

PRE-BOARD EXAMINATION TERM II (2021-22)
CLASS-XII
ACCOUNTANCY (055)

MM: 40

Time: 2 Hours

General Instructions:

1. This question paper comprises two Parts – A and B. There are 12 questions in the question paper. All questions are compulsory.
2. Question nos. 1 to 3 and 10 are short answer type-I questions carrying 2 marks each.
3. Question nos. 4 to 6 and 11 are short answer type-II questions carrying 3 marks each.
4. Question nos. 7 to 9 and 12 are long answer type questions carrying 5 marks each.
5. There is no overall choice. However, an internal choice has been provided in 3 questions of three marks and 1 question of five marks.

Part A: Accounting for Not-for Profit Organization, Partnership Firms and Companies

1. Jony, Tony and Molly are equal partners in a firm whose books are closed on March 31st each year. 2

Jony, died on 30th September, 2021 and according to the agreement the share of profits of a deceased partner up to the date of the death is to be calculated on the basis of the average profits for the last three years. The net profits for the last four years have been: 2017-18 - ₹20,000 (Loss); 2018-19 - ₹24,000; 2019-20- ₹36,000 and 2020-21- ₹48,000. Calculate Jony' share of the profits up to the date of death.

2. X Ltd. issued debentures ₹10,00,000 at a discount of 6%, repayable after 4 years at par. Balance in Securities Premium Reserve account and Statement of profit and loss stood in the books of the company at ₹40,000 and ₹60,000 respectively. Give journal entry for writing off discount in the books of X Ltd. Also show the calculation of discount amount. 2

3. X, Y and Z were partners sharing profits in the ratio of 5 : 3 : 2. Goodwill does not appear in the books but it is agreed to be valued at ₹1,00,000. X died and Y and Z decided to share profits equally. 2

Give journal entry for adjustment of goodwill.

4. Following information of a Not-for-Profit Organization is given to you: 3

	₹
(i) Subscriptions in arrears on 31 st March, 2020	2,500
(ii) Subscription received in advance on 31 st March, 2020 for the year ended 31 st March, 2021	4,100
(iii) Total Subscriptions received during 2020-21 (Including 1,800 for 2019-20, 2,600 for 2021-22)	95,600
(iv) Subscriptions outstanding on 31 st March, 2021	2,400

Answer the following questions on the basis of the above information.

- I. Find the amount of Subscription outstanding for 2020-21.
- II. What is the amount of subscription received in 2020-21 for the year 2020-21.
- III. Calculate amount of subscriptions to be credited to the Income and Expenditure Account for the year ended 31st March, 2021.

5. Distinguish between 'Dissolution of Partnership' and 'Dissolution of Partnership Firm'.(Any three points) 3

OR

Distinguish between ' Revaluation Account' and 'Realisation Account'. (Any three points)

6. Pass the necessary Journal entries for the following transactions on the dissolution of the firm of Sudha and Shiva after the various assets (other than cash) and outside liabilities have been transferred to Realisation Account: 3

- (i) Sudha agreed to pay off her husband's loan ₹19,000.
- (ii) A debtor whose debts of ₹9,300 was written off in the books paid ₹7,500 in full settlement.
- (iii) Shiva took over all investment at ₹13,300.

OR

What journal entries would be passed for the following transactions on the dissolution of a firm whose partners are Parul, Raman and Mohan.

- (i) A machine which was not recorded in the books was taken over by Parul at ₹3,000 whereas its expected value was ₹3,500.
- (ii) Priya paid the realisation expenses of ₹18,000 out of her pocket and she was to get a fixed remuneration of ₹14,000 for completing dissolution process.
- (iii) There was a stock of ₹90,000. Raman took over 50% of the stock at 10% discount and remaining stock was sold at 40% profit on book value.

7. Journalise the following transactions in the books of P Ltd. 5

- (i) P Ltd. purchased Plants and Machinery of ₹5,25,000 and issued 9% debentures of ₹100 each at a premium of 5% and ₹1,05,000 through cheque.
- (ii) It issued 9% debentures of ₹2,00,000 at a premium of 5% to the public.

8. Prepare an Income and Expenditure Account and Balance Sheet from the following particulars of Young Activities Club for the year ended 31st March 2021. 5

Receipts and Payment A/c
for the year ending March 31, 2021

Liabilities	(₹)	Payment	(₹)
To Balance b/d (1.4.2020)	32,500	By Salaries	31,500
To Subscription:		By Postage	1,250
2019-20 1,500		By Rent	9,000
2020-21 60,000		By Printing and Stationery	14,000
2021-22 1,800	63,300	By Sports Material	11,500
To Donations (Billiards Table)	90,000	By Miscellaneous Expenses	3,100
To Entrance Fee	1,100	By Furniture (1.10.2020)	20,000
To Sales of Old Magazines	450	By 10% Investment (1.7.2020)	70,000
		By Balance c/d(31.3.2021)	27,000
	1,87,350		1,87,350

Additional Information:

- (i) There are 250 members each paying an annual subscription of ₹300.
- (ii) ₹1,200 is still in arrears for the year 2019-20 for subscription.
- (iii) Value of sport material at the beginning and at the end of the year was ₹3,000 and ₹4,500 respectively.
- (iv) Depreciation to be provided @ 10% p.a. on furniture.

9. Mr. A, Mr. B and Mr. C are partners in a firm sharing profits in the ratio of 2:2:1. Mr. A decided to retire on 31st March, 2021. The Balance sheet of the firm was as under: 5

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	24,000	Bank	12,000
Profits and Loss A/c	5,000	Debtors 20,000	
Capitals:		Less: Provision (400)	19,600
A 31,000		Stock	25,000
B 30,000		Investment	10,000
C 22,000	83,000	Patent	2,500
		Premises	40,000
		Goodwill	2,900
	1,12,000		1,12,000

On retirement of A, following terms were agreed upon:

- (i) Mr. A sold his share of goodwill to Mr.B for ₹6,000 and to Mr.C for ₹3,000.
- (ii) Provision for doubtful debts should be 5% on debtors and provision for discount on debtors and creditors be made @ 2%.
- (iii) Expenses owing ₹500 and prepaid insurance ₹900 were to be accounted for. Patents were valueless.

- (iv) Half the investments were taken over by all partners in their profits sharing ratio and remaining investment were valued above 40%, which Mr. A agreed to take it.
- (v) Mr. A was paid ₹11,600 and balance be transferred to his loan account. Prepare Revaluation Account, Partners' Capital Account and Balance Sheet of the new form.

OR

Angad, Kunal and Nitin were partners sharing profits and losses in the proportion of 2: 2 : 1 respectively. The Balance Sheet of their firm as at 31st March, 2021 stood as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital a/c:		Stock	12,500
Angad 12,500		Machinery	17,500
Kunal 15,000		Motor Van	4,000
Nitin 20,000	47,500	Buildings	22,500
Creditors	10,000	Bank	1,250
Bills Payable	2,000	Debtors 8,000	
General Reserve	6,000	Less: Provision (250)	7,750
	65,500		65,500

Angad retires, due to illness, on 1st April, 2021, subjects to the following adjustments:

- (a) Provision for bad and doubtful debts to be increased by ₹975.
- (b) Stock to be appreciated by 20% and Buildings by 10%.
- (c) Machinery to be depreciated by 10% and Motor Van up to 85%.
- (d) Goodwill of the firm to be valued at ₹ 9,000.
- (e) It is also decided that after retirement of Angad, goodwill not to be shown in the books (as per Accounting Standard 26).
- (f) New Ratio between Kunal and Nitin is decided 1:2

Give necessary Journal Entries for the above.

Part- B : Analysis of Financial Statement

10. a) 'Interest received and paid' is considered as which type of activity for a finance company while preparing a Cash Flow Statement? 2
- b) What is a comparative balance sheet?
11. Prepare Common-Size Income Statement for the following information. 3

Particulars	31-3-2021 (₹)	31-3-2020 (₹)
Revenue from Operations	9,00,000	6,00,000
Other Income	1,08,000	1,20,000
Cost of Material consumed	5,40,000	3,00,000
Other Expenses	60,000	60,000
Tax	40%	40%

OR

Prepare Common-size Balance Sheet of KJ Ltd. from the following information:

Particulars	Note No.	31.3.2021 (₹)	31.3.3020 (₹)
I. Equity and Liabilities:			
1. Shareholders's Funds		8,00,000	4,00,000
2. Non-Current Liabilities		5,00,000	2,00,000
3. Current Liabilities		3,00,000	2,00,000
Total		16,00,000	8,00,000
II. Assets:			
1. Non-Current Assets		10,00,000	5,00,000
2. Current Assets		6,00,000	3,00,000
Total		16,00,000	8,00,000

12. Prepare Cash Flow Statement of Kaveri Ltd. whose Balance sheets as at 31st March 2020 and 2021 are given below:

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Particulars	Note No.	31.3.2021 (₹)	31.3.2020 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
(a) Share Capital		8,50,000	4,00,000
(b) Reserve and Surplus	1	1,80,000	2,10,000
2. Non-Current Liabilities:			
Long-term Borrowings	2	6,00,000	4,00,000
3. Current Liabilities:			
(a) Trade Payables		1,75,000	1,50,000
(b) Short-term Provisions	3	70,000	1,20,000
Total		18,75,000	12,80,000
II. ASSETS			
1. Non-Current Assets:			
(a) Fixed Assets			
(i) Tangible Assets		10,20,000	9,40,000
(b) Non-Current Investments	4	3,50,000	-
2. Current Assets:			
(a) Inventories		2,50,000	1,80,000
(b) Trade Receivables		1,70,000	80,000
(c) Cash and Cash Equivalents		85,000	80,000
Total		18,75,000	12,80,000

Notes of Accounts:

Particular	31-3-2021 (₹)	31-3-2020 (₹)
1. Reserve and Surplus: Surplus i.e Balance in Statement of Profit and Loss	1,80,000	2,10,000
	1,80,000	2,10,000
2. Long-term Borrowings:		
9% Debentures	6,00,000	4,00,000
	6,00,000	4,00,000
3. Short-term Provisions:		
Provision for Tax	70,000	1,20,000
	70,000	1,20,000
4. Non-Current Investment:		
12% Bonds	3,50,000	-
	3,50,000	-

Additional Information:

During the year, depreciation ₹ 80,000 has been provided on the machinery and a machine of book value ₹40,000 was sold for ₹20,000. Proposed dividend as on 31st March 2020 and 2021 are ₹50,000 and ₹60,000 respectively.