

	Elements of Accounts (E)(0154)	
Accounts	BOARD QUESTION PAPER-1	Standard-12
Time : 3 Hours	JULY 2019 : Full Solution	Total Marks : 100

- Instructions :** (1) This question paper contains 6 sections and total 35 questions.
 (2) All questions are compulsory. Options are internal.
 (3) Answers should be written according to the instructions only.
 (4) Figures to the right side indicate full marks for the questions.
 (5) Use pencil and scale wherever necessary.
 (6) Use of simple calculator is permitted.
 (7) Start new section on a new page.

SECTION-A

❖ **Following questions 1 to 10 are objective type questions. Choose the correct alternative from the options given. Each question carries 1 mark : 10**

1. What is the interest on drawings for a partner?
 (A) An expense (B) Liability (C) Income (D) Loss
2. "Goodwill" is which type of asset?
 (A) Tangible asset (B) Intangible asset
 (C) Current asset (D) Fictitious asset
3. Revaluation account is also known as _____.
 (A) Capital reserve account (B) Profit-loss appropriation account
 (C) Profit-loss adjustment account (D) Profit-loss account
4. If partnership deed is silent, interest is payable at _____ on unpaid amount payable to the retiring partner.
 (A) 10% p.a. (B) 12% p.a. (C) 6% p.a. (D) Zero
5. How many methods are there for dissolution of a partnership firm?
 (A) One (B) Three (C) Two (D) Four
6. Which of the following is not shown under the heading 'Share Capital' in a balance sheet?
 (A) Authorised capital (B) Issued capital
 (C) Reserve capital (D) Subscribed capital
7. The amount of premium received on issuing debentures at premium is _____.
 (A) revenue profit (B) capital loss (C) revenue loss (D) capital profit
8. In which terms ratios are presented?
 (A) Proportion (B) Percentage (C) Time (D) All of these
9. To arrive at liquid assets which of the following is deducted from current assets?
 (A) Stock (B) Cash and bank balance
 (C) Debtors (D) Bills receivables
10. How many activities are there cash-flow statement?
 (A) Five (B) Four (C) Three (D) Two

SECTION-B

- ❖ Answer the following questions from 11 to 20 in one sentence each. Each question carries 1 mark.

10

11. What is super profit?
12. How is the consolidated profit distributed?
13. State provision for the goodwill as per accounting standard-26.
14. How would you deal with the provident fund balance shown in the balance sheet at the time of dissolution?
15. For public issue of shares, company has to take permission from whom?
16. What is debenture?
17. Explain common size statement.
18. What is 'Shareholders' funds?
19. Which is better out of high interest coverage ratio and low interest coverage ratio?
20. What is cash and cash equivalent? OR What is cash flow statement?

SECTION-C

- ❖ Answer the following questions from 21 to 26 in short. Each question carries 3 marks :

18

21. Tan, Man and Dhan are the partners sharing profit-loss in equal proportion. Their total capital is of ₹ 4,50,000. Their proportion of capital is 1:3:2. Firm pays interest on capital at 9% p.a. Partner Dhan has received ₹ 73,500 including interest on capital. Determine the amount payable including interest on the capital of Tan and Man?
22. A, B, and C are the partners of a partnership firm. Their profit-loss sharing ratio is 5:4:3. All the partners have decided to change their profit-loss sharing ratio to 2:2:1. From this information find out gain ratio.
23. Pass journal entries for the following transactions of partnership firm in the case of firm's dissolution:
 - (i) Goodwill is not disclosed in the books. But ₹ 50,000 are realised during dissolution.
 - (ii) The value of Laptop is ₹ 40,000. One partner has taken it for ₹ 25,000.
 - (iii) Machine is disclosed in the books at the time of dissolution for ₹ 1,00,000. Book value is realised.
24. At the time of dissolution of the firm total assets are of ₹ 2,00,000. Out of that 40% are current assets. Where cash is included of ₹ 10,000. 120% of fixed assets are realised. 80% are realised from current assets. Pass journal entries.

OR

Write short note : Realisation account.

25. On 1.08.2017, Nanavati Ltd. issued 8,000, 9% debentures of ₹ 100 each at par. These debentures are to be redeemed on 31.07.2022 at ₹ 120 per debenture. Pass necessary journal entries in the books of the company for the issue and redemption of debentures [Without narration].

26. As on 1st April 2014, Jamnagar Copper limited issued 12,000, 12.5% Convertible debentures of ₹ 400 each at par. As per the terms of issue of debentures, all the debentures will be converted into equity shares of ₹ 10 each at a premium of 50% after 5 years.

On 1st April, 2019, debentures were converted into equity shares as per the agreed terms. Pass necessary journal entries in the books of the Company (Without Narration).

OR

Distinguish between shares and debentures [Three points].

SECTION-D

- ❖ Answer the following questions from 27 to 30 in brief. Give answers by showing calculations wherever necessary. Each question carries 4 marks : 16

27. From the following information of a partnership firm, determine the value of goodwill on the basis of 3 year purchase of last five years weighted average profit :

Year	Profit (₹)
2012-13	40,000
2013-14	60,000
2014-15	75,000
2015-16	90,000
2016-17	1,20,000

28. From the following information prepare comparative profit-loss statement :

Particulars	31.3.2017 (₹)	31.3.2016 (₹)
Sales revenue	15,00,000	9,00,000
Net purchase for resale	9,00,000	6,00,000
Change in stock	50,000	50,000
Other expenses (% of cost of sales)	10	12
Income-tax	30%	30%

29. From the following information, calculate Gross profit ratio and Net-profit ratio :

Particulars	(₹)
Non-operating other expenses	35,000
Depreciation	48,000
Administrative expenses	75,000
Sales	6,00,000
Tax rate	30%
Income of Interest	45,000
Sales expenses	52,000
Cost of goods sold	6,00,000
Financial expenses	85,000

OR

29. From the following information of Charvi Ltd., calculate creditors' turnover and debtors' turnover :

Particulars (₹)

Opening balance :

Creditors 45,000

Bills payables 15,000

Bills receivables 30,000

Debtors 30,000

Closing balances :

Creditors 40,000

Bills payables 20,000

Bills receivables 40,000

Debtors 20,000

Particulars :

Credit sales 6,00,000

Cash sales 4,00,000

Total sales 10,00,000

Total purchase 6,00,000

Cash purchase 2,40,000

30. From the following information of Gandhidham Timber Company, prepare statement of cash flow from operating activities

Profit before changes in working capital ₹ 4,95,000, increase in debtors ₹ 75,000, decrease in bills receivables ₹ 40,000, decrease in stock ₹ 30,000, increase in Prepaid expenses ₹ 25,000, outstanding expenses (Increase) ₹ 15,000, decrease in creditors ₹ 20,000.

OR

30. From the following information of Rajnagar Ltd., determine cash flow from investing activities.

Particulars	Amount (₹)
Opening balance of machines	9,00,000
Closing balance of machines	8,00,000
Book value of machines sold during the year	50,000
Depreciation provided on machines	1,00,000
Selling price of machines	30,000

SECTION-E

- ❖ Following questions from 31 to 33 are essay type. Each question carries 8 marks :

24

31. Sanju and Manju are partners in a firm sharing profit and loss in the ratio of 3:2. Balance sheet of their firm as on 31-3-2017 is as under:

Balance Sheet

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital :		Goodwill	1,00,000
Sanju 4,00,000		Land - building	3,50,000
Manju 3,00,000	7,00,000	Machinery	2,00,000
General reserve	90,000	Stock	1,80,000
Workmen's		Debtors 1,20,000	
compensation		–B.D. Res. 10,000	1,10,000
reserve	20,000	Investments	20,000
Investment reserve	10,000	Cash Bank	50,000
Creditors	1,40,000	Advertisement campaign	
Bills payable	60,000	expenditure	10,000
	10,20,000		10,20,000

They admitted Raju as a new partner on 01-04-2017 on the following conditions

- (1) Raju brought ₹ 5,00,000 as his capital and ₹ 1,00,000 as his share of goodwill in cash.
- (2) Value of Land-building is to be increased by ₹ 80,000.
- (3) Value of Machinery is to be reduced upto ₹ 1,60,000
- (4) Provision for doubtful debt is to be kept 10% of debtors.
- (5) Provision for outstanding repairing expense is to be made ₹ 8000.
- (6) Sacrifice ratio of old partners is 2.1.2.

From the above particulars, prepare Revaluation account partners' capital account, Cash-bank account and new balance Sheet after admission.

32. Shaurya, Sheet and Yuvraj are the partners sharing profit and loss in the ratio 2:2:1. Yuvraj retires on 31-3-2016. Balance sheet of the firm as on 31-3-2016 was as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c:		Goodwill	10,000
Shaurya 30,000		Machinery	20,000
Sheet 20,000		Investment	10,000
Yuvraj 10,000	60,000	Debtors	30,000
General reserve	5,000	Stock	10,000
Investment fluctuation fund	2,500	Cash bank	5,000
Bad-debt reserve	2,000		
Creditors	15,500		
	85,000		85,000

Following adjustments are agreed at the time of retirement:

- (1) Value of machinery is ₹ 25,000 and value of stock is ₹ 5,000.
- (2) Value of investment is ₹ 8,000, which is taken by Yuvraj at that price.
- (3) An amount of ₹ 5,000 included in creditors is no longer payable.
- (4) The provision for workmen compensation to be created at ₹ 2,000.
- (5) The provision for doubtful debts is to be kept at 10% on debtors.
- (6) Goodwill of the firm is valued at ₹ 40,000.

Prepare necessary accounts and the balance sheet of the firm after Yuvraj's retirement.

33. Aakansha limited issued 4,00,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share. Amount was called - up as under :

On application	₹ 3 per share
On allotment	₹ 8 per share (including premium).
On first call	₹ 2 per share
On final call	₹ 2 per share.

Company received application for 4,50,000 shares. Excess applications were rejected and money paid there on was refunded to applicants. All the sums due were received in full except first and final call money on 3000 equity shares held by Urvashi.

Pass journal entries in the books of the Company (Without narration).

OR

Dhwanil Limited issued 14,00,000 equity shares of ₹ 10 each on which amount was payable as under :

- ₹ 3 per share on' application
- ₹ 4 per share on allotment
- ₹ 3 per share on first and final call.

Company received applications for 14,70,000 shares from public. Excess applications were rejected and money paid on them was refunded. Heta, who was allotted 2000 shares did not pay allotment and final call money. Company forfeited the shares on which calls were unpaid and reissued all forfeited shares at ₹ 7 per share as fully paid up.

Pass necessary journal entries in the books of company for above transactions. (Narration is not necessary)

SECTION-F

- ❖ Answer the following essay type questions 34 and 35.

Each question carries 11 marks :

22

34. Raja and Vazeer are partners sharing profit and loss in the ratio 3:7. From the following Trial balance and adjustments, prepare Trading account, Profit and loss account, Profit and loss appropriation account, Current accounts of partners and Balance Sheet.

Trial balance of partnership firm of Raja and Vazeer as on 31-03-2017 :

Trial Balance of the firm as on 31.03.2017

Debit balance	Amount (₹)	Credit balance	Amount (₹)
Drawings :		Capital :	
Raja	12,000	Raja	30,000
Vazeer	12,000	Vazeer	36,000
Purchase	1,04,000	Current A/c :	
Goods return	1,600	Raja	3,000
Stock of Goods (1.4.2016)	16,000	Vazeer	2,400
Salary	18,000	Sales	1,84,000
Office expense	9,000	Goods returned	1,200
Carriage: inward	7,500	Bad debt reserve	6,000
Bad debts	1,400	Bank loan	17,500
Debtors	69,000	Creditors	37,800
Cash and bank	9,000	General reserve	9,600
Investments	14,000		
Machinery	30,000		
Building	24,000		
	3,27,500		3,27,500

Adjustments :

- (1) Value of closing stock is ₹ 28,600, but market value of 20% goods is 10% more.
- (2) 5% interest is payable on capital of partners.
- (3) Credit sales of ₹ 4,000 is not recorded in the books.
- (4) Bad debts reserve is to be maintained of ₹ 3,000 and provide 5% discount reserve on debtors.
- (5) The value of investment is determined at ₹ 12,000 and adjustment of difference is to be transferred to general reserve.,

35. Following balances are extracted from the books of Gujarat Ltd. Prepare balance sheet as per Schedule-III of companies Act, 2013 as at 31.03.2017 :

Balance Sheet as on 31.03.2017

Balances	Amount (₹)
Gratuity fund	10,000
Custom deposit	62,500
Debenture redemption fund investment	15,000
10% Debentures	65,000
Debtors	1,15,000
Creditors	2,00,000
Closing stock	90,000
General reserve	10,000
Bank balance	22,500
Equity, share capital	5,00,000
Land-building	5,00,000
Accrued commission	10,000
Provision for taxation	30,000