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# CBSE 12th Accountancy 2007 Unsolved Paper Outside Delhi

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# CBSE 12th Accountancy 2007 Unsolved Paper Outside Delhi

TIME - 3HR. | QUESTIONS - 23

THE MARKS ARE MENTIONED ON EACH QUESTION

## PART – A: ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES

**Q.1. A, B, C and D were partners in a firm sharing profit in the ratio of 4:3 :2: 1. On 1-1-2015 they admitted E as a new partner for 1/10 share in the profits. E brought Rs10,000 for his share of goodwill premium which was correctly recorded in the books by the accountant. The showed goodwill at Rs1,00,000 in the books. Was the accountant correct in doing so? Give reason in support of your answer. 1 mark**

**Q.2. Joy Ltd. issued 1,00,000 equity shares of Rs10 each. The amount was payable as follows: 1 mark**

**On application - Rs3 Per share.**

**On allotment - Rs4 per share.**

**On 1<sup>st</sup> and final call - balance**

**Applications for 95,000 shares were received and shares were allotted to all the applicants. Sonam whom 500 shares were allotted failed to pay allotment money and Gautam paid his entire amount due including the amount due on first and final call on the 750 shares allotted to him along with allotment. The amount received on allotment was**

**(a) Rs3,80,000 (b) Rs3,78,000**

**(c) Rs3,80,250 (d) Rs4,00,250**

**Q.3. State the provisions of Indian Partnership Act regarding the payment of remuneration to a partner for the services rendered. 1 mark**

**Q. 4. state any two occasions on which a firm can be reconstituted. 1 mark**

**Q. 5. Why should a firm have a partnership deed? 1 mark**

**Q. 6. How is interest on drawings calculated, if the drawings are made at regular intervals, as on the first day of each month? 1 mark**

**Q. 7. The Directors of a Company forfeited 200 shares of Rs10 each issued at a premium of Rs3 per share; for the non-payment of the First Call Money of Rs3 per share. The final call of Rs2 per share has not been made. Half the forfeited shares were re-issued at Rs1,000 fully paid.**

**Record the Journal Entries for the forfeiture and re-issued of shares. 3 mark**

Q. 8. X-Ltd. purchased machinery for Rs5,50,000 from Y Ltd. Rs55,000 were paid by X Ltd. in cash and the balance was paid by issue of 9% debentures of Rs1,000 each at 10% premium redeemable after three years. Pass necessary journal entries in the books of the company. *3 marks*

Q.9. A, B and C were partners in a firm having capitals of Rs60,000; Rs60,000 and Rs80,000 respectively. Their Current Account balances were A: Rs10,000; B: Rs5,000 and C:(2,000(Dr.)). According to the Partnership Deed the partners were entitled to an interest on capital @5% p.a. C being the working partner was also entitled to a salary of Rs6,000 p.a. The profits were to be divided as follows:

(a) The first Rs20,000 in proportion to their capitals.

(b) Next Rs30,000 in the ratio of 5 : 3 : 2.

(c) Remaining profits to be shared equally.

The firm made a profit of ₹ 1,55,000 before charging any of the above items. Prepare the Profit & Loss Appropriation Account and pass necessary journal entry for apportionment of profit. *4 marks*

Q.10. The authorised capital of Suhas Ltd. is Rs50,00,000 divided into 25,000 shares of Rs200 each. Out of these, the company issued 12,000 shares of Rs200 each at a premium of 10%. The amount per share was payable as follows:

Rs50 on application

Rs60 on allotment (including premium)

Rs30 on first call and

balance on final call

Public applied for 11,000 shares. All the money was duly received

Prepare an extract of Balance sheet of suhas Ltd. as per Revised schedule III of the companies Act 2013 disclosing the above information. Also prepare 'Notes to accounts' for the same. *4 marks*

Q.11. Arun, Varun and Karan were partners in a firm sharing profits in the ratio of 4 : 3 : 3. On 31.3.2014, their Balance Sheet was as follows:

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		17,000	Cash		8,000
Bills Payable		12,000	Debtors		13,000
Karan's Loan		28,000	Bills Receivables		9,000
Capitals :			Furniture		27,000
Arun	70,000		Machinery		1,25,000
Varun	68,000	1,38,000	Karan's Capital		13,000
		1,95,000			1,95,000

**On 30.9.2014, Karan died. The Partnership Deed provided for the following to the executors of the deceased partner:**

- (a) His share in the goodwill of the firm calculated on the basis of three years purchase of the average profits of the last four years.  
The profits of the last four years were Rs1,90,000; Rs1,70,000; Rs1,80,000 and Rs1,60,000 respectively.
- (b) His share in the profits of the firm till the date of his death calculated on the basis of the average profits of the last four years.
- (c) Interest @ 80/o p.a. on the credit balance, if any, in his Capital Account.
- (d) Interest on his loan @ 12% p.a.
- (b) A Prepare Karan's Capital Account to be presented to his executors, assuming that his interest on loan were transferred to his Capital Account.

**Q.12. Not in Syllabus. 4 marks**

**Q.13. From the following Balance Sheets of Vikas Ltd. as on 31.3.2012 and 31.3.2013, prepare a Cash Flow Statement: 6 marks**

<i>Particulars</i>	<i>Note No.</i>	<i>31.3.2012</i> ₹	<i>31.3.2013</i> ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital		90,000	1,30,000
(b) Reserves & Surplus	1	48,000	84,000
<b>2. Non-current Liabilities</b>		—	—
<b>3. Current Liabilities</b>			
Trade Payables (Creditors)		17,400	22,000
<b>Total</b>		<b>1,55,400</b>	<b>2,36,000</b>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
Fixed Assets		93,400	1,66,000
<b>2. Current Assets</b>			
(a) Inventories (Stock)		22,000	26,000
(b) Trade Receivables (Debtors)		36,000	39,000
(c) Cash and Cash Equivalents		4,000	5,000
<b>Total</b>		<b>1,55,400</b>	<b>2,36,000</b>

**Note:**

	<b>31-3-2012</b> ₹	<b>31-3-2013</b> ₹
<b>1. Reserves &amp; Surplus :</b>		
General Reserve	30,000	55,000
Surplus <i>i.e.</i> , Balance in Statement of Profit & Loss	18,000	29,000
	<b>48,000</b>	<b>84,000</b>

**Additional Information:**

- (i) Depreciation charged on fixed assets for the year 2009-2010 was Rs20,000.  
(ii) Income Tax Rs5,000 has been paid in advance during the year. (Modified)

**Q.14. X, Y and Z were partners sharing profits in the ratio 3: 2: 1. On 31<sup>st</sup> March, 2008, their Balance Sheet stood as under. 6 marks**

<i>Liabilities</i>		<i>Amount (₹)</i>	<i>Assets</i>		<i>Amount (₹)</i>
<b>Capitals :</b>	₹		<b>Cash at bank</b>		<b>70,000</b>
<b>X :</b>	75,000		<b>Investments</b>		<b>50,000</b>
<b>Y :</b>	70,000		<b>Patents</b>		<b>15,000</b>
<b>Z :</b>	50,000	1,95,000	<b>Stock</b>		<b>25,000</b>
<b>Creditors</b>		72,000	<b>Debtors</b>		<b>20,000</b>
<b>General Reserve</b>		24,000	<b>Buildings</b>		<b>75,000</b>
			<b>Machinery</b>		<b>36,000</b>
		<b>2,91,000</b>			<b>2,91,000</b>

**X died on 31<sup>st</sup> May 2008. It was agreed that:**

- Goodwill was valued at 3 years' purchase of the average profits of the last five years which were, 2003: Rs 40,000;2004: Rs 40,000; 2005: Rs 30,000;2006: and 2007 Rs 50,000.**
- Machinery was valued at Rs 70,000, Patents at Rs 20,000 and Buildings at Rs 66,000.**
- For the purpose the calculating X's share of profits till the date of death, it was agreed that the same be calculated based on the average profits for the last 2 years.**
- The executor of the deceased partner is to be paid the entire amount due by means of a cheque. Prepare X's Capital Account to be rendered to the executor and also a journal entry for the settlement of the amount due to the executor.**

**Q. 15. Atal and Madan were partners in a firm sharing profits in the ratio of 5: 3. On 31-3-2011, they admitted Mehra as a new partner for 1/5<sup>th</sup> share in the profits. The new profit sharing ratio was 5:3:2. On Mehra's admission the Balance Sheet of the firm was as follows: 8 marks**

<i>Liabilities</i>	<i>Amount</i> ₹	<i>Assets</i>	<i>Amount</i> ₹
Capitals :		Land and Building	1,50,000
Atal : ₹ 1,50,000		Machinery	40,000
Madan : ₹ 90,000	2,40,000	Patents	5,000
Provision for bad debts	1,200	Stock	27,000
Creditors	20,000	Debtors	47,000
Workmen Compensation Fund	32,000	Bank	4,200
		Profit and Loss Account	20,000
	<b>2,93,200</b>		<b>2,93,200</b>

**On Mehra's admission it was agreed that**

**(i) Mehra will bring Rs40,000 as his capital and Rs16,000 for his share of goodwill premium, half of which was withdrawn by Atal and Madan;**

**(ii) A provision of  $2\frac{1}{2}\%$  bad and doubtful debts was to be created;**

**(iii) Included in the sundry creditors was an item of ₹ 2,500 which was not to be paid;**

**(iv) A provision was to be made for an outstanding bill for electricity Rs3,000;**

**(v) A claim of Rs325 for damages against the firm was likely to be admitted.**

**Provision for the same was to be made.**

**After the above adjustments, the capitals of Atal and Madan were to be adjusted on the basis of Mehra's capital. Actual cash was to be brought in or to be paid off to Atal and Madan as the case may be.**

**Prepare Revaluation Account, Capital Accounts of the partners and the Balance Sheet of the new firm.**

**OR**

**Khanna, Seth and Mehta were partners in a firm sharing profits in the ratio of 3: 2:**

**5. On 31-12-2010 the Balance Sheet of Khanna, Seth and Mehta was as follows:**

<i>Liabilities</i>	<i>Amount (₹)</i>	<i>Assets</i>	<i>Amount (₹)</i>
Capitals :		Goodwill	3,00,000
Khanna : ₹ 3,00,000		Land and Building	5,00,000
Seth : ₹ 2,00,000		Machinery	1,70,000
Mehta : ₹ 5,00,000	10,00,000	Stock	30,000
General Reserve	1,00,000	Debtors	1,20,000
Loan from Seth	50,000	Cash	45,000
Creditors	75,000	Profit and Loss Account	60,000
	<b>12,25,000</b>		<b>12,25,000</b>

On 14<sup>th</sup> March 2011, Seth died.

The partnership deed provided that on the death of a partner the executor of the deceased partner is entitled to:

- (i) Balance in Capital Account;
- (ii) Share in profits up to the date of death on the basis of last year's profit;
- (iii) His share in profit/loss on revaluation of assets and re-assessment of liabilities which were as follows:
  - (a) Land and Building was to be appreciated by Rs1,20,000;
  - (b) Machinery was to be depreciated to Rs1,38,000 and stock to Rs25,000;
  - (c) A provision of  $2\frac{1}{2}\%$  for bad and doubtful debts was to create on debtors;
  - (iv) The net amount payable to Seth's executors was transferred to his loan account which was to be paid later.

Prepare Revaluation Account, Partners Capital Accounts, Seth's Executors A/c and the Balance Sheet of Khanna and Mehta who decided to continue the business keeping their capital balances in their new profit sharing ratio. Any surplus or deficit to be transferred to current accounts of the partners.

Q.16. Not in Syllabus. 8 marks

#### PART – B: ANALYSIS OF FINANCIAL STATEMENTS

Q.17. When is interest received considered as financing activity? 1 mark

Q.18. what will be the operating profit ratio, if operating ratio is 81.38%? 1 mark

Q.19. While preparing cash flow statement, what type of activity is payment of cash to acquire shares of another company by a trading company? 1 mark

Q. 20. Give an example of the activity which remains financing activity for every enterprise. 1 marks

Q.21. (a) A business has a current ratio of 3: 1 and quick ratio of 1.2: 1. If the working capital is t 1,80,000, calculate the total current Assets and value of stock.

- (b) From the given information calculate the stock turnover ratio. sales Rs 2,00,000; GP : 25 % on cost stock at the beginning is 1/3 of the stock at the end which was 30 % of sales. 4 marks

Q. 22. Compute 'Debtors Turnover Ratio' from the following information:

Total Sales Rs5,20,000, Cash Sales 50% of the Credit Sales, Closing Debtors Rs80,000, Opening Debtors are  $\frac{3}{4}$ <sup>th</sup> of Closing Debtors.

- (b) Current liabilities of a company are Rs1,60,000. Its Liquid ratio is 1.5: 1 and Current ratio is 2.5: 1. Calculate Quick assets and Current assets. 4 marks



**Q. 23. X Ltd. made a profit of Rs1,00,000 after considering the following items:**

- (a) Depreciation on Fixed Assets Rs20,000.
- (b) Writing off preliminary expenses Rs10,000.
- (c) Loss on sale of Furniture Rs1,000.
- (d) Provision for Taxation Rs1,60,000.
- (e) Transfer to General Reserve Rs14,000.
- (f) Profit on sale of machinery Rs6,000.

**The following additional information is available to you:**

Items	31-3-2007	31-3-2008
	₹	₹
Debtors	24,000	30,000
Bills Receivable	20,000	17,000
Creditors	20,000	30,000
Bills Payable	16,000	12,000
Prepaid expenses	400	600

**Calculate Cash flow from operating activities. 6 marks**



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