XII ACCOUNTS TEST – Shares, IInd Book, Partnership

MM : 55 **Time : 2:00 Hr**

Q1. A Ltd. forfeited 100 shares of ₹ 10 each (₹ 8 called up) issued at a premium of ₹ 2 per share to Mr.V on which he had paid application money of ₹ 5 per share, for non-payment of allotment money of ₹ 5 per share (including premium). Out of these 70 shares were reissued to Mr.A for ₹ 7 per share. Pass entries. **(3)**

Q2. a) Classify the following items under major head and sub-head (if any) in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013: i) Provision for warranties; ii) Capital Advances

b) State any two limitations of 'Analysis of Financial Statements'. **(2+2)**

Q3. Prepare a Common Size Statement on the basis of the information of SAI RAM Ltd. **(4)**

	2018-17	2017-16
Revenue from Operations	25,00,000	20,00,000
Employee Benefit Expenses	10,00,000	7,00,000
Other Expenses	2,00,000	3,00,000
Tax rate 40%		

Q4. Fill in the blanks: **(4)**

1) Capital Employed = Shareholders' Funds + ?. 2) Net profit = Operating Profit – ? + ?.
3) Gross Profit = ? – Cost of Revenue from Operations. 4) Debt = ? + ?
5) Capital Employed = ? + Net Working Capital. 6) Quick Assets = Current Assets – ? – ?.
7) Equity = Non-Current Assets + Current Assets – ? – ? 8) Operating Cost = ? + ?.

Q5. The Quick Ratio of a company is 0.8 : 1. State giving reasons which of the following transactions Would (i) Improve; (ii) Reduce; (iii) Not Change, the Quick Ratio: **(4)**

1) Purchase of loose tools for ₹ 2,000. 2) Insurance premium paid in advance ₹ 500.
3) Sale of goods on credit ₹ 3,000. 4) Honoured a bills payable of ₹ 5,000 on maturity.

Q6. Pass necessary Journal entries for the following transactions on the dissolution of the firm of A and B after the various assets and outside liabilities have been transferred to Realisation A/c:

1) A agreed to pay his wife's loan of ₹ 20,000.
2) A debtor whose debt of ₹ 8,000 was written off as bad in the books paid ₹ 7,500 in full settlement.
3) Sundry Assets were of ₹ 1,17,000. B is to take some Sundry Assets at ₹ 72,000 (being 10% less than book value). A is to take remaining Sundry Assets at 80% of the book value.

4) C's Loan of ₹ 10,000 was paid along with accrued interest of ₹ 200 (not yet recorded).

5) Realisation expenses ₹ 3,400 were paid by A for which he was allowed ₹ 3,000. **(6)**

Q7. From the following Balance Sheet of Neha Ltd. Prepare Cash Flow Statement: **(6)**

Particulars	Note No.	31-3-2022	31-3-2023
I. Equity and Liabilities			
1. Shareholders' Funds			
(A). Share Capital	1	80,000	1,00,000
(B). Reserve & Surplus	2	6,000	7,400
2. Non-Current Liabilities			
(A) Long-term Borrowings:-			
15% Debentures		12,000	13,000
3. Current Liabilities			
(A) Short-term Borrowing	3	25,000	13,600
(B) Trade Payables		24,000	22,000
(C) Short term Provisions	4	16,000	20,000
Total		1,63,000	1,76,000
II. Assets			
1. Non Current Assets			
A) Fixed Assets (Net)	5	60,000	50,000
2. Current Assets:			
(A). Inventories		60,000	70,000
(B). Trade Receivables		40,000	48,000
(C). Cash and Cash Equivalents		2,400	7,000
(D). Other Current Assets: Prepaid Expenses		600	1,000
Total		1,63,000	1,76,000

Notes to Accounts:

Particulars	31-3-2022	31-3-2023
1. Share Capital		
Equity Share Capital	80,000	90,000
2% Preference Share Capital	-----	10,000
	80,000	1,00,000
2. Reserve and Surplus		
General Reserve	4,000	5,000
Balance in Statement of Profit and Loss	2,000	2,400
	6,000	7,400
3. Short-term Borrowing		
Bank Overdraft	25,000	13,600
4. Short Term Provisions		
Proposed Dividend	10,000	11,600
Provision for Tax	6,000	8,400
	16,000	20,000
5. Fixed Assets		
Plant and Machinery	82,000	80,000
Less: Accumulated Depreciation	22,000	30,000
	60,000	50,000

Q8. A, B and C are equal partners of a trading firm. The Capital of the firm is ₹ 60,000 held equally by the partners. Under the partnership deed:

i) A and B to a salary of ₹ 1,800 and ₹ 1,600 per month respectively.

ii) In the event of death of a partner, goodwill was to be valued at 2 years' purchase of the average profits of the last three years. Profit up to the date of the death based on the profits of the previous year.

iii) Partners were to be charged interest on drawings at 5 % p.a. and allowed interest on capital at 6% p.a.

B died on 1st January. 2021. His drawings to the date of death were ₹ 2,000 and the interest thereon ₹ 60.

The profits of the three years ended 31st March, 2018, 2019 and 2020 were : ₹ 21,200; ₹ 3,200 (Dr.); and ₹ 9,000 respectively. Prepare B's Capital A/c to calculate the amount to be paid to his executors. **(6)**

Q9. Mukesh Ltd. company with registered capital of ₹ 10,00,000 in shares of ₹ 20 each issued, 20,000 of such shares payable ₹ 3 on application, ₹ 8 on allotment, ₹ 5 on 1st call and 4 on final call.

All the money payable on allotment were duly received, but on the first call being made one shareholder paid the entire balance on his holding of 600 shares and three shareholders with a total holding of 2,000 shares

failed to pay their dues on the first call. These shares were forfeited for non-payment of 1st call money.

Final call was made and all the money due was received.
Later on, forfeited shares were reissued at ₹ 12 per share fully paid up. Make journal entries. **(8)**

Q10. The Balance Sheet of X, Y and Z who were sharing profits in the ratio 5:3:2 on 31st March, 2026 was as:

Liabilities	₹	Assets	₹
Creditors	50,000	Cash at Bank	40,000
Provident Fund	10,000	Debtors	1,00,000
Workmen Compensation Reserve	50,000	Stock	80,000
Profit and Loss A/c	85,000	Fixed Assets	60,000
Capital A/c: X 40,000		Goodwill	50,000
Y 62,000			
Z 33,000	1,35,000		
	3,30,000		3,30,000

The following terms have been agreed upon on X's retirement and Y and Z decided to share profit in future in the ratio of 2 : 3 respectively:

1. Goodwill of firm valued ₹ 80,000. Fixed Assets are to be depreciated to ₹ 57,500.

2. Create provision for Doubtful debts at 5% on debtors.

3. A liability for claim, included in creditors for ₹ 10,000 is settled at ₹ 8,000.

5. Stock was overvalued by ₹ 10,000. Out of the amount of insurance debited to Profit and Loss A/c ₹ 10,000, be carried forward as unexpired insurance.

The amount to be paid to X by Y and Z in such a way that their capitals are proportionate to their profit sharing ratio and leave a balance of ₹ 15,000 in the Bank A/c. X decided to donate 50% of his share to a school.

Prepare Revaluation A/c, Partners' Capital A/c and the Balance Sheet of new firm.
Also, identify the value being highlighted in this case. **(8)**

Q11. X, Y and Z are sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share future profits and losses in the ratio of 2 : 3 : 5 with effect from 1st April, 2020. They also decide to record the effect of the following, without affecting their book values. Pass the necessary Single Adjusting Entry.
Profit and Loss A/c ₹ 24,000; Advertisement Suspense A/c ₹ 12,000 **(2)**

All the Best 12th