

**KENDRIYA VIDYALAYA KANPUR CANTT – S1**  
**PRE BOARD EXAM 2020-21**  
**CLASS – XII**  
**ACCOUNTANCY**

**TIME ALLOWED: 3 HOURS**

**MAXIMUM MARKS: 80**

**GENERAL INSTRUCTIONS:**

**This question paper contains Two parts A & B.**

**Both the parts are compulsory for all.**

**All parts of questions should be attempted at one place.**

**Write your name, roll number, class and section at the top.**

***After completion of Paper, make its PDF and submit on Google Classroom.***

Q.No.	PART A (Accounting for Not-for-Profit Organizations, Partnership Firms and Companies)	Marks
1	How are the following items presented in financial statements of a Not-for-Profit organisation:- (a) Prize Fund- ₹ 80,000 (b) Prize expenses- ₹ 14,000	1
2	When a new partner is admitted, he is entitled to share of (a) past profits. (b) present profits. (c) future profits. (d) reserve appearing in the balance sheet of the firm.	1
3	State the order of payment of the following, in case of dissolution of partnership firm. i. to each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e. partner' loan); ii. to each partner proportionately what is due to him on account of capital; and iii. for the debts of the firm to the third parties;	1
4	Rakesh and Ashok earned a profit of Rs.5,000. They employed capital for Rs.25,000 in the firm. It is expected that the average rate of profit is 15% of the capital. Calculate amount of goodwill if goodwill is valued at three years' purchase of super profit.	1
5	Goyal, a partner in a partnership firm withdrew ₹ 9,000 at the end of each quarter. For how many months would interest on drawings be charged?	1
6	Gaining ratio is calculated at the time of (a) retirement of a partner only. (b) death of a partner only. (c) admission of a partner only. (d) change in profit-sharing ratio/retirement/death of a partner.	1
7	The capital of A and B are Rs. 50,000 and Rs. 40,000. To Increase the Capital base of the firm to Rs. 1,50,000, they admit C to join the firm; C is required to Pay a sum of Rs. 70,000, what is the amount of premium of goodwill?	1
8	A, B and C were partners in a firm sharing profit and loss in the ratio of 8:7:5. On 2 <sup>nd</sup> November 2018, C died. C's share of profits till the date of her death was calculated at ₹ 18,750. Pass the necessary journal entry.	1
9	P and Q are partners in a firm sharing profits and losses in the ratio of 3:2. On 1 <sup>st</sup> April, 2019 they decided to admit R their new ratio is decided to be equal. Pass the necessary journal entry to distribute Investment Fluctuation Reserve of ₹ 60,000 at the time of R's admission, when Investment appear in the books at ₹ 1,10,000 and its market value is ₹ 90,000.	1



16	<p>On 31st March,2016 after the closing of the accounts, the capital accounts of P,Q and R stood in the books of the firm at Rs. 40,000; Rs.30,000 and Rs.20,000 respectively. Subsequently, it was discovered that interest on capital@5% had been omitted. Profit for the year ended 31st March,2016 amounted to Rs.60,000 and the partners 'drawings had been P- RS.10,000;Q- Rs.7,500 and R- Rs.4,500. The profit sharing ratio of P,Q and R is 3:2:1.</p> <p>Give necessary adjustment Journal entry.</p> <p style="text-align: center;"><b>OR</b></p> <p>A, B and C are partners sharing profits in the ratio of 5:4:1. C is given a guarantee that his minimum share of profits in any given year would be Rs. 5,000. Deficiency, if any, would be borne by A and B equally. The profits for the year 2008-09 amounted to Rs.40,000.</p> <p>Prepare profit and Loss Appropriation account and pass Journal Entry.</p>	4																				
17	<p>Kanpur forge Products Ltd. registered with capital of ₹ 90,00,000 divided into 90,000 equity shares of ₹ 100 each. The company issued prospectus inviting applications for 50,000 equity shares of ₹ 100 each payable as ₹ 20 on application, ₹ 30 on allotment, ₹ 20 on first call and balance on second call.</p> <p>Applications were received for ₹40,000 shares. Raman to whom 1600 shares were allotted failed to pay final call money and these shares were forfeited. Of the forfeited shares, 600 shares were reissued to Sukhman, credited as fully paid for ₹ 90 per share.</p> <p>Present the Share Capital as per Schedule III of Companies Act, 2013</p>	4																				
18	<p>X and Y are partners in the firm who decided to dissolve the firm. Assets and Liabilities are transferred to Realisation account. Pass necessary journal entries—</p> <p>a) Creditors were Rs 1,00,000. They accepted Building valued Rs 1,40,000 and paid cash to the firm Rs 40,000</p> <p>b) Aman, an old customer whose account of Rs 1000 was written off as bad in the previous year paid 40% of the amount.</p> <p>c) There were 300 shares of Rs 10 each in ABC Ltd which were acquired for Rs 2000 were now valued at Rs 6 each. These were taken over by the partners in the profit sharing ratio.</p> <p>d) Profit on Realisation Rs 42000 was divided among the partners.</p>	4																				
19	<p>How would you deal with the following items in the Balance sheet of a NPO?</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>1. Donations received for Auditorium construction</td> <td style="text-align: right;">25,00,000</td> </tr> <tr> <td>(Expected total cost of the auditorium Rs.40,00,000)</td> <td></td> </tr> <tr> <td>2. Expenditure on construction of Auditorium</td> <td style="text-align: right;">21,00,000</td> </tr> <tr> <td>3. Receipts from Charity show</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>4. Charity show expenses</td> <td style="text-align: right;">11,000</td> </tr> <tr> <td>5. Prize Fund</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>6. 6% Prize fund Investment</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>7. Donation for Prize Fund</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>8. Prizes awarded</td> <td style="text-align: right;">6,000</td> </tr> </tbody> </table>		Rs.	1. Donations received for Auditorium construction	25,00,000	(Expected total cost of the auditorium Rs.40,00,000)		2. Expenditure on construction of Auditorium	21,00,000	3. Receipts from Charity show	10,000	4. Charity show expenses	11,000	5. Prize Fund	25,000	6. 6% Prize fund Investment	25,000	7. Donation for Prize Fund	5,000	8. Prizes awarded	6,000	6
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20	<p>12 Pass journal entries for the following at the time of issue of debentures:</p> <p>(a) B Ltd. issues 30,000, 12% Debentures of Rs. 100 each at a discount of 5 % to be repaid at par at the end of 5 years.</p> <p>(b) E Ltd. issues Rs. 60,000, 12% Debentures of Rs. 100 each at a discount of 5 % repayable at a premium of 10% at the end of 5 years.</p> <p>(c) F Ltd. issues Rs. 70,000, 12% Debentures of Rs. 100 each at a premium of 5 % redeemable at 110%.</p>	6																				

**OR**

Goodwill Ltd has total redeemable debentures of ₹ 5,00,000. It decides to redeem these debentures in two instalments of ₹ 3,00,000 and ₹ 2,00,000 on December 31st 2018 and March 31st 2020 respectively. Assuming that the Company has only Rs.50000 in its Debenture Redemption Reserve Account, Pass necessary journal entries ( Regarding legal compliance of Companies Act, 2013) **only** for creation of DRR, DRRI and transfer of DRR to DRRI etc.

- 21 The balance sheet of Madan and Mohan who share profits and losses in the ratio 3:2 as at 31 march2012 was as follows:

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Creditors	28,000	Cash	10,000
Workmen's compensation reserve	12,000	Debtors 65000 Less:provision 5000	60,000
General Reserve	20,000	Stock	30,000
Madan's capital	60,000	Investments	50,000
Mohan's capital	40,000	Patents	10,000
	<b>1,60,000</b>		<b>1,60,000</b>

They decided to admit Gopal on 1 April 2012 for 1/4th share on following terms

1. Gopal shall bring 25,000 as his share of premium for goodwill and 50,000 for capital.
2. An un accounted accrued income for 500 be provided for.
3. Market value of investments was 45,000.
4. A debtor whose dues of 1,000 were written off as bad debts paid 800 in full settlement.
5. A claim of Rs 2,000 on account of workmen's compensation to be provided for.
6. Patents were undervalued by 5,000.

Prepare Revaluation A/C partners Capital A/cs and Balance sheet of New firm.

**OR**

The balance sheet of Narang, Suri and Bajaj who share profits and losses 1/2 ,1/6 and 1/3 respectively at 1 April 2015 was as follows:

LIABILITIES	AMOUNT	ASSETS	AMOUNT
Creditors	18,000	Cash	7,000
Reserves	12,000	Debtors 20,000 Less: provision 1,000	19,000
Bills payable	12,000	Machinery	30,000
Narang's capital	30,000	Stock	22,000
Suri's capital	30,000	Furniture	12,000
Bajaj's capital	28,000	Freehold premises	40,000
	<b>1,30,000</b>		<b>1,30,000</b>

Bajaj retires from the business on the following terms.

1. Freehold premises and stock appreciated by 20% and 15% respectively.
2. Machinery and furniture depreciated by 10% and 7% respectively.
3. Bad debts reserve increased to 1500.
4. Goodwill valued at 21,000 on Bajaj's retirement.
5. Bajaj will be Rs. paid 5000 immediately and balance will be kept in his loan account.

Prepare Revaluation A/C partners Capital A/cs and Balance sheet of New firm.

22	<p>VK Limited issued Rs.10,00,000 new capital divided into Rs.100 at a premium of Rs.20 per share, payable as under:</p> <table border="1" data-bbox="293 186 1414 827"> <tr> <td data-bbox="293 186 716 226">On Application</td> <td data-bbox="716 186 1414 226">Rs.10 per share</td> </tr> <tr> <td data-bbox="293 226 716 300">On Allotment</td> <td data-bbox="716 226 1414 300">Rs.40 per share (including premium of Rs.10 per share)</td> </tr> <tr> <td data-bbox="293 300 716 340">On First and Final Call</td> <td data-bbox="716 300 1414 340">Balance amount</td> </tr> <tr> <td colspan="2" data-bbox="293 340 1414 413">Over-payments on application were to be applied towards sums due on allotment and first and final call.</td> </tr> <tr> <td colspan="2" data-bbox="293 413 1414 453">Where no allotment was made, money was to be refunded in full.</td> </tr> <tr> <td colspan="2" data-bbox="293 453 1414 493">The issue was oversubscribed to the extent of 13,000 shares.</td> </tr> <tr> <td colspan="2" data-bbox="293 493 1414 567">Applicants for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret.</td> </tr> <tr> <td colspan="2" data-bbox="293 567 1414 606">Shares were allotted in full to the remaining applicants.</td> </tr> <tr> <td colspan="2" data-bbox="293 606 1414 646">All the money due was duly received.</td> </tr> <tr> <td colspan="2" data-bbox="293 646 1414 720">Which value has been affected by rejecting the applications of the applicants who had applied for 3,000 shares?</td> </tr> <tr> <td colspan="2" data-bbox="293 720 1414 760">Suggest a better alternative for the same.</td> </tr> <tr> <td colspan="2" data-bbox="293 760 1414 827">Give Journal Entries to record the above transactions (including cash transactions) in the books of the company.</td> </tr> </table>	On Application	Rs.10 per share	On Allotment	Rs.40 per share (including premium of Rs.10 per share)	On First and Final Call	Balance amount	Over-payments on application were to be applied towards sums due on allotment and first and final call.		Where no allotment was made, money was to be refunded in full.		The issue was oversubscribed to the extent of 13,000 shares.		Applicants for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret.		Shares were allotted in full to the remaining applicants.		All the money due was duly received.		Which value has been affected by rejecting the applications of the applicants who had applied for 3,000 shares?		Suggest a better alternative for the same.		Give Journal Entries to record the above transactions (including cash transactions) in the books of the company.		8
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<p>X Ltd. Issued 50,000 shares of Rs. 10 each at a premium of Rs. 2 each payable as follows:  Rs. 3 on Application  Rs. 6 on Allotment (including premium)  Rs. 3 on call  Applications were received for 75,000 shares and a pro rata allotment was made as follows:  To the applicants of 40,000 shares, 30,000 shares were issued and for the rest 20,000 shares were issued. All money due was received except the allotment and call money from Ram who had applied for 1,200 shares (out of the group of 40,000 shares). All his shares were forfeited. The forfeited shares were reissued for Rs. 7 per share fully paid up. Give journal entries to record these transactions. Also mentions the values which has been affected by allotting shares on prorata basis to all applicants.</p>																										
<b>PART B (Analysis of Financial Statements)</b>																										
23	<p>Comparison of values of one period with those of another period for the same firm is  (a) Intra-firm comparison. (b) Inter-firm comparison.  (c) Pattern comparison. (d) Trend comparison.</p>	1																								
24	<p>Current ratio of Reliance Textiles Ltd. is 1.5 at present. In future it want to improve this ratio to 2. Suggest any two accounting transaction for improving the current ratio.</p>	1																								
25	<p>Debt Equity Ratio of a company is 1:2. Purchase of a Fixed asset for ₹ 7,00,000 on long term deferred payment basis will increase, decrease or not change the ratio?</p>	1																								
26	<p>State one advantage of financial statement analysis.</p>	1																								
27	<p>A Mutual Fund Company received a dividend of Rs 10 lakhs on its investment in another company's shares. Whether will it appear in a cash flow statement?</p>	1																								
28	<p>While preparing Common-size Balance Sheet, each item of Balance Sheet is expressed as % of  (a) Non-current Assets. (b) Current Assets.</p>	1																								

	(c) Non-current Liabilities. (d) Total Assets.																																
29	Declaration of final dividend would result into inflow, outflow, or no flow of cash. Give your answer with reason.		1																														
30	<p>From the following details calculate Interest Coverage Ratio:</p> <p>Net profit after tax - ₹ 7,00,000 6% debentures of ₹ 20,00,000 Tax Rate 30%</p> <p style="text-align: center;"><b>OR</b></p> <p>Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013?</p> <p>(i) Debentures with maturity period in current financial year (ii) Securities Premium Reserve (iii) Provident Fund</p>		3																														
31	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">2019</th> <th style="text-align: center;">2020</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Revenue from operations</td> <td style="text-align: center;">20,00,000</td> <td style="text-align: center;">30,00,000</td> </tr> <tr> <td style="text-align: center;">Expenses</td> <td style="text-align: center;">12,00,000</td> <td style="text-align: center;">21,00,000</td> </tr> <tr> <td style="text-align: center;">Other incomes</td> <td style="text-align: center;">4,00,000</td> <td style="text-align: center;">3,60,000</td> </tr> <tr> <td style="text-align: center;">Income Tax</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">50%</td> </tr> </tbody> </table> <p>Prepare a 'Comparative Statement of Profit &amp; Loss' with the help of following information</p> <p style="text-align: center;"><b>OR</b></p> <p>Prepare Common Size income statement from the following information for the year's ended march 31, 2008 and 2009.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">2018(Rs.)</th> <th style="text-align: center;">2019(Rs.)</th> </tr> </thead> <tbody> <tr> <td>1.Net Sales</td> <td style="text-align: center;">8,00,000</td> <td style="text-align: center;">10,00,000</td> </tr> <tr> <td>2.Cost of Goods Sold</td> <td style="text-align: center;">60% of sales</td> <td style="text-align: center;">60% of sales</td> </tr> <tr> <td>3.Indirect Expenses</td> <td style="text-align: center;">10% of Gross profit</td> <td style="text-align: center;">10% of Gross Profit</td> </tr> <tr> <td>4.Income Tax rate</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">60%</td> </tr> </tbody> </table>		Particulars	2019	2020	Revenue from operations	20,00,000	30,00,000	Expenses	12,00,000	21,00,000	Other incomes	4,00,000	3,60,000	Income Tax	50%	50%	Particulars	2018(Rs.)	2019(Rs.)	1.Net Sales	8,00,000	10,00,000	2.Cost of Goods Sold	60% of sales	60% of sales	3.Indirect Expenses	10% of Gross profit	10% of Gross Profit	4.Income Tax rate	50%	60%	4
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From the following Balance sheet, prepare a Cash Flow Statement as per AS-3 (revised)

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Particulars	2018	2019
<b>Equity And Liabilities</b>		
Shareholders' Fund		
Share capital	2,00,000	2,00,000
Balance of Statement of profit and loss	96,000	98,000
<b>Non Current Liabilities</b>		
Loan from Z Ltd	.....	40,000
Loan from Bank	60,000	50,000
<b>Current Liabilities</b>		
Trade Payables	<u>72,000</u>	<u>82,000</u>
<b>TOTAL</b>	<b><u>4,28,000</u></b>	<b><u>4,70,000</u></b>
<b>II. ASSETS</b>		
<b>Non Current Assets</b>		
Fixed Assets (Tangible)		
Land	40,000	60,000
Building	1,00,000	1,10,000
Machinery(Net)	1,60,000	1,72,000
<b>Current Assets</b>		
Cash and cash equivalents	8,000	7,200
Trade receivables	70,000	76,800
Inventories	50,000	44,000
<b>TOTAL</b>	<b><u>4,28,000</u></b>	<b><u>4,70,000</u></b>

Additional Information: Provision for Depreciation as on 31st March, 2018 and 31st March, 2019 respectively was Rs. 54000 and Rs. 72000. During the year Rs. 52000 were paid as dividend.  
Prepare the Cash Flow Statement.