

CBSE Class 12 Accountancy 2019 - Set 67-4-3

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.

Part A

1. A and B were partners in a firm sharing profits in the ratio of 3 : 2. C and D were admitted as new partners. A sacrificed $\frac{1}{4}$ th of his share in favour of C and B sacrificed 50% of his share in favour of D. Calculate the new profit sharing ratio of A, B, C and D.

2. Distinguish between 'Reconstitution of Partnership' and 'Dissolution of Partnership Firm' on the basis of 'Closure of books'.

OR

2. State the basis of calculating the amount of profit payable to the legal representative of a deceased partner in the year of death.

3. What is meant by 'Issue of Debentures as Collateral Security'?

OR

3. State the provision of the Companies Act, 2013 for the creation of Debenture Redemption Reserve.

4. Differentiate between 'Receipts and Payments Account' and 'Income and Expenditure Account' on the basis of 'Period'.

OR

4. What is meant by 'Life membership fees'?

5. Dev withdrew Rs 10,000 on 15th day of every month. Interest on drawings was to be charged @ 12% per annum. Calculate interest on Dev's drawings.

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

7. What is meant by 'over-subscription' of shares? With the help of an example, briefly explain the alternatives available for allotment of shares in case of over-subscription.

OR

7. What is meant by 'Forfeiture of shares'? When does 'gain on forfeited shares' arise and when is it transferred to capital reserve?

8. Devi, Dayal and Daya were partners in a firm sharing profits in the ratio of 2 : 1 : 2. On 31st March, 2018, they admitted Divya as a new partner for $\frac{1}{5}$ th share in the profits. Their new profit sharing ratio was 1 : 2 : 1 : 1. Divya brought Rs 5,00,000 as her capital and Rs 50,000 for her share of goodwill premium.

Pass necessary journal entries for the above transactions in the books of the firm on Divya's admission.

9. From the following information, calculate the amount of stationery consumed by 'Shree Club' for the year ended 31st March, 2018.

Particulars	31.3.2017 (Rs)	31.3.2018 (Rs)
Balance of stationery	24,000	29,500
Creditors for stationery	2,09,000	1,95,000

During the year creditors were paid Rs 3,00,000.

10. On 1st April, 2018, R.J. Ltd issued Rs 10,00,000, 9% debentures of Rs 100 each at a discount of 10%. These debentures were redeemable at a premium of 5% after four years.

Pass necessary journal entries for the issue of debentures and prepare 9% Debentures Account.

11. J, K and L were partners in a firm sharing profits in the ratio of 4 : 5 : 1. On 31st March, 2018 their firm was dissolved. On this date the Balance Sheet showed a balance of Rs 1,34,000 in debtors account and a balance of Rs 14,000 in provision for bad debts account. Both the accounts were closed by transferring their balances to realisation account. Rs 4,000 of the debtors became bad and nothing could be realised from them on dissolution. K agreed to look after the dissolution work for which he was allowed a remuneration of Rs 16,000. K also agreed to bear dissolution expenses for which he was allowed a lumpsum payment of Rs 4,000. Actual dissolution expenses were Rs 6,500 and the same were paid from the firm's cash. Loss on dissolution amounted to Rs 37,000.

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

12. E, F and G were partners in a firm sharing profits in the ratio of 3 : 3 : 4. Their respective fixed capitals were E Rs 3,00,000; F Rs 4,00,000 and G Rs 5,00,000. The partnership deed provided for allowing interest on capital @ 12% p.a. even if it results into a loss to the firm. The net profit of the firm for the year ended 31st March, 2018 was Rs 2,10,000.

Pass necessary journal entries for allowing interest on capital and division of profit/loss in the books of the firm.

13. Pass necessary rectifying journal entries for the following omissions committed while preparing Profit and Loss Appropriation Account. You are also required to show your workings clearly.

(i) A, B and C were partners sharing profits and losses equally. Their fixed capitals were A Rs 4,00,000; B Rs 5,00,000 and C Rs 6,00,000. The partnership deed provided that interest on partners' capital will be allowed @ 10% per annum. The same was omitted.

(ii) P, Q and R were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their partnership deed provided that interest on partners' drawings will be charged @ 18% p.a. Interest on the partners' drawings was Rs 1,000, Rs 500 and Rs 2,000 respectively. The same was omitted.

14. A, B and C were partners sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2018 was as follows :

Balance Sheet of A, B and C as at 31st March, 2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capitals : A 7,50,000 B 3,00,000 C 2,50,000	13,00,000	Cash at Bank	3,00,000
Creditors	2,00,000	Sundry Debtors 1,95,000 Less : Provision for Bad Debts 5,000	1,90,000
		Stock	3,00,000
		Fixed Assets	7,10,000
	15,00,000		15,00,000

On the above date they dissolved the firm and following amounts were realised :

Fixed Assets Rs 6,75,000; Stock Rs 3,39,000; Debtors Rs 1,35,000; Creditors were paid Rs 1,85,000 in full settlement of their claim. Expenses on Realisation amounted to Rs 19,000.

Pass the necessary journal entries on the dissolution of the firm.

OR

14. P, Q and R were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. On 31st March, 2018 their Balance Sheet was as follows :

Balance Sheet of P, Q and R as at 31st March, 2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	50,000	Cash in Hand	40,000
General Reserve	60,000	Cash at Bank	2,00,000
Capital : P 2,00,000 Q 3,00,000 R 3,00,000	8,00,000	Stock	50,000
		Debtors	60,000
		Fixed Assets	5,60,000
	9,10,000		9,10,000

On the above date the firm was reconstituted and it was decided that :

- The new profit sharing ratio will be 2 : 2 : 1.
- Bad debts Rs 6,000 were to be written off and a provision of Rs 3,000 was to be made for bad and doubtful debts.
- The capital of the partners will be adjusted in the new firm in their profit sharing ratio. For this, partners' current accounts will be opened.

Pass the necessary journal entries on the reconstitution of the firm.

15. From the following Receipts and Payments Account and additional information of Swachh Bharat Club, New Delhi for the year ended 31st March, 2018, prepare Income and Expenditure Account and Balance Sheet.

Receipts and Payments Account of Swachh Bharat Club for the year ended 31st March, 2018

Receipts	Amount (Rs)	Payments	Amount (Rs)
To Balance b/d Cash 20,000 Bank 40,000	60,000	By Campaign Expenses	1,30,000
To Subscriptions	1,80,000	By Office rent	40,000
To Sale of old furniture (book value Rs 3,000)	2,000	By Salary	10,000
To Life Membership fees	30,000	By Furniture hire rent	12,000
To Government grants	2,00,000	By Advertisement	15,000
		By Fixed deposit (On 1.8.2017 @12%p.a.)	2,00,000
		By Balance c/d Cash 25,000 Bank 40,000	65,000
	4,72,000		4,72,000

Additional Information :

Assets on 1.4.2017 were : Books Rs 50,000;
Computers Rs 75,000.
Liabilities and Capital fund on 1.4.2017 were :
Creditors Rs 60,000; Capital fund Rs 1,28,000.

16. S Ltd. invited applications for issuing 1,00,000 equity shares of Rs 10 each. The shares were issued at a premium of Rs 5 per share. The amount was payable as follows :

On Application and Allotment — Rs 8 per share (including premium Rs 3)

On the First and Final call — Balance including premium

Applications for 1,50,000 shares were received. Applications for 10,000 shares were rejected and pro-rata allotment was made to the remaining applicants on the following basis :

(I) Applicants for 80,000 shares were allotted 60,000 shares, and

(II) Applicants for 60,000 shares were allotted 40,000 shares.

Excess amount received on application and allotment was to be adjusted against sums due on call. X, who belonged to the first category and was allotted 300 shares, failed to pay the first and final call money. Y, who belonged to the second category and was allotted 200 shares, also failed to pay the first and final call money. Their shares were forfeited. The forfeited shares were reissued @ Rs 12 per share as fully paid-up.

Pass necessary cash book and journal entries for the above transactions in the books of the company.

OR

16. Jain Ltd. invited applications for issuing 1,12,000 equity shares of Rs 10 each at par. The amount per share was payable as follows :

On Application — Rs 1

On Allotment — Rs 2

On First call — Rs 3

On Second and Final call — Rs 4

Applications for 1,00,000 shares were received. Shares were fully allotted to all the applicants. Ramesh failed to pay his allotment money which was Rs 2,000. His shares were forfeited immediately. Suresh did not pay the first call on 500 shares applied by him. His shares were forfeited after the first call. The forfeited shares of Ramesh and Suresh were re-issued at Rs 9 per share fully paid up. Afterwards the second and final call was made and was duly received.

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

17. A and B were partners sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2018, was as follows :

Balance Sheet of A and B as at 31st March, 2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital : A 1,04,000 B 52,000	1,56,000	Cash	8,000
Creditors	1,54,000	Sundry Debtors 37,600 Less : Provision for doubtful debts 1,600	36,000
Employees' Provident Fund	16,000	Stock	60,000
Workmen Compensation Fund	10,000	Prepaid Insurance	6,000
Contingency Reserve	10,000	Plant and Machinery	76,000
		Building	1,40,000
		Furniture	20,000
	3,46,000		3,46,000

C was admitted as a new partner and brought Rs 64,000 as capital and Rs 15,000 for his share of goodwill premium. The new profit sharing ratio was 5 : 3 : 2.

On C's admission the following was agreed upon :

- Stock was to be depreciated by 5%.
- Provision for doubtful debts was to be made at Rs 2,000.
- Furniture was to be depreciated by 10%.
- Building was valued at Rs 1,60,000.
- Capitals of A and B were to be adjusted on the basis of C's capital by bringing or paying of cash as the case may be.

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

17. G, E and F were partners in a firm sharing profits in the ratio of 7 : 2 : 1. The Balance Sheet of the firm as at 31st March, 2018, was as follows :

Balance Sheet of G, E and F as at 31st March, 2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital : G 1,40,000 E 40,000 F 20,000	2,00,000	Cash	90,000
Creditors	28,000	Sundry Debtors	24,000
General Reserve	40,000	Stock	14,000
Loan from E	60,000	Machinery	80,000
		Land and Building	1,20,000
	3,28,000		3,28,000

E retired on the above date. On E's retirement the following was agreed upon :

- Land and Building were revalued at Rs 1,88,000, Machinery at Rs 76,000 and Stock at Rs 10,000 and goodwill of the firm was valued at Rs 90,000.
- A provision of 2.5% was to be created on debtors for doubtful debts.
- The net amount payable to E was transferred to his loan account to be paid later on.
- Total capital of the new firm was fixed at Rs 2,40,000 which will be adjusted according to their new profit sharing ratio by opening current accounts.

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

18. How is goodwill written off treated while calculating cash flow from operating activities?

19. When does an investment qualify as cash equivalent?

20. Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013?

- (i) Cheques and Bank Drafts in Hand
- (ii) Loose tools
- (iii) Securities Premium Reserve
- (iv) Long-Term Investments with maturity period less than six months
- (v) Work-in-Progress
- (vi) Mining Rights
- (vii) Publishing titles
- (viii) Debtors

OR

20. Explain the importance of financial analysis for (i) labour unions, and (ii) creditors.

21. From the following information prepare a Comparative Income Statement of NY Ltd :

Particulars	2016-17 (Rs)	2017-18 (Rs)
Revenue from operations	15,00,000	24,00,000
Cost of materials consumed	8,00,000	12,00,000
Employee benefit expenses	1,20,000	1,80,000
Other expenses	80,000	60,000

Tax Rate 50%.

22. The operating ratio of a company is 80%. State whether the following transactions will increase, decrease or not change the ratio :

- (i) Purchased goods on credit Rs 20,000
- (ii) Paid wages Rs 5,000
- (iii) Redeemed Rs 8,000, 9% debentures
- (iv) Sold goods Rs 50,000 for cash

OR

22. From the following information of Shiva Ltd., calculate total assets to debt ratio :

Equity Share Capital — Rs 5,00,000
 9% Preference Share Capital — Rs 4,00,000
 Fixed Assets — Rs 12,00,000
 Non-Current Investments — Rs 1,50,000
 Reserves and Surplus — Rs 2,40,000
 Current Assets — Rs 1,90,000
 Current Liabilities — Rs 1,00,000

23. The following is the Balance Sheet of R.M. Ltd. as at 31st March, 2017. Prepare a Cash Flow Statement :

R.M. Ltd.

Balance Sheet as at 31st March, 2017

23. (continued)

Particulars	Note No.	31.3.2017 (Rs)	31.3.2016 (Rs)
I — Equity and Liabilities :			
1. Shareholder's Funds :			
(a) Share Capital		15,00,000	10,00,000
(b) Reserves and Surplus (Balance in Statement of Profit and Loss)		7,50,000	6,00,000
2. Non-Current Liabilities :			
Long-term Borrowings	1	1,00,000	2,00,000
3. Current Liabilities :			
(a) Trade Payables		1,00,000	1,10,000
(b) Short-term Provisions	2	95,000	80,000
Total		25,45,000	19,90,000
II — Assets :			
1. Non-Current Assets :			
(a) Fixed Assets :			
(i) Tangible Assets	3	10,10,000	9,00,000
(ii) Intangible Assets	4	2,80,000	2,00,000
(b) Non-Current Investments :		5,00,000	—
2. Current Assets :			
(a) Inventories		1,80,000	1,00,000
(b) Trade Receivables		2,00,000	1,50,000
(c) Cash and Cash Equivalents	5	3,75,000	6,40,000
Total		25,45,000	19,90,000

23. (continued)

Notes to Accounts :

Note No.	Particulars	31.3.2017 (Rs)	31.3.2016 (Rs)
1.	Long-term Borrowings : 9% Debentures	1,00,000	2,00,000
		1,00,000	2,00,000
2.	Short-term Provisions : Provision for Tax	95,000	80,000
		95,000	80,000
3.	Tangible Assets : Plant and Machinery Accumulated Depreciation	12,10,000 (2,00,000)	11,40,000 (2,40,000)
		10,10,000	9,00,000
4.	Intangible Assets : Goodwill	2,80,000	2,00,000
		2,80,000	2,00,000
5.	Cash and Cash Equivalents : (i) Cash in Hand (ii) Bank Balance	70,000 3,05,000	3,50,000 2,90,000
		3,75,000	6,40,000

Additional Information :

23. (continued)

- (i) During the year, a machine costing Rs 80,000 on which accumulated depreciation was Rs 50,000 was sold for Rs 30,000.
(ii) 9% Debentures were released on 31st March, 2017.

Part B - Option II

18. Give the meaning of the term 'Mixed Reference'.

19. List any four attributes of information to be stored in payroll database.

20. Differentiate between 'Generic Software' and 'Specific Software' on any four bases.

21. Differentiate between 'desktop database' and 'server database'?

OR

21. State the features of a good accounting software.

22. Why is it necessary to have safety features in accounting software? Explain any two tools which provide data security.

OR

22. Name the value which represents absence of data. Also state the situation which may require the use of these values.

23. Nisan Ltd. purchased an embossing machine for Rs 1,50,000. They paid Rs 50,000 as installation and transport expenses. Assuming its salvage value at the end of 5 years as Rs 25,000, calculate depreciation by using Straight Line Method and its rate using formulas in MS Excel.

- End of Question Paper -