THE VILLAGE
INTERNATIONAL SCHOOL
"We Nurture Dreams"

Date:09/12/22 **GRADE: XI1**	**MODEL - 01 (2022-23)** **ACCOUNTANCY [055]**	**Max marks: 80** **Time: 3 hours**

General Instructions:

1 This question paper contains 34 questions. All questions are compulsory.

2. This question paper is divided into two parts, Part A and B.

2. Marks are indicated against each question.
3. Questions 1 to 16 and 27 to 30 carries 1 mark each.
4. Questions 17 to 20, 31 and 32 carries 3 marks each.
5. Questions 21, 22 and 33 carries 4 marks each.
6. Questions from 23 to 26 and 34 carries 6 marks each.
7. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks,1 question of four marks and 2 questions of six marks.

<table>
<tr><td>Qn. No</td><td></td><td>Marks</td></tr>
<tr><td></td><td>PART A
Accounting for Partnership Firms and Companies</td><td></td></tr>
<tr><td>1</td><td>Anita and Babita were partners sharing profits and losses in the ratio of 3: 1. Savita was admitted for 1/5th share in the profits. Savita was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:
<table>
<tr><td>Date</td><td>Particulars</td><td></td><td>Dr.</td><td>Cr.</td></tr>
<tr><td></td><td>Savita's Current A/c. Dr.
To Anita's Capital A/c.
To Babita's Capital A/c.
(Being adjustment of goodwill premium on Savita's Admission)</td><td></td><td>24,000</td><td>
8,000
16,000</td></tr>
</table>
(a) 5:3:2 (b) 13:12:10
(c) 3:1:1 (d) 41:7:12</td><td>1</td></tr>
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2	Assertion: In case of losses, interest on capital will not be provided. Reason: As interest on capital is treated as the appropriation of the profits and there are no profits. But interest on capital can be provided in case of losses, if it is to be treated as charge. (a) Both A and R true and R is the correct explanation of A. (b) Both A and R are true but R is not the correct explanation of A (c) A is true and R is false (d) A is false and R is true	1
3	On an equity share of ₹20, the company called-up ₹16 and had received ₹14, equity share capital account will be credited by: (a) ₹20 (b) ₹16 (c) ₹14 (d) ₹2 OR When shares are forfeited, share capital account is debited with: (a) Nominal value of shares (b) Paid-up value of shares (c) Called-up share capital (d) Market value of shares	1
4	'A' and 'B' are partners in a firm. They share their profits and losses in the ratio of 3 : 2. They have decided that their new profits (losses) sharing ratio will be 1 : 1. At that time their goodwill is valued at 30,000. Calculate amount of goodwill which will be given by B to A. (a) ₹2,500 (b) ₹2,400 (c) ₹3,000 (d) ₹2,800 OR Mr. A and Mr. B are partners from 1st April, 2020, without a Partnership Deed and they introduced capitals of ₹35,000 and ₹20,000 respectively. On 1st October, 2020, Mr. A advanced loan of 8,000 to the firm without any agreement as to interest. The Profit and Loss Account for the year ended 31st March, 2021 shows a profit of 15,000 but the partners cannot agree on payment of interest and division of profits. What amount of profit will be distributed to A? (a) ₹7,500 (b) ₹7,260 (c) ₹7,380 (d) ₹7,800	1
5	Under Fluctuation Method of Capital, what is the treatment of "Interest on Capital"? (a) Credited to capital account (b) Debited to capital account (c) No treatment (d) Credited to capital account	1

6	X Ltd. purchased a building of Y Ltd. for ₹4,00,000. The consideration was paid by issue of 10% Debentures of ₹100 each at a discount of ₹20. 10% Debenture Account is credited with: (a) ₹5,00,000 (b) ₹5,20,000 (c) ₹4,80,000 (d) ₹3,20,000 OR HP Ltd. issued 5,000, 8% Debentures of ₹100 each at ₹95. It will credit 8% Debentures Account by: (a) ₹5,00,000 (b) ₹4,75,000 (c) ₹4,00,000 (d) ₹5,25,000	1
7	Divya Ltd. forfeited 7,000 shares of ₹100 each issued at a premium of 10%, for non- payment of first and final call of ₹40 per share. The maximum amount of discount at which these shares can be reissued will be: (a) ₹2,80,000 (b) ₹4,20,000 (c) ₹4,90,000 (d) ₹3,50,000	1
8	A, B and C share profits and losses of the firm equally. B retires from business and his share is purchased by A and C in the ratio of 2 : 3. New profit sharing ratio between A and C respectively would be: (a) 1:1 (b) 2:3 (c) 7:8 (d) 3:5 OR Aman and Bobby are partners with a profit-sharing ratio of 2 : 1 and capitals of ₹3,00,000 and ₹2,00,000 respectively. They are allowed 6% p.a. interest on their capitals and are charged 10% p.a. interest on their drawings. Their drawings during the year were Aman ₹60,000 and Bobby ₹40,000. Bobby's share of net profit as per profit and loss appropriation account amounted to ₹40,000. Net Profit of the firm before any appropriations was: (a) ₹1,22,000 (b) ₹1,13,000 (c) ₹1,45,000 (d) ₹1,17,000	1
	Read the following hypothetical situation, Answer Question No. 9 and 10. Arun and Barun are partners in a firm sharing profits and losses. Their capitals on 1st April, 2021 were ₹4,80,000 and ₹5,40,000. On 1 October, 2021, they decided that the total capital of the firm should be ₹10,00,000 to be contributed equally by both of them. According to the Partnership Deed, interest on capital is allowed to the partners @ 6% p.a.	
9	What would be the interest on capital 30 September, 2021? (a) ₹29,400, ₹31,200 (b) ₹15,000, ₹15,000 (c) ₹14,400, ₹16,200 (d) None of these	1
10	You are required to compute interest on capital for the year ending 31 March, 2022. (a) ₹29,400, ₹31,200 (b) ₹15,000, ₹15,000 (c) ₹14,400, ₹16,200 (d) None of these	1

11	Guarantee given to partner 'A' by the other partners 'B & C' means: (a) In case of loss, 'A' will not contribute towards that loss. (b) In case of insufficient profits, 'A' will receive only the minimum guarantee amount. (c) In case of loss or insufficient profits, 'A' will withdraw the minimum guarantee amount. (d) All of the above.	1
12	Super Star Ltd. issued 10,000 equity shares of ₹100 each at a premium of 20%. Mamta, who has been allotted 2,000 shares did not pay first and final call of 5 per share. On forfeiture of Mamta's shares, amount debited to Securities Premium Account will be (a) ₹5,000 (b) ₹10,000 (c) ₹15,000 (d) Nil	1
13	Which of the following is not a purpose for which the Security Premium amount can be used? (a) Issuing fully paid bonus share to shareholders (b) Issuing partly paid up bonus share to shareholders (c) Writing off preliminary expenses of the company (d) In purchasing its own shares (buy back)	1
14	Ramesh and Suresh are partners sharing profits in the ratio of 2:1 respectively with capitals of Ramesh ₹1,02,000 and Suresh ₹ 73,000. They admit Mahesh and agree to give him 1/5th share in future profit. Mahesh brings ₹14,000 as his share of goodwill. He agrees to contribute capital in the new profit-sharing ratio. How much capital will be brought by Mahesh? (a) ₹43,750 (b) ₹45,000 (c) ₹47,250 (d) ₹48,000	1
15	One of the partners (Mr. Dev) in a partnership firm has withdrawn ₹4,500 at the end of each quarter. Interest on his drawings is to be calculated at the rate of 6% per annum. Interest on his drawings will be: (a) ₹405 (b) ₹800 (c) ₹400 (d) ₹304 OR If a partner withdraws ₹10,000 in the beginning of every month and as per the partnership deed interest on drawings is to be charged @ 10% p.a. interest on his drawings will be: (a) ₹6,500 (b) ₹12,000 (c) ₹6,000 (d) ₹7,500	1
16	On dissolution of a firm, its Balance Sheet revealed total creditors 50,000; Total Capital ₹48,000; Cash Balance 3,000. Its assets were realised at 12% less. Loss on realisation will be: (a) ₹6,000 (b) ₹11,760 (c) ₹11,400 (d) ₹3,600	1

17	Ram, Manu and Hari were partners in a firm. Hari died on 30th June, 2022. His share of profit from the closure of the last accounting year till the date of death was to be calculated on the basis of the average of three completed financial years of profits before death. Profits for the years ended 31st March, 2020, 2021 and 2022 were ₹1,10,000, ₹1,20,000 and ₹1,30,000 respectively. Calculate Hari's share of profit till the date of his death and pass necessary Journal entry for the same.	3
18	A and B are in partnership sharing profits and losses in the ratio of 3 : 2. They decided to admit C, their Manager, as a partner with effect from 1st April, 2017, giving him 1/4th share of profits. C, while a Manage, was in receipt of a salary of 27,000 p.a. and a commission of 10% of the net profits after charging such salary and commission. In terms of the Partnership Deed, and excess amount, which C will be entitled to receive as a partner over the amount which would have been due to him if he continued to be the manager, would have to be personally borne by A out of his share of profit. Profit for the year ended 31st March, 2018 amounted to ₹2,25,000. You are required to show Profit and Loss Appropriation Account for the year ended 31st March, 2018. OR Capitals of Kajal, Neerav and Alisha as on 1st April, 2021 amounted to ₹3,30,000, ₹6,60,000 and ₹9,90,000 respectively. Profit of ₹1,80,000 for the year ended 31st March, 2022 was distributed in the ratio of 4:1:1 after allowing interest on capital @ 10% p.a. During the year, each partner withdrew ₹3,60,000. The partnership deed was silent as to profit-sharing ratio but provided for interest on capital @12%. Pass necessary adjustment entry showing your working clearly.	3
19	X Ltd. took a loan of ₹3,00,000 from IDBI Bank. The company issued 4000; 9% Debentures of 100 each as a collateral security for the same. Show how these items will be presented in the balance sheet of the company. OR B Ltd. issued 9% debenture of 100 each at a premium of 20% to Vendor for purchase of plant costing ₹6,00,000. Pass the journal entry for the payment made to vendor.	3

20	Mandeep, Vinod and Abbas are partners sharing profits and losses in the ratio of 3 : 2 : 1. From 1st April, 2019, they decided to share profits equally. The Partnership Deed provides that in the event of any change in profit-sharing ratio, goodwill shall be valued at three years' purchase of average profit of last five years. The profits and losses of past five years are: Profit: 2015 - ₹1,00,000, 2016 - ₹1,50,000, 2018 - ₹2,00,000, 2019 - ₹2,00,000 Loss in 2017 - 50,000. Pass the Journal entry showing the working.	3
21	Sony Media Ltd. issued 50,000 shares of ₹10 each payable ₹3 on application, ₹4 on allotment and balance on first and final call. Applications were received for 1,00,000 shares and allotment was made as follows: i) Applicants for 60,000 shares were allotted 30,000 shares, ii) Applicants for 40,000 shares were allotted 20,000 shares. Anupam to whom 1,OOO shares were allotted from category (i) failed to pay the allotment money. Pass necessary Journal entries up to allotment.	4
22	What Journal entries would be passed for discharge of following unrecorded liabilities on the dissolution of a firm of partners A and B: a) There was a contingent liability in respect of bills discounted but not matured of ₹18,500. An acceptor of one bill of ₹2,500 became insolvent and fifty paise in a rupee was recovered. The liability of the firm on account of this bill discounted and dishonoured has not so far been recorded. b) There was a contingent liability in respect of a claim for damages for ₹75,000, such liability was settled for ₹50,000 and paid by the partner A. c) Firm will have to pay ₹10,000 as compensation to an injured employee, which was a contingent liability not accepted by the firm. d) ₹5,000 for damages claimed by a customer has been disputed by the firm. It was settled at 70% by a compromise between the customer and the firm.	4

23	Nitro Paints Ltd. invited applications for issuing 1,60,000 equity shares of ₹10 each at a premium of per share. The amount was payable as follows On Application - ₹6 per share (including premium 1); On Allotment - ₹3 per share (including premium 1); and The Balance on first and final call. Applications for 1,80,000 shares were received. Applications for 10,000 shares were rejected and pro rata allotment was made to the remaining applicants. Over payment received on application was adjusted towards sum due on allotment. All calls were made and were duly received except allotment and final call from Aditya who was allotted 3,200 shares. His shares were forfeited. Half of the forfeited shares were reissued for ₹43,000 as fully paid up. OR Pass entries for forfeiture and re-issue in both the following cases: (a) 'Telecom Ltd.' issued 20,000 equity shares of ₹10 each at a premium of ₹5 per share, payable as ₹7 (including premium) on application, ₹5 on allotment and the balance after three months of allotment. A shareholder to whom 200 shares were allotted failed to pay the allotment and call money and his shares were forfeited. 160 of the forfeited shares were reissued for ₹1,600. (b) X Ltd. forfeited 100 shares of each ₹10 each (₹8 called-up) issued at a premium of ₹2 per share to Rahul 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. Sanjay as ₹8 called-up for ₹7 per share. Give necessary Journal entries relating to forfeiture and reissue of shares.	6

24 X and Y are partners sharing profits in the ratio of 2 : 1. Their Balance Sheet as at 31st March, 2019 was: 6

Liabilities		Assets	
Sundry Creditors	25,000	Cash/Bank	5,000
General Reserve	18,000	Sundry Debtors	15,000
Capital Accounts:		Stock	10,000
X 75,000		Investments	8,000
Y 62,000	1,37,000	Printer	5,000
		Fixed Assets	1,37,000
	1,80,000		1,80,000

They admit Z into partnership on the same date on the following terms:

a) Z brings in ₹40,000 as his capital and he is given 1/4th share in profits.

b) Z brings in ₹15,000 for goodwill, half of which is withdrawn by old partners.

c) Investments are valued at ₹10,000. X takes over Investments at this value.

d) Printer is to be reduced (depreciated) by 20% and Fixed Assets by 10%.

e) An unrecorded stock of Stationery on 31st March, 2019 is ₹1,000.

f) By bringing in or withdrawing cash, the Capitals of X and Y are to be made proportionate to that of Z on their profit-sharing basis.

Prepare Revaluation Account and Partners Capital Accounts.

OR

N, S and G were partners in a firm sharing profits and losses in the ratio of 2 : 3 : 5. On 31st March, 2016 their Balance Sheet was as under:

Liabilities		₹	Assets		₹
Creditors		1,65,000	Cash		1,20,000
General Reserve		90,000	Debtors	1,35,000	
Capitals:			Less: Provision	15,000	1,20,000
N	2,25,000		Stock		1,50,000
S	3,75,000		Machinery		4,50,000
G	4,50,000	10,50,000	Patents		90,000
			Building		3,00,000
			Profit and Loss Account		75,000
		13,05,000			13,05,000

G retired on the above date and it was agreed that:

a) Debtors of ₹6,000 will be written off as bad debts and a provision of 5% on debtors for bad and doubtful debts will be maintained.

b) Patents will be completely written off and stock, machinery and building will be depreciated by 5%.

c) An unrecorded creditor of ₹30,000 will be taken into account.

d) N and S will share the future profits in 2 : 3 ratio.

Goodwill of the firm on G's retirement was valued at ₹90,000. Prepare Revaluation A/c and Partners capital A/c.

25	Shirish, Harit and Asha were partners in a firm sharing profits in the ratio of 5:4:1. Shirish died on 30th June, 2018. On this date, their Balance Sheet was follows: Balance sheet of Shirish, Harit, Asha as at 31st March, 2018	6

Assets		₹	Liabilities	₹
Capital A/cs:			Plant and Machinery	5,60,000
Shirish	1,00,000		Stock	90,000
Harit	2,00,000		Debtors	10,000
Asha	3,00,000	6,00,000	Cash	40,000
Profits for the year 2017-18		80,000		
Bills Payable		20,000		
		7,00,000		7,00,000

According to the Partnership Deed, in addition to deceased partner's capital, his executor is entitled to.

(i) Share in profits in the year of death on the basis of average of last two years' profit. Profit for the year 2016-17 was ₹60,000.

(ii) Goodwill of the firm was to be valued at 2 years' purchase of average of last two years' profits.

Prepare Shirish's Capital Account to be presented to his executor.

26	(A) Wellbeing Ltd. Took over assets of ₹9,80,000 and liabilities of ₹40,000 of HDR Ltd. at an agreed value of ₹9,00,000. Wellbeing Ltd. Paid to HDR Ltd. By issue of 9% Debentures of 100 each at a premium of 20% Pass necessary journal entries to record the above transactions in the books of Wellbeing Ltd. (B) Pass the necessary journal entries relating to the issue of debentures for the following: I. Issued 30,000; 10% debentures of each at a premium of 10% and redeemable at a premium of 15%. II. On 1st Apr, 2018, Sakshi Ltd. issued 1000, 11% debentures of ₹100 each at a discount of 6%, redeemable at a premium of 5% after three years.	6
	PART B (Analysis of Financial Statements)	
27	Loose Tools appear in the company's balance sheet under the head/sub head: (a) Inventory (b) Non-current Assets (c) Other current Assets (d) Store and spare parts OR Calls-in-Advance and interest payable thereon is shown in the balance sheet as: (a) Other current liability (b) Other non-current liability (c) Trade payables (d) Shareholder's funds	1

28	From the following, calculate Return on Investment: Net profit after interest and tax ₹6,00,000: 10% Debentures of ₹10,00,000. Tax @40%. Capital employed ₹80,00,000. (a) 20% (b)13.75% (c)15% (d) 17.75%	1
29	Which head will record the interest received by a manufacturing company? (a) Operating activities (b) Investing Activities (c) Financing activities (d) Cash and cash equivalent OR Which head will record the interest paid by a financial institution? (a) Operating activities (b) Investing Activities (c) Financing activities (d) Cash and cash equivalent	1
30	ABC Ltd. has machinery written down value of which in 1st April, 2021 was ₹8,60,000 and on 31st March, 2022 was ₹9,50,000. Depreciation for the year was ₹40,000. In the beginning of the year, a part of machinery was sold for ₹25,000, which had a written down value of ₹20,000. Calculate cash flow from Investing Activities: (a) ₹2,50,000 (b) ₹(2,50,000) (c) ₹1,25,000 (d) ₹(1,25,000)	1
31	Classify the following items under major head and sub-head (if any) in the balance sheet of a company as per schedule Ill of the companies Act, 2013: i. Provision for warranties iv. Interest Accrued on Investment ii. Income received in advance v. Provident Fund iii. Capital Advances vi. Capital work-in-progress	3
32	One of the objectives of 'Financial Statement Analysis' is to identify the reason for change in the financial position of the enterprise. State three more objectives of this analysis.	3
33	Calculate Revenue from operations of BN Ltd. from the following information: Current assets ₹8,00,000; Quick ratio is 1.5:1; Current ratio is 2:1. Inventory Turnover ratio is 6 times and goods were sold at a profit of 25% on cost. OR Following is given about the company: Revenue from operations ₹1,50,000 | Opening inventory ₹29,000 Gross Profit ₹30,000 | Closing inventory ₹31,000 Cost of goods sold ₹1,20,000 | Debtors ₹16,000 From the above information, calculate the following ratios. (a) Gross Profit Ratio (b) Inventory Turnover Ratio (c) Trade Receivable Turnover Ratio	4

34	Following was the Balance Sheet of M.M. Ltd. as at 31st March, 2015:	6

Particulars	Note No	31.3.2015 ₹	31.3.2014 ₹
1. EQUITY AND LIABILITIES			
Shareholder's Funds:			
(a) Share capital		5,00,000	4,00,000
(b) Reserves and Surplus	1	2,00,000	(50,000)
2. Non-Current Liabilities			
Long-term Borrowings	2	4,50,000	5,00,000
3. Current Liabilities			
(a) Short-term Borrowings	3	1,50,000	50,000
(b) Short-term Provisions	4	70,000	90,000
Total		13,70,000	9,90,000
II ASSETS			
1. Non-Current Assets			
(a) Fixed Assets:			
(i) Tangible Assets	5	10,03,000	7,20,000
(ii) Intangible Assets	6	20,000	30,000
(b) Non-Current Investments		1,00,000	75,000
2. Current Assets			
(a) Current Investments		50,000	60,000
(b) Inventories	7	1,07,000	45,000
(c) Cash and Cash Equivalents		90,000	60,000
Total		13,70,000	9,90,000

Notes to Accounts:

Particulars	31.3.2015	31.3.2014
1. Reserves and Surplus		
Surplus i.e., Balance in Statement of Profit and Loss	2,00,000	(50,000)
2. Long-term Borrowings:		
12% Debentures	4,50,000	5,00,000
3. Short-term Borrowings		
Bank overdraft	1,50,000	50,000
4. Short-term Provisions		
Provision for Tax	70,000	90,000
5. Tangible Assets		
Machinery	12,03,000	8,21,000
Less: Accumulated Depreciation	(2,00,000)	(1,01,000)
	10,03,000	7,20,000
6. Intangible Assets		
Goodwill	20,000	20,000
7. Inventories		
Stock – in Trade	1,07,000	45,000

Additional information:

1. 12% debentures were redeemed on 31st March 2015
2. Tax ₹70,000 was paid during the year. Prepare Cash Flow Statement.