

CBSE MODEL TEST PAPER – 2010

COMMERCE ACCOUNTANCY (Class XII)

- This question Paper contains three Parts A, B and C.
- Part A is compulsory for all candidates.
- Attempt only one part of the remaining parts B and C.
- All parts of the questions should be attempted at one place.

Part A

NOT FOR ROFIT ORGANISATIONS, PARTNERSHIP FIRM AND COMPANY ACCOUNTS

- How is legacy dealt with in the final account of a not for profit organization? (1)
- Can a partner be exempted from sharing the losses in a firm? If yes, under what circumstances. (1)
- What do you understand by sacrificing ratio? (1)
- How is interest on drawings calculated, if the drawing are made at regular intervals, as on the first day of each month? (1)
- Give the concept of debenture issued as collateral security. (1)
- Calculate the amount of subscriptions to be credited to income & expenditure account for the year 2008-2009. (3)

Subscriptions received during the year 2008-09	50000
Subscriptions outstanding on March 31, 2009	8000
Subscriptions outstanding on March 31, 2008	6000
Subscriptions received in advance on March 31, 2009	5000
Subscriptions received in advance on 31st March 2008	4000

- Ayaan Ltd. Issued 5,00,000 7% debentures of Rs. 50 each. Pass journal entries in the books of company for issue of debenture when debenture were: (3)

- Issued at par, redeemable at 8% Premium
- Issued at 4% premium, redeemable at 5% premium
- Issued at 5% premium, redeemable at par.

- Yasha Ltd. Redeemed Rs.30,00,000 8% debentures issued at a premium of 5% as follows: Rs. 12,00,000 8% debentures were converted in to equity shares of Rs. 100 each issued at a premium Rs. 25 per share and balance by converting them in to 8% preference shares of Rs.100 each issued at a discount of Rs. 10 per share. Pass journal entries in the company books. (3)

- A and B are partners in a firm with capital of Rs. 100000 and Rs. 60000. Interest on capital is payable @ 6% per annum B is entitled to a salary of Rs. 3000 per month. Profit for the current year before interest and salary to B is Rs. 80000. Prepare a profit and loss appropriation account. (4)

- State the purpose for which securities premium can be utilized. (4)

- X Ltd. Forfeited 200 equity shares of Rs. 10 each fully called UP, held by X for non payment of allotment money of Rs. 3 per equity share and final call of Rs. 4 per equity share. He paid the application money of Rs. 3 per share. These share were reissued to Y for Rs. 8 per share. Gives journal entries for the forfeiture and reissued of shares. (4)

- From the following receipt and payments account of a Khushi sport club and additional information supplied. Prepare the income & expenditure A/C and balance sheet as on 31st March 2008. Additional information given blow. (6)

- The club has 3000 members, each paying an annual subscription of Rs. 100.
- On 31st March 2008 salaries amounting to Rs. 5000 were outstanding, salaries paid also included Rs. 3000 for the year 2006-2007.
- On 1-4-2007 the club owned building valued Rs.1,00,000, furniture Rs.50000, Books at Rs. 20000.
- Depreciation on building and furniture was provided @ 10% p.a.

RECEIPTS	AMOUNT	PAYMENTS	AMOUNT
To balanced B/D	35000	By Salaries	45000
To subscriptions:		By General Exps.	10000
2006-2007 Rs. 10000		By Electric Charges	15000
2007-2008 Rs.260000		By Sports material	100000
2008-2009 Rs. 20000	290000	By purchase of news paper	2000
To rent received for use of hall	4500	By 10% investment in Govt. securities (31-3-2008)	100000
To sale on news paper	500	By Balance C/D	58000
Total Rs.	330000	Total Rs.	330000

- A, B and C were partners sharing profit ratio is 5:3:2 on 31st March 2007 their balance was as under. (6)

Liabilities	AMOUNT	Assets	AMOUNT
Creditors	11000	Building	20000
Reserves	6000	Machinery	30000
Capital Accounts:		Stock	10000
A Rs. 30000		Patents	11000
B Rs. 25000		Debtors	8000
C Rs. 15000	70000	Cash	8000
Total Rs.	87000	Total Rs.	87000

- A died on 1st October 2007. It was agreed among his executors and remaining partners that. (6)

- Goodwill to be valued at 2 ½ years purchase of average profit of the previous 4 years which were year 2004 Rs. 13000, year 2005 Rs. 12000, Year 2006 Rs. 20000, Year 2007 Rs. 15000.
- Patents were valued at Rs. 8000, machinery at Rs.28000 and building at Rs.25000.
- Profit for the year 2007-2008 be taken as having accrued at the same rate as that of previous year.
- Interest on capital be provided at 10% p.a.
- Half of the amount due to A to be paid immediately to the executor and balanced transferred to his executor loan A/C. Prepare A's capital A/C and as executor as on 1st October 2007.

- AB Ltd. Invited application for 40000 shares of Rs. 10 each at a discount of 10% the amount payable as follows: On applications Rs.4, on allotment balance after discount. Application were received for 48000 shares. Prorata allotment was made to all applicants. Excess money was adjusted towards due on allotment. Mohan to whom 400 shares were allotted failed to pay the allotment money. His shares were accordingly forfeited. These forfeited shares were reissued @ Rs.8 per share fully paid Up. Pass journal entries in the books of AB Ltd. (8)

OR

- Bharat Ltd. Invites applications for 40000 equity shares of Rs. 100 each at premium of Rs. 20 per share. The amount payable as follows. On application Rs. 30 per share On allotment Rs. 70 per share (including premium). On first & final call balance of the amount. Applications for 60000 share were received. Application for 10000 shares were rejected and application money was refunded. Prorata allotment was made to the remaining applicants and excess money was to adjusted towards sums due on allotment. All calls were made and were duly received except the first and final call on 500 shares allotted to Rajan. These share were forfeited. The forfeited shares were reissued for Rs. 51000 fully paidup. Pass journal entries for above transactions.

- On 31st December 2004, the balance sheet of A & B who are partner in a firm sharing profit in the ratio of 3:2 was as follows: (8)

Balance Sheet

Liabilities	AMOUNT	Assets	AMOUNT
Capital Accounts:		Plant and Machinery	10000
A Rs. 10000		Land and Building	8000
B Rs. 8000	18000	Debtors Rs. 12000	
Gen reserve	15000	(-) Provisions Rs. 1000	11000
Workmen Compensation Fund	5000	Stock	12000
Creditors	12000	Cash	9000
Total Rs.	50000	Total Rs.	50000

They agreed to admit C into partnership for 1/5 share of its profit on the following terms.

- Provisions for doubtful debts would be increased by Rs. 2000.
- The value of land and building would be increased to Rs. 18000.
- The value of stock would be increased by Rs. 4000.
- The liability against workmen compensation fund is determined at Rs.2000.
- C brought in as his share of goodwill Rs. 10000 in cash.
- C would bring further cash as would make his capital equal to 20% of the total capital of the new firm. After the above revaluation A/c, adjustments being carried out. Prepare the revaluation A/c, Partners capital A/c balance Sheet after C's admission. (8)

OR

Ram Rahim and Anthony were partner in firm sharing profit and losses in the ratio of 1/2, 1/3, 1/6, they decide to dissolve the partnership on 31st March 2009 and Balance given below:

Balance Sheet

Liabilities	AMOUNT	Assets	AMOUNT
Creditors	567000	Goodwill	456300
Bank over draft	606450	Plant & Machinery	607500
Joint life Policy reserve	265500	Furniture	64650
Mrs. Ram's Loan	150000	Stock	236700
Capital Accounts:		Debtors	565000
Ram 420000		(-) Provisions	31000
Rahim 225000		Joint Life Policy	265500
Anthony 120000	765000	Commission Receivable	140550
		Cash in hand	48750
Total Rs.	2353950	Total Rs.	2353950

The following details are relevant for dissolution:

- The Joint life policy was surrendered for Rs. 232500.
- Ram took over goodwill, plant and machinery for Rs.900000.
- Ram also agree to discharges bank over draft and Mrs. Ram's loan.
- Furniture and stock were divided equally between Ram and Rahim at Agreed valuation of Rs.360000.
- Sundry creditors were assigned to firm's creditors in full satisfaction of their claim.
- Commission receivable was received in time.
- A bill discounted was subsequently returned dishonored Rs.30750 (Including Rs.500 noting charges).
- Ram paid the expenses of dissolution which amounted to Rs.18000.
- Anthony agreed to receive Rs.150000 in full satisfaction of his rights, title and interest in the firm. You are required to show accounts relating to closing of books on dissolution of the firm.

- Mohit Ltd. Took over assets of Rs. 840000 and liabilities of Rs. 80000 of Ayaan Ltd. At an agreed value of Rs.720000 Mohit Ltd. Paid to Ayaan Ltd., by issue of 9% debentures of Rs. 100 each at a premium of 20%. Pass journal entries to record above transactions. (2)
 - A & B are partners in the ratio of 5:4. They admit C for 1/10 share, which he acquires, in equal proportions from Both. Find the new profit sharing ratio. (2)
 - A, B and C were partners in a firm sharing profits in the ratio of 8:4:3. B retires and his share is taken up equally by A & C. Find the new profit sharing ratio. (2)

PART - B

ANALYSIS OF FINANCIAL STATEMENT

- Why do companies prepare A cash flow statement? (1)
- In which activity will you include the payment of interest on Loan by a manufacturing company while preparing A cash flow statement? (1)
- If a firm has net sales Rs. 2,00,000 and operating profit ratio is 25%. What is operating cost. ? (1)
- Why is analysis of financial statements important to creditors. (3)
- Prepare a comparative income statements from the following. (4)

YASHA LTD.

PARTICULARS	YEAR 2007 Rs.	YEAR 2008 Rs.
Sales	20,00,000	25,00,000
Cost of goods sold	80% of sales	70% of Sales
Indirect Exps	10% of Gross profit	20% of Gross profit
Income Tax	40%	40%

- Net profit after interest but before tax Rs. 140000, 15% long term debts Rs.4,00,000 share holder fund Rs.2,40,000, Tax rate 50%, calculate return on capital employed.
 - Opening stock Rs.60000, Closing stock Rs. 100000, stock turnover ratio 8 times selling price 25% above cost calculate gross profit ratio. (4)
- From the following balance of M/s Asma Ltd. Prepare cash flow statement. (4)

Balance Sheet

Liabilities	Year 2001 Rs.	Year 2002 Rs.	Assets	Year 2001 Rs.	Year 2002 Rs.
Equity share capital	150000	200000	Goodwill	36000	20000
12% preference share capital	75000	50000	Building	80000	60000
General reserve	20000	35000	Plant	40000	100000
Profit & Loss A/c	15000	24000	Debtors	119000	154500
Creditors	37500	49500	Stock	10000	15000
			Cash	12500	9000
Total	297500	358500	Total Rs.	297500	358500

Additional Information:

Depreciation charge on plant was Rs. 10000 and depreciation charge on building was Rs.60000. (6)

TIPS

- Avoid over writing & cutting.
- Mention narration below the journal entries.
- Solve the question paper with working and working will be crossed.
- Always solve theory questions.



DR. A.A. KHAN
(H. O. D. COMMERCE)
City Vocational Public School, Meerut Cantt.