

# CBSE Class 12 Accountancy 2019 - Set 67-2-3

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

OR

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

2. 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.

3. Kiya and Leela are partners sharing profits in the ratio of 3 : 2. Kiran was admitted as a new partner with 1/5th 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.

4. What is meant by 'Private Placement of Shares'?

OR

4. What is meant by 'Reserve Capital'?

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. B, C and D were partners in a firm sharing profits and losses in the ratio of 1 : 4 : 5. On 31st March, 2018 the firm was dissolved and on that date the Balance Sheet of the firm showed a loan of Rs 10,000 given by C's brother F. C agreed to pay his brother's loan.

Pass necessary journal entry for the above on the firm's dissolution.

7. A, B, C and D were partners in a firm sharing profits and losses equally. E was admitted as a new partner for 1/3rd share in the profits of the firm which he acquires equally from C and D. On E's admission the goodwill of the firm was valued at Rs 3,00,000.

Calculate the new profit sharing ratio on E's admission. Also pass necessary journal entry on E's admission, assuming that he failed to bring his share of goodwill in cash.

8. 'JN Ltd.' were registered with an authorised capital of 2,00,000 equity shares of Rs 100 each. The company offered to the public for subscription 1,00,000 shares. Applications for 1,50,000 shares were received and allotment was made to all the applicants on pro-rata basis. All calls were made and were duly received except the second and final call of Rs 4,000. The amount payable on second and final call was Rs 20 per share.

Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013.

9. '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.'

9. '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.'

10. Calculate the amount of stationery to be debited to 'Income and Expenditure Account' of New Friends Club for the year ended 31st March, 2018. Also present the relevant information in the Balance Sheet of the Club as at 31st March, 2018.

| Particulars              | 31st March, 2017 Rs | 31st March, 2018 Rs |
|--------------------------|---------------------|---------------------|
| Stock of stationery      | 25,000              | 40,000              |
| Creditors for stationery | 30,000              | 19,000              |

During the year Rs 46,000 were paid to the creditors for stationery and stationery of Rs 6,000 was purchased in cash.

11. Satish and Taruna were partners in a firm sharing profits and losses in the ratio of 3 : 2. From 1st April, 2018 they decided to share profits equally. On that date their Balance Sheet showed a credit balance of Rs 35,000 in workmen compensation fund and Rs 40,000 in general reserve. The goodwill of the firm on that date was valued at Rs 50,000. The firm accepted a claim of Rs 40,000 for workmen compensation.

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

12. Garima, Harish and Reena were partners in a firm sharing profits and losses equally. On 31st March, 2015, Harish died and the amount payable to his executors was Rs 90,000. It was agreed between the remaining partners and Harish's executors that the executors will be paid in four equal yearly instalments along with interest @ 18% per annum starting from 31st March, 2015.

Prepare Harish's executor's account till it is finally closed.

13. 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 :<br>Ashish 1,20,000<br>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.

- Ashish agreed to take over furniture at Rs 38,000 and pay off Mrs. Ashish's loan.
- Debtors realised Rs 18,500 and plant realised 10% more.
- Kanav took over 40% of the stock at 20% less than the book value. Remaining stock was sold at a gain of 10%.
- Trade creditors took over investments in full settlement.
- 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.

14. 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

14. 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.

15. 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.

16. Mohan, Vinay and Nitya were partners in a firm sharing profits and losses in the proportion of 1/2, 1/3 and 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

16. (continued)

| Liabilities                                                   | Amount<br>Rs | Assets                                                         | Amount<br>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<br>Less : Provision for doubtful debts 2,000 | 61,000               |
| Capital :<br>Mohan 1,20,000<br>Vinay 1,00,000<br>Nitya 90,000 | 3,10,000     | Plant and Machinery<br>Land and Building                       | 1,20,000<br>2,92,000 |
|                                                               | 5,58,000     |                                                                | 5,58,000             |

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

16. (continued)

- Plant and machinery will be depreciated by 5%.
- An old computer previously written off was sold for Rs 4,000.
- 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.
- 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.
- 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.
- 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

16. 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<br>Rs | Assets                                                        | Amount<br>Rs |
|-----------------------------------------------|--------------|---------------------------------------------------------------|--------------|
| Sundry Creditors                              | 80,000       | Cash                                                          | 42,000       |
| Bills Payable                                 | 38,000       | Debtors 1,32,000<br>Less : Provision for doubtful debts 2,000 | 1,30,000     |
| General Reserve                               | 50,000       | Stock                                                         | 1,46,000     |
| Capital :<br>Leena 1,60,000<br>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 :

- Manoj brought proportionate capital. He also brought his share of goodwill premium of Rs 80,000 in cash.
- 10% of the general reserve was to be transferred to provision for doubtful debts.
- Claim on account of workmen's compensation amounted to Rs 40,000.
- Stock was overvalued by Rs 16,000.
- 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.

17. 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.

17. '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.'

18. What is meant by 'Inflow of Cash'?

19. Are 'Assets acquired by issue of shares' disclosed in the Cash Flow Statement? Give reason in support of your answer.

20. 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

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

21. (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

21. 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.

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    | 200% of cost of material consumed | 200% of cost of material consumed |
| Cost of materials consumed | Rs 3,00,000                       | Rs 2,00,000                       |
| Other expenses             | 15% of cost of material consumed  | 25% of cost of material consumed  |
| Tax rate                   | 40%                               | 40%                               |

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 :<br>(Surplus i.e. Balance in the Statement of Profit and Loss) | 4,00,000<br>4,00,000                 | 5,00,000<br>5,00,000                 |
| 2.       | Long-term Borrowings :<br>8% Debentures                                              | 8,00,000<br>8,00,000                 | 5,00,000<br>5,00,000                 |
| 3.       | Short-term Provisions :<br>Provision for Tax                                         | 76,000<br>76,000                     | 56,000<br>56,000                     |
| 4.       | Tangible Asset :<br>Machinery<br>Less : Accumulated Depreciation                     | 33,00,000<br>(6,00,000)<br>27,00,000 | 25,00,000<br>(5,00,000)<br>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 meant by 'Hardware'?

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19. What is meant by 'Database Design'?

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20. Explain any four advantages of Database Management System.

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

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OR

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

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

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OR

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

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

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- End of Question Paper -