanjana and Alok as on 31-3-2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	60,000	Cash	1,66,000
Workmen's Compensation Fund	60,000	Debtors 1,46,000 Less : Provision for doubtful debts 2,000	1,44,000
Capitals : Sanjana 5,00,000 Alok 4,00,000	9,00,000	Stock Investments Furniture	1,50,000 2,60,000 3,00,000
	10,20,000		10,20,000

On 1st April, 2018, they admitted Nidhi as a new partner for 1/4th share in the profits on the following terms :

- Goodwill of the firm was valued at Rs 4,00,000 and Nidhi brought the necessary amount in cash for her share of goodwill premium, half of which was withdrawn by the old partners.
- Stock was to be increased by 20% and furniture was to be reduced to 90%.
- Investments were to be valued at Rs 3,00,000. Alok took over investments at this value.
- Nidhi brought Rs 3,00,000 as her capital and the capitals of Sanjana and Alok were adjusted in the new profit sharing ratio.

Prepare Revaluation Account, Partners Capital Accounts and the Balance Sheet of the reconstituted firm on Nidhi's admission.

17. DF Ltd. invited applications for issuing 50,000 shares of Rs 10 each at a premium of Rs 2 per share. The amount was payable as follows :

On Application : Rs 3 per share (including premium Rs 1)

On Allotment : Rs 3 per share (including premium Rs 1)

On First call : Rs 3 per share

On Second and Final Call : Balance amount

Application for 70,000 shares were received.
Allotment was made on the following basis.

Applications for 5,000 shares – Full

Applications for 50,000 shares – 90%

Balance of the applications were rejected. Rs 1,11,000 were received on account of allotment. The amount of allotment due from the shareholders to whom shares were allotted on prorata basis was fully received. A few shareholders to whom shares were allotted in full, failed to pay the allotment money. Rs 1,20,000 were received on first call. Directors decided to forfeit those shares on which allotment and call money was due. Half of the forfeited shares were re-issued @ Rs 8 per share fully paid up. Final call was not made.

Pass the necessary journal entries for the above transactions in the book of DF Ltd.

17. EF Ltd. invited applications for issuing 80,000 equity shares of Rs 50 each at a premium of 20%. The amount was payable as follows :

On Application : Rs 20 per share (including premium Rs 5)

On Allotment : Rs 15 per share (including premium Rs 5)

On First Call : Rs 15 per share

On Second and Final call : Balance amount

Applications for 1,20,000 shares were received.
Applications for 20,000 shares were rejected and pro-rata allotment was made to the remaining applicants.

Seema, holding 4,000 shares failed to pay the allotment money. Afterwards the first call was made. Seema paid allotment money along with the first call. Sahaj who had applied for 2,500 shares failed to pay the first call money. Sahaj's shares were forfeited and subsequently reissued to Geeta for Rs 60 per share, Rs 50 per share paid up. Final call was not made.

Pass necessary journal entries for the above transactions in the books of EF Ltd. by opening calls-in-arrears account.

18. What is meant by 'Cash Flows' ?

19. K Ltd., a manufacturing company obtained a loan of Rs 6,00,000, advanced a loan of Rs 1,00,000 and purchased machinery for Rs 5,00,000. Calculate the amount of Cash Flow from financing and investing activities.

20. Prepare a comparative statement of Profit and Loss from the following information extracted from the statement of Profit and Loss for the year ended 31st March, 2017 and 2018.

Particulars	2017-18	2016-17
Revenue from operations	(Rs) 12,00,000	(Rs) 10,00,000
Other income (% of Revenue from operations)	25%	25%
Employee benefit expenses (% of total Revenue)	40%	30%
Tax Rate	40%	40%

21. Explain briefly any four objectives of 'Analysis of Financial Statements'.

OR

21. State under which major headings and sub-headings will the following items be presented in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013.

- Prepaid Insurance
- Investment in Debentures
- Calls-in-arrears
- Unpaid dividend
- Capital Reserve
- Loose Tools
- Capital work-in-progress
- Patents being developed by the company.

22. (a) Calculate Revenue from operations of BN Ltd. From the following information :

Current assets	Rs 8,00,000.
Quick ratio is	1.5 : 1
Current ratio is	2 : 1.
Inventory turnover ratio is	6 times.

Goods were sold at a profit of 25% on cost.

(b) The Operating ratio of a company is 60%. State whether 'Purchase of goods costing Rs 20,000' will increase, decrease or not change the operating ratio.

OR

22. (a) Calculate 'Total Assets to Debt ratio' from the following information :

	Rs
Equity Share Capital	4,00,000
Long Term Borrowings	1,80,000
Surplus i.e. Balance in statement of Profit and Loss	1,00,000
General Reserve	70,000
Current Liabilities	30,000
Long Term Provisions	1,20,000

(b) The Debt Equity ratio of a company is 1 : 2. State whether 'Issue of bonus shares' will increase, decrease or not change the Debt Equity Ratio.

23. From the following Balance Sheet of Kiero Ltd. and the additional information as on 31-3-2018, prepare a Cash Flow Statement :

Kiero Ltd.
Balance Sheet as at 31-3-2018

23. (continued)

Particulars	Note No.	31-3-18 (Rs)	31-3-17 (Rs)
I Equity and Liabilities			
(1) Shareholders Funds			
(a) Share Capital		7,90,000	5,80,000
(b) Reserves and Surplus	1	4,60,000	1,20,000
(2) Non-Current Liabilities			
Long term Borrowings	2	5,00,000	3,00,000
(3) Current Liabilities			
(a) Short term borrowings	3	1,15,000	42,000
(b) Short term Provisions	4	1,18,000	46,000
Total		19,83,000	10,88,000
II. Assets			
(1) Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	5	9,80,000	6,35,000
(ii) Intangible Assets	6	2,68,000	1,70,000
(2) Current Assets			
(a) Current Investments		1,40,000	70,000
(b) Trade Receivables		4,40,000	1,50,000
(c) Cash and Cash Equivalents		1,55,000	63,000
Total		19,83,000	10,88,000

23. (continued)

Notes to Accounts

23. (continued)

Note No.	Particulars	31-3-18 (Rs)	31-3-17 (Rs)
1.	Reserves and Surplus Surplus(Balance in Statement of Profit & Loss) General Reserve	3,20,000 1,40,000	60,000 60,000
		4,60,000	1,20,000
2.	Long-term Borrowings 12% Debentures	5,00,000	3,00,000
		5,00,000	3,00,000
3.	Short-term Borrowings Bank Overdraft	1,15,000	42,000
		1,15,000	42,000
4.	Short-term Provisions Provision for Tax	1,18,000	46,000
		1,18,000	46,000
5.	Tangible Assets Plant and Machinery Less : Accumulated Depreciation	11,00,000 (1,20,000)	7,50,000 (1,15,000)
		9,80,000	6,35,000
6.	Intangible Assets Goodwill	2,68,000	1,70,000
		2,68,000	1,70,000

23. (continued)

Additional Information :

12% debentures were issued on 1st September, 2017.

Part B - Option II

18. What is a Spread Sheet ?

19. Give the meaning of 'Database design'.

20. Explain 'Payroll accounting system' and 'Management Information System'.

21. Explain 'Transparency control' and 'Scalability' as features of Computerized Accounting System.

OR

21. Explain 'Payroll Accounting Subsystem' & 'Costing Subsystem'.

22. Explain “Null Values and Complex attributes”.

OR

22. Explain closing entries and adjusting entries.

23. Name and explain the function which returns the future value of an investment which has constant payment and interest.

- End of Question Paper -