



## ACCOUNTANCY SAMPLE QUESTIONS FOR CLASS 12<sup>TH</sup>

### (Part A)

(one mark questions)

- I. Name and item which is never shown on the 'Payments' side of 'Receipts and Payment Account', but is shown as an Expense while preparing 'Income and Expenditure Account'.
- II. State the provision of Indian Partnership Act regarding the payment of remuneration to a partner for the services rendered.
- III. Distinguish between 'Subscriptions and 'Specific Donations' from the point of view of 'Nature of Income'.
- IV. Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 2,00,000, Rs. 3,00,000 and Rs. 1,00,000 respectively. Alka and Barkha desire that the profits should be divided in the ratio of capital contribution. Charu does not agree to this. Is Charu correct? Give reasoning.
- V. Give the formula for calculating 'gaining share' of a partner in a partnership firm.
- VI. What is meant by 'Convertible debentures'?
- VII. Name the account which shows the classified summary of transactions of a Cash Book in a not-for-profit organisation.
- VIII. List two items that may appear on the Credit side of a partner's fixed capital account.
- IX. Give two circumstances in which sacrificing ratio may be applied.
- X. Name any two factors affecting goodwill of a partnership firm.
- XI. What is the nature of Interest on Debentures?
- XII. For which share of Goodwill a partner is entitled at the time of his retirement?
- XIII. If a Fixed amount is withdrawn on 15<sup>th</sup> day of every month of a calendar year, for what period will the interest on total amount withdrawn be calculated?
- XIV. What is meant by Call in advance?
- XV. Give any one point of distinction between dissolution of partnership and dissolution of partnership firm.
- XVI. Give any one advantage for the redemption of debentures by purchase in the open market.



(three and four mark questions)

- I. Show the following information in the Balance Sheet of the Cosmos Club as on 31<sup>st</sup> March, 2007:

| Particulars                            | Debit Rs. | Credit Rs. |
|--|-----------|------------|
| Tournament Fund                        | -         | 1,50,000   |
| Tournament Fund Investment             | 1,50,000  | -          |
| Income from Tournament Fund Investment | -         | 18,000     |
| Tournament Expenses                    | 12,000    | -          |

Additional Information :-

Interest Accrued on Tournament Fund Investment Rs. 6,000.

- II. Nav Laxmi Limited invited Applications for issuing 3,000 12% Debentures of Rs. 100 each at premium of Rs. 50 per Debentures. The full amount was payable on application. Applications were received for 4,000 debentures. Applications for 1,000 debentures were rejected and application money was refunded. Debentures were allotted to the remaining applicants.

Pass necessary Journal entries for the above transactions in the books of Nav Laxmi Ltd.

- III. Jain Ltd. purchased Building for Rs. 10,00,000 from Gupta Ltd. 10% of the payable amount was paid by a cheque drawn in favor of Gupta Ltd. The balance was paid by issue of Equity Shares of Rs. 10 each at a discount of 10 %.

Pass necessary journal entries in the books of Jain Ltd.

- IV. A, B and C are partners in a firm. They have omitted interest on capital @ 10% p.a. for three years ended 31st March, 2007. Their fixed capitals on which interest was to be calculated throughout were:

|   |              |
|---|--------------|
| A | Rs. 1,00,000 |
| B | Rs. 80,000   |
| C | Rs. 70,000   |



Give the necessary adjusting journal entry with working notes.

- V. X, Y and Z were sharing profits and losses in the ratio of 5:3:2. They decided to share future profits and losses in the ratio of 2:3:5 with effect from 1.4.2007. They decided to record the effect of the following, without affecting their book values:-

- (i) Profit and Loss Account Rs. 24,000
- (ii) Advertisement Suspense Account Rs. 12,000

Pass the necessary adjusting entry.

- VI. Vinod Ltd. decided to redeem Rs. 50,000, 10% debentures. It purchased Rs. 40,000 debentures in the open market at Rs. 97.50 each. The expenses being Rs. 200 and redeemed the balance of Rs. 10,000 debentures by draw of lots. Journalise.
- VII. Raghav Limited purchased a running business from Krishna Traders for a sum of Rs. 15,00,000, payable Rs. 3,00,000 by cheque and for the balance issued 9% Debentures of Rs. 100 each at par. The assets and liabilities consisted of the following :

|                     | <b>Rs.</b> |
|---------------------|------------|
| Plant and Machinery | 4,00,000   |
| Buildings           | 6,00,000   |
| Stock               | 5,00,000   |
| Sundry Debtors      | 3,00,000   |
| Sundry Creditors    | 2,00,000   |

Record necessary journal entries in the books of Raghav Limited

- VIII. On 1st January, 2004, Rhythm Limited issued 1,000 10% debentures of Rs. 500 each at par. Debentures are redeemable after 7 years. However, the company gave an option to debenture holders to get their debentures converted into equity shares of Rs. 100 each at a premium of Rs. 25 per share anytime after the expiry of one year.

Shivansh, holder of 200 debentures, informed on Jan. 1, 2006 that he wanted to exercise the option of conversion of debentures into equity shares.



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The company accepted his request and converted debentures into equity shares.

Pass necessary journal entries to record the issue of debentures on Jan. 1, 2004 and conversion of debentures on Jan. 1, 2006.

( Long questions)

- I. From the following Receipts and Payments Account of Sonic Club and from the given additional information; prepare Income and Expenditure Account for the year ending 31st December, 2006 and the Balance Sheet as on that date :

**Receipts and Payments Account  
for the year ending 31st December, 2006**

| Dr.   |          | Cr.                  |          |
|---|----------|----------------------|----------|
| Receipts  | Rs.      | Payments             | Rs.      |
| To balance b/d  | 1,90,000 | By Salaries          | 3,30,000 |
| To Subscriptions                                      | 6,60,000 | By Sports Equipments | 4,00,000 |
| To Interest on Investments<br>@ 8% p.a. for full year | 40,000   | By balance c/d       | 1,60,000 |
|   | 8,90,000 |                      | 8,90,000 |

Additional Information :

- (a) The club had received Rs. 20,000 for subscription in 2005 for 2006.  
(b) Salaries had been paid only for 11 months  
(c) Stock of Sports Equipment on 31st December, 2005 was Rs. 3,00,000 and on 31<sup>st</sup> December, 2006 Rs. 6,50,000.

- II. Sangita Limited invited application for issuing 60,000 shares of Rs. 10 each at par. The amount was payable as follows :

|                         |                 |
|-------------------------|-----------------|
| On Application          | Rs. 2 per share |
| On Allotment            | Rs. 3 per share |
| On First and Final Call | Rs. 5 per share |

Applications were received for 92,000 shares. Allotment was made on the following basis :

**Address:** Plot No. 420, Behind Shopprix Mall, Vaishali Sector-5, Ghaziabad-201010

**Mobile:** 9999907099, 9999232199 **Ph:** 0120-4130999 (Office)

**Website:** www.vaishalieducationpoint.com, www.educationsolution.co



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- (i) To applicants for 40,000 shares - Full
- (ii) To applicants for 50,000 shares - 40%
- (iii) To applicants for 2,000 Shares - Nil

Rs. 1,08,000 was realised on account of allotment (excluding the amount carried from application money) and Rs. 2,50,000 on account of call.

The directors decided to forfeit shares of those applicants to whom full allotment was made and on which allotment money was overdue.

Pass journal entries in the books of Sangita Limited to record the above transactions.

- III. P, Q and R are partners sharing profits and losses in the ratio of 5:3:2. From 1st January, 2006, they decide to share profits and losses in equal proportion. The partnership deed provides that in the event of any change in profit sharing ratio, the goodwill should be valued at three years' purchase of the average of five years' profits. The profits and losses of the preceding five years are:

Profits : 2001 - Rs. 60,000 2002 Rs. 1,50,000 2003 - Rs. 1,70,000  
2004 - Rs. 1,90,000.

Loss : 2005 - Rs. 70,000.

Give the necessary journal entry to record the above change.

- IV. Rajat and Ravi are partners in a firm sharing profits and losses in the ratio of 7:3. Their Balance Sheet as at 31st March, 2007 is as follows :

| <b>Liabilities</b>  | <b>Rs.</b> | <b>Assets</b> | <b>Rs.</b> |
|---------------------|------------|---------------|------------|
| Creditors           | 60,000     | Cash in Hand  | 36,000     |
| Reserve             | 10,000     | Cash at Bank  | 90,000     |
| Capital Accounts    |            | Debtors       | 44,000     |
| Rajat      1,00,000 |            | Stock         | 50,000     |
| Ravi         80,000 |            | Furniture     | 30,000     |
|                     | 1,80,000   |               |            |
|                     | <hr/>      |               | <hr/>      |
|                     | 2,50,000   |               | 2,50,000   |



On 1st April, 2007, they admit Rohan on the following terms :

- (i) Goodwill is valued at Rs. 40,000 and Rohan is to bring in the necessary amount in cash as premium for goodwill and Rs. 60,000 as Capital for 1/4 share in profits.
- (ii) Stock is to be reduced by 40% and furniture is to be reduced to 40%.
- (iii) Capitals of the partners shall be proportionate to their Profit Sharing Ratio taking Rohan's Capital as base. Adjustments of Capitals to be made by cash.

Prepare Revaluation Account, Partners' Capital Accounts and Cash Account.

## **(Part B)**

### **Financial System Analysis (One mark questions)**

- I. Assuming that the Debt - Equity Ratio is 1:2, state giving reason, whether the ratio will improve, decline or will have no change in case equity shares are issued for cash.
- II. Mention the net amount of 'Source' or 'Use' of cash when a fixed asset (having book value of Rs. 15,000) is sold at a loss of Rs. 5,000.
- III. Dividend paid by a trading company is classified under which kind of activity while preparing cash flow statement.
- IV. Show the major headings into which the assets side of company's Balance Sheet is organised and presented as per Schedule VI Part I of the Companies Act, 1956.
- V. X Ltd. has a Debt Equity Ratio at 3 : 1. According to the management it should be maintained at 1:1. What are the two choices to do so?
- VI. State whether cash deposited in bank will result in inflow, outflow or no flow of cash.
- VII. Interest received by a finance company is classified under which kind of activity while preparing a cash flow statement ?



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## ( three and four mark questions)

- I. Prepare a Comparative Income Statement with the help of the following information :

| Particulars       | 2006          | 2007          |
|-------------------|---------------|---------------|
| Sales             | Rs. 20,00,000 | Rs. 30,00,000 |
| Gross Profit      | 40%           | 30%           |
| Indirect Expenses | 50% of G.P.   | 40% of G.P.   |
| Income Tax        | 50%           | 50%           |

- II. Following is the Balance Sheet of X Ltd. as on 31st March, 2008:

| Liabilities        | Rs.       | Assets             | Rs.       |
|--------------------|-----------|--------------------|-----------|
| Bills Payable      | 10,00,000 | Cash               | 1,00,000  |
| Creditors          | 15,00,000 | Bills Receivable   | 4,00,000  |
| 10% Long Term Loan | 10,00,000 | Debtors            | 20,00,000 |
| Profit & Loss A/c  | 5,00,000  | Stock              | 9,00,000  |
| Reserves           | 5,00,000  | Investment         | 1,00,000  |
| Share Capital      | 10,00,000 | Fixed Assets (Net) | 20,00 000 |
|                    | 55,00,000 |                    | 55,00,000 |

The existing liquid ratio stands at 1:1. A liability of Rs. 4,00,000 under dispute has to be paid immediately as per High Court Order.

Show the effect of this order on Liquid Ratio and Current Ratio as on 31st March 08.

- III. A company's Stock Turnover is 5 times. Stock at the end is Rs. 20,000 more than that at the beginning. Sales are Rs. 8,00,000. Rate of Gross Profit on cost  $\frac{1}{4}$ ; Current Liabilities Rs. 2,40,000. Acid Test Ratio 0.75. Calculate Current Ratio.