

# Question Paper 6

(Questions-Answers)

## ACCOUNTANCY

A Highly Simulated Practice Question Paper for  
CBSE Class XII Examination

Time : 3 hrs

M.M.

### General Instructions\*

1. This question paper contains two parts A and B.
2. Part A is compulsory for all.
3. Part B has two options—Analysis of Financial Statements and Computerised Accounting\*.  
Attempt only one option of Part B.
4. All parts of a question should be attempted at one place.

\*Computerised Accounting has not been covered.

### SECTION A

(Accounting for Not-for-Profit Organisations, Partnership Firms and Companies)

### Objective Type Questions

(1 Mar

#### Multiple choice questions (Q. no. 1 to 10)

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

1. In a partnership, commission to partners will be given from
  - (a) current year's profit
  - (b) reserves
  - (c) goodwill
  - (d) Any of them
2. Bhim Ltd issued 20,000, 9% debentures of ₹ 50 each at a discount of 8%, redeemable at par at any time after 9 years. Record journal entry in the books of Bhim Ltd for transferring debentures application money to debenture account.

(a) Debenture Application and Allotment A/c	Dr	9,20,000	
Discount on Issue of Debentures A/c	Dr	80,000	
To 9% Debentures A/c			10,00,000
(b) Debenture Application A/c	Dr	9,20,000	
To 9% Debentures A/c			9,20,000

\*You are advised to attempt this sample paper without referring the answers given here. However, cross check your answers with the answers given at the end after you complete the paper.

(c) Debenture Application A/c	Dr	9,20,000	
Loss on Issue of Debentures A/c	Dr	1,80,000	
To 9% Debentures A/c			
To Premium on Redemption of Debentures A/c			10,00,000
(d) None of the above			1,00,000

3. Company can only forfeit shares, if it is written in

- (a) Article of Association  
 (b) Memorandum  
 (c) Clause  
 (d) Deal document

4. Calculate interest for the year, when 6% debentures are issued for ₹ 10,00,000 of ₹ 100 each.

- (a) ₹ 60,000  
 (b) ₹ 80,000  
 (c) ₹ 6,00,000  
 (d) ₹ 6,000

5. At the time of forfeiture of shares, Share Capital Account will be debited with ..... value.

- (a) Uncalled  
 (b) Received  
 (c) Called-up  
 (d) None of these

6. Vijay Ltd is registered with 1,00,000 shares and invited public to apply for the complete registered capital. Per share value is ₹ 10 which is payable as ₹ 2 on application, ₹ 5 on allotment and rest on first and final call. What will be the amount that the company will receive till allotment?

- (a) ₹ 2,00,000  
 (b) ₹ 5,00,000  
 (c) ₹ 10,00,000  
 (d) ₹ 7,00,000

7. In the context of debit side of profit and loss appropriation account, pick odd one out.

- (a) Interest on Capital  
 (b) Partners' Salaries  
 (c) Interest on Drawings  
 (d) Partner's Commission

8. For writing-off loss on issue of debentures, first of all company use its ..... and deficiency is met from surplus balance of statement of profit and loss.

- (a) Securities premium reserves  
 (b) General reserves  
 (c) Capital reserve  
 (d) Either (a) or (b)

9. Vicky Ltd purchased assets of ₹ 12,60,000 from Chiky Ltd. Vicky Ltd paid this amount by issuing equity shares of ₹ 100 each at premium of 20%. You are required to find out the amount of premium.

- (a) ₹ 10,50,000  
 (b) ₹ 2,10,000  
 (c) ₹ 12,60,000  
 (d) None of these

10. The firm of Sonu and Monu earned a profit of ₹ 3,25,000 during the year ending on 31st March, 2019. They have decided to donate 10% of this profit to an NGO working for senior citizens. Pass the journal entry.

(a) Profit and Loss Appropriation A/c	Dr	2,92,500	
To Sonu's Capital A/c			1,46,250
To Monu's Capital A/c			1,46,250

(b) Sonu's Capital A/c	Dr	1,46,250	
Monu's Capital A/c	Dr	1,46,250	
To Profit and Loss Appropriation A/c			2,92,500

(c) Profit and Loss Appropriation A/c	Dr	32,500	
To Monu's Capital A/c			16,250
To Sonu's Capital A/c			16,250

- (d) None of the above



**Fill in the blanks (Q. no. 11 to 12)**

Here, each sentence is incomplete due to one missing word. You are required to fill that missing word correctly.

11. A company can charge interest @ ..... % p.a. on calls-in-arrears and allow @ ..... % p.a. on calls-in-advance.
12. X and Y are partners sharing profits equally. They admit Z into partnership for equal share. It was agreed that the firm's goodwill will be valued at two years' purchase of average normal profit of the last three years. Profits of the business for last three years ended on 31st March were  
 2018 — ₹ 80,000 (after charging an abnormal loss ₹ 20,000)  
 2019 — ₹ 1,50,000 (including an abnormal gain ₹ 50,000)  
 2020 — ₹ 1,00,000  
 The value of goodwill will be .....
13. Not-for-profit organisations serve the purpose of providing services to its members and to the society rather than earning profits. In the light of above statement, give two examples of such organisations.

**Short Answer Type I Question (3 Marks)**

14. From the following extract of receipts and payments account and additional information given below, compute the amount of income from subscription and show how they would appear in income and expenditure account for the year ended 31st March, 2019 and in the balance sheet of the current year.

**Receipts and Payments Account**

Dr

for the year ending 31st March, 2019

Receipts	Amt (₹)	Payments	Amt (₹)
Subscriptions			
2017-18	7,000		
2018-19	30,000		
2019-20	5,000		

**Additional Information**

- (i) Subscription outstanding on 31st March, 2018 ₹ 8,500.  
 (ii) Total subscriptions outstanding on 31st March, 2019 ₹ 18,500.  
 (iii) Subscriptions received in advance as on 31st March, 2018 ₹ 4,000.

Or

Show the following items in the balance sheet of a not-for-profit organisation

- (i) Donation received for auditorium construction ₹ 7,00,000  
 (Expected total cost of the auditorium ₹ 10,00,000)  
 (ii) Expenditure on construction of auditorium ₹ 5,50,000



## Short Answer Type II Questions (4 Marks)

15. X and Y are partners sharing profits in the ratio of 3 : 2. They admit Z into the firm for  $\frac{3}{10}$ th profit, which he takes  $\frac{2}{10}$ th from X and  $\frac{1}{10}$ th from Y and brings a part of his share of premium for goodwill in cash. Fill in the missing information in the following journal entries and compute the new ratio of X, Y and Z.

### JOURNAL

Date	Particulars	LF	Amt (Dr)	Amt (Cr)
	Bank A/c <span style="float: right;">Dr</span>			
	To Premium for Goodwill A/c (.....)			...
	Premium for Goodwill A/c <span style="float: right;">Dr</span>		1,20,000	
	Z's Current A/c <span style="float: right;">Dr</span>		3,30,000	
	To.....			...
	To..... (.....)			...

16. X, Y and Z are partners sharing profits in the ratio of 4 : 3 : 1. Y retires, giving his share of profits to X and Z for ₹ 32,400; ₹ 14,400 being paid by X and ₹ 10,000 by Z. Profit for the year after Y's retirement was ₹ 42,000. You are required to give necessary journal entries to record the transfer of Y's share to X and Z. X and Z bring the necessary amount.

17. Jain Ltd invited applications for 500, 9% debentures of ₹ 100 each at a discount of 6%. Application for 600 debentures were received. Pro-rata allotment was made to all the applicants. Pass necessary entries for issue of debentures and writing-off the discount.

18. After completing MBBS, Chahat suggested to her classmate Kamakshi to form a partnership to run a hospital in the locality inhabited by low income group. After a long thought, she agreed to her proposal. Since, they did not have sufficient resources for implementing the proposal, they persuaded a rich friend Raunak who contributed the required capital.

All of them formed a partnership on the following terms

- (i) Chahat, Kamakshi and Raunak will contribute ₹ 1,50,000, ₹ 2,50,000 and ₹ 5,00,000 respectively.

- (ii) Interest on capital @ 6% p.a. will be allowed.

The profits of the firm for the year ended 31st March, 2019 were ₹ 4,50,000.

Prepare profit and loss appropriation account of the firm for the year ending 31st March, 2019.

Or

P, Q and R are partners in a firm sharing profits in the ratio of 1 : 1 : 3 respectively. Their capital accounts showed the following balances on 31st March, 2019.

P – ₹ 1,00,000 ; Q ₹ – 1,50,000 and R – ₹ 2,00,000. Firm closes its accounts every year on 31st March. P retired on 31st March, 2019.



The partnership deed provides for the following

- (i) The retiring partner's share in the goodwill of the firm will be calculated on the basis of 2 years' purchase of the average profit of last three years. The profits of the firm for last three years were ₹ 80,000; ₹ 90,000 and ₹ 1,30,000 respectively.
- (ii) His share in the reserve fund of the firm will be paid. The reserve fund of the firm was ₹ 80,000 at the time of P's retirement.

Prepare P's capital account.

## Long Answer Type I Questions (6 Marks)

19. Following is the receipts and payments account of Sai Club for the year ended 31st December, 2019

### Receipts and Payments Account for the year ending 31st December, 2019

Dr

Receipts	Amt (₹)	Payments	Amt (₹)
Balance b/d		Salaries	
Cash	2,000	Secretary	6,000
Bank	12,000	Staff	5,000
Subscription		Canteen Expenses	12,000
for 2018	500	Miscellaneous Expenses	2,500
for 2019	5,500	Construction of Building	15,000
for 2020	400	Balance c/d	
Interest from Bank	1,000	Cash	1,300
Sale Proceeds of Old Newspapers	400	Bank	4,000
Sale of Old Furniture	2,000		
Canteen Collection	12,000		
Donations for Building Fund	10,000		
	45,800		45,800

With the additional information given below, prepare the income and expenditure account for the year ended 31st December, 2019 and the balance sheet as on that date

Particulars	31st December, 2018 (₹)	31st December, 2019 (₹)
(i) Subscription Receivable	1,000	600
(ii) Subscription Received in Advance	200	400
(iii) Salary of Staff Outstanding	1,000	2,000
(iv) Canteen Expenses Prepaid	1,000	1,500
(v) Furniture at Book Value	14,000	—
(vi) Buildings	15,000	—
(vii) Fixed Deposit with Bank	10,000	10,000
(viii) Book Value of Furniture sold during 2019 was ₹ 3,500		
(ix) Charge Depreciation on Furniture at 10% p.a. on the Closing Balance		



20. A, B and C are partners sharing profits equally. They decided that in future C will get 1/5th share in profits. On the day of change, following is their balance sheet

**Balance Sheet**

as at .....

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	12,000	Cash	5,400
Capital A/cs		Debtors	14,400
A	9,000	(-) Provision	(2,400)
B	9,000	Stock	7,500
C	5,400	Machinery	4,500
	23,400	Building	6,000
	35,400		35,400

On this date, building have been valued at ₹ 9,000, stock to be reduced by ₹ 300 and provision for doubtful debts to be reduced by ₹ 900.

Prepare necessary ledger accounts and balance sheet.

**Long Answer Type II Questions (8 Marks)**

21. A limited company issued a prospectus inviting applications for 2,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows

On application	₹ 2 per share
On allotment	₹ 5 per share (including premium)
On first call	₹ 3 per share
On second call	₹ 2 per share

Applications were received for 3,000 shares and allotment made pro-rata to the applicants of 2,400 shares, the remaining applications being refused. Money overpaid on applications was employed on account of sums due to allotment.

Taksh, to whom 40 shares were allotted, failed to pay allotment money and on his subsequent failure to pay first call, his shares were forfeited.

Daksh, the holder of 60 shares, failed to pay the two calls and so his shares were also forfeited.

All these shares were sold to Naksh credited as fully paid for ₹ 9 per share.

Show the journal and cash book entries in the books of company.

- Or Mohan Ltd invited applications for issuing 60,000 shares of ₹ 10 each at par. The amount was payable as follows

On application ₹ 2 per share; on allotment ₹ 3 per share; on first and final call ₹ 5 per share. Applications were received for 92,000 shares. Allotment was made on the following basis

- |                                      |      |
|--------------------------------------|------|
| (i) To applicants for 40,000 shares  | Full |
| (ii) To applicants for 50,000 shares | 40%  |
| (iii) To applicants for 2,000 shares | Nil  |

₹ 1,08,000 was realised on account of allotment (excluding the amount carried from application money) and ₹ 2,50,000 on account of call.

The directors decided to forfeit shares of those applicants to whom full allotment was made and on which allotment money was overdue.

Pass journal entries in the books of Mohan Ltd to record the above transactions.



22. Ram and Laxman are partners in a firm with equal ratio.

**Balance Sheet**  
as at 31st March, 2019

Liabilities		Amt (₹)	Assets		Amt (₹)
Creditors		2,00,000	Bank		80,000
Bills Payable		1,20,000	Debtors		1,20,000
General Reserve		80,000	Building		4,00,000
Capital A/cs			Machinery		2,00,000
Ram	4,00,000		Investment		80,000
Laxman	2,00,000	6,00,000	Patents		40,000
			Furniture		40,000
			Goodwill		40,000
					10,00,000
		10,00,000			

**Adjustments**

- Bharat comes for 1/5th share and brings capital ₹ 2,00,000 and premium ₹ 40,000 out of ₹ 60,000.
- New ratio 2 : 2 : 1.
- ₹ 20,000 included in creditors are not likely to be paid.
- Patents are valueless.
- 10% provision for doubtful debts on debtors out of general reserve.

Prepare revaluation account, partners' capital account, bank account and balance sheet.

Or Following is the balance sheet of P, Q and R as at 30th September, 2019

**Balance Sheet**

as at 30th September, 2019

Liabilities		Amt (₹)	Assets		Amt (₹)
Sundry Creditors		70,000	Land and Building		5,50,000
P's Brother's Loan		40,000	Patents		10,000
Employee's Provident Fund		20,000	Debtors	1,20,000	
Reserve Fund		60,000	(-) Provision	(6,000)	1,14,000
P's Capital A/c	3,00,000		Sundry Assets		40,000
Q's Capital A/c	2,50,000		Bank		48,000
R's Capital A/c	50,000	6,00,000	Cash		8,000
P's Current A/c	40,000		R's Current A/c		70,000
Q's Current A/c	10,000	50,000			
		8,40,000			8,40,000

They decided to dissolve the firm. The following information is given to you

- Land and building were sold for ₹ 5,00,000.
- Debtors for ₹ 20,000 proved bad and rest paid the amount due at 5% discount.
- An unrecorded investment of ₹ 20,000 was taken over by a creditor at ₹ 16,000. Remaining creditors were paid at 10% discount.
- There was an outstanding bill for repairs for which ₹ 10,000 were paid.
- P's brother's loan was paid together with interest of ₹ 4,000.
- Q is to take over some of sundry assets at ₹ 13,500 (being 10% less than book value).
- R is to take over the remaining sundry assets at 80% of the book value less ₹ 500 as discount.

Prepare necessary accounts.



## SECTION B

(Financial Statement Analysis)

### Objective Type Questions (1 Mark)

#### Multiple choice questions (Q. no. 23 to 27)

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

23. 9% Debentures redeemable after 10 years of issue are shown as

- (a) Long-term Borrowings  
 (b) Other Long-term Liabilities  
 (c) Short-term Borrowings  
 (d) Shareholders' Fund

24. Credit Purchase ₹ 6,00,000

Opening Creditors ₹ 1,00,000

Closing Creditors ₹ 50,000

Trade Payable Turnover Ratio will be

- (a) 12 times  
 (b) 8 times  
 (c) 4 times  
 (d) 6 times

25. **Balance Sheet (Extract)**

Particulars	31st March, 2019 (₹)	31st March, 2020 (₹)
Investments @ 10%	5,00,000	10,00,000

#### Additional Information

Half of the investments held in the beginning of the year were sold @ 10% profit. Interest and dividend received on investments ₹ 70,000 and ₹ 50,000 respectively.

How much amount as per above information, will be shown in investing activity for cashflow statement prepared on 31st March, 2020?

- (a) Outflow ₹ 3,55,000  
 (b) Outflow ₹ 3,25,000  
 (c) Inflow ₹ 3,55,000  
 (d) Inflow ₹ 1,20,000

26. Which of the following is not an operating cash flow?

- (a) Decrease in Inventories by ₹ 1,500  
 (b) Decrease in Trade Payables by ₹ 66,000  
 (c) Purchase of Tangible Assets for ₹ 47,000  
 (d) All of these

27. What will be the amount of other income, if miscellaneous income is ₹ 20,000; dividend received is ₹ 4,00,000; profit on sale of building is ₹ 60,00,000 and interest on loan paid is ₹ 1,20,00,000?

- (a) ₹ 60,00,000  
 (b) ₹ 1,20,00,000  
 (c) ₹ 64,20,000  
 (d) ₹ 4,20,000

28. Define comparative balance sheet.

29. In the balance sheet, 'Loose tools' are shown under the sub-head '.....' and major-head '.....'



## Short Answer Type I Question

(3 Marks)

30. Under which main heading and sub-heading will you classify the following items while preparing the balance sheet as per Schedule III of the Companies Act, 2013.
- |                                |                                |
|--------------------------------|--------------------------------|
| (i) Securities premium reserve | (ii) Stock of work-in-progress |
| (iii) Mortgage loan            | (iv) Patents                   |
| (v) Investments                | (vi) General reserve           |

Or Calculate the following ratios

- (i) Liquid ratio  
(ii) Proprietary ratio

### Additional Information

Revenue from operations, i.e. sales ₹ 5,00,000; cost of revenue from operations, i.e. cost of goods sold ₹ 2,40,000; selling expenses ₹ 80,000; office expenses ₹ 40,000; total current assets ₹ 2,00,000; current liabilities ₹ 1,00,000; closing inventory ₹ 20,000; fixed assets ₹ 8,00,000; equity share capital ₹ 3,00,000 and general reserve ₹ 2,00,000.

## Short Answer Type II Question

(4 Marks)

31. Following are the balance sheets of Riyansh Ltd as at 31st March, 2018 and 2019. The motto of Riyansh Ltd is to provide vocational training to the girls belonging to the backward areas of the city. From the following balance sheet, prepare common size balance sheet of Riyansh Ltd for 2018 and 2019.

### Balance Sheet

as at 31st March, 2018 and 2019

Particulars	31st March, 2018 Amt (₹)	31st March, 2019 Amt (₹)
<b>I. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
(a) Share Capital	5,48,000	5,48,000
(b) Reserves and Surplus	3,04,000	1,40,000
<b>2. Non-current Liabilities</b>		
Long-term Borrowings: Secured Loans	2,00,000	4,64,000
Unsecured Loans	11,92,000	4,12,000
<b>3. Current Liabilities</b>		
(a) Short-term Borrowings	2,50,000	1,00,000
(b) Trade Payables	2,00,000	40,000
(c) Other Current Liabilities	1,00,000	6,000
(d) Short-term Provisions	46,000	10,000
<b>Total</b>	28,40,000	17,20,000
<b>II. ASSETS</b>		
<b>1. Non-current Assets</b>		
(a) Fixed Assets (Tangible) (Net)	11,36,000	8,60,000
(b) Non-current Investments	12,000	8,000
<b>2. Current Assets</b>		
(a) Inventories	8,52,000	4,32,000
(b) Trade Receivables	6,60,000	2,80,000
(c) Cash and Cash Equivalents	1,80,000	1,40,000
<b>Total</b>	28,40,000	17,20,000



Or

From the following information which is taken from the books of Malakar Pvt Ltd, prepare comparative statement of profit and loss for the year ended 31st March, 2019.

Particulars	31st March 2018	31 March 2019
Cost of Material Consumed	₹ 1,00,000	₹ 1,20,000
Revenue from Operations	200% of cost of material consumed	300% of cost of material consumed
Other Expenses	10% of cost of material consumed	20% of cost of material consumed
Tax	50%	40%

### Long Answer Type I Question (6 Marks)

32. From the following information, prepare a cash flow statement for Ravi Ltd Balance sheets of Ravi Ltd as at 31st March, 2018 and 2019 are given below

**Balance Sheet**  
as at 31st March, 2018 and 2019

Particulars	Note No.	31st March, 2018 Amt (₹)	31st March, 2019 Amt (₹)
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholders' Funds			
(a) Equity Share Capital		25,00,000	35,00,000
(b) Reserves and Surplus	1	4,00,000	50,000
2. Non-current Liabilities			
Long-term Borrowings (12% Debentures)		6,00,000	10,00,000
3. Current Liabilities			
Trade Payables		15,00,000	12,50,000
<b>Total</b>		<b>50,00,000</b>	<b>58,00,000</b>
<b>II. ASSETS</b>			
1. Non-current Assets			
(a) Fixed Assets		20,00,000	28,00,000
(b) Non-current Investments		10,00,000	10,00,000
2. Current Assets			
(a) Trade Receivables		15,00,000	16,00,000
(b) Cash and Cash Equivalents		3,00,000	4,00,000
(c) Other Current Assets (Prepaid Expenses)		2,00,000	—
<b>Total</b>		<b>50,00,000</b>	<b>58,00,000</b>

**Notes to Accounts**

Particulars	31st March, 2018 Amt (₹)	31st March, 2019 Amt (₹)
1. Reserves and Surplus		
Statement of Profit and Loss	4,00,000	(2,00,000)
Securities Premium Reserve		2,50,000
	4,00,000	50,000

**Additional Information**

- (i) Debentures were issued on 1st April, 2018.
- (ii) During the year, a machine included in fixed assets costing ₹ 12,00,000 was purchased and another machine of the book value of ₹ 3,00,000 was sold at a loss of ₹ 20,000.