



INDIAN SCHOOL SOHAR
PRE-BOARD 1 EXAMINATION (2023-24)
ACCOUNTANCY (O55) (Set 2)

No of printed pages: 8

CLASS XII
Date: 20/11/2023

MAX. MARK: 80
Time: 3 hours

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This questions paper is divided into two parts, Part A and B.
Part - A Accounting for partnership firms and companies. Part – B Analysis of Financial Statements
3. Questions 1 to 16 and 27 to 30 carries 1 mark each.
4. Questions 17 to 20, 31 and 32 carries 3 marks each.
5. Questions 21, 22, and 33 carries 4 marks each.
6. Questions 23 to 26 and 34 carries 6 marks each.
7. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART A

(Accounting for Partnership Firms and companies)

- 1 Vijay and Ajay are partners in a firm. The partnership agreement provide for interest on drawings @12% p.a. Which of the following accounts will be debited to transfer interest on drawings to profit and loss appropriation A/c [1]
 - a) interest on drawings account
 - b) bank Account
 - c) partners` current Account
 - d) partners` capital account
- 2 **Read the statement Assertion (A) and Reason(R) choose the correct alternative from those given below** [1]

Assertion :(A) Admission of new partner involves revaluation of assets and liabilities as they are reassessed and their true value are arrived at.

Reason: (R) The profit or losses arising from this process are distributed amongst the old partners in their old profit sharing ratio.

 - a) Both A and R are correct, and R is the correct explanation of A
 - b) Both A and R are correct but R is not the correct explanation of A
 - c) A is correct but R is correct
 - d) A is incorrect, but R is correct
- 3 For recording the issue of debentures as a collateral securities, the amount of debentures issued is debited to..... [1]
 - a) statement of profit and loss
 - b) debenture suspense account
 - c) debenture account
 - d) general reserve account

OR

- If all the forfeited shares are reissued excess balance in the forfeited shares account will be transferred to.....
- a) general reserve
 - b) share capital account
 - c) profit & loss account
 - d) capital reserve
- 4 In the absence of partnership deed, partners` are entitled to an interest on amount of additional capital advanced by him to the firm @: [1]
 - a) Entitled for 6% p.a. on the additional capital only when there is profit.
 - b) Entitled for 10% p.a. on their additional capital
 - c) Entitled for 12% p.a. on their additional capital
 - d) Not entitled for any interest on their additional capital

5 In a partnership firm Rs 65,000/- is to be transferred to general reserve from net profit. Journal entry would be: [1]

a) General Reserve A/c	Dr	65,0000	
		To Profit and Loss Appropriation A/c	65,0000
b) Profit and loss Appropriation A/c	Dr	65,000	
		To General Reserve A/c	65,000
c) Profit and Loss A/c	Dr	65,000	
		To General Reserve A/c	65,000
d) Profit and Loss Appropriation A/c	Dr	90,000	
		To General Reserve A/c	90,000

OR

Discount or loss on issue of debenture should be written off:

- | | |
|--|---------------------------------------|
| a) Within two years of issue of debentures | b) After the redemption of debentures |
| c) In the year of issue of debentures | d) During the life of debentures |

6 **Read the Assertion (A) and Reason (R) choose the correct alternative from those given below.** [1]

Assertion (A): securities premium reserve cannot be utilized for meeting the working capital requirements of the business.

Reason (R): securities premium reserve may be applied only for the purposes mentioned in Sec 52(2) of the Companies Act 2013.

- | |
|--|
| a) Both A and R are correct, R is the correct explanation of A |
| b) Both A and R are correct, but R is not the correct explanation of A |
| c) A is correct, R is incorrect |
| d) A is incorrect, but R is correct |

7 Credit balance of profit and loss account appearing in the balance sheet on the death of a partner is credited to..... [1]

- | |
|--|
| a) deceased partner`s capital account |
| b) all partners capital account including deceased partner`s capital account |
| c) profit and loss suspense A/c |
| d) executor`s A/c |

8 Calculate interest on drawings of Tarun @ 8% p.a. for the year ended 31st March 2022, if Tarun withdrew Rs. 5000/-p.m. in the beginning of every month. [1]

- | | |
|-------------|-------------|
| a) Rs. 2600 | b) Rs. 2400 |
| c) Rs. 2200 | d) Rs. 2800 |

OR

Calculate manager`s commission, if profit is Rs.66,000/-and commission is allowed @10% after charging such commission

- | | |
|---------------|--------------|
| a) Rs. 6600/- | b) Rs.5500/- |
| c) Rs. 6000/- | d) Rs.5000/- |

9 Choose the correct sequence of the following transactions in the context of Division of profits

- I. Guarantee by firm to partners
- II. Guarantee by Partners to firm
- III. Transfer of profits to profit and loss appropriation account
- IV. Guarantee by partner to partner

- | | |
|------------------------|------------------------|
| a) (i);(iii);(iv);(ii) | b) (iii);(i);(ii);(iv) |
| c) (iii);(ii);(i);(iv) | d) (ii);(iii);(iv);(i) |

Read the following hypothetical situation and answer question number (10) and(11)

Pooja and Neel are partners sharing profits in the ratio of 3:2 with the capital of Rs.2,50,000/- and Rs.1, 50,000/-respectively. Interest on capital is agreed @ 6%p.a. Neel is to be allowed an annual salary

- 20 Kuber Ltd. purchased assets worth Rs.10,00,000 and took over liabilities of Amrit Ltd. for a purchase consideration of Rs.8,00,000/-. Kuber Ltd. paid Rs.2, 60,000/-through a cheque and the balance was settled by issuing 12% debentures of Rs.100/- each at a discount of 10%. Pass necessary journal entries in the books of Kuber Ltd. for the above transactions. [3]

OR

JCV Ltd. forfeited 200 shares of Rs.10/-each issued at a premium of Rs.2 per share for the non-payment of allotment of Rs.3/-per share (including premium). The first and final call of Rs.4 per share has not been made yet. 50% of forfeited shares were reissued at Rs.8 per share fully paid-up. Pass necessary journal entries for the forfeiture and reissue of shares.

- 21 Pass necessary journal entries on the dissolution of a partnership firm in the following cases: [4]
- I. Expenses of dissolution were Rs.9, 000/-.
 - II. Expenses of dissolution of Rs.3, 400/- were paid by a partner Vishal.
 - III. Shiv, a partner agreed to do the work of dissolution for a commission of Rs.4, 500/-. He also agreed to bear the dissolution expenses. Actual dissolution expenses Rs.3, 900/- were paid from the firm`s bank account.
 - IV. Vivek, a partner was appointed to look after the dissolution work for a remuneration of Rs.7000/-He agreed to bear the dissolution expenses. Actual dissolution expenses Rs.6500/- were paid by Naveen.

- 22 Surya Tubes Limited issued 20,000 shares of Rs.100/- each. The due amount was received except for 500 shares on which Rs.75 per share was received. These 500 shares were forfeited and 300 shares were re-issued for Rs.60/-each fully paid up. Prepare forfeited shares account and show the share capital in the balance sheet as at closing date. [4]

- 23 ABC Ltd. was registered with an authorised capital of Rs.2, 00,000/- equity shares of Rs.100 each. The company offered 60,000 equity shares for public subscription at 25% premium. The share was payable as Rs.40/-on application and balance on allotment with the premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letters of regret. Mr Anand holding 4,000 shares failed to pay allotment money and his shares were forfeited. Out of these 3,000 shares were re-issued at a discount of Rs.20 per share. Pass necessary entries in the books of the ABC Ltd. [6]

OR

Dinesh Ltd. issued 5,000 shares of Rs.100/-each at par, payable as follows:

On Application	Rs.25/-
On Allotment	Rs.25/-
On First Call	Rs.20/-
On Final call	Rs.30/-

Anil holding 100 shares failed to pay the amount of allotment and first call and his shares were forfeited after the first call. Sunil, holding 200 shares failed to pay the amount due on final and his shares were also forfeited. Show entries in the cash book and journal of the company.

- 24 On 1st April 2015, KK Ltd. issued 500, 9% debentures of Rs.500/-each at a discount of 4% redeemable at a premium of 5% after three years. Pass necessary journal entries for the issue of debentures and debenture interest for the year ended 31st March 2016 assuming that interest is payable on 30th September and 31st March. The company closes its books on 31st March every year. [6]

- 25 A, B and C are partners sharing profits in the ratio of 2:2:1.The firm closes its books of accounts. On 31st March every year. On June 30th 2016, C died. The following information is provided on C`s death. [6]

- I. Balance in his capital accounts in the beginning of the year was Rs.6,50,000/-
- II. He withdrew Rs.60, 000/-on May 15, 2017 for his personal purpose.

On the date of death of a partner the partnership deed provided for the following:

- a) Interest on capital @10% p.a.
- b) Interest on drawings @12% p.a.

- c) His share in the profit of the firm till the date of death, to be calculated on the basis of the rate of net profit on sales of the previous year, which was 25%.
- d) The sales of the firm till June 30, 2017 were Rs 6,00,000/-

Prepare C's capital account on his death to be presented to his executors.

26 Goutham and Rahul are partners in a firm sharing profits and losses in the ratio of 2:3. Their balance sheet as at 31st March 2023, was as follows. [6]

Liabilities		Amount	Asset		Amount
Sundry Creditors		5000	Goodwill		10,000
Bills Payable		15,000	Furniture		25000
General Reserve		10,000	Stock		15,000
Capitals			Sundry Debtors		12,000
Goutham	30,0000	70,000	Less Provision		2,000
Rahul	40,000				10,000
			Cash in hand		40,000
Total		1,00,000	Total		1,00,000

- Karim was taken as a partner with effect from 1st April 2023 on the following terms:
 - The new profit sharing ratio of Goutham, Rahul and Karim would be 5:3:2.
 - Provision for doubtful debt was to be maintained at 20% on debtors.
 - Karim would bring in cash, his share of capital of Rs.40,000 /- and his share of goodwill valued at Rs.10,000.
 - Gowtham would take over furniture at Rs.22, 000/-.
- Pass necessary journal entries at the time of Karim's admission and prepare balance sheet of the reconstituted firm.

OR

P,Q and R were partners in a firm sharing profits in the ratio of 2:3:5. On 31-3-2021 their balance sheet was as follows:

Liabilities		Amount	Asset		Amount
Creditors		70,000	Bank		45,000
Capitals			Debtors		40,000
P	80,000		Less provision		5,000
Q	70,000				35,000
R	60,000	20,000			
			Stock		50,000
			Building		1,40,000
			Profit and loss A/c		10,000
Total		2,80,000	Total		2,80,000

On the above date R retired from the firm.

- Building was to be depreciated by Rs.40,000/-
- Provision for doubtful debt was to be maintained at 20% on debtors.
- Salary outstanding of Rs.5000/- was to be recorded
- Creditors will not be claimed.
- R was to be paid Rs.15, 000/- in cash through bank and the balance was to be transferred to his loan account. Prepare revaluation account, partner's capital account and balance sheet of P and Q after R's retirement.

years ended 31st March 2022 and 31st March 2023

Particular	31-3-2023	31-3-2022
Revenue from operations	Rs 20,00,000	Rs10,00,000
Cost of materials consumed	Rs 15,00,000	Rs6,00,000
Other expenses	12% cost of materials consumed	10% cost of material consumed
Income tax	40%	30%

OR

From the following statement of profit and loss for the year ended 31st March 2023, Prepare common size statement of profit and loss:

Particulars	Note no	31 st March 2023	31 st March 2022
I. Revenue from operations		6,25,000	5,00,000
II. Expenses			
Purchases of stock in trade		4,35,000	3,60,000
Changes in inventories (stock)		(10,000)	15,000
Employees Benefit Expenses		15000	10,000
Depreciation and ammortisation		25,000	15,000
Total Expenses		<u>4,65,000</u>	<u>4,00,000</u>
III. Profit before tax(1-11)		1,60,000	1,00,000
IV. Less: Tax @40%		64,000	40,000
V. Profit after Tax(111-1V)		<u>96000</u>	<u>96000</u>

- 34 a) From the following information relating to year ended 31st March 2019, Calculate net profit before tax and extra ordinary activities:

[6]

Particulars	Amount (Rs)
Surplus i.e.; balance in the statement of Profit and Loss(opening)	1,00,000/-
Surplus i.e.; balance in the statement of Profit and Loss(closing)	2,24,000/-
Transfer to DRR	50,000/-
Proposed dividend for the previous year ended 31 st March 2018	60,000/-
Interim dividend paid during the year	48,000/-
Provision for tax made during the year	1,00,000/-
Income tax Paid	72,000/-

- b) From the following information calculate cash flow from investing activities:

Particulars	2019(Rs)	2020(Rs)
Plant and machinery	8,50,000	10,00,000
Non-current investment	40,000	1,00,000
Land (at cost)	2,00,000	1,00,000

Additional information:

- Depreciation charged on Plant & Machinery Rs.50, 000/-.
- Plant & machinery with a book value Of Rs.60, 000/- was sold for Rs.40, 000/-.
- Land was sold at a profit of Rs.60, 000/-.
- No investment was sold during the year.

