

CBSE Class 12 Accountancy 2019 - Set 67-5-3

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. At the time of dissolution of a partnership firm, the book value of sundry assets transferred to Realisation Account was Rs 2,00,000. 50% of these sundry assets were taken by partner A at 20% discount, 40% of remaining assets were sold at a profit of 30% on cost. 5% of the balance was found obsolete and realised nothing. The remaining assets were taken over by a creditor in full settlement of his claim.

Pass necessary journal entries for the above.

2. What is meant by 'Reserve Capital'?

OR

2. Name the sources that may be available for redemption of debentures.

3. State the two situations under which interest on capital is generally provided.

OR

3. Distinguish between Fixed Capital Account and Fluctuating Capital Account on the basis of 'Credit Balance'.

4. S, B and J were partners in a firm. T was admitted as a partner in the partnership firm for 1/5th share of profits. Calculate the sacrificing ratio of S, B and J.

5. A not-for-profit organisation prepares three financial statements, one of which is the Income and Expenditure Account. Name the other two financial statements prepared by it.

OR

5. State the basis of preparing 'Income and Expenditure Account'.

6. State the 'liability of a partner' in a partnership firm.

7. The goodwill of a firm is valued at 4 years' purchase of average profits of last five years. The profits of the last five years were :

Year	Profit (Rs)
2013 – 14	2,00,000
2014 – 15	3,00,000
2015 – 16	4,50,000 (including an abnormal gain of Rs 50,000)
2016 – 17	3,50,000 (after charging an abnormal loss of Rs 90,000)
2017 – 18	2,60,000

Calculate the amount of the goodwill.

8. From the following information, calculate the amount of subscription to be credited in the Income and Expenditure Account of Roshanara Cricket Club for the year ended 31st March, 2018.

Particulars	For the year ended 31st March, 2017 (Rs)	For the year ended 31st March, 2018 (Rs)
Advance Subscription	15,500	21,600
Outstanding Subscription	7,800	25,200

During the year the club received Rs 2,20,000 as subscription which included Rs 2,800 for the year ended 31st March, 2017.

9. On 1st April, 2012, Samir Ltd. issued Rs 5,00,000, 10% Debentures of Rs 100 each at a discount of 5% redeemable at a premium of 10%. The debentures were redeemable on 31st March, 2018. The company created the necessary minimum reserve for redemption of debentures and purchased debenture redemption investments as per the requirements of the Companies Act, 2013.

Pass necessary journal entries for redemption of debentures on 31st March, 2018.

10. State any three purposes other than 'writing off the preliminary expenses of the company' for which Securities Premium Reserve can be utilised.

OR

10. Using imaginary figures, present the share capital of a company in its Balance Sheet according to the provisions of Schedule III of the Companies Act, 2013.

11. Kanu and Manu were partners in a firm. They admitted Tarun as a new partner for 1/4th share of profits. Tarun brought Rs 3,00,000 as his capital and the necessary amount of goodwill premium for his share of goodwill. The goodwill of the firm was valued at Rs 1,60,000. The new profit sharing ratio will be 2 : 1 : 1.

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

12. Anita, Babita and Chamanpreet were partners in a firm. Anita died on 31 March, 2018. The Balance Sheet of the firm on that date was as under :

Balance Sheet of Anita, Babita and Chamanpreet as at 31.3.2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	40,000	Cash at Bank	55,000
General Reserve	63,000	Debtors 40,000 Less : Provision for Doubtful Debts 2,000	38,000
Employees' Provident Fund	32,000	Furniture	1,30,000
Capital : Anita 2,00,000 Babita 2,00,000 Chamanpreet 1,00,000	5,00,000	Plant and Machinery	4,12,000
	6,35,000		6,35,000

On Anita's death the furniture was to be reduced by Rs 36,000 and plant was to be brought down to Rs 4,00,000. A claim of Rs 15,000 on account of workmen's compensation was accepted.

Pass necessary journal entries for the above transactions in the books of the firm assuming that half the amount due to Anita's executor was paid to her immediately.

13. A, B and C were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. On 1.4.2017 the balances in their Capital and Current Accounts were as follows :

	Capital Accounts (Rs)	Current Accounts (Rs)
A	4,00,000 Cr.	20,000 Dr.
B	5,00,000 Cr.	10,000 Dr.
C	6,00,000 Cr.	15,000 Dr.

Their partnership deed provided for the following :

- (i) Interest on Capital @ 9% p.a.
- (ii) Salary to A @ Rs 50,000 per quarter

On 1.1.2016 C had given a loan of Rs 2,00,000 to the firm at 6% per annum interest. During the year their drawings were A Rs 40,000, B Rs 75,000 and C Rs 55,000. On 1.1.2018, A introduced further capital Rs 2,00,000. The net profit of the firm before allowing interest on C's loan was Rs 4,00,000.

Prepare Profit and Loss Appropriation Account of the firm for the year ending 31.3.2018 and the Current Accounts of the partners.

14. Following is the summary of cash transactions of Good Health Club for the year ending 31.3.2018 :

Particulars	Amount (Rs)
Opening Balance – Cash	70,000
Opening Balance – Bank	3,00,000
Subscriptions Received :	
2016 – 2017	40,000
2017 – 2018	3,75,000
2018 – 2019	20,000
Donations for Gym	1,64,000
Admission Fees	14,000
Life Membership Fee	45,000
Wages and Salaries	55,000
Locker Rent	11,000
Invested in 9% debentures of XYZ Ltd.	2,40,000
Health Journals	5,000
Stationery	12,500
Insurance Premium	6,760
Courier Charges	800
Municipal Taxes	9,570
Machinery Purchased	38,000
Sale of Old Newspapers	300
Interest on Bank Balance	1,740
Cash in Hand	43,000

From the above summary prepare a Receipts and Payments Account of Good Health Club for the year ending 31.3.2018.

15. A, B and C were partners. Their fixed capitals were Rs 60,000, Rs 40,000 and Rs 20,000 respectively. Their profit sharing ratio was 2 : 2 : 1. According to the partnership deed, they were entitled to interest on capital @ 5% p.a. In addition, B was also entitled to draw a salary of Rs 1,500 per month. C was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to B. The net profits for the year, Rs 80,000, were distributed in the ratio of their capitals without providing for any of the above adjustments. Showing your workings clearly, pass the necessary adjustment entry.

OR

15. T and N were partners in a firm. On 31st March, 2018 they decided to admit M as a new partner. On 31st March, 2018 the Balance Sheet of T and N stood as follows :

Balance Sheet of T and N as at 31.3.2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	18,000	Cash at Bank	1,000
General Reserve	2,000	Debtors	40,000
Capital : T 30,000 N 15,000	45,000	Stock Furniture Freehold Property	6,000 3,000 15,000
	65,000		65,000

They agreed to admit M as a new partner subject to the following terms and conditions :

- M will bring in Rs 20,000 of which Rs 4,500 will be treated as his share of goodwill premium to be retained in the business.
- M will be entitled to 1/4th share of the profits in the firm.
- A provision for doubtful debts was to be created at 5% on the debtors.
- Furniture was to be depreciated by 5%.
- Stock was to be revalued at Rs 5,000.

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

16. Royal Ltd. invited applications for issuing 2,00,000 equity shares of Rs 10 each at a premium of 25% payable with application. Applications for 4,50,000 shares were received. Applications for 1,00,000 shares were rejected and money refunded. Pro-rata allotment was made to the remaining applicants. The amount per share was payable as follows :

On Application : Rs 4 per share including premium

On Allotment : Rs 3.50 per share
Balance on 1st and Final Call.

Excess application money received with applications was adjusted with sums due on allotment.

Application money in excess of sums due on allotment, if any, was refunded. Raghu, who had applied for 7,000 shares failed to pay allotment money. His shares were forfeited immediately after allotment. Afterwards the first and final call was made.

Nandan, who had applied for 10,500 shares, failed to pay the first and final call. His shares were also forfeited. All the forfeited shares were reissued at Rs 11.50 fully paid up, to Meeta.

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

OR

16. Saral Ltd. invited applications for issuing 25,000 equity shares of Rs 100 each at par. The amount per share was payable as follows :

On Application : Rs 20 per share

On Allotment : Rs 30 per share

On First Call : Rs 25 per share

On Second and Final Call : Rs 25 per share

Applications were received for 24,000 shares and the shares were allotted to all the applicants. All calls were made and were received as follows :

On 18,000 shares : Full amount

On 2,000 shares : Rs 75 per share

On 2,500 shares : Rs 50 per share

On 1,500 shares : Rs 20 per share

The company forfeited those shares on which less than Rs 75 per share were received. The forfeited shares were reissued at Rs 95 per share fully paid up.

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

17. Michael, Jackson and John were partners in a firm sharing profits in the ratio of 3 : 1 : 1. On 31st March, 2017, they decided to dissolve their firm. On that date their Balance Sheet was as follows :

Balance Sheet of Michael, Jackson and John as at 31.3.2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	11,500	Bank	6,000
Loan	3,500	Debtors 48,400 Less : Provision for Doubtful Debts 2,400	46,000
Capital : Michael 50,000 Jackson 25,000 John 14,000	89,000	Stock in Trade Furniture Sundry Assets	16,000 2,000 34,000
	1,04,000		1,04,000

It was agreed that :

(i) Michael was to take over Furniture at Rs 2,600 and Debtors amounting to Rs 40,000 at Rs 34,400 and the Creditors of Rs 10,000 were to be paid by him at this figure.

(ii) Jackson was to take over all the stock in trade at Rs 14,000 and some of the other Sundry Assets at Rs 28,800 (being 10% less than book value).

(iii) John was to take over the remaining Sundry Assets at 90% of the book value and assumed the responsibility for the discharge of the loan.

(iv) The remaining debtors were sold to a debt collecting agency for 50% of the book value. The expenses of dissolution Rs 600 were paid by John.

Prepare Realisation Account, Bank Account and Partners' Capital Accounts.

OR

17. N, S and B were partners in a firm sharing profits and losses in proportion of 1/2, 1/6 and 1/3 respectively. The Balance Sheet of the firm as at 31st March, 2017 was as follows :

Balance Sheet of N, S and B as at 31.3.2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital : N 30,000 S 30,000 B 28,000	88,000	Freehold Premises Machinery Furniture Stock	40,000 30,000 12,000 22,000
Bills Payable	12,000	Sundry Debtors 20,000 Less : Provision for Bad Debts 1,000	19,000
General Reserve	12,000		
Sundry Creditors	18,000	Cash	7,000
	1,30,000		1,30,000

B retired from the business on the above date and the partners agreed to the following :

(i) Freehold premises and stock were to be appreciated by 20% and 15% respectively.

(ii) Machinery and furniture were to be depreciated by 10% and 7% respectively.

(iii) Provision for bad debts was to be increased by Rs 1,500.

(iv) On B's retirement goodwill of the firm was valued at Rs 21,000.

(v) The continuing partners decided to adjust their capitals in their new profit-sharing ratio after retirement of B. Surplus/deficit, if any, in their capital accounts was to be adjusted through their current accounts.

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

18. Give any two examples of financing activities of a finance company.

19. Give the meaning of 'cash and cash equivalents' while preparing cash flow statement.

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

- (i) Bank Overdraft
- (ii) Subsidy Reserve
- (iii) Capital Redemption Reserve
- (iv) Mining Rights
- (v) Patents
- (vi) Debit balance in the Statement of Profit and Loss
- (vii) Debenture Redemption Reserve
- (viii) Provision for Taxation

OR

20. Explain briefly the importance of financial analysis for (i) Financial Manager, and (ii) Top Management.

21. From the following balances obtained from the books of Heera Ltd. calculate proprietary ratio :

Particulars	Rs
Plant and Machinery	10,00,000
Land and Building	6,00,000
Motor Car	8,00,000
Furniture	1,50,000
Stock	4,50,000
Debtors	90,000
Cash at Bank	3,40,000
Non-Current Liabilities	10,00,000
Current Liabilities	6,20,000

OR

21. Assuming that the Debt to Equity ratio of a company is 0.50, state whether this ratio would increase, decrease or remain unchanged in the following cases :

- (i) Purchase of fixed assets on a credit of 3 months
- (ii) Issue of new shares for cash
- (iii) Purchased machinery and paid to the vendors by issue of equity shares
- (iv) Obtained 8% long-term loan

22. From the following information prepare a common size Statement of Profit and Loss of R.K. Ltd :

Particulars	2016 – 17 Amount (Rs)	2017 – 18 Amount (Rs)
Revenue from operations	20,00,000	10,00,000
Other income	3,00,000	80,000
Cost of materials consumed	40% of Revenue from operations	30% of Revenue from operations
Employee benefit expenses	2,40,000	1,80,000
Tax rate	40%	40%

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

Axe Ltd.
Balance Sheet as at 31.3.2018

23. (continued)

Particulars	Note No.	31.3.2018 (Rs)	31.3.2017 (Rs)
I – Equity and Liabilities :			
1. Shareholder's Funds :			
(a) Share Capital		6,30,000	5,60,000
(b) Reserves and Surplus	1	3,80,000	1,82,000
2. Current Liabilities :			
(a) Trade Payables		2,08,000	1,82,000
(b) Other Current Liabilities		14,000	28,000
Total		12,32,000	9,52,000
II – Assets :			
1. Non-Current Assets :			
(a) Fixed Assets :			
(i) Tangible Assets	2	3,92,000	2,80,000
2. Current Assets :			
(a) Inventories		1,26,000	1,82,000
(b) Trade Receivables		6,30,000	4,20,000
(c) Cash and Cash Equivalents		84,000	70,000
Total		12,32,000	9,52,000

23. (continued)

Notes to Accounts :

Note No.	Particulars	31.3.2018 (Rs)	31.3.2017 (Rs)
1.	Reserves and Surplus :		
	Balance in the Statement of Profit and Loss	2,00,000	1,00,000
	General Reserve	1,80,000	82,000
		3,80,000	1,82,000
2.	Tangible Assets :		
	Machinery Cost	4,50,000	3,60,000
	Accumulated Depreciation	(58,000)	(80,000)
		3,92,000	2,80,000

Additional Information :

An old machinery costing Rs 42,000, on which accumulated depreciation was Rs 28,000 was sold for Rs 56,000.

Part B - Option II

18. What is meant by 'Attributes'?

19. What is meant by 'Hardware'?

20. Explain four limitations of Computerised Accounting System.

21. Explain four advantages expected by the user for paying a high price for a chosen server database.

OR

21. What is meant by a 'voucher'? Explain different types of vouchers.

22. Explain 'Sequential' and 'Mnemonic' codes.

OR

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

23. What is meant by 'Conditional Formatting'? Explain its benefits.

- End of Question Paper -