

	Elements of Accounts (0154) (E)	
Accounts	BOARD QUESTION PAPER-8	Standard-12
Time : 3 Hours	MARCH 2022	Total Marks : 100

- Instructions :** (1) This question paper contains 6 sections and total 48 questions.
 (2) Answers should be written according to the instructions only.
 (3) Figures to the right side indicate full marks for the questions.
 (4) Use Pencil and sclae wherever necessary.
 (5) Use of simple caclulator is permitted.
 (6) Start new section on a new page.

SECTION-A

❖ **Questions from 1 to 20 are objective types questions. Choose the correct answer from the options given and write. Each question carries 1 mark : 20**

1. The capital proportion of A, B and C is 3: 2:1 respectively. The divisible profit is ₹ 66,000.
 What will be the amount of profit of C ?
 (A) ₹ 11,000 (B) ₹ 22,000 (C) ₹ 33,000 (D) ₹ 66,000
2. Debit balance of profit and loss appropriation account means.....
 (A) Gross Profit (B) Gross Loss (C) Divisible Profit (D) Divisible Loss
3. Goodwill is a financial value of.....
 (A) Investment (B) Prestige of business enterprise
 (C) Fixed assets (D) Competition
4. 'Goodwill' is which type of asset ?
 (A) Tangible asset (B) Intangible asset
 (C) Current asset (D) Fictitious asset
5. Where is the provident fund shown in balance sheet at the time of the reconstruction of partnership firm?
 (A) Credit side of revaluation account
 (B) Liabilities of balance sheet after reconstruction
 (C) Credit side of partner's capital account
 (D) Debit side of partner's capital account
6. Revaluation account is also known as.....
 (A) Capital reserve account (B) Profit-loss appropriation account
 (C) Profit-loss adjustment account (D) Profit-loss account
7. As per which accounting standard internally generated goodwill cannot be shown in the books ?
 (A) Accounting standard 25 (B) Accounting standard 26
 (C) Accounting standard 27 (D) Accounting standard 16

8. When new partner brings his share of goodwill in cash. account is credited.
 (A) Cash (B) Premium for goodwill
 (C) Goodwill (D) his capital account.
9. When only old profit-loss sharing ratio is given, gaining ratio of remaining partners will be.....
 (A) 1:1 (B) Old ratio
 (C) Capital ratio (D) Can not be calculated
10. Which of the following amount will be written at the credit side of realisation account, when there is balance of debtors ₹ 24,500 and bad debt reserve ₹ 4,500 in the balance sheet at the time of the dissolution of a firm ?
 (A) ₹ 24,500 (B) ₹ 4,500 (C) ₹ 22,000 (D) ₹ 27,000
11. How many methods are there for dissolution of a partnership firm?
 (A) One (B) Three (C) Two (D) Four
12. If the company does not receive subscription for at least _____ of the public issue, then share issue would be cancelled.
 (A) 50% (B) 75% (C) 90% (D) 100%
13. Which of the following is not shown under the heading 'Share Capital' in a balance sheet ?
 (A) Authorised Capital (B) Issued Capital
 (C) Reserve Capital (D) Subscribed Capital
14. Which type of account "Premium on Redemption of debenture A/c" is?
 (A) Personal account (B) Real account
 (C) Nominal account (D) None of above
15. The information regarding the use of assets gives the analysis of
 (A) Profitability (B) Liquidity (C) Solvency (D) Efficiency
16. Which of the following analysis shows stakeholder - based classification?
 (A) External analysis (B) Horizontal analysis
 (C) Short-term analysis (D) Vertical analysis
17. To arrive at liquid assets which of the following is deducted from current assets?
 (A) Stock (B) Cash and Cash equivalent
 (C) Debtors (D) Bills receivables
18. Which of the following is not included in operating expense ?
 (A) Loss on sale of asset (B) Loss due to fire
 (C) Interest paid (D) All of the above
19. Cash equivalent has.....
 (A) higher liquidity (B) higher solvency
 (C) higher profitability (D) all of the above
20. Which of the following is included in financial expense ?
 (A) Factory expense (B) Administrative expense
 (C) Sales expense (D) Interest expense

SECTION B

❖ Answer the following question from 21 to 30 in one sentence each.

Each question carries 1 mark:

10

21. What is goodwill?
22. What is reconstruction of a partnership firm?
23. If partnership deed is silent, at what rate interest is payable per annum on unpaid amount payable to the retiring partner?
24. What is voluntary dissolution?
25. Who has to bear dissolution expense, at the time of dissolution of a firm?
26. Write the types of Debenture on the basis of security.
27. Write the objective of current ratio.
28. What is ratio ?
29. What is investing activities ?
30. To which activity increase/decrease of bank overdraft is recorded?

37.

38.

SECTION-C

❖ Answer the questions in short. Each question carries 3 marks :

(Any Four)

[12]

31. Nirav, Namrata and Nishad are partners sharing profit-loss in the proportion of 3:2: 4. Manager is to be paid 10% commission of profit but after the deduction of his such share. The share of profit of Namrata is ₹ 30,000. Determine the commission of manager.
32. Aakash, Prakash and Vikash are the partners in a firm sharing profits and losses in the ratio of 3:3:2. All partners have decided to change their profit and loss ratio to 1:1:1. Calculate gain made by the partners.
33. In which circumstances court can pass the order for dissolution of a firm?
34. Pass journal entries for the following transactions of firm in the case of firm's dissolution :
 - (1) At the time of dissolution the book value of goodwill is ₹ 56,000. No amount is realised.
 - (2) The value of laptop is ₹ 35,000. One partner has taken it for ₹ 25,000.
 - (3) Income tax liability is now payable ₹ 30,000, it is not recorded in the book.
35. On 1-6-2016 Sakshi Limited issued 10,000, 8% debentures of ₹ 200 each at a premium of 5%. The debentures are redeemed on 31-5-2021 at ₹ 220 per debenture. Write necessary journal entries in the books of company. (Without narration)
36. As on 1-4-2016, Gajanand Limited issued 12,000, 12.5% convertible debentures of ₹ 400 each at par. As per the terms of issue of debentures, all the debentures will be converted in to equity shares of ₹ 10 each at a premium of 50% after 5 years.

On 1-4-2021, debentures were converted into equity shares as per the agreed terms. Pass the necessary journal entries in the books of company. (Without narration)

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SECTION - D

❖ Give answer to the following questions showing calculations wherever necessary. Each question carries 4 marks: (Any Three) 12

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37. From the following information of Ram and Shyam's firm, determine the value of goodwill on the basis of 3 years purchase of last five years weighted average profit :

paid

Year	Profit (₹)
2012-13	40,000
2013-14	60,000
2014-15	75,000
2015-16	90,000
2016-17	1,20,000

38. Panna and Rita are the partners of a firm. They want to change the profit and loss sharing ratio from 3:2 to 1:1. They decided to determine the valuation of goodwill.

On the basis of the firm's profit and other information, determine the valuation of goodwill on the basis of three years purchase of super profit :

[12]

Assets – ₹ 12,00,000

Liabilities – ₹ 12,00,000

Expected rate of return 10%.

Actual Profit :

Year	Profit (₹)
2018-19	1,30,000
2019-20	1,10,000
2020-21	1,20,000

Profit-loss statements of Gujarat Ltd. for the year ending on 31-3-2020 and 31-3-2021 are as follow. On the basis of them prepare comparative profit-loss statement.

Summarised profit-loss statement the year ending on 31-3-2020 and 31-3-2021 :

Particulars	Note No.	31-3-2021 (₹)	31-3-2020 (₹)
Sales Revenue		16,00,000	14,00,000
Other Income		3,00,000	2,50,000
Expenses		9,60,000	7,20,000
Income Tax rate 30%			

40. From the following information of 'B' Company Ltd., calculate debtors turnover and collection period in days. What will be answer if collection period is calculated in terms of weeks and months? (Assume 360 days of the year)

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Particulars	(₹)	Particulars	(₹)
Total Sales	4,50,000	Credit Sales	3,65,000
Opening Debtors	70,000	Closing Debtors	50,000
Opening Bills Receivables	20,000	Closing Bills Receivable	6,000
Opening Creditors	45,000	Closing Creditors	48,000

41. From the following transactions of Sweta Company Ltd. Calculate cash flow from operating activities :

Particulars	(₹)
Profit before taxes	1,32,000
Goodwill written off	28,000
Patent amortized	17,000
Depreciation written off	29,000
Transfer to general reserve	23,000
Interest received	12,000
Dividend received	9,000
Interest paid	11,000
Dividend paid	25,000
Profit on sale of investments	13,000
Loss on sale of furniture	18,000

43.

SECTION -E

- ❖ Following questions are essay type questions. Each question carries 8 marks: (Any Three) 24

42. Shiv and Parvati are partners in a firm sharing profit and loss in the ratio of 2:1. Their balance sheet as on 31-3-2021 was as under :

Balance Sheet

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Account :		Goodwill	18,000
Shiv 80,000		Land Building	72,000
Parvati 60,000	1,40,000	Machinery	40,000
General reserve	18,000	Stock	36,000
Workmen compensation reserve	4,500	Debtors 24,000	
Investment fluctuation reserve	1,500	–Bad debt reserve 2,000	22,000
Creditors	28,000	Investment	8,000
Bills payable	12,000	Cash-Bank	2,000
	2,04,000	Advertisement campaign expenditure	6,000
			2,04,000

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They admitted Nikita as a new partner from 1-4-2021 on the following conditions:

- (1) Nikita will bring ₹ 1,00,000 as her capital and ₹ 24,000 as goodwill in cash.
- (2) Value of land and building is to be increased by ₹ 17,000.
- (3) Value of machinery is to be decreased upto ₹ 32,000.
- (4) Provision for bad debt is to kept at 10% on debtors.
- (5) Provision for outstanding electricity bill is to be made at ₹ 1,100.
- (6) New profit sharing ratio of all three partners is to be kept at 2:1:2.

Prepare Revaluation Account, Partner's Capital Account, Cash-Bank Account and Balance Sheet after admission.

43. A and B are partners sharing profit-loss in the ratio of 2:1. The balance sheet of their firm as on 31-3-2021 was as under :

Balance Sheet

Liabilities	(₹)	Assets	(₹)
Capital :		Plant Machinery	80,000
A 80,000		Building	50,000
B <u>40,000</u>	1,20,000	Stock	17,000
Reserve Fund	21,000	Debtors 50,000	
Creditors	75,000	-Bad debt reserve <u>4,000</u>	46,000
Bills Payable	10,000	Cash-Bank	33,000
	<u>2,26,000</u>		<u>2,26,000</u>

They admitted C as a new partner on 1-4-2021 on following conditions:

- (1) A sacrificedth $\frac{1}{12}$ th share and B sacrificed $\frac{1}{6}$ th share from their profit share in favour of C.
- (2) C will bring proportionate capital.
- (3) C will bring his share of goodwill in cash. Goodwill is valued at ₹ 1,80,000.
- (4) Fixed assets are to be depreciated at 10%.
- (5) All debtors are solvent.
- (6) Insurance premium of ₹ 3,000 is to be carried forward to the next year.

Prepare necessary account and balance sheet.

44. Dipen, Umang and Aakash are the partners sharing profit and loss in the ratio of 2: 2: 1. Aakash retires on 31-3-2021. Balance sheet of the firm as on 31-3-2021 was as under :

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Balance Sheet :

Liabilities	(₹)	Assets	(₹)
Capital Accounts :		Goodwill	10,000
Dipen 30,000		Machinery	20,000
Umang 20,000		Investments	10,000
Aakash 10,000	60,000	Debtors	30,000
General Reserve	5,000	Stock	10,000
Investment		Cash-Bank	5,000
fluctuation fund	2,500		
Bad debt reserve	2,000		
Creditors	15,500		
	85,000		85,000

❖
47.

Following adjustments are agreed at the time of retirement :

- (1) Value of machinery is ₹ 25,000 and value of stock is ₹ 5,000.
- (2) Value of investments is ₹ 8,000, which is taken by Aakash at this price.
- (3) An amount of ₹ 5000 included in creditors is no longer payable.
- (4) The provision for workmen compensation to be credited at ₹ 2,000.
- (5) The provision for doubtful debts is to be kept at 10% on debtors.
- (6) Goodwill of the firm is valued at ₹ 40,000.

Prepare necessary accounts and balance sheet of the firm after Aakash's retirement.

45. Harsh Limited issued 18,00,000 equity shares of ₹ 10 each. The company received applications for 20,00,000 shares. Shares were allotted at meeting of board of directors. Excess shares applications were and the application money thereon was refunded to applicants. Amount on shares was called up as under :

On application	₹ 3 per share
On allotment	₹ 2.50 per share
On first call	₹ 2 per share
On final call	₹ 2.50 per share

Hetal who was allotted 1,600 shres, could not pay first and final call money. Where, Mital who was allotted 1,400 shares could not pay final call money. Except this, all the amounts due from all the shareholders were received on due dates. Hetal and Mital paid calls in-arrears amounts at a later date.

Pass necessary journal entries relating to above transactions in the books of the company. (Without narration)

46. Yogeshwar Limited issued 2,40,000 equity shares of ₹ 10 each at a premium of ₹ 70 per share. Amount called up per share was as under :

₹ 38 on application (including premium of ₹ 35)
₹ 28 on allotment (including premium of ₹ 25)
₹ 14 on final call (including premium of ₹ 10)

All the sums due were duly received except money due on allotment and final call on 2,000 shares held by Kalpesh. After carrying out necessary formalities, company for feited Kalpesh's share. These shares were reissued to Gaurav at 40% premium as fully paid up.

Pass journal entries for above transactions in the books of company.

(Without narration)

SECTION-F

❖ Answer the following questions. Each question carries 11 marks : 22

47. With consideration of following trial balance and adjustments of Dharm and Karm, prepare final accounts for the year ending on 31-3-2021 of their firm.

Trial Balance of Partnership firm of Dharm and Karm as on 31-3-2021 :

Name of Accounts	Debit Balance ₹	Credit Balance ₹
Capital and Drawings :		
Dharm	5,000	35,000
Karm	2,500	15,000
Patent and Trademark	2,700	-
Debtors and Creditors	31,000	25,000
Purchase and Sales	40,000	89,250
Machines (Office)	20,000	-
Opening Stock	6,000	-
Furniture	3,000	-
Purchase return and Sales return	7,500	5,000
Wages	4,600	-
Depreciation on furniture	300	-
Building	46,000	-
Office Expenses	4,700	-
Legal Charges	6,500	-
Cash Balance	300	-
Bills	4,000	2,500
Bad debts and bad debts reserve	1,500	2,000
Discount	750	1,500
Stamp on hand and bad dets return	150	1,250
12% HDFC Loan (1-7-2020)	-	10,000
	1,86,500	1,86,500

Adjustment:

- (1) Closing stock ₹ 10,000 out of which 50% has no market value.
- (2) Legal charges included of legal charges of building purchase ₹ 4,000.

- (3) Provide 5% bad debts reserve on debtors.
 (4) Provide depreciation 10% on furniture and 5% on building.
 (5) $\frac{1}{3}$ share of patent and trademark is to be written off.

48. Following is the Trial Balance of Sharada Ltd. as on 31-3-2021 :

Particulars	Debit (₹)	Credit (₹)
Inventories	1,10,000	-
Fixed assets tangible	8,00,000	-
5,000 equity shares of Rs. 100 each	-	5,00,000
Sales	-	7,50,000
Other Income	-	20,000
Employee benefit expenses	1,30,000	-
Long term borrowings	-	3,50,000
Finance costs	17,500	-
Trade payables	-	1,00,000
Trade receivables	40,000	-
Cash and bank balance	60,000	-
Depreciation	22,500	-
Cost of goods sold	4,00,000	-
Non-current investments	1,40,000	-
	17,20,000	17,20,000

Additional Information :

- (i) Provision for tax ₹ 80,000.
 (ii) Prepare final accounts of the company as per schedule-III of Companies Act, 2013.

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