

ROLL NO.	
NAME	
CLASS/SECTION	

APEEJAY SCOOL, PITAMPURA

FIRST TERMINAL EXAMINATION, 2016-17

CLASS-XII

Time Allowed: 3 Hrs.

ACCOUNTANCY

M.M. : 80

General Instructions:

1. Question paper consists of two parts. Part-A and Part-B.
2. Attempt all questions.
3. Marks are indicated in front of every question.
4. Show all the workings properly.

PART-A

1. Anu, Bina and Charan are partners. The firm had given a loan of Rs. 20,000 to Bina. They decided to dissolve the firm. In the event of dissolution, the loan will be settled by:
 - a) Transferring it to debit side of Realization Account.
 - b) Transferring it to credit side of Realization Account.
 - c) Transferring it to debit side of Bina's capital account.
 - d) Bina paying Anu and Charan privately. (1)
2. Vinod, Manthan and Dheeraj are partners sharing profits & losses in the ratio of 3:2:1. To expand the Business they admitted 50 new partners to fulfill the requirements of capital. Is it still a partnership business? Give reason in support of your answer. (1)
3. Name the asset which we do not transfer in the debit side of Realisation Account but we record it in the credit side of Realisation Account because it brings certain amount of cash against its disposal at the time of Dissolution of Partnership Firm. (1)
4. Karan, Nakul and Asha were partners in a firm sharing profits & losses in the ratio 3:2:1. At the time of Admission of a Partner, the Goodwill of the firm was valued at Rs. 2,00,000. The Accountant of the firm passes the entry in the books of accounts and thereafter showed Goodwill at Rs. 2,00,000 as an Asset in the Balance Sheet. Was he correct in doing so? Why? (1)
5. A,B and C are partners sharing profits & losses in the ratio of 5:3:2. C retired and his capital balance after adjustment regarding Reserves, Accumulated profits/losses and Gain/loss on Revaluation was Rs. 2,50,000. C was paid Rs. 3,00,000 in full settlement. Afterwards D was admitted for 1/4th share. Calculate the amount of Goodwill premium brought by D. (1)
6. X and Y are partners in a firm sharing profits in the ratio of 3:2. They admitted Z as a partner for 1/5th share of profit on 1st April,2016. He brings Rs. 4,500 as a premium out of his share of Rs. 6,000. On the same date Y died.

You are required to pass Journal Entries to give effect to the above. (3)
7. Kanika and Gautam are partners doing a dry cleaning business in Lucknow, sharing profits in the ratio of 2:1 with capitals Rs. 5,00,000 and 4,00,000 respectively. Kanika withdrew the following amounts during the year to pay the hostel expenses of her son.

	Rs
1 st April	10,000
1 st June	9,000
1 st Nov.	14,000
1 st Dec.	5,000

Gautam withdrew Rs. 15,000 on the first day of April, July, October and January to pay rent for the accommodation of his family. He also paid Rs. 20,000 per month as rent for the office of partnership which was in a nearby shopping complex.

Calculate Interest On Drawings @6% p.a. (3)

8. Abhay and Beena are partners in a firm. They admit Chetan as a partner with $\frac{1}{4}$ th share in the profits of the firm. Chetan brings Rs. 2,00,000 as his share of capital. The value of total Assets of the firm is Rs. 5,40,000 and outside Liabilities are valued at Rs. 1,00,000 on that date. Give the necessary entry to record goodwill at the time of Chetan's admission. Also show your workings notes. (3)

9. Anil, Sunil and Ravinder entered into a Partnership on 1st January 2016 to share profits in the ratio of 2:1:1. It was provided in the deed that Ravinder's share of profit will not be less than Rs. 70,000 per annum. The losses for the year ended 31st December 2016 were Rs. 2,00,000 before allowing interest Rs. 8,000 on Anil's loan which is due for the current year.

Prepare Profit and Loss Appropriation Account for the year ended 31st December 2016.

(4)

10. A,B and C are partners in a firm sharing profits & losses in the ratio of 2:3:1. They decide to share future profits & losses in the ratio of 3:2:1 with effect from 1st April, 2015. Their Balance Sheet showed a Debit Balance of Rs.2 4,000 in Profit & Loss Account and a balance of Rs. 1,44,000 in General Reserve. For this purpose it was agreed that—

- The Goodwill of the Firm be valued at Rs.1, 80,000.
- The Land (having book value of Rs. 3,00,000) be valued at Rs. 4,80,000.
- Unrecorded Investments to be valued at Rs. 1,35,600.
- Creditors amounting to Rs. 2,400 were not likely to be claimed.
- The Machinery (having Book Value of Rs. 3,00,000) be depreciated by 6%.

Give the necessary single adjusting entry to record the above arrangement. (4)

11. Following is the Balance Sheet of Punita, Rashi and Seema who are sharing profits in the ratio of 2:1:2 as on 31st March, 2013.

Liabilities	Rs	Assets	Rs
Creditors	38,000	Building	2.40,000
Bills Payable	2,000	Stock	65,000
Capitals:		Debtors	30,000
Punita	1,44,000	Cash at Bank	5,000
Rashi	92,000	Profit and Loss Account	60,000
Seema	<u>1,24,000</u>		
	3,60,000		
	<u>4,00,000</u>		<u>4,00,000</u>

Punita died on 30th September 2013. She had withdrawn 44,000 from her capital on July1, 2013. According to the partnership agreement, she was entitled to interest on capital @8% p.a. Her share of profit till the date of death was to be calculated on the basis of the average profits of the last three years. Goodwill was to be calculated on the basis of three times the average profits of the last four years. The profits for the years ended 2009-10, 2010-11 and 2011-12 were Rs. 30,000, Rs. 70,000 and 80,000 respectively.

Prepare Punita's account to be rendered to her executors. (4)

12. Ankur, Bhavana and Disha are partners in a firm. On 1st April 2015 the balance in their Capital accounts stood at Rs. 14,00,000, Rs. 6,00,000 and Rs. 4,00,000 respectively. They shared profits in the proportion of 7:3:2 respectively. Partners are entitled to Interest on Capital @6% per

annum and Salary to Bhavana @Rs. 50,000 p.a. and a commission of Rs. 3,000 per month to Disha as per the provisions of the partnership deed.

Bhavana's share of profit (excluding Interest on Capital) is guaranteed at not less than Rs. 1,70,000 p.a. Disha's share of profit (including Interest on Capital but excluding Salary) is guaranteed at not less than Rs. 1,50,000 p.a. any deficiency arising on that account shall be met by Ankur. The profits of the firm for the year ended 31st March 2016 amounted to Rs.9,50,000. Prepare 'Profit & Loss Appropriation Account' for the year ended 31st March 2016. (5)

13. Ashish and Ishita were partners in a firm sharing profits and losses in the ratio of 4:3. They decided to dissolve the firm on 1st May, 2014. From the following information given below, complete Realisation A/c, Partners' Capital Accounts and Bank A/c:

Dr.		REALISATION ACCOUNT		Cr.	
Particulars	Rs.	Particulars	Rs.		
To Sundry Assets:		By Sundry Liabilities:			
Machinery	5,60,000	Creditors	40,000		
Stock	90,000	Ashish's Wife Loan	25,000		
Debtors	55,000	By Bank:			
To Bank:		Machinery	4,80,000		
Creditors	...	Debtors	10,000		
To Ashish's Capital A/c:		By Ashish's Capital A/c:			
Ashish's wife Loan	34,000	Stock	1,28,000		
To Ishita's Capital A/c:		Typewriter	<u>70,000</u>	1,98,000	
Realisation Expenses	7,000	By Ishita's Capital A/c:			
To Profit transferred to:		Debtors	40,000		
Ashish's Capital A/c	4,000				
Ishita's Capital A/c	<u>3,000</u>				
	7,000				
	<u>7,93,000</u>				<u>7,93,000</u>

Dr.		PARTNER'S CAPITAL ACCOUNTS				Cr.	
Particulars	Ashish Rs.	Ishita Rs.	Particulars	Ashish Rs.	Ishita Rs.		
To Realisation A/c	...	...	By ...	...	...
To Bank A/c	4,00,000	4,50,000	By ...	...	...
	...	...	By ...	...	...
					

Dr.		BANK ACCOUNT		Cr.	
Particulars	Rs.	Particulars	Rs.		

To Balance b/d	...	By Realisation A/c	...
To Realisation A/c	4,90,000	By Ashish's Loan A/c	4,000
		By Ashish's Capital A/c	4,00,000
		By Ishita's Capital A/c	...

(8)

14. X, Y and Z are partners in a firm sharing profits in proportion of 1/2, 1/6 and 1/3 respectively. The Balance Sheet as on April 1, 2014 was as follows:

Liabilities	Rs.	Assets	Rs.
Employees Provident Fund	12,000	Freehold Premises	40,000
Sundry Creditors	18,000	Machinery	30,000
General Reserve	12,000	Furniture	12,000
Capital A/cs: X	30,000	Stock	22,000
Y	30,000	Debtors	20,000
Z	28,000	Less: Provision for bad debts	<u>1,000</u>
		Cash	7,000
	1,30,000		1,30,000

Z retires from the business and the partners agree that:

1. Machinery to be depreciated by 10%.
2. Provision for bad debts is to be increased to Rs. 1,500.
3. Furniture was taken over by Z for Rs. 14,000.
4. Goodwill is valued at Rs. 21,000 on Z's retirement.
5. The continuing partners have decided to adjust their capitals in their new profit-sharing ratio after retirement of z. surplus or deficit if any, in their capital accounts will be adjusted through their current accounts.

Prepare Revaluation A/c and Partner's Capital Accounts.

(8)

15. A and B are partners in a firm sharing profits and losses in the ratio of 3:1. They admit C for 1/4th share on 31st March, 2014 when their Balance Sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Employees Provident Fund	17,000	Stock	15,000
Workmen Compensation Reserve	6,000	Debtors	50,000
Investment Fluctuation Reserve	4,100	Less: Provision for	2,000
Capital A/cs: A	54,000	Bad Debts	
B	35,000	Investments	7,000
		Cash	6,100
		Goodwill	40,000
	1,16,000		1,16,000

The following adjustments were agreed upon:

- a) C brings in Rs. 16,000 as Goodwill and proportionate Capital.
- b) Bad Debts amounted to Rs. 3,000.

- c) Market Value of Investments is Rs. 4,500.
 d) Liability on account of Workmen Compensation Reserve amounted to Rs. 2,000.

Prepare Revaluation A/c and Partners' Capital Accounts. (8)

Part-B

16. Under which type of activity will you classify 'Dividend received by a finance Company' while preparing Cash Flow Statement? (1)
 17. Give an example of the activity which remains financing activity for every enterprise. (1)
 18. State any one objective of Financial Statement Analysis. (1)
 19. Under what heads and sub-heads the following items will appear in the Balance Sheet of a Company as per Schedule III, Part I of the Companies Act, 2013:
 i. Tax-Reserve
 ii. Interest on Calls-in-Advance
 iii. Stores and Spares
 iv. Encashment of Employees Earned Leave Payment on Retirement.
 v. Mining Rights. (5)

20. a) Calculate 'Return on Investment' and 'Debt to Equity Ratio' from the following information:

Net Profit after Interest and Tax	Rs. 3,00,000	
10% Debentures	Rs. 5,00,000	
Tax Rate	40%	
Capital Employed	Rs. 40,00,000	(4)

- b) Current Assets of a Company are Rs. 9,00,000. Its Current ratio is 3 and Liquid Ratio is 1.2. Calculate Liquid Assets and Current Liabilities. (3)

21. From the following Statement of Profit and Loss of Suntrack Ltd., for the years ended 31st March 2015 and 2016, Prepare a 'Comparative Statement of Profit & Loss'.

Particulars	Note No.	2015-16	2014-15
Revenue from Operations		20,00,000	12,00,000
Other Income		12,00,000	9,00,000
Expenses		13,00,000	10,00,000

(4)

20. Following is the Balance Sheet of Wishen Ltd. As on 31st March 2012:

Particulars	Note No.	2012	2011
I. Equity & Liabilities			
(1) Shareholders Funds			
(a) Share Capital		7,00,000	6,00,000
(b) Reserves and Surplus (Profit & Loss Balance)		2,00,000	1,10,000
(2) Non-Current Liabilities			
Long Term Borrowings		3,00,000	2,00,000
(3) Current Liabilities			
Trade Payables		30,000	25,000
Total		12,30,000	9,35,000

II.	Assets:			
	(1) Non-Current Assets			
	(a) Fixed Assets			
	Tangible Assets		11,00,000	8,00,000
	(2) Current Assets			
	(a) Inventories		70,000	60,000
	(b) Trade Receivables		32,000	40,000
	(c) Cash and Cash Equivalents		28,000	35,000
	Total		12,30,000	9,35,000

Adjustments:

During the year a piece of Machinery of the book value of Rs. 80,000 was sold for Rs. 65,000.

Depreciation provided on Tangible Assets during the year amounted to Rs. 2,00,000.

Prepare a Cash Flow Statement.

(6)