

# Financial Accounting (780) Sample Question Paper

## ClassXII

2018-19

Time: 3Hours

Max. Marks: 80

### General Instructions:

1. Question paper is divided into three sections: Section-A, Section- B and Section -C
2. Section–A:
  - i. Multiple choice question/Fill in the blanks/Direct Questions of 1 mark each. Answer any 10 questions out of the given 12 questions.
  - ii. Very Short Answer of 2 marks each. Answer any 5 questions from the given 7 questions.
  - iii. Short Answer of 3 marks each. Answer any 5 questions from the given 7 questions.
3. Section–B: Long/Essay type questions of 5 marks each. Answer any 5 questions from the given 7 questions.
4. Section–C: Long/Essay type questions of 10 marks each. Answer any 1 questions from the given 2 questions.
5. All questions of a particular section must be attempted in the correct order.
6. Please check that this question paper contains 36 questions out of which 27 questions are to be attempted.
7. The maximum time allowed is 3 hrs.

### SECTION –A

#### Answer any 10 questions out of the given 12 questions:

1. \_\_\_\_\_ is the written agreement among the partners. (1)
2. Goodwill is an \_\_\_\_\_ asset. (1)
3. Write the formula to calculate the Sacrificing Ratio at the time of admission of new partner. (1)
4. \_\_\_\_\_ maximum number of members can be possible in a Private Company. (1)
5. What is meant by the term oversubscription of shares? (1)
6. Name any two activities of Cash Flow Statement. (1)
7. Define Working Capital. (1)
8. Define Position Statement. (1)
9. Write one limitation of Financial Statement. (1)
10. Mention any one subhead under the head Shareholders' Fund. (1)
11. Maximum number of partners in a partnership firm are \_\_\_\_\_. (1)

12. Name any one activity ratio. (1)

**Very Short Questions: (2 marks each).**

**Answer any 5 questions out of the given 7 questions:**

13. Write any two differences between Partners' Fixed Capital Account and Fluctuating Capital Account. (2)
14. Write any two differences between Private Company and Public Company. (2)
15. Write the journal entry for forfeiture of shares which are issued at premium and premium is unpaid. (2)
16. Record journal entries when an 8% Debenture of RS 100 is issued at 20% premium and redeemable after 5 years at par. (2)
17. Write any two differences between Fund Flow Statement and Cash Flow statement. (2)
18. Write any two items which may appear on Debit side of Partner's Fixed Capital account. (2)
19. How Partnership firm is different from Company? Write any two differences (2)

**Short Questions: (3marks each).**

**Answer any 5 questions out of the given 7 questions:**

20. Why do partners' need to prepare Partnership Deed? Give reasons and mention any two clauses of Partnership Deed. (3)
21. Write any three differences between Dissolution of firm and Dissolution of Partnership. (3)
22. Write any three characteristics of a Company. (3)
23. What are the main Headings of Company's Balance Sheet according to companies Act 2013? Draw the format of Company's Balance Sheet and mention the appropriate headings. (3)
24. Under which head and sub-head the following items will appear as per Schedule III Part I of the Companies Act 2013: (3)
- a) Loose Tools b) Unclaimed Dividend c) Stores and Spare Parts  
d) Fixed deposit in Canara Bank e) Security Premium Reserve.
25. State any three purposes for which Security Premium Reserve can be utilized. (3)
26. The average profit earned by the firm is RS 2,50,000 which includes overvaluation of stock RS 10,000 on an average basis. The Capital invested in the business is RS 14,00,000 and normal rate of return is 15%. Calculate the Goodwill of the firm on the basis of 4 times of the super profit. (3)

**SECTION -B**

**Long/Essay type questions (5 marks each).**

**Answer any 5 questions out of the given 7 questions:**

27. Madhav and Akshit are partners in a firm. Their profit sharing ratio is 5:3. They admits Gaurang for  $\frac{1}{4}$  Share. Madhav and Akshit decided to share future profits (5)

equally. Gaurang brings in Rs. 1,20,000 as Capital and Rs. 60,000 as premium. Calculate Sacrificing ratio and record necessary entries. Premium brought in by new partner is retained in business.

28. Record necessary Journal entries at the time of dissolution of firm: (5)
- Land worth Rs. 90,000 already transferred to realization a/c was taken over by Mr. Piyush one of the partner at agreed value of Rs. 9,08,000.
  - Firm has Equipment of RS 2,00,000, Ms. Vanshika one of the partner took over 60% of the equipment at a discount of 20%.
  - There was an old typewriter which had been written off completely from the books. It was estimated to realize RS30,000. It was taken away by Mr. Yash, one of the partners at an agreed price of RS19,500.
  - Yuvraj, an old customer who's a/c for RS 18,000 was written off as bad debt in the previous year, paid 10 Paise in a rupee as final payment.
  - Creditors of RS 40,000 took over the furniture of RS 30,000 and firm paid RS 17,000 to them in full settlement.
29. Sharma Ltd. issued 4,000; 10% debentures of RS 100 each at par redeemable at premium of 20% on April 1, 2018. Record necessary entries. (5)
30. A Ltd. Forfeited 300 equity shares of RS 100 each for nonpayment of allotment RS 20 and first call RS 30. Final call RS 20 not yet called up. Out of these forfeited shares only 200 shares were re-issued @ RS 110 per share fully paid up. Record necessary entries. (5)
31. A firm has Current Ratio 3:1 and Quick Ratio 1:1. If inventory at the end is RS 1,50,000. Find Current Assets, Current Liabilities and Quick Assets. (5)
32. Calculate Return on Investment from the following information: (5)
- |                                   |               |
|-----------------------------------|---------------|
| Net profit after interest and tax | RS 6,00,000   |
| 8% Debentures                     | RS. 10,00,000 |
| 12% Bank loan                     | RS 8,00,000   |
| Tax rate                          | 40%           |
| Share holders' Fund               | RS 80,00,000  |
| Security Premium Reserve          | RS 2,00,000   |
33. Samay Ltd. Purchased assets from Rohit Ltd. and consideration was settled as follows: (5)
- 20% amount settled in cash and for remaining, 8,000 equity shares of RS 100 each were issued to vendor at 10% premium.
- Record necessary entries in the books of Samay Ltd.

### SECTION -C

#### Long/Essay type questions (10 marks each).

#### Answer any 1 question out of the given 2 questions:

34. Anshita & Arjun are partners sharing profits in the ratio of 3:2. Their Balance Sheet on 31 March 2017 as follows: (10)

| <u>Liabilities</u> | Amount | <u>Assets</u> | Amount |
|--------------------|--------|---------------|--------|
| Creditors          | 86,000 | Cash          | 77,000 |

|                             |                 |                   |        |                 |
|-----------------------------|-----------------|-------------------|--------|-----------------|
| Employees Provident Fund    | 10,000          | Debtors           | 42,000 |                 |
| Investment Fluctuation Fund | 4,000           | -Prov.            | 7,000  | 35,000          |
| Capital                     |                 | Investment        |        | 21,000          |
| Anshita                     | 1,19,000        | Building          |        | 98,000          |
| Arjun                       | 1,12,000        | Plant & Machinery |        | 1,00,000        |
| Total                       | <u>3,31,000</u> | Total             |        | <u>3,31,000</u> |

Kartik was admitted on that date for 1/4<sup>th</sup> share of profit on the following terms:

- Kartik will bring RS 50,000 as his share of capital.
- Goodwill of the firm was valued at RS 42,000 and Kartik will bring his share of goodwill in cash.
- Building was appreciated by 20%.
- All debtors were good.
- There was a liability of RS 10,800 including creditors which was not likely to arise.
- New profit sharing ratio will be 2:1:1.
- Capital of Anshita & Arjun will be adjusted on the basis of Kartik's share of capital & any excess or deficiency will be made by withdrawing or bringing in cash by the concerned partners as the case may be.

Prepare Revaluation A/c and Partners' capital A/c

**35. From the following information, Prepare a Cash Flow Statement of Panorama Ltd.: (10)**

| Particulars  | Note No. | 31-03-2017 (RS) | 31-03-2016 (RS) |
|--|----------|-----------------|-----------------|
| <b><u>Equity and Liabilities</u></b>                   |          |                 |                 |
| Shareholders' fund                                     |          |                 |                 |
| Equity share capital                                   |          | 2,70,000        | 2,00,000        |
| 6% Preference share capital                            |          | 1,40,000        | 1,50,000        |
| Reserves and surplus<br>(Statement of profit and loss) |          | 1,30,000        | 1,90,000        |
| <b><u>Current Liabilities</u></b>                      |          |                 |                 |
| Trade payables   |          | 1,20,000        | 2,10,000        |
| Other current liabilities (Outstanding expenses)       |          | 60,000          | 40,000          |
| Total  |          | <u>7,20,000</u> | <u>7,90,000</u> |
| <b><u>Assets</u></b>                                   |          |                 |                 |
| Non-current Assets                                     |          |                 |                 |
| Fixed Assets (Plant and Machinery)                     |          |                 |                 |
| Current Assets   |          |                 |                 |
| Inventory  |          | 2,10,000        | 1,80,000        |
| Trade Receivables                                      |          | 1,10,000        | 90,000          |
| Other current assets (Prepaid expenses)                |          | 3,10,000        | 4,70,000        |
| Cash and cash equivalent                               |          | 40,000          | 30,000          |
| Total  |          | 50,000          | 20,000          |
|  |          | <u>7,20,000</u> | <u>7,90,000</u> |

**Additional information:**

- a) An old Machinery having book value of RS 20,000 was sold for RS 12,000.
- b) Depreciation provided on Machinery during the year RS 10,000.

**36.** Arushi, Bhavya and Harsheen are partners sharing P&L in 3:2:1. They decided to share future profits in 4:3:2. The following is the extract of Balance Sheet **(10)**

Balance Sheet

| <b>Liabilities</b>             | <b>Amount</b> | <b>Assets</b>        | <b>Amount</b> |
|--------------------------------|---------------|----------------------|---------------|
| Workmen Compensation Reserve   | 60000         | Investments(at Cost) | 500000        |
| Investment Fluctuation Reserve | 30000         |                      |               |

Record the necessary journal entries in the following cases:

- a) If the claim on account of Workmen Compensation Reserve is RS 24,000.
- b) If the claim on account of Workmen Compensation Reserve is RS 75,000.
- c) If the Market value of Investments is RS 4,46,000.
- d) If the market value of Investment is RS 5,06,000.