

CBSE Class 12 Accountancy 2019 - Set 67-2-2



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 'Private Placement of Shares'?

OR

1. What is meant by 'Reserve Capital'?

2. Kiya and Leela are partners sharing profits in the ratio of 3 : 2. Kiran was admitted as a new partner with $\frac{1}{5}$ th share in the profits and brought in Rs 24,000 as her share of goodwill premium that was credited to the capital accounts of Kiya and Leela respectively with Rs 18,000 and Rs 6,000.

Calculate the new profit sharing ratio of Kiya, Leela and Kiran.

3. Dinkar, Navita and Vani were partners sharing profits and losses in the ratio of 3 : 2 : 1. Navita died on 30th June, 2017. Her share of profit for the intervening period was based on the sales during that period, which were Rs 6,00,000. The rate of profit during the past four years had been 10% on sales. The firm closes its books on 31st March every year.

Calculate Navita's share of profit.

4. State the main aim of a not-for-profit organisation.

OR

4. How is 'Life membership fee' treated while preparing the financial statements of a not-for-profit organisation?

5. A new partner acquires two main rights in the partnership firm which he joins. State one of these rights.

OR

5. How does 'Nature of business' affect the value of goodwill of a firm?

6. A, B and C were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2018 their firm was dissolved. On that date provision for bad debts showed a balance of Rs 4,500.

Pass necessary journal entry for the treatment of provision for bad debts on the firm's dissolution.

7. 'UZ Ltd.' purchased Plant and Machinery from Elk Machine Ltd. for Rs 6,90,000. Elk Ltd. was paid by accepting a draft of Rs 90,000 payable after three months and the balance by issue of 6% debentures of Rs 100 each at a discount of 20%.

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

OR

7. 'ZK Ltd.' issued Rs 4,00,000, 9% Debentures of Rs 100 each at a discount of 5% redeemable at a premium of 10%.

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

8. The firm of P, Q and R earned Rs 4,00,000 average profits during the last three years. The capital employed in the business was Rs 6,00,000. Normal rate of return of the industry is 8%.

Calculate the goodwill of the firm by capitalising the super profits.

9. 'WX Ltd.' was registered with an authorised capital of 2,00,000 equity shares of Rs 10 each. The company offered 1,50,000 shares to the public for subscription. 1,45,000 shares were subscribed. All calls were made and were duly received except the final call of Rs 3 on 5,000 shares.

Present the Share Capital of the Company as per the provisions of Schedule III, Part I of the Companies Act, 2013.

10. From the following information, calculate the amount of medicines to be debited to 'Income and Expenditure Account' of a Charitable Hospital for the year ended 31st March, 2018. Also present the relevant information in the Balance Sheet of the hospital as at 31st March, 2018.

Particulars	31st March, 2017 Rs	31st March, 2018 Rs
Stock of medicines	8,00,000	15,00,000
Creditors for medicines	6,00,000	8,00,000

Cash paid to the creditors of medicines during the year was Rs 25,00,000.

11. L, M and N were partners in a firm sharing profits in the ratio of 2 : 3 : 5. From 1st April, 2018 they decided to share the profits in the ratio of 1 : 2 : 2. On this date, the Balance Sheet showed a credit balance of Rs 1,17,000 in General Reserve and a debit balance of Rs 35,000 in Profit and Loss account. The goodwill of the firm was valued at Rs 5,00,000. The revaluation of assets and reassessment of liabilities resulted into a gain of Rs 30,000.

Pass necessary journal entries for the above transactions on the reconstitution of the firm.

12. Manika, Rekha and Mohit were partners sharing profits in the ratio of 5 : 4 : 1. On 31st March, 2018 their Balance Sheet was as follows :

Balance Sheet of Manika, Rekha and Mohit as at 31st March, 2018

Liabilities	Amount Rs	Assets	Amount Rs
Creditors	5,00,000	Fixed Assets	9,00,000
General Reserve	2,00,000	Stock	3,00,000
Capital : Manika 6,00,000 Rekha 4,50,000 Mohit 2,00,000	12,50,000	Debtors Cash at Bank	3,00,000 4,50,000
	19,50,000		19,50,000

Rekha died on 1st July, 2018. According to the partnership deed, her executors were entitled to :

- Balance in her Capital Account.
- Her share of goodwill, which is calculated on the basis of average profits of last four years.
- Her share of profit up to the date of death calculated on the basis of average profits of last two years. The time period for which she survived in the year of death will be calculated in months.
- Interest on capital @ 10% p.a. up to the date of death.

The firm's profits for the last four years were :
2014 – 15 Rs 2,20,000, 2015 – 16 Rs 3,00,000,
2016 – 17 Rs 3,60,000 and 2017 – 18 Rs 3,20,000.

Rekha's executors were paid the amount due immediately.

Prepare Rekha's Capital Account to be presented to her executors.

13. Naveen, Qadir and Rajesh were partners doing an electronic goods business in Uttarakhand. After the accounts of partnership were drawn up and closed, it was discovered that interest on capital has been allowed to partners @ 6% p.a. for the years ending 31st March, 2017 and 2018, although there is no provision for interest on capital in the partnership deed. On the other hand, Naveen and Qadir were entitled to a salary of Rs 3,500 and Rs 4,000 per quarter respectively, which has not been taken into consideration. Their fixed capitals were Rs 4,00,000, Rs 3,60,000 and Rs 2,40,000 respectively. During the last two years they had shared the profits and losses as follows :

Year Ended	Ratio
31st March, 2017	3:2:1
31st March, 2018	5:3:2

Pass necessary adjusting entry for the above adjustments in the books of the firm on 1st April, 2018. Show your workings clearly.

OR

13. On 31st March, 2018 the balance in the Capital Accounts of Abhir, Bobby and Vineet, after making adjustments for profits and drawings were Rs 8,00,000, Rs 6,00,000 and Rs 4,00,000 respectively.

Subsequently, it was discovered that interest on capital and interest on drawings had been omitted. The partners were entitled to interest on capital @ 10% p.a. and were to be charged interest on drawings @ 6% p.a. The drawings during the year were : Abhir Rs 20,000 drawn at the end of each month, Bobby Rs 50,000 drawn at the beginning of every half year and Vineet Rs 1,00,000 withdrawn on 31st October, 2017. The net profit for the year ended 31st March, 2018 was Rs 1,50,000. The profit sharing ratio was 2 : 2 : 1.

Pass necessary adjusting entry for the above adjustments in the books of the firm. Also, show your workings clearly.

14. From the following information of Gems Club, prepare Income and Expenditure Account for the year ended 31st March, 2018.

Receipts and Payments Account of Gems Club for the year ending 31st March, 2018

Receipts	Amount Rs	Payments	Amount Rs
To Balance b/d	50,000	By Furniture	1,30,000
To Interest on Investments	2,400	By Salaries	64,500
To Donations	17,000	By Miscellaneous Expenses	52,000
To Subscriptions	3,00,000	By Telephone Charges	12,000
To Rent Received	70,000	By Fax Machine	6,000
To Sale of old newspapers	600	By 6% Investments (on 01.08.2017)	1,00,000
		By Printing and Stationery	19,000
		By Balance c/d	56,500
	4,40,000		4,40,000

Additional Information :

Subscriptions received included Rs 15,000 for 2018 – 19. The amount of subscriptions outstanding on 31st March, 2018 were Rs 20,000. Salaries unpaid on 31st March, 2018 were Rs 8,000 and Rent receivable was Rs 2,000. Opening stock of printing and stationery was Rs 12,000, whereas Closing stock was Rs 15,000.

15. Ashish and Kanav were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2018 their Balance Sheet was as follows :

Balance Sheet of Ashish and Kanav as at 31st March, 2018

Liabilities	Amount Rs	Assets	Amount Rs
Trade Creditors	42,000	Bank	35,000
Employees' Provident Fund	60,000	Stock	24,000
Mrs. Ashish's Loan	9,000	Debtors	19,000
Kanav's Loan	35,000	Furniture	40,000
Workmen's Compensation Fund	20,000	Plant	2,10,000
Investment Fluctuation Reserve	4,000	Investments	32,000
Capital : Ashish 1,20,000 Kanav 80,000	2,00,000	Profit and Loss Account	10,000
	3,70,000		3,70,000

On the above date they decided to dissolve the firm.

- (i) Ashish agreed to take over furniture at Rs 38,000 and pay off Mrs. Ashish's loan.
- (ii) Debtors realised Rs 18,500 and plant realised 10% more.
- (iii) Kanav took over 40% of the stock at 20% less than the book value. Remaining stock was sold at a gain of 10%.
- (iv) Trade creditors took over investments in full settlement.
- (v) Kanav agreed to take over the responsibility of completing dissolution at an agreed remuneration of Rs 12,000 and to bear realization expenses. Actual expenses of realization amounted to Rs 8,000.

Prepare Revaluation Account.

16. Denspar Ltd. invited applications for issuing 2,00,000 equity shares of Rs 10 each at a premium of Rs 20 per share. The amount was payable as follows :

On Application – Rs 2 per share

On Allotment – Rs 13 per share (including Rs 10 premium)

On First Call – Rs 7 per share (including Rs 5 premium)

On Final Call – Rs 8 per share (including Rs 5 premium)

Applications for 1,80,000 shares were received. Shares were allotted to all the applicants. Yogesh, a shareholder holding 5,000 shares paid his entire share money along with the allotment money. Vishesh, a holder of 7,000 shares, failed to pay the allotment money. Afterwards the first call was made. Vishesh paid the allotment money along with the first call money. Samyesh, holding 2,000 shares did not pay the final call. Samyesh's shares were forfeited immediately after the final call. Out of the forfeited shares, 1,500 shares were reissued at Rs 8 per share fully paid up.

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

16. 'KLN Ltd.' invited applications for issuing 1,00,000 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 4 per share (including premium Rs 1)

On First call – Rs 3 per share

On Second and Final Call – Balance amount

Application for 1,90,000 shares were received.

Allotment was made to the applicants as follows :

Category	No. of Shares Applied	No. of Shares Allotted
I	50,000	40,000
II	1,00,000	60,000

Remaining applications were rejected.

Rajat, a shareholder belonging to Category I who had applied for 2,500 shares, failed to pay the amount due on allotment and first call. His shares were immediately forfeited.

Reema, a shareholder belonging to Category II who was holding 3,000 shares failed to pay the first call and second call money. Her shares were also forfeited. Afterwards 4,000 shares were reissued @ Rs 8 per share fully paid up. These included all the forfeited shares of Reema.

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

17. Mohan, Vinay and Nitya were partners in a firm sharing profits and losses in the proportion of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. On 31st March, 2018, their Balance Sheet was as follows :

Balance Sheet of Mohan, Vinay and Nitya as at 31st March, 2018

17. (continued)

Liabilities	Amount Rs	Assets	Amount Rs
Creditors	48,000	Cash at Bank	31,000
Employees' Provident Fund	1,70,000	Bills Receivable	54,000
Contingency Reserve	30,000	Book Debts 63,000 Less : Provision for doubtful debts 2,000	61,000
Capital : Mohan 1,20,000 Vinay 1,00,000 Nitya 90,000	3,10,000	Plant and Machinery Land and Building	1,20,000 2,92,000
	5,58,000		5,58,000

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

17. (continued)

- (i) Plant and machinery will be depreciated by 5%.
- (ii) An old computer previously written off was sold for Rs 4,000.
- (iii) Bad debts amounting to Rs 3,000 will be written off and a provision of 5% on debtors for bad and doubtful debts will be maintained.
- (iv) Goodwill of the firm was valued at Rs 1,80,000 and Mohan's share of the same was credited in his account by debiting Vinay's and Nitya's accounts.
- (v) The capital of the new firm was to be fixed at Rs 90,000 and necessary adjustments were to be made by bringing in or paying off cash as the case may be.
- (vi) Vinay and Nitya will share future profits in the ratio of 3 : 2.

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

OR

17. Leena and Rohit are partners in a firm sharing profits in the ratio of 3 : 2. On 31st March, 2018, their Balance Sheet was as follows :

Balance Sheet of Leena and Rohit as at 31st March, 2018

Liabilities	Amount Rs	Assets	Amount Rs
Sundry Creditors	80,000	Cash	42,000
Bills Payable	38,000	Debtors 1,32,000 Less : Provision for doubtful debts 2,000	1,30,000
General Reserve	50,000	Stock	1,46,000
Capital : Leena 1,60,000 Rohit 1,40,000	3,00,000	Plant and Machinery	1,50,000
	4,68,000		4,68,000

On the above date Manoj was admitted as a new partner for 1/5th share in the profits of the firm on the following terms :

- (i) Manoj brought proportionate capital. He also brought his share of goodwill premium of Rs 80,000 in cash.
- (ii) 10% of the general reserve was to be transferred to provision for doubtful debts.
- (iii) Claim on account of workmen's compensation amounted to Rs 40,000.
- (iv) Stock was overvalued by Rs 16,000.
- (v) Leena, Rohit and Manoj will share future profits in the ratio of 5 : 3 : 2.

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

18. While preparing Cash Flow Statement, 'Receipt of interest and dividend' will be classified under which type of activity in case of a non-financial enterprise?

19. What is meant by 'Cash and Cash Equivalents'?

20. (i) From the following information calculate Interest Coverage Ratio : Net profit after interest and tax Rs 1,20,000; Rate of income tax 40%; 15% debentures Rs 1,00,000; 12% Mortgage loan Rs 1,00,000.

(ii) A company had Current Assets Rs 3,00,000 and Current Liabilities Rs 1,40,000. Afterwards, it purchased goods worth Rs 20,000 on credit. Calculate the Current Ratio after the purchase of goods.

OR

20. Quick ratio of a company is 1 : 1. State, with reason, whether the following transactions will increase, decrease or not change the ratio :

- (i) Paid insurance premium in advance Rs 10,000.
- (ii) Purchased goods on credit Rs 8,000.
- (iii) Issued fully paid equity shares of Rs 1,00,000.
- (iv) Issued 9% debentures of Rs 5,00,000 to the vendor for machinery purchased.

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

- (i) Interest accrued and due on debentures
- (ii) Loose tools
- (iii) Accrued interest on calls in advance
- (iv) Interest due on calls in arrears
- (v) Trademarks
- (vi) Premium on redemption of debentures
- (vii) Plant and Machinery
- (viii) Patents

OR

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

22. Prepare a Comparative Statement of Profit and Loss from the following information extracted from the Statement of Profit and Loss for the years ended 31st March, 2017 and 31st March, 2018 :

Particulars	2017 – 18	2016 – 17
Revenue from operations	400% of cost of material consumed	300% of cost of material consumed
Cost of materials consumed	Rs 4,40,000	Rs 4,00,000
Other expenses	30% of cost of material consumed	20% of cost of material consumed
Tax rate	50%	50%

23. From the following Balance Sheet of DCX Ltd. and the additional information as at 31st March, 2018 prepare a Cash Flow Statement :

DCX Ltd.

Balance Sheet as at 31st March, 2018

23. (continued)

Particulars	Note No.	31.3.2018 Rs	31.3.2017 Rs
I – Equity and Liabilities :			
1. Shareholder's Funds :			
(a) Share Capital		30,00,000	21,00,000
(b) Reserves and Surplus	1	4,00,000	5,00,000
2. Non-Current Liabilities :			
Long-term Borrowings	2	8,00,000	5,00,000
3. Current Liabilities :			
(a) Trade Payables		1,50,000	1,00,000
(b) Short-term Provisions	3	76,000	56,000
Total		44,26,000	32,56,000
II – Assets :			
1. Non-Current Assets :			
Fixed Assets :			
(i) Tangible Assets	4	27,00,000	20,00,000
(ii) Intangible Assets		8,00,000	7,00,000
2. Current Assets :			
(a) Current Investments		89,000	78,000
(b) Inventories		8,00,000	4,00,000
(c) Cash and cash equivalents		37,000	78,000
Total		44,26,000	32,56,000

23. (continued)

Notes to Accounts :

Note No.	Particulars	31.3.2018 Rs	31.3.2017 Rs
1.	Reserves and Surplus : (Surplus i.e. Balance in the Statement of Profit and Loss)	4,00,000 4,00,000	5,00,000 5,00,000
2.	Long-term Borrowings : 8% Debentures	8,00,000 8,00,000	5,00,000 5,00,000
3.	Short-term Provisions : Provision for Tax	76,000 76,000	56,000 56,000
4.	Tangible Asset : Machinery Less : Accumulated Depreciation	33,00,000 (6,00,000) 27,00,000	25,00,000 (5,00,000) 20,00,000

Additional Information :

(i) During the year a machinery costing Rs 8,00,000 on which accumulated depreciation was Rs 3,20,000 was sold for Rs 6,40,000.

(ii) Debentures were issued on 1st April, 2017.

Part B - Option II

18. What is the activity sequence of the basic information processing mode?

19. What is meant by 'Data Validation'?

20. Give four advantages of computerised accounting system.

21. State the steps to construct Bank Reconciliation Statements in Tally.

OR

21. Explain composite vs atomic attributes and stored vs derived attributes.

22. Explain any two sub-systems of accounting information system.

OR

22. List the elements to be considered while calculating deductions for current payroll for a given period.

23. What is meant by conditional formatting? Give its two uses and three benefits.

- End of Question Paper -