

**CLASS-XII**  
**ACCOUNTANCY-II**  
**(MODEL TEST PAPER)**  
**(COMMERCE & HUMANITIES GROUP)**  
**(2020-2021)**

**Time : 3 Hrs.**

**Theory : 80 Marks**

**Project work / Practical : 15Marks**

**IA : 05**

**Total : 100 Marks**

**SECTION-A**

1. (i) Non-profit organisation prepare—
  - (a) Income & Expenditure Account
  - (b) Manufacturing Account
  - (c) Profit & Loss Account
  - (d) Trading Account
- (ii) If a sports fund is created, then sports expenses are transferred to—
  - (a) Sports Fund Investment
  - (b) Income & Expenditure A/c
  - (c) Sports Fund
  - (d) none of these
- (iii) Income and expenditure account is a real account. (True/False)
- (iv) When interest is to be allowed on the capitals of the partners, it is calculated on the
  - (a) average capital
  - (b) capital at the end less drawings if any
  - (c) capital in the beginning of the year
  - (d) capital at the end of the year
- (v) When dates of withdrawals are not mentioned, interest on drawings is charged for :
  - (a) 12 months
  - (b) 6½ months
  - (c) 6 months
  - (d) 5½ months
- (vi) Interest on partner's capital is allowed @ 6%. (True/False)
- (vii) Profit or loss on revaluation is transferred to partners' capital accounts :
  - (a) Continuing partner
  - (b) Old partners
  - (c) New partner
  - (d) All partners
- (viii) The sacrifice of old partners is equal to :
  - (a) New share-old share
  - (b) Old share-new share
  - (c) Their old share
  - (d) Their new share
- (ix) Reserves, Accumulated Profits/Losses should always be distributed even if the question is silent. (True/False)
- (x) C is admitted in a firm for 1/4 share in profits for which he brings ₹ 3,000 for goodwill. It will be taken away by old partners in
  - (a) new profit sharing ratio
  - (b) sacrificing ratio
  - (c) old profit sharing ratio
  - (d) None of the above
- (xi) On the admission of a new partner the increase in the value of assets is debited to

- (a) assets account (b) profit and loss adjustment account  
 (c) old partners capital account (d) None of these
- (xii) Sacrificing ratio and old ratio are always the same. (True/False)
- (xiii) If the adjustments in the value of assets at the time of retirement of a partner shows a profit, it should be credited to the capital accounts of  
 (a) the remaining partners in their old profit sharing profit  
 (b) all the old partners in their profit sharing ratio  
 (c) the remaining partners in their new profit sharing ratio  
 (d) None of these
- (xiv) The Profit & Loss on revaluation of assets/liabilities is transferred to the capitals of :  
 (a) Only retiring partner (b) Remaining partners  
 (c) All partners (d) None of these
- (xv) Unexpired insurance is an asset. (True/False)
- (xvi) At the time of dissolution an unrecorded asset taken away by Mr. X a partner should be debited to  
 (a) asset account (b) Mr. X capital account  
 (c) realisation account (d) None of the above
- (xvii) The balance left in the capital account on dissolution of a firm is transferred to  
 (a) bank account (b) realisation account  
 (c) profit and loss (d) None of the above
- (xviii) Employees provident fund is an outside liability. (True/False) (1×18=18)
2. Calculate the amount to be posted to Income and Expenditure Account for the year ending 31.12.2019 in respect of 'Stationery'.

Particulars	₹
Stock of stationery on 1.1.2019	300
Creditors for stationery on 1.1.2019	200
Advance paid for stationery carried forward from 2018	80
Amount paid for stationery during the year 2019	2,050
Stock of stationery on 31.12.2019	40
Advance paid for stationery on 31.12.2019	25

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3. Partner Y's drawings along with date of drawing are given below. Calculate interest on drawings for year ended 31st Dec., 2019 if rate of interest on drawings is 8% per annum.

Amount Withdrawn (₹)	Date
1,500	1st February, 2019
3,500	30th April, 2019
2,000	16th July, 2019

20,000

30th September, 2019

3,000

31st December, 2019

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4. X, Y and Z are partners in a firm sharing profits in 1 : 2 : 3. Their Balance Sheet as at 31.3.20, showed a Balance of ₹ 1,20,000 in general Reserve. From 1.4.2020 they will share profits equally. Pass the necessary Journal entry to give effect to the above arrangement when X, Y and Z decide not to close the general reserve account. 2
5. What do you mean by Change in Profit Sharing Ratio ? 2
6. What is sacrificing ratio ? 2
7. M, N and O are partners sharing profits in the ratio of 2 : 1 : 1. O retires, whose share is wholly taken by M. Calculate new ratio and gaining ratio. 2
8. A, B, C and D are partners sharing profits and losses in 1 : 4 : 3 : 2. D retires and the goodwill is valued at ₹ 1,10,000. D's share of goodwill is to be adjusted into the capital accounts of A, B and C, who decide to share future profits in ratio 4 : 3 : 3. Pass necessary journal entry. 2
9. What do you mean by dissolution of a partnership ? 2
10. Attempt any three out of four :
- (i) Distinguish between 'Receipts and Payments Account' and 'Income and Expenditure Account'. 4
- (ii) Discuss main characteristics/features of Goodwill. 4
- (iii) A and B are partners sharing profits and losses in the ratio of 3 : 2. On 1st January, 2020 they admitted C into the partnership. He paid ₹ 50,000 as his capital but nothing for goodwill which was valued at ₹ 40,000 for the firm. He acquired  $\frac{1}{5}$ th share in the profits equally from both partners. It was also decided that :
- (a) Land and Building be written up by ₹ 20,000.
- (b) Stock be written down by ₹ 3,200.
- (c) A provision for ₹ 1,000 be created for doubtful debts ; and
- (d) An amount of ₹ 1,200 included in sundry creditors be written back as it is no longer payable.

**BALANCE SHEET**  
**as on 31st December, 2019**

Liabilities			Assets	
Capital Accounts			Land and Building	₹60,000
A	₹80,000		Plant and Machinery	₹70,000
B	₹60,000	₹1,40,000	Stock	₹36,000
General Reserve		₹ 20,000	Sundry Debtors	₹20,000

Sundry Creditors	₹ 31,200	Cash at Bank Cash in Hand	₹ 4,000
	₹1,91,200		₹ 1,200
			₹ 1,91,200

Prepare Revaluation Account, Partners' Capital Accounts and Balance Sheet of the new firm. 4

- (iv) The Balance Sheet of P, Q and R as on March 31, 2020 who were sharing in the ratio of 5 : 3 : 1 was as follows :

Liabilities	₹	Assets	₹
Notes Payable	₹40,000	Buildings	₹40,000
Loan from Bank	₹30,000	Plant and Machinery	₹ 40,000
Reserve Fund	₹9,000	Stock	₹19,000
Capital :		Sundry Debtors	₹42,000
P	₹44,000	Less : Provision	₹2,000
Q	₹36,000	Cash at Bank	₹40,000
R	₹20,000		
	₹1,79,000		₹1,79,000

On this date, the partners dissolved the business. The assets realised—Stock ₹23,400, Debtors 50%. Fixed Assets 10% less than their book value. Notes payables were settled for 80%. There was an outstanding Bill of ₹ 800 which was paid off. Realisation expenses ₹ 1,250 were also paid.

**Required :** Prepare Realisation Account, Bank Account and Partners' Capital Accounts.

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### SECTION-B

11. (i) Equity shareholders are :
- (a) customers of the company                      (b) creditors  
(c) owners    (d) none of above
- (ii) If a share of ₹ 10 on which ₹ 8 has been called and ₹ 6 is paid is forfeited the capital account should be debited with :
- (a) ₹ 6    (b) ₹ 10  
(c) ₹ 2    (d) ₹ 8
- (iii) A company is an artificial person.
- (iv) Debentures issued as collateral security for ₹ 1,00,000 should be debited to
- (a) bank account    (b) debenture suspense account  
(c) debentures account                                      (d) Cash Account
- (v) Debentures represent
- (a) long-term liabilities of a business  
(b) directors share in a business

- (c) the investment of equity shareholders  
(d) None of above
- (vi) Debentureholders are not the members of company.
- (vii) The assets of a business can be classified as  
(a) fixed assets and current assets      (b) only fixed assets  
(c) only current assets                      (d) None of above
- (viii) Net profit will increase with .....  
(a) increase in operating income  
(b) increase in operating expenses  
(c) increases in non-operating expenses  
(d) all the above
- (ix) Ratio can be expressed in fraction.
- (x) Taxes paid must usually be shown under :  
(a) Investing activities                      (b) Operating activities  
(c) Financing activities                      (d) None of these
- (xi) Inflow of cash will take place due to....  
(a) increase in land                          (b) issue of shares  
(c) decrease in capital                      (d) payment of tax
- (xii) Cash flow statement is based upon accrual basis of accounting. (1×12=12)
- 12.** What is the difference between Over subscription & Under subscription? 2
- 13.** ABC Ltd. purchased a running business from XYZ Ltd. for a sum of ₹ 10,00,000 payable by the issued of fully paid Equity Shares of ₹ 100 each at a premium of 25%. The assets and liabilities consisted of the following :  
Building ₹ 5,00,000, Machinery ₹ 4,00,000, Sundry Debtors ₹1,00,000, Sundry Creditors ₹ 2,00,000.  
Pass the necessary Journal Entries in the books of ABC Ltd. 2
- 14.** What is meant by Convertible Debentures ? 2
- 15.** S. Ltd. issued 2,000 8% Debentures of ₹10 each at par payable as follows : on application ₹ 3 ; on allotment ₹ 2 and the balance in two equal calls. All money due on various instalments were duly received. Give journal entries. 2
- 16.** From the following information relating to Ruby Ltd. prepare a common size income statement.

Particulars	2019	2020
Sales (Revenue from operation)	₹60,000	₹90,000
Material Consumed	₹30,000	₹48,000
Manufacturing office & selling	₹20,000	₹28,000
Income Tax	50% of Profit	50% of Profit

2

- 17.** From the following calculate stock turnover ratio :

<b>Particulars</b>	<b>₹</b>
Opening Stock	24,000
Closing Stock	26,000
Purchases	73,000
Wages	20,000
Sales	1,20,000
Carriage Inwards	9,000
	2

18. What do you mean by Cash Equivalent ? 2

19. Attempt any two out of three :

- (i) Twinkle company issued ₹1,00,000 shares of ₹10 each payable as ₹ 3 on application, ₹2 on allotment, ₹2 on 1<sup>st</sup> call and ₹3 on the final call.

The public applied for ₹1,62,000 shares. The shares were allotted on a pro-rata basis to the applicants of ₹1,50,000. All shareholders paid the allotment money excepting one shareholder who was allotted ₹200 shares. These shares were forfeited. The first call was made thereafter. The forfeited shares were re-issued @ ₹9 per share ₹8 paid up. The final call was not yet made. Pass journal entries. 4

- (ii) Discuss main differences between share holders and debenture holders. 4

- (iii) From the following information calculate the amount of Cash Flows from Investing Activities:

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2020</b>
	<b>₹</b>	<b>₹</b>
Plant and Machinery	8,50,000	10,00,000
Non Current Investments	40,000	1,00,000
Land (At Cost)	2,00,000	1,00,000

**Additional Information :**

- (a) Depreciation charged on Plant and Machinery was ₹ 50,000.  
 (b) Plant and Machinery with a book value of ₹ 60,000 was sold for ₹ 40,000.  
 (c) Land was sold at a gain of ₹ 60,000. 4