

CBSE Class 12 Accountancy 2020 - 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 **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. Nominal share capital is:

- | | |
|---|--|
| (A) That part of authorised capital which is issued by the company. | (B) The amount of capital which is actually applied by prospective shareholders. |
| (C) The amount of capital which is paid by the shareholders. | (D) The maximum amount of share capital that a company is authorised to issue. |

2. Swati and Aman were partners in a firm. Their fixed capitals were ₹ 9,00,000 and ₹ 3,00,000, respectively. They shared profits in the ratio of their capitals. Divya was admitted as a new partner for 1/4th share in the profits of the firm. Divya brought ₹ 60,000 as her share of goodwill premium and ₹ 6,00,000 as her capital. The amount of goodwill premium credited to Swati's account will be:

- | | |
|--------------|--------------|
| (A) ₹ 60,000 | (B) ₹ 30,000 |
| (C) ₹ 45,000 | (D) ₹ 15,000 |

3. Distinguish between Income and Expenditure Account and Receipts and Payments Account on the basis of 'Closing Balance'.

4. Manu and Kanu were partners in a firm, sharing profits and losses in the ratio of 2 : 3. Their fixed capitals were ₹ 10,00,000 and ₹ 5,00,000, respectively. They were entitled to an interest on capital @ 10% p.a. The firm earned a profit of ₹ 60,000 during the year. The amount of interest on capital credited to Kanu will be:

- | | |
|--------------|--------------|
| (A) ₹ 20,000 | (B) ₹ 40,000 |
| (C) ₹ 36,000 | (D) ₹ 24,000 |

5. At the time of admission of a new partner in the firm, the new partner compensates the old partners for their loss of share in the super-profits of the firm for which he brings in an additional amount which is known as _____.

6. V.F. Ltd. forfeited 8,000 equity shares of ₹ 100 each, issued at a premium of 10% for non-payment of first and final call of ₹ 30 per share. The maximum amount of discount at which these shares can be reissued will be:

- | | |
|----------------|----------------|
| (A) ₹ 5,60,000 | (B) ₹ 8,00,000 |
| (C) ₹ 3,20,000 | (D) ₹ 2,40,000 |

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

8. Priya Ltd. decided to redeem its 10,000, 6% debentures of ₹ 100 each, issued at a discount of 10% redeemable at a premium of 10%. The minimum amount that is to be transferred to Debenture Redemption Reserve will be:

- | | |
|-----------------|-----------------|
| (A) ₹ 2,75,000 | (B) ₹ 2,50,000 |
| (C) ₹ 11,00,000 | (D) ₹ 10,00,000 |

9. 'Interest paid on debentures is a charge against the profits of the company.' Is this statement correct? Give reason in support of your answer.

10. From the given extracts obtained from the Receipts and Payments Account of Cheema Club for the year ended 31st March, 2019 and additional information, calculate the amount of subscription in arrears as on 31st March, 2019.

Subscriptions Received	₹
2017-18	10,000
2018-19	1,20,000
2019-20	7,000

Additional Information: The Club had 130 members paying an annual subscription of ₹ 1,000 each. Subscriptions in arrears at the beginning of the year were ₹ 16,000. 10 members paid subscriptions for 2018-19 in 2017-18.

11. The directors of Neelkamal Ltd. forfeited 70,000 equity shares of ₹ 10 each, ₹ 10 called up, for non-payment of final call of ₹ 1 per share. Half of the forfeited shares were reissued at ₹ 20 per share fully paid-up. On reissue of forfeited shares, the following amount will be transferred to the Capital Reserve Account:

- (A) ₹ 70,000 (B) ₹ 1,40,000
(C) ₹ 4,20,000 (D) ₹ 3,15,000

12. Nidhi, Kunal and Kabir were partners in a firm, sharing profits and losses in the ratio of 2 : 3 : 5. Nidhi retired, selling her share of profits to Kunal for ₹ 30,000 and to Kabir for ₹ 50,000. The new profit-sharing ratio between Kunal and Kabir will be:

- (A) 2 : 3 (B) 3 : 5
(C) 2 : 5 (D) 5 : 3

13. Which of the following is not a capital receipt?

- (A) Endowment Fund (B) Government Grants
(C) Life-Membership Fees (D) Donations for Building

14. How will the following information of Royal Sports Club be presented in the Income and Expenditure Account for the year ended 31st March, 2019 and its Balance Sheet as on that date?

Particulars	Amount (₹)
Tournament Fund as on 1st April, 2018	5,00,000
Tournament expenses incurred during the year	8,00,000
Donations for Tournament Fund received during the year	1,20,000
Sale of Tournament tickets during the year	1,50,000

OR

14. From the following particulars relating to Ganesh Charitable Society, prepare a Receipts and Payments Account for the year ending 31st March, 2019:

Particulars	Amount (₹)
Opening balance of cash	20,000
Subscriptions received: 2017-18 25,000 2018-19 1,00,000 2019-20 15,000	1,40,000
Entrance fees received	45,000
Sale of old sports material	5,000
Rent paid	19,000
Donations received for construction of building	1,00,000
Office expenses paid	23,000

15. Amit, Daksh and Surbhi were partners sharing profits and losses in the ratio of 5 : 3 : 2. Amit died on 30th September, 2019. The Balance Sheet of the firm as at 31st March, 2019 was as follows:

Balance Sheet of Amit, Daksh and Surbhi as at 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals: Amit 6,00,000 Daksh 4,00,000 Surbhi 2,00,000	12,00,000	Plant and Machinery Stock Debtors Cash	10,00,000 3,90,000 2,80,000 90,000
Profits for the year 2018-19	4,00,000	Advertisement Expenditure	70,000
Sundry Creditors	2,30,000		
	18,30,000		18,30,000

According to the partnership deed, in addition to the deceased partner's capital, his executor is entitled to:

(i) Share in profits on the basis of average profits of the last two years. Profit for the year 2017-18 was ₹ 2,00,000.

(ii) His share in the goodwill of the firm. Goodwill of the firm will be valued on the basis of two years' purchase of the average profits of the last two years.

(iii) Amit withdrew ₹ 40,000 on 31st May, 2019. Prepare Amit's Capital Account to be rendered to his executor.

16. From the given Receipts and Payments Account and additional information of Premier Club for the year ended 31st March, 2019, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as on that date.

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

Receipts	Amount	Payments	Amount
To Balance b/d	80,900	By Furniture and Equipment (Purchased on 1.10.2018)	1,00,000
To Donations	39,000	By Salaries	62,000
To Subscriptions: 2017-18 12,000 2018-19 70,000 2019-20 9,000	91,000	By Balance c/d	68,600
To Interest received	19,700		
Total	2,30,600		2,30,600

Additional Information:

(i) On 1st April, 2018, the Club had the following balance of assets and liabilities: Furniture and Equipment ₹ 1,80,000, Subscriptions in arrears ₹ 15,000, and Outstanding Salary ₹ 13,000.

(ii) Charge depreciation on Furniture and Equipment @ 10% p.a.

(iii) The Club had 90 members, each paying an annual subscription of ₹ 1,000.

17. Yash and Karan were partners in an interior designer firm. Their fixed capitals were ₹ 6,00,000 and ₹ 4,00,000 respectively. There were credit balances in their current accounts of ₹ 4,00,000 and ₹ 5,00,000 respectively. The firm had a balance of ₹ 1,00,000 in General Reserve. The firm did not have any liability. They admitted Radhika into partnership for 1/4th share in the profits of the firm. The average profits of the firm for the last five years were ₹ 5,00,000. Calculate the value of goodwill of the firm by capitalization of average profits method. The normal rate of return in the business is 10%.

OR

17. Samiksha, Ash and Divya were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. With effect from 1st April, 2019, they agreed to share future profits and losses in the ratio of 2 : 5 : 3. Their Balance Sheet showed a debit balance of ₹ 50,000 in the Profit and Loss Account and a balance of ₹ 40,000 in the Investment Fluctuation Fund. For this purpose, it was agreed that:

- (i) Goodwill of the firm be valued at ₹ 3,00,000.
- (ii) Investments of book value of ₹ 5,00,000 be valued at ₹ 4,80,000.

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

18. The capital accounts of Alka and Archana showed credit balances of ₹ 4,00,000 and ₹ 3,00,000 respectively, after taking into account drawings and net profit of ₹ 2,00,000. The drawings of the partners during the year 2018-19 were:

- (i) Alka withdrew ₹ 10,000 at the end of each quarter.
- (ii) Archana's drawings were: 31st May, 2018 – ₹ 8,000; 1st November, 2018 – ₹ 7,000; 1st February, 2019 – ₹ 5,000.

Calculate interest on partners' capitals @ 10% p.a. and interest on partners' drawings @ 6% p.a. for the year ended 31st March, 2019.

19. Prateek, Neeraj and Umang were partners in a firm, sharing profits and losses in the ratio of 7 : 2 : 1. The firm was dissolved on 31st March, 2019. After transfer of assets (other than cash) and external liabilities to the Realisation Account, the following transactions took place:

- (i) Furniture of ₹ 45,000 was sold by auction for ₹ 66,000 and the auctioneer's commission amounted to ₹ 2,000.
- (ii) Office equipment of ₹ 90,000 was taken over by creditors of the book value of ₹ 82,000 in full settlement.
- (iii) Umang had given a loan of ₹ 1,09,000 to the firm. He accepted ₹ 1,00,000 in full settlement of his loan.
- (iv) Investments were ₹ 53,000 out of which ₹ 23,000 was taken over by Neeraj at ₹ 25,000. Balance of the investments were sold for ₹ 35,000.
- (v) Expenses incurred on dissolution were ₹ 21,000 and were paid by Prateek.
- (vi) Loss on dissolution amounted to ₹ 40,000.

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

20. (i) Kati Ltd. issued 8,000, 9% debentures of ₹ 100 each at a discount of 10%. The full amount was payable on application. Applications were received for 9,000 debentures and allotment was made on pro-rata basis. Pass the necessary journal entries for the above transactions in the books of Kati Ltd.

(ii) Pivot Ltd. issued 40,000, 11% debentures of ₹ 100 each on 1st April, 2015. Half of the debentures were due for redemption on 31st March, 2019. The company decided to transfer the minimum required amount to Debenture Redemption Reserve on 31st March, 2018 and invested the necessary amount in Debenture Redemption Investments on 30th April, 2018. Pass the necessary journal entries for Redemption of Debentures.

20. (i) Rama Ltd. took over the following assets and liabilities of Krishna Ltd. on 1st April, 2019: Land and Building ₹ 50,00,000; Furniture ₹ 10,00,000; Stock ₹ 5,00,000; Creditors ₹ 7,00,000. The purchase consideration of ₹ 60,00,000 was paid by issuing 12% debentures of ₹ 100 each at a premium of 20%. Pass the necessary journal entries for the above in the books of Rama Ltd.

(ii) On 1st April, 2018, Sakshi Ltd. issued 1,000, 11% Debentures of ₹ 100 each at a discount of 6%, redeemable at a premium of 5% after three years. Pass the necessary journal entries for the issue of debentures in the books of Sakshi Ltd.

(iii) On 1st April, 2016, Canara Bank issued 5,000, 9% debentures of ₹ 100 each at a premium of 6%, redeemable on 31st March, 2019, at a premium of 10%. The issue was fully subscribed. Pass the necessary journal entries for redemption of debentures in the books of Canara Bank.

21. V.D. Ltd. invited applications for issuing 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 6 per share. The amount per share was payable as follows: On application – ₹ 3 (including premium ₹ 1); On allotment – ₹ 7 (including premium ₹ 5); On first and final call – Balance amount.

Applications were received for 2,50,000 shares. Applicants for 10,000 shares were sent letters of regret and application money returned to them. Shares were allotted to the remaining applicants on a pro-rata basis. Money overpaid on application was adjusted towards the sums due on allotment.

The company received all the money due on allotment except from Agam, who was allotted 1,000 shares. Her shares were forfeited immediately after allotment. Afterwards, the first and final call was made. Seema, the holder of 2,000 shares, did not pay the first and final call on her shares. Her shares were also forfeited. 50% of the forfeited shares, each of Agam and Seema, were reissued as fully paid-up @ ₹ 16 per share.

Pass the necessary journal entries to record the above transactions in the books of V.D. Ltd.

21. Konark Ltd. invited applications for issuing 3,00,000 shares of ₹ 10 each. The amount per share was payable as follows: ₹ 3 on application, ₹ 3 on allotment, and ₹ 4 on first and final call.

The company received applications for 4,00,000 shares. Allotment was done as follows:

(i) Applicants of 2,40,000 shares were allotted 2,00,000 shares.

(ii) Applicants of 1,20,000 shares were allotted 80,000 shares.

(iii) Remaining applicants were allotted 20,000 shares.

Money overpaid on applications was adjusted towards sums due on allotment. Divij, a shareholder, belonging to group (ii), who had applied for 6,000 shares, failed to pay allotment and call money. Faisal, another shareholder, who was allotted 10,000 shares, paid the call money along with allotment. Faisal belonged to group (i).

Divij's shares were forfeited after the first and final call. Half of the forfeited shares were reissued @ ₹ 10 per share fully paid. Pass the necessary journal entries to record the above transactions in the books of the company.

22. Madhuri and Arsh were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet as at 31st March, 2019, was as follows:

Liabilities	Amount	Assets	Amount
Capitals: Madhuri 3,00,000 Arsh 2,00,000	5,00,000	Machinery	4,70,000
Workmen's Compensation Fund	60,000	Investments	1,10,000
Creditors	1,90,000	Debtors 1,20,000 Less: Provision for doubtful debts 10,000	1,10,000
Employees' Provident Fund	1,10,000	Stock	1,40,000
		Cash	30,000
Total	8,60,000	Total	8,60,000

On 1st April, 2019, they admitted Jyoti into partnership for 1/4th share in the profits of the firm. Jyoti brought proportionate capital and ₹ 40,000 as her share of goodwill premium. The following terms were agreed upon:

- Provision for doubtful debts was to be maintained at 10% on debtors.
- Stock was undervalued by ₹ 10,000.
- An old customer whose account was written off as bad, paid ₹ 15,000.
- 20% of the investments were taken over by Arsh at book value.
- Claim on account of workmen's compensation amounted to ₹ 70,000.
- Creditors included a sum of ₹ 27,000 which was not likely to be claimed.

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

OR

22. Anita, Gaurav and Sonu were partners in a firm sharing profits and losses in proportion to their capitals. Their Balance Sheet as at 31st March, 2019 was as follows:

22. (continued)

Liabilities	Amount	Assets	Amount
Capitals: Anita 2,00,000 Gaurav 2,00,000 Sonu 1,00,000	5,00,000	Land and Building	5,00,000
Investment Fluctuation Fund	40,000	Investments	1,20,000
General Reserve	30,000	Debtors 1,50,000 Less: Provision for doubtful debts 10,000	1,40,000
Creditors	4,60,000	Stock	1,00,000
		Cash at bank	1,70,000
Total	10,30,000	Total	10,30,000

On the above date, Anita retired from the firm and the remaining partners decided to carry on the business. It was agreed to revalue the assets and reassess the liabilities as follows:

22. (continued)

- Goodwill of the firm was valued at ₹ 3,00,000 and Anita's share of goodwill was adjusted in the capital accounts of the remaining partners, Gaurav and Sonu.
- Land and Building was to be brought up to 120% of its book value.
- Bad debts amounted to ₹ 20,000. A provision for doubtful debts was to be maintained at 10% on debtors.
- Market value of investments was ₹ 1,10,000.
- ₹ 1,00,000 was paid immediately by cheque to Anita out of the amount due and the balance was to be transferred to her loan account which was to be paid in two equal annual instalments along with interest @ 10% p.a.

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

23. While preparing Cash Flow Statement, cash comprises _____ and _____ with bank.

24. 'Forfeited Shares Account' appears in the Balance Sheet of the company under the subhead:

- | | |
|--------------------------|-------------------------------|
| (A) Reserves and Surplus | (B) Long-term Provisions |
| (C) Share Capital | (D) Other Current Liabilities |

25. Which of the following is not presented under 'Current Liabilities' in the Balance Sheet of a company?

- | | |
|---------------------------|------------------------------|
| (A) Short-term Borrowings | (B) Deferred Tax Liabilities |
| (C) Short-term Provisions | (D) Trade Payables |

26. 'Sale of goods on credit for ₹ 67,000 will increase the Gross Profit Ratio.' Is this statement correct? Give reason in support of your answer.

27. 'An investment normally qualifies as a cash equivalent only when it has a maturity of three months or more from the date of acquisition.' Is this statement correct? Give reason in support of your answer.

28. Z Ltd. purchased a building for ₹ 50,00,000 from J Ltd., paying 40% by the issue of 9% debentures and the balance by cheque.

The above transaction will result in:

- | | |
|--|---|
| (A) Cash used in investing activities ₹ 20,00,000. | (B) Cash generated from financing activities ₹ 20,00,000. |
| (C) Decrease in cash and cash equivalents ₹ 20,00,000. | (D) Cash used in investing activities ₹ 30,00,000. |

29. Which of the following is not a limitation of 'Financial Statements Analysis'?

- | | |
|--------------------------------------|--|
| (A) It is affected by personal bias. | (B) Inter-firm comparative study possible. |
| (C) Lack of qualitative analysis. | (D) Ignores price level changes. |

30. From the following information obtained from the books of P. Ltd., calculate, (i) Return on Investment, and (ii) Debt-Equity Ratio:

Information: Net Profit after interest and tax ₹ 6,00,000; 6% Debentures ₹ 10,00,000; Capital employed ₹ 20,00,000, and Tax rate 40%.

OR

30. (i) Current Liabilities ₹ 1,50,000, Current Assets ₹ 2,80,000, Inventories ₹ 40,000, Advance Tax ₹ 30,000, and Prepaid Rent ₹ 10,000. Calculate Quick Ratio.

(ii) Average Inventory ₹ 60,000, Revenue from Operations ₹ 6,00,000, the rate of Gross Loss on Sales is 10%. Calculate the Inventory Turnover Ratio.

31. From the following particulars obtained from the books of Mark Ltd., prepare a Comparative Statement of Profit and Loss:

Particulars	2017-18 (₹)	2016-17 (₹)
Revenue from operations	50,00,000	40,00,000
Purchase of stock-in trade	40,00,000	30,00,000
Changes in inventory	10,00,000	8,00,000
Other expenses	5,00,000	4,00,000
Other incomes	2,50,000	2,00,000

OR

31. From the following Balance Sheet of Swaraj Ltd., as at 31st March, 2019, prepare a common size Balance Sheet:

Particulars	31.3.2019 (₹)	31.3.2018 (₹)
I - Equity and Liabilities:		
1. Shareholders Funds: (a) Share Capital	34,00,000	30,00,000
(b) Reserves and Surplus	10,00,000	10,00,000
2. Non-Current Liabilities: Long-term Borrowings	5,00,000	3,00,000
3. Current Liabilities: Trade Payables	1,00,000	7,00,000
Total	50,00,000	50,00,000
II - Assets:		
1. Non-Current Assets: Tangible Assets	36,00,000	28,00,000
2. Current Assets: (a) Inventories	13,00,000	20,00,000
(b) Cash and Cash Equivalents	1,00,000	2,00,000
Total	50,00,000	50,00,000

32. Cash flow from the operating activities of Pinnacle Ltd. for the year ended 31st March, 2019 was ₹ 28,000. The Balance Sheet along with notes to accounts of Pinnacle Ltd. as at 31st March, 2019 is given below:

Pinnacle Ltd. — Balance Sheet as at 31st March, 2019

32. (continued)

Particulars	Not e No.	31.3.2019 (₹)	31.3.2018 (₹)
I - Equity and Liabilities:			
1. Shareholders Funds: (a) Share Capital		9,00,000	5,00,000
(b) Reserves and Surplus	1	90,000	1,10,000
2. Non-Current Liabilities: Long-term Borrowings	2	3,00,000	2,00,000
3. Current Liabilities: Trade Payables		60,000	80,000
Total		13,50,000	8,90,000
II - Assets:			
1. Non-Current Assets: (i) Tangible Assets	3	7,46,000	5,24,000
(ii) Intangible Assets	4	36,000	76,000
2. Current Assets: (a) Current Investments		1,30,000	20,000
(b) Inventories		2,00,000	1,30,000
(c) Cash and Cash Equivalents		2,38,000	1,40,000
Total		13,50,000	8,90,000

32. (continued)

Notes to Accounts:

1. Reserves and Surplus (Balance in Statement of Profit and Loss): 90,000 / 1,10,000
2. Long-term Borrowings: 9% Debentures: 3,00,000 / 2,00,000
3. Tangible Assets: Plant and Machinery 8,86,000 / 6,04,000; Accumulated Depreciation (1,40,000) / (80,000); Net 7,46,000 / 5,24,000
4. Intangible Assets: Goodwill 36,000 / 76,000

Additional information:

- (i) A machinery of the book value of ₹ 90,000, (depreciation provided thereon was ₹ 23,000) was sold at a profit of ₹ 12,000.
- (ii) 9% debentures were issued on 1st April, 2018.

Prepare the Cash Flow Statement.

23. A _____ voucher is used for adjustment of non-cash transaction in the ledger.

24. A code which consists of alphabet or abbreviation as symbol to codify a piece of information is known as _____ code.

25. The _____ provides real power to database in terms of its capacities to answer complex requests involving data to be taken from _____ tables.

26. Hardware refers to:

- | | |
|--|--|
| (A) System software and application software. | (B) Computer associated peripherals and their network. |
| (C) A logical sequence of actions to perform a task. | (D) All of the above. |

27. To safeguard assets and optimise the use of resources, a business:

- | | |
|---|--|
| (A) Keeps internal controls. | (B) Only tries to achieve maximum revenue. |
| (C) Only ensures accurate accounting records. | (D) Only safeguards assets. |

28. 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. |

29. 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. |

30. What information is provided by a salary bill?

OR

30. List the various attributes of a 'payroll' database.

31. Explain 'closing entry' and 'adjustment entry' with the help of examples.

OR

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

32. Deepshikha Ltd. has its offices in Jaipur and Satara. HRA for Jaipur is ₹ 8,000 and for Satara is ₹ 6,000. DA is calculated on Basic Pay (BP) as 8% for $BP \leq ₹ 10,000$ and 6% for $BP \geq ₹ 18,000$. Standard number of days are taken as 30 days per month.

Give the formulae and calculate the amount of Gross Salary using Excel for the following employees:

- (i) Jagat is working in Jaipur office. His Basic Pay is ₹ 25,000. Out of the sick leave allowed by the company, he has availed sick leave for five days.
(ii) Reeta is working in Satara office. Her Basic Pay is ₹ 9,500. She has availed sick leave for two days.

- End of Question Paper -