

General Instructions: -

1. This question paper comprises **two parts-A and B**. There are 32 questions in the question paper. **All** questions are compulsory.
2. Part A and B both are compulsory for all candidates.
3. Question nos. **1 to 13** and **23 to 29** are very short answer type questions carrying 1 mark each.
4. Question nos. **14 and 30** are short answer type-I questions carrying 3 marks each.
5. Question nos. **15 to 18 and 31** are short answer type-II questions carrying 4 marks each.
6. Question nos. **19, 20 and 32** are long answer type-I questions carrying 6 marks each.
7. Question nos. **21 and 22** are long answer type-II questions carrying 8 marks each.
8. There is no overall choice. However, an internal choice has been provided in 2 questions of three marks, 2 questions of four marks and 2 questions of eight marks.

Part-A

(Accounting for Not for profit organisations, Partnership firms and Companies)

- Q1.** Mohit and Rohit were partners in a firm with capitals of Rs. 80,000 and Rs. 40,000 respectively. The firm earned a profit of Rs. 30,000 during the year. Mohit's share in the profit will be : **1**
- (a) Rs. 20,000 (b) Rs. 10,000
 (c) Rs. 15,000 (d) Rs. 18,000
- Q2.** A and B are sharing profits and losses in the ratio of 4:1. C is admitted as a new partner for 1/3rd share of profits for which he pays Rs. 3,00,000 as goodwill. If A and B agree to share future profits equally, then the amount of goodwill to be credited to A is : **1**
- (a) Rs. 3,00,000 (b) Rs. 9,00,000
 (c) Rs. 4,80,000 (d) Rs. 4,20,000
- Q3.** On reissue of forfeited shares, the amount of discount cannot exceed : **1**
- (a) 10% face value of shares
 (b) 10% of called up capital of shares
 (c) Amount received on forfeited shares
 (d) Amount not received on such shares
- Q4.** Jaipur Club has a prize fund of Rs. 6,00,000. It incurs expenses on prizes amounting to Rs. 5,20,000. The expenses should be : **1**
- (a) debited to income and expenditure account.
 (b) presented on the asset side of the balance sheet.
 (c) debited to income and expenditure account and presented on the asset side of the balance sheet.
 (d) deducted from the prize fund on the liability side of the balance sheet.
- Q5.** On dissolution of a partnership firm, realisation account is debited with : **1**
- (a) all assets
 (b) all liabilities
 (c) all assets except Cash/Bank
 (d) all liabilities except partner's loan account

- Q6.** Y Ltd. purchased a machinery from PK Ltd. and issued 540 shares of Rs. 25 each at a premium of 10% for purchase consideration. The book value of machinery in the books of Y Ltd. will be : **1**
- (a) Rs. 14,850
 (b) Rs. 13,500
 (c) Rs. 15,120
 (d) Rs. 14,380
- Q7.** A partner, Kapil, paid an unrecorded liability of Rs. 800. The entry passed on dissolution will be : **1**
- (a) Dr. Kapil's Capital A/c and Cr. Cash A/c
 (b) Dr. Realisation A/c and Cr. Cash A/c
 (c) Dr. Realisation A/c and Cr. Kapil's Capital A/c
 (d) None of these
- Q8.** A, B and C are partners in a firm. They wanted to change their profit sharing ratio into 4:3:2. The goodwill was valued at Rs. 90,000. The adjusting journal entry will be : **1**
- (a) Dr. A's Capital A/c and Cr. C's capital A/c by Rs.10,000
 (b) Dr. B's Capital A/c and Cr. A's capital A/c by Rs.10,000
 (c) Dr. C's Capital A/c and Cr. A's capital A/c by Rs.10,000
 (d) Dr. C's Capital A/c and Cr. B's capital A/c by Rs.10,000
- Q9.** Deceased partner is compensated for parting with firm's future profits in favour of remaining partners. The remaining partners contribute to such compensation amount in _____ ratio. **1**
- Q10.** P, Q and R are partners sharing profits in the ratio 4:3:2. R retires and he surrenders 2/3 of his share in favour of P and 1/3 share in favour of Q. The new profit sharing ratio of P and Q would be : **1**
- (a) 16:11
 (b) 15:12
 (c) 17:10
 (d) None of these
- Q11.** A, B and C are sharing profits in the ratio 2:2:1. B died on 30th June 2018, Accounts are closed on 31st March each year. Sales and profits for the year ended 31st March 2018 were Rs. 28,00,000 and Rs. 8,40,000 respectively. The sales of firm amounted to Rs. 12,00,000 between the period from 1st April 2018 to 30th June 2018. The amount of profit to be credited to B's executors A/c will be : **1**
- (a) Rs. 72,000
 (b) Rs. 1,80,000
 (c) Rs. 1,44,000
 (d) Rs. 1,54,000
- Q12.** On which side Partner's drawings out of Capital will be recorded, when their capitals are fixed ? **1**
- (a) Dr. side of capital A/C
 (b) Cr. side of capital A/C
 (c) Dr. side of current A/C
 (d) Cr. side of current A/C
- Q13.** A, B and C are partners in a firm sharing profits in the ratio 2:2:1. C is guaranteed a minimum profit of Rs. 40,000 by A. Profit for the year amounted to Rs. 1,60,000. The profit credited to each partner will be: **1**
- (a) Rs. 40,000; Rs. 80,000; Rs. 40,000
 (b) Rs. 56,000; Rs. 64,000; Rs. 40,000
 (c) Rs. 64,000; Rs. 64,000; Rs. 32,000
 (d) Rs. 60,000; Rs. 60,000; Rs. 40,000

- Q14.** How will you deal with the following case while preparing Balance Sheet of a Sports Club for the year ended 31st March, 2020? **3**

Receipts and Payments Account
for the year ended 31st March, 2020

| Receipts | Rs. | Payments | Rs. |
|--|------------|------------------------------|------------|
| To Interest Received | 4,000 | By Sports Prizes Awarded | 25,000 |
| To Donation for Sports Fund | 50,000 | By Expenses on Sports Events | 26,000 |
| To Interest Received on Sports Fund Investment | 12,000 | | |

Additional Information : As on 1st April, 2019
 Sports Fund 1,20,000
 10% Sports Fund Investment (Face value 1,50,000) 1,20,000

OR

From the extracts of Receipts and Payments Account and additional information, compute the amount of subscription to be shown in Income and Expenditure Account for the year ending 31st March, 2020 and Balance Sheet on that date :

Receipts and Payments Account
for the year ending 31st March, 2020

| Receipts | Rs. | Payments | Rs. |
|-----------------|------------|-----------------|------------|
| Subscriptions | | | |
| 2018-19 | 7,000 | | |
| 2019-20 | 30,000 | | |
| 2020-21 | 5,000 | | |
| | 42,000 | | |

Additional Information : Rs.
 (i) Subscription outstanding on 31-3-2019 9,000
 (ii) Total subscription outstanding 31-3-2020 18,000
 (iii) Advance subscription 31-3-2019 4,000

- Q15.** P, Q and R started a partnership business. P contributed Rs. 60,000 for the whole year, Q contributed Rs. 50,000 and after 6 months further introduced Rs. 20,000 as capital. R invested Rs. 80,000 but withdrew Rs. 20,000 at the end of 8th month. **4**

Profit of the firm for the year was Rs. 29,000. You are required to apportion the profit of the firm in their capital ratio. Prepare P&L Appropriation account and show your workings clearly.

OR

The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, Rs. 80,000 in the pre-decided ratio of 3:3:2 without providing for the following adjustments:

- (a) Alia and Chand were entitled to a salary of Rs. 1,500 each p.m.
 (b) Bhanu was entitled for a salary of Rs. 4,000 p.a.

Pass the necessary journal entry for the above adjustments in the books of the firm. Show workings clearly.

- Q16.** Royal Ltd. invited applications for issuing 30,000 shares of Rs. 20 each payable as follows : **4**

| | |
|----------------|-------------------|
| On application | Rs. 4 - per share |
| On allotment | Rs. 6 - per share |
| On first call | Rs. 5 - per share |
| On second call | Rs. 5 - per share |

Applications were received for 40,000 shares and shares were allotted on pro-rata basis, surplus application money to adjust with allotment. Kamal a holder of ___?___ shares, unable to pay his allotment and further calls, his shares were forfeited after final call. 50% of Kamal's shares were reissued at maximum permissible discount and remaining shares reissued in such a manner so that Rs. 500 can be transferred to capital reserve account. Fill in the missing figures in the following entries:

Journal of Royal Ltd.

| Particulars | Dr. | Cr. |
|---|------------|----------------------------|
| Equity Share Capital A/c Dr. To Share Allotment A/c To Share First Call A/c To Share Second Call A/c To Share Forfeited A/c (Being Kamal's shares forfeited) | --- | 2,800 --- --- --- |
| Bank A/c Dr. Share forfeiture A/c Dr. To Equity Share Capital A/c (Being 50% of Kamal's shares reissued at Maximum discount) | --- --- | --- |
| Bank A/c Dr. Share forfeiture A/c Dr. To Equity Share Capital A/c (Being remaining 50% shares reissued in such a manner so that Rs.500 can be transferred to capital reserve.) | --- --- | --- |
| _____ A/c Dr. To Capital Reserve A/c (Being gain on reissue on forfeited shares transferred to Capital Reserve) | 500 | 500 |
| | | |

- Q17.** Parul, Payal and Priyanka are partners. They decided to dissolve their firm. Pass necessary journal entries for the following after various assets (other than cash and bank) and the third party liabilities have been transferred to Realisation Account : **4**
- (a) There were total debtors of Rs. 76,000. A provision of bad and doubtful debts also stood in the books at Rs. 6,000. Rs. 12,000 debtors proved bad and rest paid the amount due.
- (b) Parul agreed to pay off her husband's loan of Rs. 7,000 at a discount of 5%.
- (c) The firm had a debit balance of Rs. 27,000 in the Profit and Loss Account on the date of dissolution.
- (d) Priyanka paid the realisation expenses of Rs. 15,000 out of her pocket and she was to get a fixed remuneration of Rs. 18,000 for completing the dissolution process.
- Q18.** P and Q are partners in a firm. P drew Rs. 2,000 at the beginning of each month, Q drew Rs. 2,000 at the end of each month. This process of drawing continued for the first six months of the year 2019 starting from January. Compute interest on drawing @ 10% p.a. for the year ending 31st December, 2019. (show your workings clearly) **4**

Q19. Following is the Receipts and Payments Account of Agarsain Club :

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RECEIPTS AND PAYMENTS ACCOUNT

for the year ending 31st March 2019

| Receipts | Amount | Payments | Amount |
|--|---------------|--------------------------------|---------------|
| To Balance b/d (Cash at Bank) | 160500 | By Salary | 60000 |
| To Subscriptions | | By Printing & Stationery | 12000 |
| 2017-18 6000 | | By Defence Bonds | 120000 |
| 2018-19 (90%) 90000 | | By Rent | 60000 |
| 2019-20 <u>8000</u> | 104000 | By Help to needy students | 42000 |
| To Entrance Fees : | | By Purchase of 6% Govt. Papers | 100000 |
| 2017-18 20000 | | (On 1st Sept. 2018) | |
| 2018-19 <u>80000</u> | 100000 | By Prizes awarded | 40000 |
| To Hall Rent | 10000 | By Balance c/d (Cash at Bank) | 116000 |
| To Locker Rent (including Rs. 10,000 for 2017-18) | 40000 | | |
| To Interest received on Govt. Papers | 1500 | | |
| To General Donation | 75000 | | |
| To Donation for Prize Fund | 50000 | | |
| To Interest received on Prize Fund Investments | 9000 | | |
| | 550000 | | 550000 |

Additional Information :

- (i) The Club paid three months rent in advance both in the beginning and at the end of the year.
 - (ii) On 31st March 2019 Salary Outstanding was Rs. 10,000 and Locker Rent Outstanding was Rs. 8,000.
 - (iii) The Club owned Sports Materials of the value of Rs. 5,00,000 on 31st March 2018. This was valued at Rs. 4,50,000 on 31st March 2019. Stock includes Sports Materials of Rs. 30,000, which is to be written off being not useable.
 - (iv) Following balances appeared on 31st March, 2018 :
Prize Fund Rs. 1,50,000; 8% Prize Fund Investments Rs. 1,50,000.
- Prepare Income & Expenditure Account for the year ended 31st March 2019.

Q20. Journalise the following transactions:

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- (a) Mehar Ltd. issued Rs. 1,00,000, 12% Debentures of Rs. 100 each at a premium of 5% redeemable at a premium of 2%.
- (b) 12% Debentures were issued at a discount of 10% to a vendor of machinery for payment of Rs. 9,00,000.
- (c) Issue of 10,000 11% debentures of Rs. 100 each as collateral security in favour of State Bank of India. Company opted to pass necessary entry for issue of debentures.

Note:- In case (a) & (b) also pass the journal entry to written off Loss on issue of Debenture A/C and Discount on issue of Debenture A/C.

Q21. The Balance Sheet of X and Y sharing profits & losses in the ratio of 3:2 is given below :

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| Liabilities | Rs. | Assets | Rs. |
|----------------------|-----------------|-------------------|-----------------|
| Sundry Creditors | 70,000 | Land and Building | 1,00,000 |
| Outstanding Expenses | 10,000 | Machinery | 80,000 |
| Capital Accounts : | | Stock | 1,00,000 |
| X | 1,80,000 | Debtors | 40,000 |
| Y | 70,000 | Cash | 10,000 |
| | 3,30,000 | | 3,30,000 |

Z was admitted as a new partner in the firm for 1/4 share in the profits on the

following terms :

- (i) Z was to bring Rs. 1,20,000 for his capital and Rs. 25,000 for his share as premium for goodwill but he actually contributed only Rs. 20,000 towards his share of Goodwill.
 - (ii) Machinery was to be depreciated by 10% and Land and Building was to be appreciated by Rs. 30,000.
 - (iii) Stock was overvalued by Rs. 20,000.
 - (iv) A provision of 5% was to be created for doubtful debts.
 - (v) Salary outstanding was Rs. 3,000. There was a claim against the firm for damages amounting to Rs. 2,000. The claim has now been accepted.
- Prepare Revaluation Account, Partners' Capital Accounts.

OR

The Balance Sheet of A, B and C, sharing profits and losses in proportion to their capitals is given below :

| Liabilities | Rs. | Assets | Rs. |
|----------------|------------------|----------------------|------------------|
| Creditors | 1,08,000 | Cash at Bank | 80,000 |
| Capital A/cs : | | Debtors | 1,00,000 |
| A | 4,50,000 | Less : Provision for | |
| B | 3,00,000 | Doubtful Debts | <u>2,000</u> |
| C | 1,50,000 | Stock | 90,000 |
| | | Machinery | 2,40,000 |
| | | Land and Building | 5,00,000 |
| | 10,08,000 | | 10,08,000 |

On that date, B retires from the firm and the remaining partners decide to carry on. The following readjustments of assets and liabilities have been agreed upon before the ascertainment of the amount payable to B :

- (i) That out of the fire insurance premium paid during the year, Rs. 10,000 be carried forward as unexpired.
- (ii) That the Land and Building be appreciated by 10%.
- (iii) That the Provision for Doubtful Debts be brought up to 5% Debtors.
- (iv) That Machinery be depreciated by 5%.
- (v) That a provision of Rs. 15,000 be made in respect of an outstanding bill for repairs.
- (vi) That the Goodwill of the entire firm be fixed at Rs. 1,80,000 and B's share of the same be adjusted in the accounts of A and C who share the future profits in the proportion of 3/4th and 1/4th respectively (no Goodwill Account being raised).
- (vii) That B be paid Rs. 50,000 in cash and the balance be transferred to his Loan Account.

Prepare the Revaluation Account and Capital Accounts of Partners.

- Q22.** (a) X Ltd. forfeited 10 shares of Rs. 10 each, Rs. 7 called up on which the shareholder had paid application and allotment money of Rs. 5 per share. Out of these, 8 shares were re-issued to Y for Rs. 8 per share at Rs. 8 paid up per share. Record the journal entries for forfeiture and reissue of shares by opening call in arrear, call in advance account (if necessary).
- (b) L Ltd. forfeited Mr. M's shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of Rs. 4 per share including premium of Rs. 2 on which he had paid application money of

Rs. 2 only. Pass the necessary journal entries for forfeiture of shares by opening call in arrear account.

- (c) Crown Ltd. forfeited 50 shares of Rs. 10 each, for non-payment of final call money of Rs. 3 per share. Out of these 20 shares were reissued to Taj at Rs. 8 per share. Record the journal entries for forfeiture and reissue of shares assuming that the company maintains call in arrear, call in advance account.

OR

Midee Ltd. invited applications for issuing 27,000 shares of Rs. 100 each payable as follows :

Rs. 50 - per share on application

Rs. 10 - per share on allotment

Balance - on first and final call.

Applications were received for 40,000 shares. Full allotment was made to the applicants of 7,000 shares. The remaining applicants were allotted 20,000 shares on pro-rata basis. Excess money received on application was adjusted towards allotment and call.

Asha, holding 600 shares who belonged to the category of applicants to whom full allotment was made, paid the call money at the time of allotment. Ankur, who belonged to the category of applicants to whom shares were allotted on pro-rata basis did not pay anything after application on his 200 shares. Ankur's shares were forfeited after the first and final call. These shares were later reissued at Rs. 105 per share as fully paid up.

Pass necessary journal entries in the books of Midee Ltd. for the above transactions by opening calls in arrears and calls in advance accounts wherever necessary.

Part-B

(Analysis of Financial Statements)

- Q23.** Which of the following is not a Cash flow from Operating Activities ? **1**
- (a) Cash proceeds from sale of goods and services.
(b) Cash proceeds from sale of Investments.
(c) Cash payments to employees.
(d) Cash payments to supplier of goods.
- Q24.** What are the other names of liquid ratio ? **1**
- Q25.** Which of the following is not a subhead of Current Liabilities ? **1**
- (a) Short-term provisions.
(b) Trade payables.
(c) Deferred tax Liabilities.
(d) Other current Liabilities.
- Q26.** Which of the following transactions is not shown under financing activity? **1**
- (a) Repayment of bank loan.
(b) Proceeds from issue of shares.
(c) Subscribed shares of other company.
(d) Dividend paid.
- Q27.** 'Interest accrued but not due on loans' is shown in the companies balance sheet under the sub head _____ . **1**

- Q28.** Given that : 1
 Current Ratio 2.5
 Quick Ratio 1.5
 Working Capital Rs. 60,000
 The value of current liabilities will be :
 (a) Rs. 15,000 (b) Rs. 40,000
 (c) Rs. 60,000 (d) Rs. 1,00,000

- Q29.** Which of the ratios show how efficiently a company's resources are used ? 1
 (a) Profitability ratio.
 (b) Solvency ratio.
 (c) Activity ratio.
 (d) Liquidity ratio.

- Q30.** From the following information, calculate the following ratios : 3
 (i) Net Profit Ratio
 (ii) Debt-Equity Ratio

Information :

| | |
|---|-----------|
| Paid up Capital | 20,00,000 |
| Capital Reserve | 2,00,000 |
| 9% Debentures | 8,00,000 |
| Net Revenue from Operations | 14,00,000 |
| Gross Profit | 8,00,000 |
| Indirect Expenses | 2,00,000 |
| Current Assets | 4,00,000 |
| Current Liabilities | 3,00,000 |
| Opening Inventory | 50,000 |
| Closing Inventory - 20% more than opening inventory | |

OR

The proprietary ratio of M Ltd. is 0.80:1.

State with reason whether the following transactions will increase, decrease or not change the proprietary ratio:

- (a) Obtained a loan from Bank Rs.2,00,000 payable after five years.
 (b) Purchased machinery for cash Rs.75,000.
 (c) Redeemed 5% redeemable preference shares Rs.1,00,000.

- Q31.** With the help of the following information obtained from the books of Raj Silk Mills, prepare Comparative Statement of Profit and Loss for the year ended 31st March, 2016 : 4

| Particulars | 31st March, 2016 | 31st March, 2015 |
|----------------------------|------------------------------------|------------------------------------|
| Revenue from Operations | 300% of Cost of Materials Consumed | 200% of Cost of Materials Consumed |
| Expenses : | | |
| Cost of Materials Consumed | Rs. 12,00,000 | Rs. 10,00,000 |
| Other Expenses | 20% of Cost of Materials Consumed | 10% of Cost of Materials Consumed |
| Tax | 50% | 50% |

OR

Following information is related to Oxford Ltd. (Rs. In Lakhs)

| Particulars | 31.3.2019 | 31.3.2018 |
|--------------------------|-----------|-----------|
| Equity Share Capital | 16.00 | 16.00 |
| Preference Share Capital | 2.00 | 2.00 |
| Reserves and Surplus | 5.40 | 4.00 |
| Non-Current Liabilities | 14.40 | 14.00 |

| | | |
|---------------------|-------|-------|
| Current Liabilities | 7.20 | 4.00 |
| Non-Current Assets | 30.60 | 28.00 |
| Current Assets | 14.40 | 12.00 |

You are required to prepare a Common Size Balance Sheet.

- Q32.** You are required to show **investing and financing activities** in Cash-Flow Statement (as per AS-3) for the year 2017-18 from the following Balance Sheets :(Show your workings clearly) 6

**Balance Sheets of Janaki India Ltd.
as at 31st March, 2018 and 31st March, 2017**

| Particulars | Note No. | 31.3.2018 | 31.3.2017 |
|---|----------|-----------------|-----------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| (a) Share Capital (Equity Share Capital) | | 3,00,000 | 2,00,000 |
| (b) Reserves and Surplus (Statement of P&L) | | 1,20,000 | 70,000 |
| 2. Non-Current Liabilities | | | |
| (a) Long Term Borrowings (8% Debentures) | | 1,50,000 | 1,20,000 |
| 3. Current Liabilities | | | |
| (a) Short Term Borrowings (Bank Overdraft) | | 19,000 | 5,000 |
| (b) Trade Payables (Creditors) | | 81,000 | 80,000 |
| (c) Short Term Provisions | 1 | 82,000 | 61,600 |
| TOTAL | | 7,52,000 | 5,36,600 |
| II. ASSETS | | | |
| 1. Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| Tangible | 2 | 2,04,200 | 1,83,000 |
| (b) Non-Current Investments | | 1,30,000 | 1,20,000 |
| 2. Current Assets | | | |
| (a) Inventories | | 1,41,500 | 1,25,000 |
| (b) Trade Receivables | | 64,600 | 64,500 |
| (c) Cash and Bank Balances | | 2,11,700 | 44,100 |
| TOTAL | | 7,52,000 | 5,36,600 |

Notes to Accounts :

| Particulars | 31.3.2018 | 31.3.2017 |
|-----------------------------------|-----------------|-----------------|
| 1. Short term Provisions | | |
| Provision for Taxation | 80,000 | 60,000 |
| Provision for Doubtful Debts | 2,000 | 1,600 |
| | 82,000 | 61,600 |
| 2. Fixed Assets (Tangible) | | |
| Plant and Machinery | 2,43,000 | 2,23,000 |
| Less : Accumulated Depreciation | (38,800) | (40,000) |
| | 2,04,200 | 1,83,000 |

Additional Information :

During the year 2017-18 :

- (i) A part of the machine was sold for Rs. 21,000 at a profit of Rs.4,000.
(ii) The company charged Rs. 3,000 as depreciation on its Plant and Machinery.
(iii) New Debentures were issued on 31st March, 2018, at a discount of 10%.
(iv) Interest of Rs. 9,600 was paid on Debentures.
(v) Contingent Liability 31.3.2018 31.3.2017
Proposed Dividend 25% 30%