

CBSE Class 12 Accountancy 2020 - Set 67-1-2

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 **32 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) Questions 1 to 13 and 23 to 29 carry 1 mark each.
- (v) Questions 14 and 30 carry 3 marks each. Questions 15 to 18 and 31 carry 4 marks each.
- (vi) Questions 19, 20 and 32 carry 6 marks each. Questions 21 and 22 carry 8 marks each.
- (vii) Attempt one alternative where an internal choice is provided. Write all parts of an answer at one place.

1. Why does the Fixed Capital Account of partners show credit balance even when the firm suffers losses year after year ?

2. Milan, Khilan and Silam were partners sharing profits in the ratio of 2 : 2 : 1. They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1st April, 2019. After the revaluation of assets and re-assessment of liabilities, Revaluation Account showed a loss of ₹ 15,000. The amount to be debited in the capital account of Milan because of loss on revaluation will be :

- (A) ₹ 15,000 (B) ₹ 6,000
(C) ₹ 7,000 (D) ₹ 5,000

3. Name an item which is transferred to credit side of Realisation Account at the time of dissolution of partnership firm, but does not involve cash payment.

4. Which of the following statements does not relate to 'Reserve Capital' :

- (A) It is part of uncalled capital of a company. (B) It cannot be used during the lifetime of a company.
(C) It can be used for writing off capital losses. (D) It is part of subscribed capital.

5. P and Q were partners in a firm sharing profits in the ratio of 5 : 3. R was admitted for 1/4th share in the profits, of which he took 75% from P and the remaining from Q. Calculate the sacrificing ratio of P and Q.

6. Excess of issue price of a debenture over its face value is called _____ .

7. A, B and C were partners in a firm sharing profits in the ratio of 2 : 2 : 1. C retired. The balance in this capital account after adjustments regarding reserves, accumulated profits/loss and revaluation of assets and liabilities was ₹ 4,40,000. C was paid ₹ 5,00,000 including his share of goodwill. The amount that was credited to his capital account on account of goodwill was :

- (A) ₹ 60,000 (B) ₹ 3,00,000
(C) ₹ 1,00,000 (D) ₹ 12,000

8. Rohan, Mohan and Sohan were partners sharing profits equally. At the time of dissolution of the partnership firm, Rohan's loan to the firm will be :

- (A) Credited to Rohan's Capital Account. (B) Debited to Realisation Account.
(C) Credited to Realisation Account. (D) Credited to Bank Account.

9. Rahul, Sahil and Jatin were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Rahul died on 15th October, 2017. At that time, the capitals of Sahil and Jatin after all the adjustments were ₹ 3,56,000 and ₹ 2,44,000 respectively. Sahil and Jatin decided to adjust their capital according to their new profit sharing ratio by opening current accounts. Calculate the new capitals of Sahil and Jatin.

10. Name an item that is never shown on the payment side of Receipts and Payments Account, but is shown on the debit side of the Income and Expenditure Account.

11. Diya, Riya and Tiya were partners sharing profits and losses in the ratio of 2 : 3 : 5. Tiya died on 28th November, 2019. Her share of profit was taken equally by Diya and Riya. Diya's share of profit in the new firm will be _____ .

12. Mona and Tina were partners in a firm sharing profits in the ratio of 3 : 2. Naina was admitted with 1/6th share in the profits of the firm. At the time of admission, Workmen's Compensation Reserve appeared in the Balance Sheet of the firm at ₹ 32,000. The claim on account of workmen's compensation was determined at ₹ 40,000. Excess of claim over the reserve will be :

- (A) Credited to Revaluation Account. (B) Debited to Revaluation Account.
(C) Credited to old partner's Capital Account. (D) Debited to old partner's Capital Account.

13. Sun and Star were partners in a firm sharing profits in the ratio of 2 : 1. Moon was admitted as a new partner in the firm. New profit sharing ratio was 3 : 3 : 2. Moon brought the following assets towards his share of goodwill and his capital :

Particulars	₹
Machinery	2,00,000
Furniture	1,20,000
Stock	80,000
Cash	50,000

If his capital is considered as ₹ 3,80,000, the goodwill of the firm will be :

- (A) ₹ 70,000 (B) ₹ 2,80,000
(C) ₹ 4,50,000 (D) ₹ 1,40,000

14. How would the following items be treated while preparing the financial statements of a sports club ?

Particulars	Amount ₹
Prize Fund	44,000
Interest on Prize Fund Investments	6,000
Prizes Awarded	46,000
Match Expenses	64,000
Prize Fund Investments	44,000

OR

14. From the following information of a charitable dispensary, calculate the amount of medicines consumed during the year that would appear in the Income and Expenditure Account for the year ending 31st March, 2019 :

Particulars	Amount ₹
Stock of medicines on 1.4.2018	60,000
Creditors for medicines 1.4.2018	40,000
Stock of medicines 31.3.2019	10,000
Creditors for medicines 31.3.2019	25,000
Advances for medicines 31.3.2019	22,000
Credit purchases of medicines during the year	2,76,000
Cash purchases of medicines during the year	46,500

15. Raunit Styles Ltd. was registered with a capital of ₹ 85,00,000 divided into equity shares of ₹ 100 each. The company invited applications for issuing 45,000 shares.

The amount was payable as ₹ 25 on application, ₹ 35 on allotment, ₹ 25 on first call and balance on final call.

Applications were received for 42,000 shares and allotment was made to all the applicants. Kavi, to whom 3,300 shares were allotted, failed to pay both the calls. His shares were forfeited.

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

16. Manu, Sonu and Tony were partners in a firm sharing profits in the ratio of 5 : 3 : 2. The firm closes its books on 31st March every year. Manu died on 31st July, 2019. His executor is entitled to :

- (i) His capital ₹ 4,00,000 and his share of goodwill. Goodwill of the firm was valued at ₹ 96,000.
- (ii) His share of profit till the date of his death which will be calculated on the basis of average profits of last 3 years.
- (iii) Average profits of last 3 years were ₹ 78,000.
- (iv) Interest on capital @ 6% p.a.
- (v) His drawings till the date of death were ₹ 21,000.

Prepare Manu's Capital Account to be rendered to his executors.

17. Ram, Mohan and Sohan were partners sharing profits in the ratio of 2 : 1 : 1. Ram withdrew ₹ 3,000 every month and Mohan withdrew ₹ 4,000 every month. Interest on drawings @ 6% p.a. was charged, whereas the partnership deed was silent about interest on drawings.

Showing your working clearly, pass the necessary adjustment entry to rectify the error.

OR

17. Yadu, Vidu and Radhu were partners in a firm sharing profits in the ratio of 4 : 3 : 3. Their fixed capitals on 1st April, 2018 were ₹ 9,00,000, ₹ 5,00,000 and ₹ 4,00,000 respectively. On 1st November, 2018, Yadu gave a loan of ₹ 80,000 to the firm. As per the partnership agreement :

- (i) The partners were entitled to an interest on capital @ 6% p.a.
- (ii) Interest on partners' drawings was to be charged @ 8% p.a.

The firm earned profits of ₹ 2,53,000 (after interest on Yadu's loan) during the year 2018 – 19. Partners' drawings for the year amounted to Yadu : ₹ 80,000, Vidu : ₹ 70,000 and Radhu : ₹ 50,000.

Prepare Profit and Loss Appropriation Account for the year ending 31st March, 2019.

18. Rakesh, Ram and Rohan were partners sharing profits in the ratio of 5 : 3 : 2. On 31st March, 2018, their Balance Sheet was as follows :

Balance Sheet of Rakesh, Ram and Rohan as at 31st March, 2018

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	70,000	Land and Building	3,50,000
Rohan's Loan	20,000	Stock	3,00,000
Mrs. Rohan's Loan	20,000	Debtors 2,00,000 Less : Provision for doubtful debts 10,000	1,90,000
Capitals : Rakesh 4,00,000 Ram 3,00,000 Rohan 1,00,000	8,00,000	Cash	70,000
	9,10,000		9,10,000

The firm was dissolved on the above date on the following terms :

- Land and building and stock were sold for ₹ 6,00,000. Debtors were realised at 10% less than the book value.
- Mrs. Rohan's loan was settled by giving her an unrecorded computer of ₹ 22,000.
- Rakesh paid off one of the creditors ₹ 20,000 in settlement of ₹ 30,000.
- Rohan's loan was fully settled at ₹ 18,500.

Prepare Realisation Account.

19. From the following Receipts and Payments Account of Vista Club, prepare an Income and Expenditure Account for the year ended 31st March, 2019 :

Receipts and Payments Account of Vista Club for the year ended 31st March, 2019

Receipts	Amount ₹	Payments	Amount ₹
To Balance b/d	5,000	By Salaries	31,000
To Subscriptions : 2017 – 18 11,600 2018 – 19 73,000 2019 – 20 8,000	92,600	By Electricity Expenses	14,500
		By Machinery (01.07.2018)	40,000
		By 8% Investments	30,000
		By Balance c/d	5,100
To Sale of old furniture (Book value of ₹ 2,000)	800		
To Entrance Fees	22,000		
To Interest on Investment	200		
	1,20,600		1,20,600

Additional Information :

- The club had 50 members each paying an annual subscription of ₹ 1,500. Subscriptions in arrears on 31st March, 2018, were ₹ 15,000.
- On 31st March, 2019, outstanding salaries were ₹ 4,000.
- 8% Investments were made on 31st December, 2018.
- The club owned machinery of ₹ 1,00,000 on 1st April, 2018. Depreciate machinery @ 6% p.a.

20. (i) Vayee Ltd. purchased the following assets of E.X. Ltd. :

Land and Building of ₹ 60,00,000 at ₹ 84,00,000;
Plant and Machinery of ₹ 40,00,000 at ₹ 36,00,000.

The purchase consideration was ₹ 1,10,00,000. Payment was made by accepting a Bill of Exchange in favour of E.X. Ltd. of ₹ 20,00,000 and remaining by issue of 8% debentures of ₹ 100 each at a premium of 20%.

Record the necessary journal entries for the above transactions in the books of Vayee Ltd.

(ii) Zed Ltd. issued 2,00,000, 8% debentures of ₹ 100 each at a discount of 6% redeemable at a premium of 10% after 5 years. The amount was payable as follows :

On application – ₹ 50 per debenture and
On allotment – balance

Record the necessary journal entries for the issue of debentures in the books of Zed Ltd.

OR

20. Mahesh Ltd. had issued 20,000, 10% debentures of ₹ 100 each. 8,000, 10% debentures were due for redemption on 31st March, 2019. The company had a balance of ₹ 4,40,000 in the Debenture Redemption Reserve Account on 31st March, 2018. The company invested the required amount in the Debenture Redemption Investment on 1st April, 2018.

Pass the necessary journal entries for redemption of debentures. Ignore the entries for interest on debentures.

21. (i) R.P. Ltd. forfeited 1,500 shares of Rahim of ₹ 10 each issued at a premium of ₹ 3 per share for non-payment of allotment and first call money. Rahim had applied for 3,000 shares. On these shares, amount was payable as follows :

On application – ₹ 3 per share

On allotment (including premium) – ₹ 5 per share

On first call – ₹ 3 per share

On final call – Balance

Final call has not been called up. 1,000 of the forfeited shares were reissued for ₹ 8,500 as fully paid-up.

Record the necessary journal entries for the above transactions in the books of R.P. Ltd.

(ii) Max Ltd. forfeited 500 shares of ₹ 100 each for non-payment of first call of ₹ 20 per share and final call of ₹ 25 per share. 250 of these shares were re-issued at ₹ 50 per share fully paid-up.

Pass the necessary journal entries in the books of Max Ltd. for forfeiture and re-issue of shares. Also prepare the Share Forfeiture Account.

OR

21. Karur Ltd. invited applications for issuing 2,40,000 equity shares of ₹ 10 each at a premium of ₹ 4 per share. The amount was payable as under :

On application – ₹ 4 per share (including premium ₹ 2)

On allotment – ₹ 4 per share

On first and final call – ₹ 6 per share (including premium ₹ 2)

Applications for 3,00,000 shares were received and pro-rata allotment was made to all the applicants. Excess application money received on application was adjusted towards sums due on allotment. All calls were made and were duly received except from Rohini, who failed to pay allotment and first and final call on 7,500 shares applied by her. These shares were forfeited. Afterwards, 40% of the forfeited shares were re-issued at ₹ 11 per share as fully paid-up.

Pass the necessary journal entries in the books of Karur Ltd. Open call-in-arrears and call-in-advance accounts wherever necessary.

22. Badal and Bijli were partners in a firm sharing profits in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2019 was as follows :

Balance Sheet of Badal and Bijli as at 31st March, 2019

Liabilities	Amount ₹	Assets	Amount ₹
Capitals : Badal 1,50,000 Bijli 90,000	2,40,000	Building	1,50,000
		Investments	73,000
		Stock	43,000
Badal's Current A/c	12,000	Debtors	20,000
Investment Fluctuation Reserve	24,000	Cash	22,000
Bills Payable	8,000	Bijli's Current A/c	2,000
Creditors	26,000		
	3,10,000		3,10,000

Raina was admitted on the above date as a new partner for 1/6th share in the profits of the firm. The terms of agreement were as follows :

- Raina will bring ₹ 40,000 as her capital and capitals of Badal and Bijli will be adjusted on the basis of Raina's capital by opening current accounts.
- Raina will bring her share of goodwill premium for ₹ 12,000 in cash.
- The building was overvalued by ₹ 15,000 and stock by ₹ 3,000.
- A provision of 10% was to be created on debtors for bad debts.

Prepare the Revaluation Account and Current and Capital Accounts of Badal, Bijli and Raina.

OR

22. Prem, Kumar and Aarti were partners sharing profits in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2019 was as under :

Balance Sheet of Prem, Kumar and Aarti as at 31st March, 2019

Liabilities	Amount ₹	Assets	Amount ₹
Capitals : Prem 30,000 Kumar 20,000 Aarti 20,000	70,000	Building	25,000
		Plant and Machinery	15,000
		Investment	10,000
		Debtors	10,000
General Reserve	8,000	Stock	5,000
Investment Fluctuation Reserve	2,000	Cash	25,000
Sundry Creditors	10,000		
	90,000		90,000

On the above date, Kumar retired. The terms of retirement were :

- Kumar sold his share of goodwill to Prem for ₹ 8,000 and to Aarti for ₹ 4,000.
- Stock was found to be undervalued by ₹ 1,000 and building by ₹ 7,000.
- Investments were sold for ₹ 11,000.
- There was an unrecorded creditor of ₹ 7,000.
- An amount of ₹ 30,000 was paid to Kumar in cash which was contributed by Prem and Aarti in the ratio of 2 : 1. The balance amount of Kumar was settled by accepting a Bill of Exchange in favour of Kumar.

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

23. Which of the following is not an objective of Analysis of Financial Statements :

- | | |
|---|--|
| (A) To judge the financial health of the firm. | (B) To judge the short-term and long-term liquidity position of the firm. |
| (C) To judge the reasons for change in the profitability of the firm. | (D) To judge the variations in the accounting practices of the business followed by different enterprises. |

24. What will be the impact of 'issuing ₹ 5,00,000 equity shares to vendors of machinery' on the Debt-Equity Ratio of 2 : 1 ?

25. Total amount of Trade Receivables of Ashoka Ltd. as on 31st March, 2019 were ₹ 3,00,000. It had created a provision of 5% for bad and doubtful debts. What amount of Trade Receivables will be taken to calculate Trade Receivables Turnover Ratio ?

26. An investment normally qualifies as cash-equivalent only when from the date of acquisition it has a short maturity period of :

- | | |
|--------------------------|--------------------------|
| (A) One month or less | (B) Three months or less |
| (C) Three months or more | (D) One year or less |

27. On 1.10.2018, Micro Ltd. issued 20,000, 8% debentures of ₹ 100 each and paid interest of ₹ 80,000 on these debentures on 31st March, 2019. Calculate the cash flow from financing activities for the period ending 31st March, 2019.

28. Give an example of an activity which is always financing with regards to the Cash Flow Statement.

29. State whether the following statement is true or false.

'Inventory Turnover Ratio measures the level of financial leverage.'

30. Opening inventory is ₹ 60,000, closing inventory is 1.5 times of opening inventory. Inventory Turnover Ratio is 6 times. Selling price is 33 1/3% above cost. Calculate the Gross Profit Ratio.

OR

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

- (i) Capital Advances
- (ii) Income received in advance
- (iii) Capital work-in-progress
- (iv) Motor vehicles
- (v) Stores and spare parts
- (vi) 9% Debentures

31. From the following information, prepare Comparative Statement of Profit and Loss :

Particulars	31.3.2018 ₹	31.3.2019 ₹
Revenue from operations	4,00,000	3,00,000
Other Income	80,000	40,000
Expenses – 50% of Revenue from operations		
Income Tax Rate	40%	40%

OR

31. Prepare a common size Balance Sheet of L.X. Ltd. from the following information :

Particulars	Note No.	31.3.2019 ₹	31.3.2018 ₹
I – Equity and Liabilities :			
1. Shareholder's Funds		20,00,000	10,00,000
2. Non-Current Liabilities		20,00,000	5,00,000
3. Current Liabilities		10,00,000	5,00,000
Total		50,00,000	20,00,000
II – Assets :			
1. Non-Current Assets		30,00,000	12,50,000
2. Current Assets		20,00,000	7,50,000
Total		50,00,000	20,00,000

32. (i) From the following information of Nova Ltd., calculate the cash flow from investing activities :

Particulars	31.3.2019 ₹	31.3.2018 ₹
Machinery (At cost)	5,00,000	3,00,000
Accumulated Depreciation on machinery	1,00,000	80,000
Goodwill	1,50,000	1,00,000
Land	70,000	1,00,000

Additional Information :

During the year, a machine costing ₹ 50,000 on which the accumulated depreciation was ₹ 35,000, was sold for ₹ 12,000.

(ii) The profit of Jova Ltd. for the year ended 31st March, 2019 after appropriation was ₹ 2,50,000.

Additional Information :

S.No.	Particulars	Amount ₹
1.	Depreciation of Machinery	20,000
2.	Goodwill written off	9,000
3.	Loss on sale of Furniture	2,000
4.	Transfer to General Reserve	22,500

The following was the position of its Current Assets and Current Liabilities as at 31st March, 2018 and 2019.

Particulars	31.3.2018 ₹	31.3.2019 ₹
Income Received in Advance	8,000	—
Inventory	12,000	8,000

Calculate the Cash flow from operating activities.

23. Name the accounting information subsystem which deals with receipt and payment of physical cash and electronic fund transfer.

- | | |
|---|-----------------------------|
| (A) Sales and Accounts Receivable subsystem | (B) Cash and Bank subsystem |
| (C) Purchase and Accounts Payable subsystem | (D) Costing subsystem |

24. The existence of data in a primary key field is :

- | | |
|----------------------------------|--------------------------------------|
| (A) Not necessarily required. | (B) Required but need not be unique. |
| (C) Required and must be unique. | (D) All of the above |

25. A ##### error appears when :

- | | |
|------------------------------|--------------------------------|
| (A) A negative data is used. | (B) Column is not wide enough. |
| (C) Negative time is used. | (D) All of the above |

26. Height of a person is a _____ attribute whereas academic qualification can be _____ attribute.

27. Match the movement of mouse with the keystrokes :

- | | |
|--------------------------|---------------------------------|
| (i) One cell up | (a) Down arrow key (↓) or Enter |
| (ii) One cell right | (b) Up arrow key (↑) |
| (c) Left arrow key (←) | |
| (d) Right arrow key (→) | |
| (A) (i) (c) and (ii) (a) | (B) (i) (b) and (ii) (d) |
| (C) (i) (a) and (ii) (d) | (D) (i) (b) and (ii) (c) |

28. When the accumulated data from various sources is processed in one shot it is called :

- | | |
|---------------------------------|----------------------|
| (A) Real Time Processing | (B) Data Validation |
| (C) Processing and Revalidation | (D) Batch Processing |

29. Name the language used to store and manipulate data or create a complex set of database structures.

- | | |
|----------------------------------|--------------------------------|
| (A) Structured Computer Language | (B) Structured Query Language |
| (C) Strictly Query Language | (D) Structured Query Logistics |

30. Write and explain the formula to calculate 'Dearness Allowance' and 'Gross Salary'.

OR

30. Explain 'Contra voucher' and 'Receipt voucher'.

31. Explain any four advantages of 'Database Management System'.

OR

31. Explain Modules, Pages, Reports, and Query as database objects.

32. Name the error which appears on the screen of your computer while using Excel, when the formula refers to a deleted cell. Also explain how to correct that error.

- End of Question Paper -