

HIGHER SECONDARY SAMPLE QUESTION 2023
ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS
CLASS - XII MAX. SCORE: 80 Marks TIME: 2 1/2 Hours

PART A - ACCOUNTING (40 Score)

Answer any 4 questions from 1 to 5, each carries 1 score.

1. The written document which contains terms of the agreement in partnership is called
 (a) Articles of Association (b) Partnership Deed
 (c) Memorandum of Association (d) Prospectus
2. The ratio in which the old partners agree to sacrifice their share of profit in favour of the incoming partner is
 (a) Current ratio (b) Sacrificing ratio (c) Liquid ratio (d) Gaining Ratio
3. If the firm is not in a position to make the payment immediately on retirement, the amount due to the retiring partner is transferred toAccount.
 (a) Retiring Partners Loan Account (b) Retiring Partners Capital Account
 (c) Revaluation Account (d) Realisation Account
4. When business of the partnership firm becomes illegal, it will lead to
 (a) Dissolution by agreement (b) Compulsory dissolution
 (c) Dissolution by Notice (d) Dissolution by Court
5. Realisation Account should be debited with.....
 (a) Realisation Expenses (b) Sale of assets
 (c) Assets taken over by partners (d) Transfer of liabilities

Answer all questions from 6 to 7, each carries 2 scores.

6. Briefly explain the methods of maintaining the capital accounts of partners.
7. What do you mean by Gaining Ratio?

Answer any 2 questions from 8 to 10, each carries 3 scores.

8. A and B are partners in a firm. Their capital accounts as on 01-04-2021 showed a balance of Rs. 2,00,000 and Rs. 3,00,000 respectively. On 01-07-2021, A introduced additional capital of Rs. 50,000 and B Rs. 60,000. On 01-10-2021 B withdraw Rs. 30,000 and on 01-01-2022 B withdraw Rs. 25,000 from their capitals. Interest is allowed @ 8%p.a. Calculate interest payable on capital to both the partners during the financial year 2021-2022.
9. Explain briefly any three factors affecting the value of Goodwill.
10. Seena and Meena are partners sharing profits in the ratio of 3:1 and they agree upon dissolution. The Balance Sheet as on March 31, 2021 is as under:

Balance Sheet of Seena and Meena as on 31-03-2021

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Loan	12,000	Cash at bank	25,000
Creditors	18,000	Stock	45,000
Capital		Furniture	16,000
Seena 1,10,000		Debtors	70,000
Meena 68,000	1,78,000	Plant and Machinery	52,000

	2,08,000		2,08,000

Seena took over plant and machinery at an agreed value of Rs. 60,000. Stock and Furniture were sold for Rs. 42,000 and Rs. 13,900 respectively. Debtors were taken over by Meena at Rs. 69,000. Creditors were paid subject to discount of Rs. 900. Seena agrees to pay the loans. Realisation expenses were Rs. 1,600. Prepare Realisation Account.

Answer all questions from 11 to 12, each carries 4 scores.

11. The books of a business showed that the capital employed on December 31, 2021, Rs. 5,00,000 and the profits for the last five years were 2017- Rs.40,000, 2018- Rs. 50,000, 2019- Rs. 55,000, 2020- Rs. 70,000 and

2021- Rs. 85,000. You are required to find out the value of goodwill based on 3 years purchase of the super profits of the business, given that the normal rate of return is 10%.

12. Describe the accounting treatment on retirement or death of a partner.

Answer all questions from 13 to 14, each carries 5 scores.

13. Mohit and Rohit share profits and losses in the ratio of 2:1. They admit Rahul as partner with 1/4 share in profits with a guarantee that his share of profit shall be atleast Rs.50,000. the net profit of the firm for the year ending March 31, 2021 was Rs. 1,60,000. Prepare Profit and Loss Appropriation Account.

14. Kiran, Nirmal and Pankaj are partners sharing profits and losses in the ratio of 4:3:2. Nirmal retires and the goodwill is valued at Rs. 72,000. Keshav and Pankaj decided to share future profits and losses in the ratio of 5:3. Record necessary journal entries (a) when goodwill is raised at its full value and written off immediately (b) when goodwill is not to appear in the books of the firm at all.

Answer any 1 question from 15 to 16, each carries 8 scores.

15. Given below is the Balance Sheet of A and B, who are carrying on partnership business as on March 31, 2021. A and B sharing profits in the ratio of 2:1.

Balance Sheet of A and B as at 31- 03-2021

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Bills Payable	10,000	Cash in hand	10,000
Sundry Creditors	58,000	Cash at bank	40,000
Outstanding expenses	2,000	Sundry debtors	60,000
Capitals A 1,80,000		Stock	40,000
B 1,50,000	3,30,000	Plant and Machinery	1,00,000
-----		Building	1,50,000
	4,00,000		4,00,000

C is admitted as a partner on the date of the Balance Sheet on the following terms:

1. C will bring in Rs. 1,00,000 as his capital and Rs. 60,000 as his share of goodwill for 1/4 share in profits.
2. Plant is to be appreciated to Rs. 1,20,000 and the value of buildings is to be appreciated by 10%.
3. Stock is found overvalued by Rs. 4,000.
4. A provision for doubtful debts is to be created at 5% of debtors.
5. Creditors were unrecorded to the extent of Rs. 1,000.

Record Revaluation account, Partners' capital accounts and the Balance Sheet of the firm after admission of the new partner.

16. Meena and Teena are partners in a firm and sharing profits as 3:2. They decided to dissolve their firm on 31st March 2021 when their Balance Sheet was as follows:

Balance Sheet of Meena and Teena as at 31- 03-2021

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Bills Payable	20,000	Cash at bank	5,000
Sundry Creditors	60,000	Sundry debtors	1,03,000
Capitals		Stock	22,000
Meena 90,000	1,70,000	Investments	50,000
Teena 80,000		Machinery	70,000

	2,50,000		2,50,000

The assets and liabilities were disposed off as follows:

1. Machinery were given to creditors in full settlement of their account and Stock were given to Bills Payable in full settlement.
2. Investment were took over by Teena at book value. Sundry debtors of book value Rs. 50,000 took over by Meena at 10% less and remaining debtors realised Rs. 51,000.

3. Realisation expenses amount to Rs. 2,000

Prepare necessary ledger accounts to close the books of the firm.

PART B- ANALYSIS OF FINANCIAL STATEMENTS (40 Scores)

Answer any 4 questions from 17 to 21, each carries 1 score

17. The portion of Uncalled capital to be called only in the event of winding up of the company is

(a) Reserve Capital (b) Paid up Capital (c) Called up Capital (d) Issued Capital

18. The word "debenture" has been derived from a Latin wordwhich means to borrow.

(a) debere (b) debt (c) debit (d) debenture

19. Find the odd one out.

(a) Balance Sheet (b) Statement of Profit and Loss

(c) Cash flow Statement (d) Bank Reconciliation Statement

20. Standard current ratio is

(a) 2:1 (b) 1:1 (c) 1:2 (d) None of these

21.implies movement of cash in and out due to some non-cash items.

(a) Cash Flows (b) Cash Receipts (c) Cash Payments (d) None of these

Answer all questions from 22 to 23, each carries 2 scores.

22. Describe the type of debentures from the point of view of convertibility.

23. List out any four advantages of Ratio Analysis.

Answer any 2 questions from 24 to 26, each carries 3 scores.

24. Briefly explain any three features of a company.

25. How can we classify activities for the preparation of cash flow statement?

26. Rai Ltd. Purchased assets of the book value of Rs. 2,20,000 from Sha Ltd. And agreed to make the payment of purchase consideration by issuing 2000, 10% debentures of Rs. 100 each at a premium of 10%. Record necessary journal entries.

Answer all questions from 27 to 28, each carries 4 scores.

27. Comic Ltd. Issued 10,000 equity shares of Rs. 10 each payable at Rs. 2.50 on application, Rs. 3 on allotment, Rs. 2 on first call and the balance of Rs. 2.50 on second and final call. All the shares were fully subscribed and paid except of a shareholder having 100 shares who could not pay for second and final call. Give journal entries to record these transactions.

28. Describe briefly the objectives of financial statements.

Answer all questions from 29 to 30, each carries 5 scores.

29. From the following information, prepare a common size income statement for the year ended March 31, 2021 and 2022

Particulars	2020-21	2021-22
Net Sales	18,00,000	25,00,000
Cost of goods sold	10,00,000	12,00,000
Operating expenses	80,000	1,20,000
Non- operating expenses	12,000	15,000
Depreciation	20,000	40,000
Wages	10,000	20,000

30. From the following Balance Sheet of M/s Mohan Ltd. , prepare Cash Flow Statement

Balance Sheet of M/s Mohan Ltd. as at 31-03-2021 and 31-03-2022

Particulars	Note	31-03-2022(Rs.)	31-03-2021(Rs.)
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	No.		
I. Equity and Liabilities			
1. Shareholders Fund			
A. Equity Share Capital		3,00,000	2,00,000
B. Reserves and Surplus		2,00,000	1,60,000
2. Non-Current Liabilities			
A. Long Term Borrowings	1	80,000	1,00,000
3. Current Liabilities			
A. Trade Payables		1,20,000	1,40,000
B. Short-term provisions	2	70,000	60,000
TOTAL		<u>7,70,000</u>	<u>6,60,000</u>
II. Assets			
1. Non- Current Assets			
Fixed Assets	3	5,00,000	3,20,000
2. Current Assets			
A. Inventories		1,50,000	1,30,000
B. Trade Receivables	4	90,000	1,20,000
C. Cash and Cash Equivalents	5	30,000	90,000
TOTAL		<u>7,70,000</u>	<u>6,60,000</u>

Notes to Accounts

Note No.	Particulars	31-03-2022(Rs.)	31-03-2021(Rs.)
1	Long Term Borrowings		
	Bank Loan	<u>80,000</u>	<u>1,00,000</u>
2	Short-term provisions		
	Proposed Dividend	<u>70,000</u>	<u>60,000</u>
3	Fixed Assets	6,00,000	4,00,000
	Less: Accumulated Depreciation	<u>1,00,000</u>	<u>80,000</u>
	Net Fixed Assets	<u>5,00,000</u>	<u>3,20,000</u>
4	Trade Receivables		
	Debtors	60,000	1,00,000
	Bills Receivables	<u>30,000</u>	<u>20,000</u>
		<u>90,000</u>	<u>1,20,000</u>
	Cash and Cash Equivalents		
	Bank	<u>30,000</u>	<u>90,000</u>

Additional Information:

Machine costing Rs. 80,000 on which accumulated depreciation was Rs. 50,000 was sold for Rs. 20,000.

Answer any 1 question from 31 to 32, each carries 8 scores.

31. On January 1, 2021, X Ltd. Issued 50,000 equity shares of Rs. 10 each at Rs.12 per share payable as Rs. 5 on application(including premium), Rs. 4 on allotment and the balance on call on May 01, 2021.

The lists were closed on February 10, 2021 by which date applications for 70,000 shares were received. Of the cash received, Rs. 40,000 was returned and Rs. 60,000 was applied to the amount due on allotment, the balance of which was paid on February 16, 2021.

All the shareholders paid the call due on May 01, 2021 with the exception of an allottee of 500 shares. These shares were forfeited on September 29, 2021 and reissued as fully paid up at Rs. 8 per share on November 01, 2021.

The company, as a matter of policy, does not maintain a calls-in-arrears account.

Give necessary journal entries to record these transactions in the books of X Ltd. and also show the Balance Sheet.

32. Following information is given by a company from its books of accounts as on March 31, 2021

Particulars	Amount
Gross Profit	50,000
Revenue from Operations	1,00,000
Inventory	15,000
Trade Receivables	27,500
Cash and Cash Equivalents	17,500
Current Liabilities	40,000
Land & Building	50,000
Plant & Machinery	30,000
Furniture	20,000

Calculate: 1. Current Ratio 2. Liquid Ratio 3. Gross Profit Ratio 4. Fixed Assets Turnover Ratio 5. Inventory Turnover Ratio

Team Members

1. AMBILY P J, APJ ABDUL KALAM GHSS THODUPUZHA, PH: 8547650173
2. REJI K M, ST. JOSEPH'S HIGHER SECONDARY SCHOOL KARIMANNOOR, PH: 9446952171
3. MAHILA N K, GHSS KUDAYATHUR, PH: 9995332506
4. SEEMA M NAIR, GHSS WEST KODIKULAM, PH: 9744408519
5. SINDHU K A, GHSS VELLATHOOVAL. PH: 9961215233
6. NISHA P. THANKAPPAN, GTHSS PERIGASSERY, PH: 9947630358
7. LINS K JOHN, GTHSS PERINGASSERY, PH: 9562824277