

D. A. V. PUBLIC SCHOOLS, JHARKHAND ZONE – H

CLASS XII (COMMERCE)2019-20

SUBJECT- ACCOUNTANCY

Mid Term

SYNOPSIS

<u>SL. NO.</u>	<u>CHAPTERS</u>	<u>MCQ 1 MARK</u>	<u>SHORT ANSWER 3 MARKS</u>	<u>SHORT ANSWER 4MARKS</u>	<u>LONG ANSWRE 6 MARKS</u>	<u>LONG ANSWER 8 MARKS</u>	<u>TOTAL</u>
<u>01</u>	Accounting for NPO	1	1		1		1+3+6=10
<u>02</u>	Accounting for partnership (fundamentals)	2		1			1+1+4=6
03	Change in profit sharing ratio within existing partners	1					1
<u>04</u>	Admission of a new partner	4				1	1+1+1+1+8=12
<u>05</u>	Retirement and death of a partner	1		1			1+4=5
<u>06</u>	Dissolution of partnership firm	2		1			1+1+4=6
<u>07</u>	Issue of shares	1		1		1	1+4+8=13
08	Issue of debentures				1		6
09	Redemption of debentures	1					1
10	Analysis of financial statements	1					1
11	Common size /comparative statements			1			1
12	Accounting ratio	3	1				1+1+1+3=6
13	Cash flow statement	3			1		1+1+1+6=9
		20	2	5	3	2	80 marks

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Pre- Board Examinations

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TOTAL MARKS 80

1. Credit balance in the Income and Expenditure Account means excess of ----- over -----, 1 mark
2. ----- is the extension of Profit and Loss Account . 1 mark
3. If date of drawings is not given, interest is calculated for
 - (a) 12 months
 - (b) 7 months
 - (c) 6 months
 - (d) 3 months1 mark
4. If the existing profit-sharing ratio among A, B and C of 3:2:1 is changed to 1:2:3, then the partner(s) whose share will be unaffected is/are
 - (a) A
 - (b) B
 - (c) C
 - (d) A and C1 mark
5. Accumulated profits and losses are transferred to Revaluation Account at the time of admission of a partner. (True/False) 1 mark
6. A, B and C share profits and losses in the ratio of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. D, a new partner, is given $\frac{1}{8}$ th share. Then new profit-sharing ratio will be -----.
1 mark
7. When a new partner does not bring his share of goodwill in cash, the amount is debited to

- (a) Cash A/c (b) Premium A/c
(c) New Partner's Capital/Current A/c (d) Old partner's Capital/Current A/cs

1 mark

8. For any decrease in the value of liability, the Revaluation Account is-----.

1 mark

9. The amount due to retiring partner, if not paid in cash, is transferred to his Loan Account. (True/False)

1 mark

10. Loan by the spouse of the partner is not transferred to Realisation Account. Is it correct? (True/False)

1 mark

11. On dissolution, if a partner pays firm's liability which of the following account is debited?

- (a) Profit and Loss Account (b) Realisation Account

- (c) Partner's Capital Account (d) Cash Account 1 mark

12. Shares are allotted on pro rata basis in the case of -----.

1 mark

13. Redemption of Debenture by a Banking Company can be redemption purely out of Capital. (True/False)

1 mark

14. Calculate the amount of medicines consumed during the year ended 31st March, 2019:

Particulars	
Opening stock of Medicines	Rs.50,000
Closing stock of Medicines	Rs.45,000 more than Opening stock
Amount paid for medicines during the year	Rs.2,00,000
Opening Creditors	Rs.20,000
Closing Creditors	50% of the Opening Creditors

Or

Distinguish between Income and Expenditure Account and Receipts and Payment Account on the basis of :

(1) Nature

(2) Nature of items

(3) Period.

3 marks

15 .Maanika , Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of Rs.2,00,000. Those firm incurred a loss of Rs.22,00,000 for the year ended 31st March, 2018. Pass necessary Journal entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account.

Or

The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March,2017,Rs.80,000 in the ratio of 3:3:2 without providing for the following adjustments:

(a) Alia and Chand were entitled to a salary of Rs.1,500 each p.m.

(b)Bhanu was entitled for a salary of Rs.4,000 p.a.

Pass the necessary Journal entry for the above adjustments in the books of the firm .Show workings clearly.

4 marks

16 .P, Q and R were partners in a firm sharing profits in 2:2:1 ratio. The Partnership Deed provided that on the death of a partner his executors will be entitled to the following :

(a) Interest on Capital @12% p.a.

(b) Interest on Drawing @18% p.a.

(c) Salary of Rs. 12,000 p.a.

(d) Share in the profit of the firm (up to the date of death)on the basis of previous year's profit.

P died on 31st May ,2018. His capital was Rs.80,000 . He withdraw Rs. 15,000 and interest on the drawings was calculated as Rs.1,200 . Profit of the firm for the previous year ended 31st March ,2018 was RS. 30,000.

Prepare P's Capital Account to be rendered to his executors. 4 marks

17 .The firm of R, K and S was dissolved on 31st March, 2019.Pass necessary Journal entries for the following after various assets (other than cash and bank) and the third party liabilities had been transferred to Realisation Account:

(a) K agreed to pay off his wife's loan of Rs. 6,000

(b) Total Creditors of the firm were Rs.40,000. Creditors worth Rs.10,000 were given a piece of furniture costing Rs. 8,000 in full settlement. Remaining creditors allowed a discount of 10%.

(c) A machine that was not recorded in the books was taken over by K at Rs. 3,000 whereas its expected value was Rs. 5,000.

(d) The firm had a debit balance of Rs. 15,000 in the Profit and Loss Account on the date of dissolution. 4 marks

18 .Sure Ltd. has an authorized capital of Rs.20,00,000 divided into equity shares of Rs.10 each . The company invited applications for 60,000 shares. Applications were received for 58,000 shares.

All calls were made and were duly received except the final call of Rs.3 per share on 2,000 shares . These shares were forfeited .

Present the share capital in the Balance sheet of the company as per Schedule III of the Companies Act,2013. 4 marks

19.Following is the Receipts and Payment Account of Indian Sports Club for the year ended 31st March,2018:

RECEIPTS AND PAYMENT ACCOUNT for the year ended 31st March,2018

Receipts	Rs.	Payment	Rs.
To Balance b/d	10,000	By Salary	15,000
To Subscriptions	52,000	By Billiards Table	20,000

To Entrance Fee	5,000	By Office Expenses	6,000
To Tournament fund	26,000	By Tournament Expenses	31,000
To Sale of Old Newspapers	1,000	By Sports Equipments	40,000
To Legacy	37,000	By Balance c/d	19,000
	<u>1,31,000</u>		<u>1,31,000</u>

Other information: On 31st March, 2018 subscriptions outstanding were Rs. 2,000 and on 31st March, 2017 subscriptions outstanding were Rs. 3,000. Salary outstanding on 31st March, 2018 was Rs. 1500. On 1st April, 2017, club had Building Rs. 75,000, furniture Rs. 18,000, 12% Investment Rs. 30,000 and Sports Equipment Rs. 30,000. Depreciation charged on these items including purchases of Billiard Table was 10%.

Prepare the Income and Expenditure Account of the club for the year ended 31st March, 2018.. 6 marks

20. On 1st June, 2018, Max Ltd. issued 6,000; 10% Debentures of Rs. 100 each at a discount of 6% at a premium of 4%. It has a balance of Rs. 40,000 in Securities Premium Reserve. Pass the Journal entries for issue of debentures and writing off loss and prepare Loss on Issue of Debenture Account.

Or

(a) State the provisions of Debentures Redemption Reserve for companies that are not exempt .

(b) State Bank of India issued 6,000; 10% Debentures of Rs. 100 each at a premium of 5% on 1st June, 2019 redeemable at par on 31st August, 2020. The issue was fully subscribed . Pass the necessary entries for issue and redemption of debentures. 6 marks

21. A, B and C are partners sharing profit and losses in the ratio of 3:2:1 . Their Balance sheet as at 31st March, 2019 is as follows:

Liabilities	Rs.	Assets	Rs.
Capital A/cs:		Land and building	50,000
A 60,000		Plant and machinery	40,000
B 60,000		Furniture	30,000
C 40,000	1,60,000	Stock	20,000
Creditors	30,000	Debtors	30,000

Bills Payable	10,000	Bills Receivable	20,000
		Bank	10,000
	<u>2,00,000</u>		<u>2,00,000</u>

D is admitted as a partner on 1st April, 2019 for an equal share. His capital is to be Rs. 50,000 .

Following adjustments are agreed on D's admission:

- (a) Out of the Creditors, a sum Rs. 10,000 is due to D , it will be adjusted against the capital.
- (b) Advertisement expenses of Rs. 1,200 are to be carried forward as prepaid expenses.
- (c) Expenses debited in Profit and Loss Account include a sum of Rs. 2,000 paid for B's personal expense .
- (d) A Bill of Exchange of Rs. 4,000, which was previously discounted with the bank, which was dishonoured on 31st March, 2019, but entry was not passed for dishonor.
- (e) A provision for Doubtful Debts @ 5% is to be created against Debtors .
- (f) Expenses on Revaluation amounted to Rs. 2,100 is paid by A.

Prepare necessary ledger accounts and Balance sheet after D's admission.

Or

Kanika ,Disha and Kabir were partners sharing profit in the ratio of 2:1:1 . On 31st March, 2016 their Balance sheet was as under :

Liabilities	Rs.	Assets	Rs.
Trade Creditors	53,000	Bank	60,000
Provident fund	47,000	Debtors	60,000
Capital A/cs:		Stock	1,00,000
Kanika 2,00,000		Fixed Assets	2,40,000
Disha 1,00,000		Profits and Loss A/c	20,000
Kabir 80,000	3,80,000		
	<u>4,80,000</u>		<u>4,80,000</u>

Kanika retired on 1st April, 2016. For this purpose the following adjustments were agreed upon :

- (a) Goodwill of the firm was valued on two years' purchase of average profits of three preceeding completed years . The profit were 2013-14= 1,00,000, 2014-15=1,30,000.
- (b) Fixed assets were to be increased to 3,00,000 .
- (c) Stock was to be valued at 120%.
- (d) The amount payable to Kanika was transferred to her loan A/c.

Prepare Revaluation A/c, Capital A/cs of partners and Balance sheet of the reconstituted firm.

8 marks

22. Saregama Ltd. invited applications for issuing 80,000 equity shares of Rs.100 each at a premium of Rs.10. The amount was payable as follows

On Application —Rs.30

On allotment-Rs.30(including a premium of Rs.10)

On 1st call-Rs.30

On Final Call Balance

Applications of 1,20,000 shares were received. Allotment was made on pro rata basis to all applicants. Excess money received on application was adjusted on sums due on allotment. Dhawani, who was allotted 1,600 shares, failed to pay allotment money and Sargam who applied for 6,000 shares did not pay 1st call money. These shares were forfeited immediately after 1st call. 2,000 of these shares (including all shares of Dhawani) were issued to Tarang for Rs.95 per share as 80 paid up. Pass necessary journal entries in books of Saregama Ltd. by opening call in arrear, call in advance account, if final call has not been made .

Or

- a. X Ltd. forfeited 10 shares of Rs. 10 each, Rs.7 called up on which the shareholder had paid application and allotment money of Rs.5 per share .Out of these,8 shares were re-issued to Y for Rs. 8 per share at Rs. 8 per paid up per share .Record the journal entries for forfeiture and re issue .
- b.L Ltd. forfeited Ram's share who has applies for 600 shares and was allotted 400 shares failed to pay allotment money of Rs. 4 per share including premium of Rs.2 on which he had paid application money of Rs.2 only .Pass necessary journal entries for forfeiture of shares by opening calls in arrear A/c.
- c. Saurav Ltd. forfeited 50 shares of Rs. 10 each, for non payment of final call money of Rs.3 per share. Out of these 20 shares were re issued to Laxman at Rs. 8 per share .Record journal entries for forfeiture and re issue of shares assuming that company maintains calls in arrear and calls in advance A/c. 8 marks

Part-B

23. Vertical analysis is conducted for two or more accounting periods. Is it correct? 1 mark
24. What is the effect of Provision for Doubtful Debts on Quick Ratio? 1 mark
25. Liquidity Ratios measure ----- solvency of the enterprise. 1 mark
26. Following analysis is based on one year's data:
- | | | |
|-------------------------|-------------------------|--------|
| (a) Horizontal Analysis | (b) Vertical Analysis | |
| (c) External Analysis | (d) Intra-firm Analysis | 1 mark |
27. Issue of Bonus shares is the shown as Financing Activity.(True/False) 1 mark
28. 'Patents purchased by a company will be an Operating Activity'.(True/False) 1 mark
29. Depreciation and Amortisation are added to Net profit before Tax and Extraordinary items, they being non-cash expense.(True/False) 1 mark
30. (a) X Ltd. has a current ratio of 3:1 and quick ratio of 1.2:1. If the working capital is Rs 1,80,000, calculate current assets and inventory.