

Half Yearly Examination – 2016-17

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Roll No.

Subject : Accountancy

Class : XII

Time : 3 hrs.

Maximum Marks : 80

General Instructions–

- (i) This question paper contains two Parts A and B.
- (ii) All parts of a question should be attempted at one place.

Part – A (Accounting for Partnership Firms and Companies)

1. Samrat, Ashok and Mahan were partners sharing profits equally. Raja was admitted in the firm for $\frac{1}{6}$ th share in profits and on the same date Ashok retires from the firm. The Goodwill Rs. 54,000 was appearing in the firm's books on this date. Pass necessary journal entry to record goodwill. (1)
2. Do all firms need a partnership deed and registration? (1)
3. Distinguish between 'Dissolution of partnership' and 'Dissolution of partnership firm' on the basis of 'Court' intervention. (1)
4. Aman, Ravi and pulkit were partners sharing profits in the ratio of $\frac{1}{5}$, $\frac{1}{2}$ and $\frac{3}{10}$. Aman retired from the firm due to long illness. However, Ravi and Pulkit agreed to pay his commission and share of Profit for the period he couldn't attend the business due to illness. Calculate the gaining of the remaining partners. (1)
5. How is new partner admitted to the firm? (1)
6. State the reason of contributing goodwill by a new partner at the time of his admission. (1)
7. Given journal entry of distribute 'Workmen Compensation Reserve' of Rs. 90,000 at the retirement of Ritu when there is a claim Rs. 60,000 against it. The firm has three partners Mohit, Ritu and Rajni. (3)

8. The partners of a firm distributed the profits for the year ended 31st March, Rs. 60,000 in the ratio of 3 : 2 : 1 without providing for the following adjustments : (3)

- (i) A & B were entitled to a salary of Rs. 1,500 per annum.
- (ii) B was ^{not entitled} entitled to a commission of Rs. 4,500.
- (iii) B & C has guaranteed to minimum profit of Rs. 25,000 p.a. to A.
- (iv) Profits were to be shared in the ratio of 3 : 3 : 2.

Pass necessary journal entry for the above adjustment in the books of the firm. (3)

9. Sumit, Rashi and Hema were partners sharing profits & losses equally. Their respective capital balances on 31.12.2014 were Rs. 1,80,000; Rs. 1,20,000 and Rs. 60,000. After closing the accounts for the year 2014, it was discovered that the Interest on Capital at the rate of 10% was omitted before distributing the profits. The profits for the year 2014 were Rs. 72,000 and same have already been credited to their capital accounts. You are required to pass a single adjusting entry in the beginning of the year so that accounts of the previous year can be rectified. (3)

10. Sonal, Ashu and Deepa were partners in a firm sharing profits in the ratio of 7 : 1 : 2. On 31.12.2014, their balance sheet was as follows : (4)

Liabilities	(₹)	Assets	(₹)
Bills Payable	70,000	Bank	95,000
General Reserve	60,000	Stock	35,000
Capitals :		Bills Receivables	70,000
Sonal 2,00,000		Plant	2,00,000
Ashu 4,00,000		Fixtures	3,00,000
Deepa 1,30,000	7,30,000	P/L A/c	1,60,000
	8,60,000		8,60,000

Deepa died on 31-01-2015. The partnership deed provided for the following on the death of a partner.

- (i) Goodwill of the firm was to be valued at 3 years' purchase of the average profits of the last 5 years. The profits for the years ending 31.12.2010, 31-12.2011, 31.12,2012 and 31.12.2013 were Rs. 1,10,000; Rs. 2,20,000; Rs. 90,000 and Rs. 80,000 respectively.
- (ii) Deepa's share of profits till the date of her death was to be calculated on the basis of the average profits of past three years.

Prepare Deepa's Capital Account at the time of her death to be presented to her executors.

11. A business earned average profits of Rs. 6,00,000 during the last few years. The normal rate of profits in the similar type of business is 10%. The value of assets and liabilities of business were Rs. 22,00,000 and Rs. 5,60,000 respectively. Calculate the value of goodwill of the firm by Super Profit Method if goodwill is valued at $2\frac{1}{2}$ years purchase of Super Profits. (3)

12. Sanya and Parul are partners in a firm sharing profits and losses in ratio 2 : 3. Their balance sheet at on 31-3-2014 was as under :

Liabilities	(₹)	Assets	(₹)
Capitals A/c :		Goodwill	7,20,000
Sanya 9,00,000		Plant	4,00,000
Parul 6,00,000	15,00,000	Building	5,00,000
Workmen Compensation Fund	4,20,000	Furniture	2,60,000
Bills Payable	2,60,000	Companies	5,20,000
Bank Loan	2,20,000		
	24,00,000		24,00,000

On 1.4.2014, they decided to share profits and losses equally. They also agreed to value goodwill of the firm at Rs. 6,00,000 but they did not want to

alter the book value of goodwill and workmen compensation fund. Prepare Partners Capital Accounts. (4)

13. Abha and Sonia are partners in a firm sharing profits in the ratio of 3 : 7. Their Capitals were Rs. 3,50,000 and Rs. 2,50,000 respectively after all adjustments but before goodwill. They admitted Suniti on 1st April, 2014 as a new partner for 1/5th share in future profits. Suniti brought Rs. 2,25,000 as her capital. Calculate the value of goodwill of the firm and record necessary journal entries for the above transactions on Suniti's admission. Also calculate the new profit sharing ratio. (6)

14. Rohan, Mridul and Sarthak are partners carrying business in the name of M/s. MS Traders. They decide to dissolve the firm. (6)

Give journal entries for realisation expenses in the following cases :

(i) Rohan was to bear realisation expenses of Rs. 5,000 which was paid by the firm.

(ii) Dissolution expenses were Rs. 10,000. Out of the total expenses, Rs. 5,500 were to be borne by the firm and remaining by Mridul. The full amount of Rs. 10,000 were paid by firm.

(iii) Sarthak was to be paid Rs. 6,500 towards realisation expenses. Actual expenses were Rs. 4,000 which were withdrawn by Sarthak.

(iv) Realisation expenses of Rs. 7,500 paid by Rohan and also borne by him.

(v) Realisation expenses of Rs. 9,000 paid by Rohan and borne by Mridul.

(vi) Sarthak is paid a fixed commission of Rs. 10,000 for dissolution of the firm.

(vii) Realisation expenses of Rs. 6,500 were paid and borne by the firm.

10000
5500
4500

It was agreed that :

- (i) Goodwill of the firm will be valued at Rs. 30,000.
- (ii) Depreciation of 10% was to be provided on machinery.
- (iii) Patents were to be reduced by 20%.
- (iv) Liability on account of provident fund was brought down to Rs. 2,400.
- (v) Saloni took over investments for Rs. 12,500.
- (vi) Tulika and Ruchi decided to adjust their capital in proportion of their profit sharing ratio by opening current accounts.

Prepare Revaluation Account and Partners' Capital Accounts on Saloni's retirement. (8)

17. Karan, Babita were partners in a firm sharing profits in the ratio of 9 : 1. On 1st April, 2013 they admitted Damini as a new partner for 1/4th share in profits of the firm. Damini brought Rs. 5,50,000 as his capital and Rs. 25,000 for her share of goodwill premium. Their balance sheet of Karan and Babita as on 1st April, 2015 was as follows :

Balance Sheet as at 1-4-2015

Liabilities	(₹)	Assets	(₹)
Capitals :		Premises	3,75,000
Karan 7,40,000		Equipments	4,50,000
Babita 4,10,000	11,50,000	Debtors 2,20,000	
Profit & Loss A/c	1,00,000	Less Prov. 20,000	2,00,000
Workmen's Compensation		Stock	3,50,000
Fund	1,00,000	Bank	1,50,000
Creditors	1,75,000		
	15,25,000		15,25,000

It was agreed that :

- (i) The value of premises will be appreciated by 2%. *20%*
- (ii) The value of equipments will be depreciated upto 90%.

(iii) The liabilities of Workmen's Compensation Fund was determined at Rs. 50,000.

(iv) Capital of Karan and Babita will be adjusted on the basis of Damini's capital and actual cash to be brought in or to be paid off as the case may be.

Pass necessary journal entries and prepare the balance sheet of the new form. (8)

Part – B (Analysis of Financial Statement)

18. Aroma Ltd. has provided the following information :

(i) Machinery was purchased for Rs. 1,25,000.

(ii) A part of machinery, having stock book value Rs. 35,000 was sold at a profit of Rs. 1,000.

(iii) A computer costing Rs. 10,000 has been sold for Rs. 16,500.

Calculate Cash Flow from investing activities. (1)

19. Girish Ltd. has given you the following information : (1)

	(₹)
Net Profit before tax	1,70,000
Machinery as on April 01, 2014	1,00,000
Machinery as on March 31, 2015	2,00,000
Accumulated Depreciation on April 01, 2014	30,000
Accumulated Depreciation on March 31, 2015	40,000

Additional Information :

During the year, 2014-15, a part of the Machine costing Rs. 50,000 (Accumulated Depreciation there on Rs. 17,000) was sold for Rs. 15,600.

Calculate cash flow from operating activities on the basis of the above information. (1)

20. Sanya Ltd. is in the process of; preparing its balance-sheet as per Schedule-III, Part-I of the Companies Act, 2013. (4)

- (a) Under which head and sub-head will the company show 'Accrued income in its Balance Sheet ?
- (b) What is the Accounting Treatment of 'Accrued Income' while calculating Current Ratio ?
- (c) The management of Sanya Ltd. want to adopt window-dressing to attract more investors' state any two limitations of financial statements except window dressing.
- (d) Identify the value ignored by Sanya Ltd.
21. Prepare a 'Comparative Statement of Profit and Loss' from the following information : (4)

Particulars	31st March, 2015	31st March, 2014
Revenue from Operations	150% of Raw Materials Consumed	125% of Raw Materials Consumed
Expenses :		
Cost of Raw Materials Consumed	Rs. 5,00,000	Rs. 4,00,000
Finance Cost	5% of Revenue from operations	5% of Revenue from operations
Rate of Income Tax	30% of Net Profit before tax	30% of Net Profit before tax

22. From the following compute : (4)
- (a) Proprietary Ratio (b) Interest Coverage Ratio

S. No.	Particulars	Amount (₹)
1.	Long-term, Borrowing (10% debentures)	3,40,000
2.	Long-term, provisions	70,000
3.	Current Liabilities	60,000
4.	Non-current Assets	4,75,000
5.	Current Assets	1,67,500
6.	Profit after Interest and Tax	33,500
7.	Tax 50%	

23. From the following Balance Sheet of Joseph Ltd. prepare a Cash Flow Statement as per AS-3 (Revised). (6)

Particulars	Note No.	2014-15 (₹)	2013-14 (₹)
I. Equity and Liabilities			
1. Shareholders' Funds			
(a) Share Capital	1	89,000	75,000
(b) Reserves and Surplus	2	48,000	25,000
2. Current Liabilities			
Trade Payables		26,000	43,000
Total		1,63,000	1,43,000
II. Assets			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	3	39,000	34,000
2. Current Assets			
(a) Inventories		80,000	80,000
(b) Trade Receivables		23,000	21,800
(c) Cash and Cash Equivalents		19,500	2,200
(d) Other Current Assets	4	1,500	5,000
Total		1,63,000	1,43,000

Notes to Account

Particulars	31-03-2015	31-03-2014
Note No. 1 : Share Capital		
Equity Share Capital	89,000	30,000
5% Preference Share Capital	-	45,000
	89,000	75,000

Note No. 2 : Reserve and Surplus		
Surplus i.e., Balance in Statement of Profit and Loss	48,000	25,000
	48,000	25,000
Note No. 3 : Tangible Assets		
Plant	50,000	40,000
Less : Accumulated Depreciation	11,000	6,000
	39,000	34,000
Note No. 4 : Other Current Assets		
Accrued Income	1,500	5,000
	1,500	5,000

Additional Information :

- (i) During the year 2014-15 a part of the plant costing Rs. 30,000 (Accumulated depreciation thereon Rs. 15,000 was sold at a profit of Rs. 3,000 on book value.
- (ii) Interim dividend paid during the year Rs. 5,000.