

Model

II Revision Dec 2017

JAN 2018

II Revision

12th Standard

Accountancy

Reg.No. :

Use Blue Ink Only

Time : 03:00:00 Hrs

Total Marks : 200

15 x 1 = 15

Part A Fill Up

- 1) Net Profit is transferred from Profit and loss account to _____ account.
- 2) Prepaid expenses are shown on the _____ side of the balance sheet.
- 3) The trial balance as on 31.3.03 shows Capital Rs.4,00,000 and Drawings Rs.30,000. interest on drawings @ 5% is _____.
- 4) Credit purchase can be ascertained as the balancing figure in the _____.
- 5) A firm has assets worth Rs.60,000 and capital Rs.45,000. Then it's liabilities is _____.
- 6) Under insurance policy method, cash is paid by way of _____ every year.
- 7) _____ are those assets which are easily convertible into cash.
- 8) Liquid liabilities is Rs.1,00,000. Bank overdraft is Rs.30,000 then current liabilities is Rs.....
- 9) Cash budget is a useful tool for _____.
- 10) The closing balance of one month will be the _____ balance of the next month.
- 11) Goodwill is an _____ asset.
- 12) If the value of liabilities decrease, it results in _____ item.
- 13) A, B and C shares profit as 1/2 to A, 1/3 to B and 1/6 to C. If B retires then, the new profit sharing ratio is _____.
- 14) The management of a company is done by _____.
- 15) Capital Reserve represents _____ profit.

Part A Choose the Best

15 x 1 = 15

- 16) Rent outstanding is
(a) a liability (b) an asset (c) an income
- 17) Opening stock is shown in
(a) Balance sheet (b) Profit and Loss account (c) Trading account
- 18) Interest on drawings is deducted from
(a) Income A/c (b) Capital A/c (c) Expense A/c
- 19) Single Entry System is
(a) a Scientific method (b) an Incomplete Double Entry System
(c) None of the above.
- 20) A trader's closing capital is Rs.20,000, his drawings Rs.3,000 his opening capital Rs.14,000. His profit for the year is
(a) Rs.8,000 (b) Rs.9,000 (c) Rs.10,000
- 21) The term depletion is used for
(a) Intangible assets (b) Fixed assets (c) Natural resources
- 22) The value of machinery purchased is Rs.2,00,000. Installation charges are Rs. 10,000. Depreciation amount on straight line method @ 10% per annum is _____
(a) Rs.20,000 (b) Rs.21,000 (c) Rs.19,000
- 23) Opening stock is equal to Rs.10,000, Purchase Rs.2,00,000 and closing stock is Rs.5,000. Cost of goods sold is equal to
(a) Rs. 2,15,000 (b) Rs. 2,10,000 (c) Rs. 2,05,000

- 24) Budget is expressed in terms of
 (a) Money (b) Physical units (c) Money & Physical units
- 25) In a partnership, partners share their profits and losses in _____ ratio
 (a) their capital (b) equal (c) agreed
- 26) If new share of the incoming partner is given without mentioning the details of the sacrifice made by the old partners then, the presumption is that old partners sacrifice in the _____.
 (a) Old profit sharing ratio (b) Gaining ratio (c) Capital ratio
- 27) On retirement of a partner goodwill amount is credited to the account of
 (a) only retiring partner (b) all partners including retiring partner
 (c) only remaining partner
- 28) The public issue must be kept open for atleast
 (a) 3 days (b) 5 days (c) 7 days
- 29) The maximum calls that a company can make is _____
 (a) One (b) Two (c) Three
- 30) A call money can't exceed.....% of the nominal value of share.
 (a) 6% (b) 25% (c) 10%

Part B Answer Any Ten Only

10 x 5 = 50

- 31) What is accrued income?
- 32) What is conversion method?
- 33) What is Depreciation Fund Method of depreciation?
- 34) What are the significance of financial statement analysis?
- 35) Give few examples for cash payments.
- 36) What is Goodwill?
- 37) What is prorata allotment?
- 38) Commission received given in Trial Balance is Rs.1,000 as on 31st December 1994. Commission accrued but not yet received Rs.150. Show the adjusting entry.
- 39) Mr.Rajesh maintains his books on single entry system. He gives you the following information.
- | | |
|--|-------------|
| Capital as on 1.4.2003 | Rs.4,80,000 |
| Capital as on 31.3.2004 | Rs.5,40,000 |
| Drawings during the financial year | Rs.1,50,000 |
| Capital introduced during the financial year | Rs.90,000 |
- You are required to calculate profit or loss made by Mr.Rajesh during 2003 - 2004.
- 40) A company purchased Machinery for Rs. 1,00,000. Its installation costs amounted to Rs. 10,000. It's estimated life is 5 years and the scrap value is Rs. 5,000. Calculate the amount and rate of depreciation.
- 41) From the following data, calculate the Fixed Asset Turnover ratio
- | | |
|---------------|--------------|
| Fixed Assets | Rs. 3,00,000 |
| Depreciation | Rs. 1,00,000 |
| Total Sales | Rs. 8,50,000 |
| Sales Returns | Rs. 50,000 |
- 42) Calculate the amount of good will on the basis of two year's purchase of the last four years average profits. The profits for the last four year's are:
- | | |
|-----------------|------------|
| I Year Loss | Rs. 10,000 |
| II Year Profit | Rs. 26,000 |
| III Year Profit | Rs. 34,000 |
| IV Year Profit | Rs. 50,000 |

43) A and B partners in a firm sharing profits and losses in the ratio of 6 : 4. C is admitted as a new partner. A surrenders 1/5th share of his profit in favour of C and B surrenders 2/5th of his share in favour of C. Calculate New Profit Sharing Ratio.

44) Vinoth & company issued 30,000 shares of Rs.100 each at discount of 10%. Give journal entry.

Part C Answer Any Five Only and Question No 45 is compulsory

5 x 12 = 60

45)a) Following are the balances extracted from the Trial Balance of Mr.Mohan as on 31st March, 2002.

Trial Balance as on 31st March, 2002

Particulars	Debit Rs.	Credit Rs.
Sundry debtors	60,000	
Bad debts	5,000	
Provision for bad & doubtful debts		10,000

Adjustments:

Create provision for bad & doubtful debts @ 5% on Sundry Debtors.

Pass adjusting entry and show how these items will appear in the final accounts.

(OR)

b) The balances appear in Bharanidharans' books which are kept on single entry basis:

	January'1 2000 Rs.	December,31 2000 Rs.
Furniture	2,000	2,000
Stock	5,000	6,000
Sundry Debtors	6,000	4,000
Cash	10,000	20,000
Sundry Creditors	2,000	3,500
Bills receivable	1,000	500
Loan (Dr)	--	1,000
Investment	--	4,000

His drawings during the year were Rs.2,000. Depreciate furniture by 10% and provide a reserve for bad and doubtful debts at 5% on Sundry debtors. Prepare a statement showing profit for the year 2000.

46) What are the reasons for providing depreciation?

47)a) Define Budget.

b) What are the characteristics of a budget?

c) What are the advantages of cash budget?

48) What are differences between fixed capital account and fluctuating capital account?

49) Mr. Abdul purchased a machinery on 1st April 2001 for Rs.2,00,000. After having used it for three years it was sold for Rs.1,60,000. Depreciation is to be provided at the rate of 10% per annum on diminishing balance method. Accounts are closed on 31st March every year.

Prepare Machinery account and depreciation account for the first three years.

50) From the given data calculate:

(a) Gross profit ratio;(b) Net profit ratio; (c) Current ratio

Sales	Rs 1,50,000
Net profit	Rs 15,000
Current liabilities	Rs 15,000
Cost of goods sold	Rs 1,00,000
Current assets	Rs 30,000

51) Show how the following items will appear in the capital accounts of the partners, Anbu and Balu. When their capitals are (a) fixed and (b) fluctuating.

	Anbu	Balu
	Rs.	Rs.
Capital on 1.4.2004	90,000	70,000
Drawings during 2004 - 2005	12,000	9,000
Interest on drawings	360	270
Interest on capital	5,400	4,200
Partner's salary	12,000	-----
Commission	-----	6,000
Share of profit for 2004 - 2005	56,000	4,000

52) Ashok Ltd. forfeited 300 shares of Rs.10 each fully called up held by Ram for non-payment of first call of Rs.3 per share and final call money of Rs.4 per share. Out of these shares 250 were re-issued to Shyam for Rs.2,000. Give Journal entries for forfeiture and re-issue.

Part D Answer Any Three and Question No 53 is Compulsory

3 x 20 = 60

	January 1 2000	December 31 2000
	Rs.	Rs.
Investment	4,000	4,000
Loan (Dr)	---	1,000
Bills receivable	1,000	500
Sundry Creditors	2,000	3,500
Cash	10,000	20,000
Sundry Debtors	6,000	4,000
Stock	5,000	6,000
Furniture	2,000	2,000

53)a) From the following details, prepare Trading and Profit & Loss account and Balance Sheet for the year ended 31.3.04.

	1.4.2003	31.3.2004
Sundry stock	Rs. 50,000	Rs. 25,000
Sundry Debtors	Rs. 1,25,000	Rs. 1,75,000
Furniture	Rs. 5,000	Rs. 5,000
Cash	Rs. 12,500	Rs. 20,000
Sundry Creditors	Rs. 75,000	Rs. 87,500

OTHER DETAILS :

Discount received	Rs. 7,500
Discount allowed	Rs. 5,000
Sundry expenses	Rs. 15,000
Cash paid to Sundry creditors	Rs. 2,25,000
Cash received from Sundry debtors	Rs. 2,67,500
Drawings	Rs. 20,000
Sales	Rs. 7,500
Returns Purchase Returns	Rs. 2,500
Charge depreciation on furniture @ 5%.	

(OR)

b) Venus, Mercury and Jupitar are partners in a firm sharing profits and losses in the proportion of 1/2, 3/10 and 1/5 respectively. Their balance sheet as on 31.3.2005 is as under:

Liabilities	Rs.	Assets	Rs.
Sundry creditors	62,000	Cash at Bank	81,000
Reserve fund	40,000	Debtors	62,000
Capital accounts:		Less: Provision for doubtful debts	1,000
Venus : 1,60,000		Stock	40,000
Mercury : 1,20,000		Plant and machinery	1,00,000
Jupitar : 60,000	3,40,000	Buildings	1,60,000
	4,42,000		4,42,000

Jupitar retires on 1st April 2005 subject to the following terms.

(a) Buildings are to be appreciated by 10%. (b) The provision for bad debts is to be raised to Rs.2,400. (c) Goodwill is to be raised at Rs.40,000. (d) The retiring partner is to be paid off immediately. Pass journal entries to record the above transactions in the books of the firm and show the revaluation account, capital accounts and the balance sheet of the new firm after Jupitar's retirement.

- 54) From the following Trial Balance of Mr. Ravi, prepare Trading and Profit and Loss Account for the year ended 31st March, 2002 and a Balance Sheet as on that date.

Particulars	Debit Rs.	Credit Rs.
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	
Cash	2,000	
Stock (1.4.2001)	5,200	
Debtors	2,500	
Creditors		1,000
	66,000	66,000

Adjustments required:

- Stock on 31.3.02 Rs.4,900
 - Salaries unpaid Rs.300
 - Rent paid in advance Rs.200
 - Insurance prepaid Rs.90
- 55) The following is the summarised Trading and Profit and Loss A/c, for the year ending 31.3.2005 and the Balance Sheet as at that date: Trading and Profit and Loss Account for the year ending 31.3.2005

Particulars	Rs.	Particulars	Rs.
To Opening stock	10,000	By Sales	1,00,000
To Purchases	50,000	By Closing stock	15,000
To Direct expenses	5,000		
To Gross profit c/d	50,000		
	1,15,000		1,15,000
To Administrative expenses	15,000	By Gross profit b/d	50,000
To Interest	3,000		
To Selling expenses	12,000		
To Net Profit	20,000		
	50,000		50,000

Balance Sheet as on 31.3.2005

Liabilities	Rs.	Assets	Rs.
Capital	1,00,000	Land and Building	50,000
Current Liabilities	40,000	Plant and Machinery	30,000
Profit and Loss A/C	20,000	Furniture	20,000
		Stock	15,000
		Sundry debtors	15,000
		Bills receivable	12,500
		Cash in hand & at bank	17,500
	1,60,000		1,60,000

From the above, calculate : (i) Gross Profit Ratio, (ii) Current Ratio, (iii) Acid Test Ratio, (iv) Stock Turnover Ratio, (v) Fixed Assets Turnover Ratio.

56) Prepare a cash budget for the month of January, February and March 2005 from the following information.

Month & Year	Credit purchases Rs.	Credit Sales Rs.	Wages Rs.
November 2004	2,00,000	2,50,000	50,000
December 2004	3,00,000	3,50,000	60,000
January 2005	3,00,000	4,50,000	60,000
February 2005	4,00,000	2,00,000	80,000
March 2005	5,00,000	3,50,000	70,000

1. Expected Cash balance on 1.1.2005 is Rs.75,000
 2. Suppliers allowed a credit period of two months
 3. A credit period of two months is allowed to customers
 4. Lag in payment of wages is one month

57) Preeti Ltd. invited applications for 5,000 shares of Rs.10 each payable as follows:

Rs.3 on Application,
 Rs.2 on Allotment,
 Rs.2 on First call and
 Rs. 3 on Final call.

All these shares were subscribed and paid for. Pass journal entries
