

CBSE Class 12 Accountancy 2020 - Set 67-4-2

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. When the business of the firm becomes illegal, the way of dissolution of the firm is _____.

2. Income and Expenditure Account records:

- (A) Receipts and Payments of Revenue and Capital nature both. (B) Income and Expenditure of Revenue nature only.
(C) Expenditure of Capital nature only. (D) Receipts of Revenue nature only.

3. Tangible Assets of the firm are ₹ 14,00,000 and outside liabilities are ₹ 4,00,000. Profit of the firm is ₹ 1,50,000 and normal rate of return is 10%. The amount of Capital employed will be:

- (A) ₹ 10,00,000 (B) ₹ 1,00,000
(C) ₹ 50,000 (D) ₹ 20,000

4. Which of the following is not a purpose for which the Securities Premium amount can be used?

- (A) Issuing fully paid bonus shares to shareholders. (B) Issuing partly paid up bonus shares to shareholders.
(C) Writing off preliminary expenses of the company. (D) In purchasing its own shares (buy back)

5. Mohit, Shobhit and Rohit are partners sharing profits and losses in the ratio 2 : 1 : 1. Rohit is guaranteed a profit of ₹ 14,000. The firm incurred a profit of ₹ 20,000 during the year. Calculate the amount of deficiency borne by Mohit and Shobhit.

6. Avya, Divya and Kavya were equal partners. They decided to change the profit sharing ratio to 4 : 3 : 2. For this purpose the goodwill of the firm was valued at ₹ 90,000. The journal entry for the treatment of Goodwill on change in profit sharing ratio will be:

- (A) Kavya's Capital A/c Dr. ₹ 10,000 To Avya's Capital A/c ₹ 10,000 (B) Divya's Capital A/c Dr. ₹ 10,000 To Avya's Capital A/c ₹ 10,000
(C) Avya's Capital A/c Dr. ₹ 90,000 To Kavya's Capital A/c ₹ 90,000 (D) Avya's Capital A/c Dr. ₹ 10,000 To Kavya's Capital A/c ₹ 10,000

7. Amla, Bimla and Kavita were partners sharing profits and losses in the ratio of 4 : 3 : 1. Bimla retires and gives her share of profit to Amla for ₹ 3,600 and to Kavita for ₹ 3,000. The gaining ratio of Amla and Kavita will be:

- (A) 4 : 5 (B) 2 : 1
(C) 6 : 5 (D) 4 : 1

8. Capital Reserve is created out of _____ profits.

9. Anita and Babita were partners sharing profits and losses in the ratio of 3 : 1. Savita was admitted for 1/5th share in the profits. Savita was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below :

D at e	Particular	L F	Debit Amt. (₹)	Credit Amt. (₹)
	Savita's Current A/c. Dr. To Anita's Capital A/c. To Babita's Capital A/c. (Being adjustment of goodwill premium on Savita's Admission)		24,000	8,000 16,000

The new profit sharing ratio of Anita, Babita and Savita, will be

- (A) 41 : 7 : 12 (B) 13 : 12 : 10
(C) 3 : 1 : 1 (D) 5 : 3 : 2

10. The following information has been extracted from the financial statements of a not-for-profit-organization for the year ended 31st March, 2019.

Particulars	Amount (₹)
Opening balance of Match Fund	5,00,000
Sale of Match tickets	3,75,000
Donation for Match Fund received during the year	1,24,000
Match expenses	10,00,000

Which of the following statements is correct for the presentation of the above items in the financial statements of the not-for-profit-organization?

- (A) Negative Balance of Match fund ₹ 1,000 will be shown on the liabilities side of the Balance sheet as at 31st March, 2019.
- (B) Opening Balance of Match Fund ₹ 5,00,000 will be shown on the liabilities side of Balance Sheet as at 1-4-2018.
- (C) Negative balance of match fund, ₹ 1,000 will be shown on the expenditure side of the Income and Expenditure Account for the year ended 31-3-2019.
- (D) Both (b) and (c).

11. In the case of retirement, if full or part of the amount payable to the retiring partner still remains to be paid, and there is no agreement among the partners then retiring partner will get

- (i) Interest @ 6% p.a. on the Balance amount.
(ii) Share of profit earned proportionate to his amount outstanding to total capital of the firm.
(iii) Interest @ 9% p.a. on the balance amount.

Which out of the following is correct?

- (A) (i) (B) (ii)
(C) (iii) (D) Have a choice to get either (i) or (ii)

12. _____ capital accounts always show a credit balance.

13. When a company plans to redeem its debentures out of profits, it should transfer minimum _____% of the face value of the outstanding debentures to Debenture Redemption Reserve out of surplus available for payment of dividend.

14. On 31st March 2018 SS Ltd. had 50,000 10% debentures of ₹ 100 each outstanding. These debentures were due for redemption on 31st March, 2019. Debenture Redemption Reserve has a balance of ₹ 5,00,000 on 31st March, 2018. Ignoring the entries for interest, pass the necessary journal entries for redemption of debentures.

OR

14. X Ltd. has 4,000 12% debentures of ₹ 100 each on 1st April, 2018. According to the terms of issue interest on debentures is payable half yearly on 30th September and 31st March and the rate of tax deducted at source is 10%. Pass necessary journal entries for interest on debentures for the year 2018-19.

15. From the following information, calculate the amount of sports material that will be debited to Income and Expenditure Account of Sharda Club for the year ended 31-03-2019.

Particulars	1-4-2018 (₹)	31-3-2019 (₹)
Stock of Sports material	2,00,000	2,50,000
Creditors for sports material	3,50,000	2,90,000
Advance paid for sports material	70,000	1,10,000

Additional Information: Cash purchase of sports material during the year was ₹ 1,79,000. ₹ 2,40,000 were paid to the creditors of sports material during the year.

16. From the following Receipts and Payments Account of Vandana Music Club for the year ended 31st March, 2019 and additional information, Prepare Income and Expenditure Account for the year ended 31-03-2019.

Receipts and Payments Account of Vandana Music Club

Receipts	Amount	Payments	Amount
To Balance b/d: Cash 20,000; Bank 30,000	50,000	By Honorarium	1,42,000
To Subscriptions: 2017-18 13,000; 2018-19 4,00,000; 2019-20 47,000	4,60,000	By Musical Instruments	70,000
To Locker Rent	30,000	By Electricity Bill	40,000
To Sale of Old furniture (book value ₹ 12,000)	16,000	By Balance c/d: Cash 22,000; Bank 1,91,000; Fixed deposit (@ 7% p.a. on 31-3-2019) 2,30,000	4,43,000
To Building Fund Donations	38,000		
To Life Membership Fees	91,000		
To Entrance Fees	10,000		
Total	6,95,000		6,95,000

Additional Information: The Club had 450 members each paying an annual subscription of ₹ 1,000. Musical Instruments were purchased on 1-10-2018. Depreciation @ 20% p.a. was to be charged on Musical Instruments.

17. A and B are partners sharing profits and losses in the ratio of 3 : 2. Their capital on 31st March, 2018 after all adjustments stood at ₹ 1,65,500 and ₹ 1,27,600 respectively.

Profits amounting to ₹ 50,000 for the year 2017-18 were distributed after allowing interest on drawings @ 12% p.a. During the year A withdrew ₹ 15,000 at the beginning of every quarter and B withdrew ₹ 40,000 during the year. Partnership deed is silent on interest on drawings but provides for interest on Capital @ 5% p.a. Interest on Capital has not been provided.

Showing your workings clearly, pass the necessary adjustment entry to rectify the above errors.

OR

17. Arun, Shobha and Yuvraj were partners in a firm. On 1st April, 2018 their Fixed Capitals Stood at ₹ 1,00,000, ₹ 50,000 and ₹ 50,000 respectively.

As per the provisions of partnership deed:

- (i) Partners were entitled to an annual salary of ₹ 20,000 each.
 - (ii) Interest on Capital @ 10% p.a. was to be provided.
 - (iii) Profits were to be shared in the ratio 3 : 1 : 1.
- Net profit for the year ended 31st March, 2019 was ₹ 90,000.

Pass Journal Entries for the above in the books of the firm.

18. Karim, Saleem and Raheem were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 3. The firm closes its books on 31st March every year. On 1-10-2019 Karim died. On Karim's death the goodwill of the firm was valued at ₹ 3,50,000. Karim's share in the profits of the firm in the year of his death was to be calculated on the basis of average profits of last four years. The profits for the last four years were 2015-16 ₹ 1,70,000; 2016-17 ₹ 1,30,000; 2017-18 ₹ 1,90,000 and 2018-19 ₹ 1,10,000. The total amount payable to Karim's executors on his death was ₹ 7,35,000. It was paid on 15-10-2019.

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

19. Harish and Gopal were partners in a firm sharing profits in the ratio of 3 : 2. On 31st March, 2018, their Balance Sheet was as follows:

Liabilities	Amount	Assets	Amount
Creditors	36,000	Cash	47,000
Outstanding expenses	10,000	Bank	93,000
Gopal's wife's loan	50,000	Debtors	76,000
Capitals: Harish 2,80,000 Gopal 1,60,000	4,40,000	Stock	2,00,000
		Furniture	20,000
		Leasehold premises	1,00,000
Total	5,36,000	Total	5,36,000

On the above date the firm was dissolved. The various assets were realized and liabilities were settled as under:

- Gopal agreed to pay his wife's loan.
- Leasehold premises realised ₹ 1,50,000 and Debtors ₹ 12,000 less.
- Half of the creditors agreed to accept furniture of the firm as full settlement of their claim and remaining half agreed to accept 10% less.
- 50% stock was taken over by Harish on payment by cheque of ₹ 90,000 and remaining stock was sold for ₹ 94,000.
- Realization expenses of ₹ 10,000 were paid by Gopal on behalf of the firm.

Prepare Realization Account.

OR

19. Sudha, Naresh and Geeta were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Their fixed capitals were ₹ 6,00,000; ₹ 4,00,000 and ₹ 2,00,000 respectively. Besides her capital Geeta had given a loan of ₹ 75,000 to the firm. Their partnership deed provided for the following:

- Interest on capital @ 9% p.a.
- Interest on partners' drawings @ 12% p.a.
- Salary to Sudha ₹ 30,000 per month and to Naresh ₹ 40,000 per quarter.
- Interest on Geeta's loan @ 9% p.a.

During the year Sudha withdrew ₹ 50,000 at the end of each quarter; Naresh withdrew ₹ 50,000 in the beginning of each half year and Geeta withdrew ₹ 70,000 at the end of each half year. The profit of the firm for the year ended 31-3-2019 before allowing interest on Geeta's loan was ₹ 7,06,750. Prepare Profit and Loss Appropriation Account.

20. Pass necessary journal entries for the issue of debentures in the following cases :

- Issued ₹ 2,00,000 9% debentures of ₹ 100 each at a discount of 10% redeemable at a premium of 15%.
- Issued 4,000, 9% debentures of ₹ 100 each at a premium of 5% redeemable at a premium of 10%.
- Issued ₹ 10,00,000, 9% debentures of ₹ 100 each at par redeemable at a premium of 12.5%.

21. Raman and Aman were partners in a firm and were sharing profits in 3 : 1 ratio. On 31-3-2019 their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Provision for bad debts	7,000	Bank	24,000
Outstanding Expenses	18,000	Bills Receivable	80,000
Bills Payable	47,000	Sundry Debtors	95,000
Sundry Creditors	1,02,000	Stock	14,000
Workmen Compensation Reserve	55,000	Furniture	70,000
Capitals: Raman 3,00,000 Aman 1,50,000	4,50,000	Machinery	2,00,000
		Land & Building	1,96,000
Total	6,79,000	Total	6,79,000

On the above date Suman was admitted as a new partner for 1/5th share in the profits on the following conditions:

- Suman will bring ₹ 2,00,000 as her capital and necessary amount for her share of goodwill premium. The goodwill of the firm on Suman's admission was valued at ₹ 1,00,000.
- Outstanding expenses will be paid off. ₹ 5,000 will be written off as bad debts and a provision of 5% for bad debts on debtors was to be maintained.
- The liability towards workmen compensation was estimated at ₹ 60,000.
- Machinery was to be depreciated by ₹ 18,000 and Land and Building was to be depreciated by ₹ 54,000.

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

OR

21. A, B and C were partners in a firm. Their Balance Sheet as at 31st March, 2019 was as follows:

Liabilities	Amount	Assets	Amount
Bills payable	20,000	Bank	20,000
Creditors	40,000	Furniture	28,000
General Reserve	30,000	Stock	20,000
Workmen Compensation Reserve	6,000	Debtors 45,000 Less Provision 5,000	40,000
Capitals: A 60,000 B 40,000 C 32,000	1,32,000	Land & Building	1,20,000
Total	2,28,000	Total	2,28,000

B retired on 1st April, 2019. A and C decided to share profits in the ratio of 2 : 1. The following terms were agreed upon:

- Goodwill of the firm was valued at ₹ 30,000.
- Bad-debts ₹ 4,000 were written off. The provision for doubtful debts was to be maintained @ 10% on debtors.
- Land and Building was to be increased to ₹ 1,32,000.
- Furniture was sold for ₹ 20,000 and the payment was received by cheque.
- Liability towards Workmen Compensation was estimated at ₹ 1,500.
- B was to be paid ₹ 20,000 through a cheque and the balance was transferred to his loan account.

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

22. Zee Ltd. invited applications for issuing 3,40,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share. The amount was payable as follows: On application ₹ 4 per share (including ₹ 2 premium); On allotment ₹ 5 per share (including ₹ 2 premium); On First and Final call – Balance.

Applications for 6,00,000 shares were received. Application for 1,80,000 shares were rejected and application money was refunded. Shares were allotted on prorata basis to the remaining applicants. Excess money received with applications was adjusted towards sum due on allotment. Yamini who had applied for 2100 shares failed to pay allotment money and her shares were forfeited immediately. Vani to whom 6800 shares were allotted paid her entire share money due on allotment. Afterwards First and Final call was made and was duly received. Out of the forfeited shares 850 shares were reissued to Vansh at ₹ 8 per share fully paid up. Pass necessary journal entries for the above transactions in the books of the company by opening calls-in-arrears and calls-in-advance accounts.

22. K.N. Ltd. invited applications for issuing 6,00,000 equity shares of ₹ 10 each at a premium of ₹ 3 per share. The amount was payable as follows: On Application and Allotment ₹ 3 per share; On First Call ₹ 4 per share; On Second and Final Call Balance (including premium).

Applications for 8,00,000 shares were received. Applications for 50,000 shares were rejected and the application money was refunded. Shares were allotted to the remaining applicants as follows:

Category I: Those who had applied for 4,00,000 share were allotted 3,00,000 shares on pro-rata basis.

Category II: The remaining applicants were allotted the remaining shares on pro-rata basis.

Excess application money received with applications was adjusted towards sums due on first call. Rakesh to whom 6,000 shares were allotted failed to pay the first call money. Rakesh belonged to category I. His shares were forfeited. The forfeited shares were re-issued at ₹ 13 per share fully paid up. The second call was made afterwards and was duly received. Pass necessary journal entries for the above transactions in the books of K.N. Ltd.

23. The quick ratio of a company is 0.75 : 0.50. Will credit purchase of goods ₹ 10,000 increase, decrease or not change the ratio ? Give reason in support of your answer.

24. Employee benefit expenses include _____.
(bonus/depreciation/income tax)

25. Which of the following is not a limitation of financial analysis ?

- (A) Subjectivity (B) Qualitative aspects ignored
(C) Inter-firm comparison (D) Window dressing

26. Interest received in cash from loans and advance is considered as _____ activity while preparing cash flow statement.

27. Under which of the following headings/sub-headings, Calls in advance will be presented in the Balance Sheet of a Company as per Schedule III Part I of the Companies Act, 2013?

- (A) Current Liabilities (B) Share Capital
(C) Share Application Money Pending Allotment (D) Reserves and Surplus

28. List any two items that may be presented under 'Other Current Liabilities' in the balance sheet of a Company as per Schedule III Part I of the Companies Act 2013.

29. While preparing cash flow statement, will 'Cash withdrawn from bank' result into inflow, outflow or no flow of cash? Give reason in support of your answer.

30. From the following information obtained from the books of Raja Ltd, calculate :

- (i) Trade Receivables Turnover Ratio, and
(ii) Trade Payables Turnover Ratio.

Information :	(₹)
Revenue from operations	15,00,000
Creditors	2,00,000
Bills receivable	79,000
Bills Payable	87,000
Debtors	2,21,000
Purchases	11,48,000

31. Fill in the amounts left blank in the following Common Size Statement of Profit and Loss for the year ended 31st March, 2019.

Common-Size Statement of Profit & Loss for the year ended 31st March, 2019

Particulars	Absolute Change		% of Revenue from operations	
	2017-18 (₹)	2018-19 (₹)	2017-18	2018-19
I. Revenue from operations	20,00,000	25,00,000	_____	100
II. Other Income	1,00,000	2,50,000	_____	10
III. Total Revenue	21,00,000	27,50,000	105	110
IV. Expenses				
(a) Cost of Material consumed	_____	8,00,000	30	32
(b) Change in Inventory	1,00,000	2,00,000	_____	8
(c) Employee Benefit Expense	_____	4,50,000	15	18
(d) Other expenses	_____	2,25,000	10	9
Total Expenses	12,00,000	16,75,000	_____	67
V. Profit before Tax (III-IV)	9,00,000	10,75,000	45	43
Less : Tax	2,00,000	2,50,000	10	_____
VI. Profit after Tax	7,00,000	8,25,000	35	33

OR

31. From the following Statement of Profit and Loss of Skills India Ltd. for the year ended 31st March, 2018 and 2019, prepare a Comparative Statement of Profit and Loss.

Particulars	2018-19 (₹)	2017-18 (₹)
Revenue from Operations	45,00,000	20,00,000
Employee Benefit Expenses	10,00,000	8,00,000
Other Expenses	5,00,000	2,00,000
Tax Rate	30%	

32. From the following Balance Sheet of Gopal Ltd. and the additional information as at 31st March, 2019, prepare a Cash Flow statement when cash flows from financing activities is ₹ 2,32,000.

**Gopal Ltd.
Balance Sheet as at 31-3-2019**

32. (continued)

Particulars	Not e No.	31st March, 2019 (₹)	31st March, 2018 (₹)
I. Equity and Liabilities :			
1. Shareholder's Fund			
(a) Share Capital		10,00,000	8,00,000
(b) Reserve and Surplus	1	4,00,000	(1,00,000)
2. Non-Current Liabilities			
Long term Borrowings	2	9,00,000	9,00,000
3. Current Liabilities			
(a) Short term Borrowings	3	2,40,000	1,00,000
(b) Short term Provisions	4	2,00,000	1,75,000
Total :		27,40,000	18,75,000

Balance Sheet (continued)

32. (continued)

Particulars	Not e No.	31st March, 2019 (₹)	31st March, 2018 (₹)
II. Assets :			
1. Non-Current Assets			
(a) Fixed Asset			
(i) Tangible Assets	5	20,00,000	14,42,000
(ii) Intangible Assets	6	46,000	58,000
(b) Non-current Investments		1,00,000	45,000
2. Current Assets :			
(a) Current Investments		2,00,000	1,20,000
(b) Inventories	7	2,14,000	90,000
(c) Cash and Cash equivalents		1,80,000	1,20,000
Total :		27,40,000	18,75,000

Notes to Accounts :

32. (continued)

Not e No.	Particulars	31 March, 2019 (₹)	31 March, 2018 (₹)
1.	Reserve and Surplus Surplus (Balance in statement of Profit and Loss)	4,00,000	(1,00,000)
2.	Long term Borrowings 12% debentures	9,00,000	9,00,000
3.	Short term Borrowings Bank overdraft	2,40,000	1,00,000
4.	Short term provisions Provision for tax	2,00,000	1,75,000
5.	Tangible Assets Machinery Less : Accumulated Depreciation	24,00,000 (4,00,000) 20,00,000	16,42,000 (2,00,000) 14,42,000
6.	Intangible Assets Goodwill	46,000	58,000
7.	Inventories Stock in trade	2,14,000	90,000

Additional Information :

Tax ₹ 1,50,000 was paid during the year.

23. Name the accounting information sub-system which generates periodic reports about sales and collections made.

- (A) Cash and Bank sub-system. (B) Sales and accounts receivable sub-system.
(C) Inventory sub-system. (D) Budget sub-system.

24. A spread sheet is used to _____ calculate and compare _____ or financial data.

25. The process of comparing input data with some known data is called:

- (A) storage data (B) information data
(C) data validation (D) data entry

26. A _____ attribute can be divided into smaller sub-parts but a _____ attribute cannot be further sub divided.

27. 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.

28. Match the movement of mouse with the key strokes.

(i) One cell down	(a) Down arrow key (↓) or enter
(ii) One cell up	(b) Up arrow key (↑)
	(c) Right arrow key (→)
	(d) Left arrow key (←)

- (A) (i) (a), (ii) (d) (B) (i) (b), (ii) (c)
(C) (i) (d), (ii) (a) (D) (i) (a), (ii) (c)

29. _____ prompts the user to enter parameters or criteria through an input box for selecting a set of records with different criteria.

30. State any three features of good Accounting Software.

OR

30. Name the function of Excel which converts numeric value to text in a specific number format. Explain its syntax.

31. Explain the elements to be considered for calculating “deductions” for a current pay roll.

OR

31. Show with the help of a flow chart, how are accounting transactions processed in computerized accounting system.

32. ‘A Ltd.’ wants to enter their sales related data on excel sheet, for their three products to prepare a graphic presentation to be presented in the Board Of Directors’ meeting. State the basic steps to prepare presentation.

- End of Question Paper -