केन्द्रीय माध्यमिक शिक्षा बोर्ड, दिल्ली
सीनियर स्कूल सर्टिफिकेट परीक्षा (कक्षा बारहवीं)
परीक्षार्थी प्रवेश–पत्र के अनुसार भरें

विषय Subject : ACCOUNTANCY

परीक्षा का दिन एवं तिथि
Day & Date of the Examination : Wednesday 09/03/11

उत्तर देने का माध्यम
Medium of answering the paper : English

Write Code No. as written on the top of the Question paper : 67/1

No. of supplementary answer book(s) used :

If physically challenged, tick the category

B D H S C

No

Each letter be written in one box and one box be left blank between each part of the name. In case Candidate's Name exceeds 24 letters, write first 24 letters.

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केन्द्रीय माध्यमिक शिक्षा बोर्ड, दिल्ली

Central Board of Secondary Education, Delhi

सीनियर स्कूल सर्टिफिकेट परीक्षा (कक्षा बारहवीं)

SENIOR SCHOOL CERTIFICATE EXAMINATION (CLASS XII)

प्रमाणित किया जाता है कि मैंने इस उत्तर-पुस्तिका का मूल्यांकन प्रश्न पत्र के संगत सैट के अनुसार किया है।

CBS

Ans 1.) The basis for preparing Receipt and Payment account is Cash basis.

Ans 2.) Average period is $\frac{15}{2}$ months or 7.5 months

Ans 3.) Sacrificing Ratio is the ratio in which existing partners sacrifice their share of profit in favour of incoming partner.
Sacrificing Ratio = Old Ratio − New Ratio

Ans 4.) A Business enterprise dealing in high-value added products or having high demand for its products will be in a position to earn higher profits and thus, nature of business affects the goodwill of a firm.

Ans 5) Issue of debentures as collateral security means issue of debentures as additional security, that is, in addition to the principal security. The amount is only to be realised when principal security fails to pay amount of loan.

Ans 6) An extract of Balance Sheet of a Club as on 31st March 2009

Liabilities	Amount (₹)	Assets	Amount (₹)
Prize Fund	20,000		

Dr. Receipts and Payments a/c for year ended 31/03/10 Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
Prize fund donation	40,000	Prizes Awarded	69,000

An extract of Balance Sheet of a Club as on 31/03/10

Liabilities	Amt. (₹)	Assets	Amount (₹)
Prize Fund 20,000 Add: Donations 40,000			

Dr ~~Income and Expenditure a/c for year ended 31/03/10~~ Cr

~~Particulars~~	~~Amt (₹)~~	~~Particulars~~	~~Amt (₹)~~
~~Expenses on prizes awarded~~			
~~Prize Fund 20,000~~			
~~Add: Donations 40,000~~			
~~69,000~~			
~~Less: Prizes Awarded 69,000~~	~~9,000~~		

Income and Expenditure a/c for year ended 31/03/10

Dr Cr

Particulars	Amt (₹)	Particulars	Amount (₹)
Prize Award expenses			
Prizes awarded 69,000			
less: Donations 40,000			
29,000			
Less: Prize Fund 29,000	9,000		

Journal Entries in Books of Goodluck Ltd.

Ans 7.)

SNo	Particulars	L.F.	Debit (₹)	Credit (₹)
1.)	Machinery a/c Dr.		10,00,000	
	To Fair Deals Ltd a/c			10,00,000
	[Being Machinery Purchased].			
2.)	Fair Deals Ltd a/c Dr.		10,00,000	
	To Equity Share capital a/c			8,00,000
	To Securities premium a/c			2,00,000
	[Being Shares issued]			

Working Notes

$$\text{No. of Shares} = \frac{10,00,000}{10+2.5} = \frac{10,00,000}{12.5} \times 10$$

$$= 80,000.$$

Journal of 'X Ltd'

Ans 8.)

S.No	Particulars		L.F.	Debit (₹)	Credit (₹)
1.)	6% Debentures a/c	Dr		1,00,000	
	Premium on redemption of debentures a/c	Dr		5,000	
	To Debentureholder's a/c				1,05,000
	[Being debentures due for redemption]				
2.)	Debentureholder's a/c	Dr		1,05,000	
	To equity share capital a/c				84,000
	To securities premium a/c				21,000
	[Being debentures converted]				

$$\text{No. of shares} = \frac{1,05,000}{100+25} = \frac{1,05,000}{125} \quad \cancel{21,000} \quad 4,200 \quad 840 \quad \cancel{25} \quad \cancel{5}$$

Journal entry in book of A and B.

Ans 9)

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
31/03/10	Profit and loss appropriation a/c	Dr.		4,25,000	
	To A's capital a/c.				2,12,500
	To B's capital a/c				2,12,500
	[Being profit distributed equally]				

Partner's's Capital a/c

Dr. | Cr.

Date	Particulars	J.F.	A (₹)	B (₹)	Date	Particulars	J.F.	A (₹)	B (₹)
					01/04/09	Bank		5,00,000	00,000
31/03/10	Balance c/d		[illegible],12,500	5,12,500	31/03/10	P&L appropriation a/c		2,12,500	2,12,500
			7,12,500	5,12,500				7,12,500	5,12,500

Working Notes

1) Distributable profits $= 4,30,000 -$ Interest on loan

$= 4,30,000 - \left[\frac{6}{100} \times \frac{2,00,000}{1,000} \times \frac{5}{12}\right]$

$= 4,30,000 - 5,000 = 4,25,000$

Dr. A's loan a/c Cr.

Date	Particulars	J.F	Amt (₹)	Date	Particulars	J.F	Amt (₹)
				31/03/09	Bank a/c		2,00,000
31/03/10	Balance c/d		2,05,000	31/03/10	Interest on loan a/c		5,000
			2,05,000				2,05,000

Ans 10.)

Total profits of last 3years = 1,90,000
2,20,000
2,50,000
6,60,000

Less: Partner's remuneration (1,00,000 × 3) 3,00,000

Actual Total Profits = 3,60,000.

Actual Average Profits = $\frac{3,60,000}{3}$ = ₹1,20,000.

Normal Profits = $\frac{\text{Normal Rate of Return}}{100}$ × Capital employed

$= \frac{15}{100} \times 4,00,000 = ₹60,000$

(i) Super profits = Actual Average Profits − Normal Profits

$= 1,20,000 - 60,000$

$= ₹\ 60,000$

Goodwill = Super profits × No. of years of purchases

$= ₹\ 60,000 \times 2$

$= \boxed{₹\ 1,20,000}$

(ii) By capitalisation method,

Actual Average Profits = ₹1,20,000

Capitalised Value of Average Profits = $₹\cancel{1,20,000}\ 8,000 \times \frac{100}{15}$

$= ₹\ 8,00,000$

Actual Capital employed = ₹ 4,00,000

Goodwill = Capitalised Value of Average Profit − Capital employed

Journal entries in book of XLtd

Ans (1.) (i)

S.No.	Particulars	L.F.	Debit (₹)	Credit (₹)
a)	Bank a/c Dr. To Debenture application and allotment a/c [Being amount received]		39,37,500	 39,37,500
b)	Debenture application & allotment a/c Dr. Loss on issue of debentures a/c Dr. To 9% debentures a/c To securities premium a/c To premium on redemption of debentures a/c [Being debentures issued]		39,37,500 5,62,500	 37,50,000 1,87,500 5,62,500
c)	9% debentures a/c Dr. Premium on redemption of debentures a/c Dr. To Debentureholders a/c [Being debentures due.]		37,50,000 5,62,500.	 43,12,500
d)	Debentureholders a/c Dr. To bank a/c. [Being amount paid]		43,12,500	 43,12,500

Working Note: $[15,000 \times 250] + [15,000 \times 12.5]$

$= 37,50,000 + 1,87,500$

$= 37,50,000 + 1,87,500$

$= 39,37,500$

$187.5 \times 1000 = 1,87,500$

$15 \times 12.5 = 1,87,5,000$

Ans 11 (iii)

Journal of 'X Ltd'

Date	Particulars	LF	Debit (₹)	Credit (₹)
a.)	Bank a/c Dr.		2,16,000	
	To Debenture application and allotment a/c			2,16,000
	[Being amount received] [2,00,000 × 10+0.8 / 2,00,000 × 10.8]			
b.)	Debenture application & allotment a/c Dr.		21,60,000	
	To 12% debentures a/c			20,00,000
	To Securities premium a/c			1,60,000
	[Being debentures alloted]			
c.)	12% debentures a/c Dr.		20,00,000	
	To Debentureholders a/c			20,00,000
	[Being amount due]			
d.)	Debentureholders a/c Dr.		20,00,000	
	To Bank a/c			20,00,000
	[Being amount paid]			

"South India Club"

Dr. Income and Expenditure a/c for year ended 31-3-2010 Cr.

Particulars		Amount (₹)	Particulars	Amount (₹)
Salaries		55,000	Net proceeds of refreshment room	30,000
Lighting expenses		5,500	Locker rent received	4,900
Stationery	4,000		Subscriptions	46,950
Less: paid for previous years	400	3,600		
Miscellaneous expenses		3,000		
Interest on loan				
Paid during year	1,200			
Add: O/S interest (W.N.1) for nine months	3,600	4,800		
Rent and Rates	4,500			
Less: Prepaid rent	500	4,000		
Surplus (Excess of income over expenditure)		5,950		
		81,850		81,850

Working Notes

1.) Interest for whole year = 1,200 X 4 = 4,800

O/S interest on loan = 4,800 − 1,200 = 3,600

2.) Subscription received during the year = 44,000.
Add: O/s at end. 4,700.
48,700.
Less: O/s for previous year 1,750
and received in advance 46,950
Subscription for current year

Ans 13.

Journal entries in books of Haider and James.

S.No	Particulars	L.F.	Debit (₹)	Credit (₹)
i)	~~James Brot~~ Realisation a/c Dr.		10,000	
	To James' Capital a/c			10,000
	[Being James agreed to pay brother's loan]			
ii)	Bank a/c Dr.		12,000	
	To Realisation a/c.			12,000
	[Being debtors realised]			
iii)	Haider's capital a/c Dr.		12,000	
	To Realisation a/c.			12,000
	[Being investments taken over by Haider]			
(iv)	Realisation a/c Dr.		19,000	
	To Bank a/c			19,000
	[Being Sundry Creditors paid @ 5% discount]			
v)	Realisation a/c Dr.		2,000	
	To Bank a/c.			2,000
	[Being realisation expenses paid].			
vi)	James capital a/c $\left[\frac{2}{3}\times 10,200;\ 3,400\right]$ Dr.		6,800	
	Haider's Capital a/c. Dr.		3,400	
	To Realisation a/c.			10,200
	[illegible]			

Working Note

Amount paid to Crs. $= \left(\frac{5}{100} \times \overset{20,000}{29,900}\right) = 1,000$

$= 19,000$

Ans 14)

Journal entries in books of A Public ltd Company.

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
31/12/11	Profit and loss appropriation a/c Dr		15,00,000	
	To Debenture redemption reserve a/c			15,00,000
	[Being reserve created].			
31/12/11	10% debentures a/c Dr		15,00,000	
	Premium on redemption of debentures a/c		2,25,000	
	To debentureholders's a/c			17,25,000
	[Being amount due].			
31/12/11	Debentureholders's a/c Dr		17,25,000	
	To Bank a/c			17,25,000
	(Being amount paid).			
31/12/11	Debenture redemption reserve a/c Dr		15,00,000	
	To General reserve a/c			15,00,000
	[Being amount transferred].			

Note: It is assumed that there is no further debenture liability.

and Section 117(C) says to create D.R.R. and here, adequate profits are available, So full D.R.R. is created ...

Ans 15) b

Journal entries in books of 'Moti Ltd'

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
1)	Bank a/c Dr.		75,00,000	
	To equity Share application a/c			75,00,000
	[Being amount received] [15,00,000 X 5]			
2)	Equity Share application a/c Dr.		75,00,000	
	To equity share capital a/c			30,00,000
	To Bank a/c			15,00,000
	To equity Share allotment a/c			10,00,000
	To securities premium a/c			20,00,000
	[Being amount transferred].			
3)	Equity Share allotment a/c Dr.		40,00,000	
	To equity Share capital a/c			40,00,000
	[Being amount due].			
4)	Bank a/c Dr.		29,40,000	
	Calls-in-arrears a/c Dr.		60,000	
	To equity Share allotment a/c			30,00,000
	[Being amount received].			

5.)	Equity share first and final call a/c Dr.		30,00,000	
	To equity share capital a/c			30,00,000
	[Being amount due]			
6)	Bank a/c Dr.		29,40,000	
	Calls-in-arrears a/c [20,000 x3] Dr.		60,000	
	To equity share first & final call a/c			30,00,000
	[Being amount received]			
7.)	Equity share capital a/c (20,000 x10) Dr.		2,00,000	
	To calls-in-arrears a/c			1,20,000
	To share forfeiture a/c			80,000
	[Being shares forfeited]			
8.)	Bank a/c [10,000 x 8] Dr.		80,000	
	Share forfeiture a/c [10,000 x2] Dr.		20,000	
	To equity share capital a/c			1,00,000
	[Being shares re-issued].			
9.)	Share forfeiture a/c Dr.		20,000	
	To capital reserve a/c			20,000
	[Being amount transferred]			

Working Notes

1.) Amount received on application = 75,00,000

Adjusted towards application = 50,00,000

Less : Refund (3,00,000 X 5) = ~~2,500,000~~ 15,00,000

19,60,000

Adjusted towards allotment = 19,00,000

2.) No. of shares alloted to Giri = $\frac{10,\cancel{00,000}}{\cancel{12,00,000}} \times \frac{\cancel{24,000}}{24,000}$ = 20,000.

12,00,000 : 10,000

12 : 10

[6 : 5]

Amount paid by Giri on application = 24,000 x 5 = 1,20,000

Adjusted towards application = 20,000 x 5 = 1,00,000

Adjusted towards allotment 20,000

Amount due of allotment = 20,000 x 4 = 80,000

20,000

Calls in arrear. 60,000

3) Amount of capital reserve = $\left[\left\{\frac{10,000}{20,000} \times 80,000\right\} - 20,000\right]$.

Ans 16.) In books of Murari and Vohra.

Revaluation a/c.

Dr. Cr.

Particulars	Amt (₹)	Particulars	Amt (₹)
Stock	2,000	Land and Building	50,000
Plant and Machinery	16,000		
Bad debts	5,000		
Profit on revaluation transferred to capital a/c.			
Murari – $(\frac{1}{2} \times 27,000)$ 13,500			
Vohra – 13,500	27,000		
	50,000		50,000

Dr. Partner's Capital a/c. Cr.

Date	Particulars	JF	Murari	Vohra	Yadav	Date	Particulars	JF	Murari	Vohra	Yadav
						1-04-10	Balance b/d		1,20,000	1,60,000	
						1-04-10	Revaluation a/c		13,500	13,500	
						1-04-10	Bank				2,00,000
1-04-10	Balance c/d		1,78,500	2,18,500	2,00,000		Premium		45,000	45,000	
			1,78,500	2,18,500	2,00,000				1,78,500	2,18,500	2,00,000

Balance Sheet of Murari Vohra and Yadav as on 01/04/10.

Liabilities	Amt (₹)	Assets	Amt (₹).
Creditors	60,000	Bank (2,00,000 + 90,000 + 25,000 (debts))	3,15,000
Capitals		Stock (10,000 − 2,000)	8,000
Murari − 1,78,500		Debtors 40,000	
Vohra − 2,18,500		Less: Bad debts 5,000	35,000
Yadav − 2,00,000	5,97,000	Plant & Machinery	64,000
Bank overdraft	15,000	Land & Building	2,50,000
	6,72,000		6,72,000

Working Notes

Balance Sheet before Admission

1.)

Liabilities		Amount	Asset	Amount
Cr.		60,000	Stock	10,000
Bank overdraft		15,000	Debtors	40,000
Capital			Plant & Machinery	80,000
Muni's	1,20,000		Land & Building	2,00,000
Vohra	1,60,000	2,80,000	Cash (Bal fig)	25,000
		3,55,000		3,55,000

Section - B

Ans 17.) Tax authorities are interested in knowing about the profits of the company, so that income tax can be collected correctly. Similarly Sales Tax authorities are interested in Sales.

Ans 18) Two investing activities resulting into outflow of cash
i) Cash payments for acquition of fixed assets (Plant & machinery).
ii) Cash paid for acquiring shares, warrants etc. of other companies.

Ans 19.) 'Payment of dividend' is a financing activity.

Ans 20.)

Items	Major headings	Sub headings, if any
(i) Sundry Creditors	Current liabilities and provisions	Current liabilities
(ii) Provision for Tax	Current liabilities and provisions	Provisions
(iii) Preliminary expenses	Miscalleaneous Expenditure	
(iv) Loose tools	Current assets and loans and advances	Current assets.
(v) Interest accrued on investments	Current assets, and loans and advances	Current assets.
vi Goodwill	Fixed Assets	

Ans 21) Sales = ₹ 3,00,000.

Gross Profit ratio = 25%.

Gross Profit = $\frac{25}{100} \times 3,00,000$ = ~~75,000~~ ₹75,000

Cost of Goods sold = Sales − Gross Profit

= 3,00,000 − 75,000

= ₹ 2,25,000.

Stock Turnover Ratio = $\frac{\text{Cost of goods sold}}{\text{Average Stock}}$

$4 = \frac{2,25,000}{\text{Average Stock}}$

Average Stock = $\frac{2,25,000}{4}$ = 56,250 56,250.

Let opening Stock be x.

Average Stock = $\frac{\text{Opening Stock} + \text{Closing Stock}}{2}$

$56,250 = \frac{x + x + 20,000}{2}$

$$2x + 20,000 = 1,12,500$$
$$2x = 1,12,500 - 20,000 = 92,500$$
$$x = \frac{\cancel{92,500}}{\cancel{2}} = 46,250.$$

Closing Stock $= 46,250 + 20,000 = 66,250$

Quick ratio $= \dfrac{\text{Quick Assets}}{\text{Current liabilities}} \Rightarrow \dfrac{\text{Quick Assets}}{40,000} = \dfrac{0.75}{1}$

Quick Assets $= \dfrac{0.75}{\cancel{100}} \times \dfrac{\cancel{40,000}}{10,000} = 30,000.$

Current Asset $=$ Quick Assets $+$ Closing Stock $= 30,000 + 66,250.$
$= 96,250.$

Current Ratio $= \dfrac{\text{Current Assets}}{\text{Current Liabilities}} = \dfrac{\cancel{96,250}\ 24,062.5}{\cancel{40,000}\ 10,000}$

$= \boxed{2.4 : 1}$ Ans

Books of 'X Ltd'

Ans 22. Comparative Income Statement for year ended 31.3.09 and 31.03.10

Particulars	2009 ₹	2010 ₹	Absolute change ₹	Percentage change %
Sales	40,000	50,000	10,000	25
Less: Cost of goods sold	30,000	35,000	5,000	16.67
Gross Profit	10,000	15,000	5,000	50
Less: Operating Expenses	2,500	3,000	500	20
Operating Income	7,500	12,000	4,500	60
Add: Other Income	2,000	3,000	1,000	50
Net Profit before Tax	9,500	15,000	5,500	57.89
Less: Income Tax	4,750	7,500	2,750	57.89
Net Profit after Tax	4,750	7,500	2,750	57.89

Working Notes

$\frac{5}{7} \times 100 = \frac{50}{3}$ 16.67

$\frac{1155}{1995} \times 100$ 57.89

$\frac{275}{475} \times 100$

Ans 23) Cash flow Statement of Vikas Ltd. for year ended 31/03/2010

Particulars		Amount (₹)	Amount (₹)
A) Cash flow from operating activities			
Net Profit before Taxation and Extraordinary Items (W.N.-1)			40,000
Add: Adjustments			
Preliminary expenses written off	1,000		
Depreciation	20,000		21,000
Operating profit before Working Capital changes			61,000
Add: Increase in Trade Creditors	4,600		4,600
			65,600
Less: Increase in Stock	4,000		
Increase in Debtors	3,000		(7,000)
Cash Operating profit after working Capital changes			58,600
Less: Income Tax paid in advance			(5,000)
Net Cash from operating Activities (a)			53,600
B) Cash flow from investing activities			
Purchase of fixed Assets	(92,600)		
Net cash used in investing activities		(92,600)	(92,600)

(C) Cash flow from financing activities		
Issue of equity share capital	40,000	40,000
Net increase in cash and cash equivalents (a+b+c)		1,000.
Add Cash and cash equivalents in the begining		4,000
Cash and Cash equivalents at the end		5,000

Working Notes:

1.) Net Profit as per P&L a/c = 10,000.
Add: Income Tax 5,000
Add: Transfered to Reserve 25,000
40,000

2)

Dr. Fixed Assets a/c Cr.

Particulars	Amt (₹)	Particulars	Amt (₹)
Balance b/d	93,400	Depreciation	20,000
Bank (Purchases	92,600	Balance c/d	1,66,000
	1,86,000		1,86,000