

Sakruti

B.G.S INTERNATIONAL PUBLIC SCHOOL
SECTOR-5, DWARKA
PERIODIC TEST-II (2017-18)
SET-1

Class-XII
Sub: Accountancy (055)

Time: 3 Hrs.
MM: 80

General Instructions:

1. All questions are compulsory
 2. Marks will be deducted for not drawing proper format and working Notes.
- Q.1 (a) Identify Headings & Sub-headings of following items of Balance Sheet of a company.
(i) Interest accrued but not due on loans (ii) Shares in DCM Ltd. (iii) Unclaimed dividend (iv) Loose Tools.
- (b) Identify Headings of following items in statement of Profit & Loss A/c.
(i) Conveyance expense (ii) Sale of Scrap (iii) Gratuity paid (iv) Interest received on investments. (2x2=4)
- Q.2 (a) What is Horizontal Analysis?
(b) How does "Subjectivity" becomes a limitation of Financial Statement Analysis? (2x1=2)
- Q.3 Fill in the missing figures in the following common size statement of Profit & Loss for year ended 31st March 2017.

Particulars	Note No.	Absolute Amount (Rs.)	Percentage of Revenue From Operations
Revenue From Operations		-	-
Other Income		1,20,000	-
Total Revenue		-	-
<u>Expenses</u>			
Cost of material Consumed		-	60
Other Expenses		3,00,000	15
Total Expenses		-	-
Profit before Tax		-	-
(-) Tax		-	-
Profit after tax		-	20
		-	-

- Q.4 (a) Calculate Operating Profit ratio form the following information. (4)
- Opening Inventory Rs. 1,00,000
Purchases Rs. 10,00,000
Revenue from Operation Rs. 14,70,000
Wages Rs. 50,000
Administrative and Selling Expenses Rs. 1,70,000
- Closing Inventory Rs. 1,50,000
Loss by Fire Rs. 20,000
Dividend received Rs. 30,000

- (b) Calculate (i) Revenue from operations (ii) Current Assets
- | | |
|---------------------------------|--------------------------------|
| Trade Receivable Turnover Ratio | 4 Times |
| Current liabilities | Rs. 5000 |
| Average Trade Receivable Ratio | Rs. 1,80,000 |
| Working Capital Turnover Ratio | 8 Times |
| Cash Revenue from Operations | 25% of Revenue from Operations |
| Gross Profit Ratio | 33 1/3% |

(c) Assuming that the Debt-Equity Ratio is 2:1, State giving reasons which of the following would (i) Increase (ii) decrease (iii) not change the ratio.

- (i) Conversion of Debentures into Equity Shares.
(ii) Issue of Bonus Share
(iii) Issue of Preference Share for buying Plant & Machine. (3x3=9)

Q.5 Balance Sheet of Vijay Ltd. as on 31st March 2017 and 2016 as follows.

Particulars	Note No.	31 st March 2017	31 st March 2016
EQUITY AND LIABILITIES			
(1) Shareholders Fund			
(a) Share Capital		10,00,000	7,00,000
(b) Reserves & Surplus	1	2,50,000	1,50,000
(2) Non Current Liabilities			
Long term borrowing (6% Debentures)		1,00,000	40,000
(3) Current Liabilities			
(a) Short Term Borrowings (Bank Overdraft)		70,000	20,000
(b) Short Term Provisions	2	1,00,000	80,000
(c) Other Current Liabilities		30,000	10,000
Total		15,50,000	10,00,000
ASSETS			
(1) Non Current Assets:			
(a) Fixed Assets			
Tangible (Plant & Machine)		8,00,000	5,00,000
Intangible (Goodwill)		70,000	30,000
(b) Non Current Investment		1,30,000	60,000
(2) Current Assets			
(a) Current Investments		60,000	45,000
(b) Inventories		1,25,000	90,000
(c) Cash & Cash Equivalents		3,65,000	2,75,000
Total		15,50,000	10,00,000

Notes to Accounts

Particulars	31 st March 2017	31 st March 2016
(1) Reserves & Surplus		
Statement of P&L A/c	1,00,000	50,000
General Reserve	1,50,000	1,00,000
	2,50,000	1,50,000

(2) Short Term Provisions		
Provision for taxation	60,000	30,000.
Proposed Dividend	40,000	50,000
	1,00,000	80,000

Adjustments:

- (i) Rs. 50,000 depreciation has been charged to Plant & Machine during the year 2016-17.
- (ii) A piece of machinery costing Rs. 12,000 on which depreciation of Rs. 7,000 had been charged sold at 60% profit on book value.
- (iii) Income tax ^(made) provided during the year Rs. 70,000. (7)

- Q.6
- (i) While preparing cash flow statement, the accountant of 'Rachna Ltd.' a financing company included 'Interest received on loan' in Financing Activities. Was he correct in doing so? Give reason.
 - (ii) Under which type of activity will you classify 'Cash paid to Creditor' while preparing cash flow statement?
 - (iii) What is meant by 'Cash Equivalents' while preparing Cash flow statement?
 - (iv) State whether cash withdrawn from bank for office use will result in inflow, outflow or no flow of cash. (4x1=4)

Q.7 (a) X Ltd. forfeited 1200 shares of Rs. 10 each, Rs. 7 Called up, issued at 20% Premium for non payment of allotment of Rs. 4 and first call of Rs. 2. Out of these 700 shares were reissued as fully paid for Rs. 8.50 per share. Pass Journal for forfeited & reissue of shares. (3)

(b) X Ltd. forfeited 800 shares of Rs. 100 each on which first call of Rs. 30 per share not received, the Second & Final call of Rs. 20 per share has not been called. Out of these 600 shares were reissued as Rs. 80 paid up for Rs. 90 each. Pass Journal for forfeited & reissue of shares. (3)

(c) X Ltd. is registered with an authorized Capital of Rs. ~~9,00,000~~ ^{90,00,000} divided into share of Rs. 100 each. Company issued 70,000 shares for Public Subscription. Applications were received from 75,000 shares. Excess Applications rejected and remaining shares were duly allotted. All the Calls were duly made & received except Final Call of Rs. 30 not received on 6,000 Shares. These shares were forfeited. Out of these 4,000 Shares were reissued @ 90 each as falling paid. Show different Categories of share Capital as per schedule III of Companies Act 2013. Also share notes to Accounts. (4)

- Q.8 (a) What is meant by Private Placement of shares?
- (b) Can Securities Premium Reserve be used as working Capital? Give reason in support of your answer. (2)

Q.9 X Ltd. invited application for issuing 1,60,000 shares of Rs. 10 each at a premium of Rs. 6 per share. The amount was payable as follows:-

On Application → Rs. 4 per share (including premium Rs. 1)
 On Allotment → Rs. 6 per share (including premium Rs. 3)
 On First & Final Call → Balance.

Applications for 3,20,000 shares were received. Applications for 80,000 shares were rejected and remaining shares were allotted on pro-rata basis to remaining applicants. Excess money received with application was adjusted towards sum due on allotment. Jain holding 800 shares failed to pay allotment money. His shares were immediately forfeited after allotment. Afterwards final call was made. Gupta who had applied for 1200 shares failed to pay the final call. These shares were also forfeited. Out of the forfeited shares 1000 shares were reissued at Rs. 8 per share fully paid up. The reissued share included all the shares of Jain. Pass Journal.

(8)

- Q.10 (a) A and B were in partnership sharing profits and losses in the ratio of 3:2. In appreciation of the services of C who was in receipt of salary of Rs. 24,000 p.a. and a commission of 5% of net profit after charging such salary and commission, they took him into partnership from 1st April 2013 giving him 1/8th share of profits. The agreement provided that any excess over his remuneration to which C becomes entitled will be borne by A and B in the ratio of 2:3. The profit of the year ended 31st March 2014 amounted to Rs. 4,44,000. Prepare Profit & Loss Appropriation Account.

(4)

- (b) Ajay, Binay and Chetan were partners sharing profits in the ratio of 3:3:2. The partnership deed provided for the following:

- (i) Salary of Rs. 2,000 per quarter to Ajay and Binay.
- (ii) Chetan was entitled to a commission of Rs. 8000.
- (iii) Binay was guaranteed a profit of Rs. 50,000 p.a. by Ajay.

The profit of the firm for the year ended 31st March 2015 was Rs. 1,50,000 which was distributed among Ajay, Binay and Chetan in the ratio of 2:2:1, without taking into account the provisions of the partnership deed. Pass necessary rectifying entry for the above adjustments. Show your workings clearly.

(4)

- (c) Praveen, Sahil and Riya were partners having fixed Capitals of Rs. 2,00,000, Rs. 1,60,000 and Rs. 1,20,000 respectively. They share profits in the ratio of 3:1:1. The partnership deed provided for the following which were not recorded in the books.

- (i) Interest on Capital @ 5% p.a.
- (ii) Salary to Praveen Rs. 1500 p.m. and to Riya Rs. 1,000 p.m.
- (iii) Transfer of profit to General Reserve Rs. 10,000.

Net profit for the year ended 31st March 2015 was Rs. 1,00,000. Pass necessary rectifying entry. Also show your working clearly.

(3)

- Q.11 (a) X Ltd. issued 8000 8% Debentures of Rs. 200 each at 5% premium, redeemable after 5 years at 10% premium. According to the terms of issue Rs. 80 was payable on Application and balance on allotment. Record necessary Journal entries regarding issue of debentures.

(3)

- (b) Pass Journal entries for issue of debentures

- (i) X Ltd. issued Rs. 30,00,000 7% Debentures of Rs. 500 each at 5% premium, redeemable at 10% premium.
- (ii) Zee Ltd. issued Rs. 40,00,000 6% Debentures of Rs. 1000 each at 10% Discounts, redeemable at 20% premium.

- (c) X Ltd. purchased business of Q Ltd. for a sum of Rs. 18,00,000 consisting of following assets & liabilities.
Plant Rs. 3,50,000, Land Rs. 6,00,000, stock Rs. 4,50,000 and creditors Rs. 1,00,000.

X Ltd. decided to accept a bill of exchange in respect of 1/3rd of purchase consideration and for the balance company decided to issue its 9% Debenture of Rs. 500 each at a premium of 20%. Pass Journal. (3)

- Q.12 (a) Excel Ltd. purchased its own 2000 Debentures of Rs. 50 each @ Rs. 60 each for cancellation. These debentures were redeemable at 10% premium. Balance in Capital reserve is Rs. 7500.

Pass the Journal entries.

- (b) X Ltd. issued 10,000 9% Debentures of Rs. 100 each at a discount of 10% redeemable at 10% premium after 5 years or earlier at the option of the company by converting them into shares of Rs. 100 each issued at 20% premium. Pass Journal entries for conversion assuming debenture are converted at the end of fourth year.
- (c) Ashoka Ltd. issued 8000 8% Debentures of Rs. 50 each at a premium of 5% redeemable at 10% premium by converting them into Equity shares of Rs. 20 each issued at a premium of Rs. 2 per share.

Pass Journal entries regarding redemption of Debentures.

(3x3=9)
