

Delhi Public School, Jammu
Assignment (2018-19)
Subject: Accounts
Class: XII

Max. Marks: 80

Max. Time: 3 Hrs

General Instructions:

1. All questions are compulsory.
2. All parts of questions should be attempted at one place.
3. Marks are indicated against each question.

1. Where would you record interest on drawings when capital accounts are fluctuating? **1**
2. P and Q are sharing profits equally. With effect from 1st April, 2011 they decided to share profits in the ratio of 4:3. Calculate individual partner's gain or sacrifice due to change in profit sharing ratio. **1**
3. How is interest on drawings calculated, if the drawings are made at regular intervals, as on the fifteenth day of each month? **1**
4. Mention any two circumstances when goodwill of a partnership may have to be valued. **1**
5. A, B and C decided that interest on capital will be provided to each partner @ 5% p.a. But after one year, C wants that no interest on capital should be provided to a partner. State how C can do this? **1**
6. Mention any two items which would come under the heading Cash and Cash Equivalents as per the Balance Sheet of a company under Revised Schedule VI. **1**
7. The Current Ratio of a company is 3:1. State with reason whether the payment of dividend would improve, reduce or not change the ratio. **1**
8. State two Current Assets, which are not considered to be Liquid assets. **1**
9. A company has earned Rs.5, 00,000 as profit before interest and tax. Its Return on Investment is 20%. State the capital employed in the company. **1**
10. What will be the Operating Profit Ratio, if Operating Ratio is 81.38%? **1**
11. M and N are partners in a firm. M has given a loan of Rs.8, 000 to the firm on 1st April, 2011. The partnership deed is silent upon the question of provision of interest on partner's loan. Mention as per the Partnership Act, 1932 whether the interest should be allowed to the partner on loan. If yes, calculate the amount of interest assuming the books are closed on 31st December each year. **3**
12. The Current Assets of a company are Rs.9, 00,000. Its Current Ratio is 3:1 and Liquid Ratio is 1.2:1. Calculate the current liabilities, Liquid assets and Inventory. **3**
13. How will you show the following items in the Balance Sheet of a company as per Revised Schedule VI: a. Forfeited Shares, b. Calls in arrears, c. Interest accrued and due on Debentures **3**
14. The following balances have been extracted from the books of Abha Ltd. on 31st March, 2011:
Plant & Machinery Rs.2,00,000, Shares In Radhika Ltd. Rs. 1,00,000, Stock-In-Trade Rs.80,000, Bills Receivable Rs. 10,000, Discount on issue of shares Rs.10,000, Share Capital Rs. 2,00,000, Securities Premium Reserve Rs.1,20,000, 10% Debentures Rs.60,000, Short Term loan from Ankita Ltd. and Provision for Taxation Rs.10,000. Prepare Balance Sheet of the company as per schedule VI of the Companies Act, 1956. **3**
15. Abdul started a business of making paper bags with his friend Kartik who wanted create employment opportunities for unemployed youth of the area who were creating nuisance by disturbing the people in the vicinity. They were able to engage few of them and they started business with a capital of

Rs.2,00,000. The normal rate of earning profit in this class of business was 15%. The firm earned Rs.37, 000 as profit during the year due to their efficiency and hard work.

- i. State which two social responsibilities Abdul and Kartik have tried to fulfil and also
- ii. Calculate goodwill of the firm, which is to be calculated at three years' purchase of the Super Profit. (2+2=4)

16. A, B and C entered into partnership on 1st April, 2011 to share profits and losses in the ratio of 4:3:3. A, however, personally guaranteed that C's share of profit after charging interest on capital @ 5% p.a. would not be less than Rs.40,000 in any year. The capital contributions were: A---Rs.3, 00,000, B---Rs.2, 00,000 and C---Rs.1, 50,000. The profit for the year ended on 31st March, 2012 amounted to Rs.1, 60,000. Show the profit and loss appropriation account. 4

17. Calculate Return on Investment: Equity Rs.16, 00,000; Preference Share Capital Rs.4, 00,000; General Reserve Rs.7, 56,000; 10% Debentures Rs.16, 00,000; Current Liabilities Rs.4, 00,000; Discount on issue of shares Rs.2, 000 and Net Profit after Interest and Tax Rs.3, 20,000. 4

18. Following are the extracts of financial statements of AY Ltd.: Current assets---Rs.70, 000; Sales---Rs.1, 40,000; Net Working Capital---Rs.30, 000; Cost of goods sold---Rs.68, 000 and Inventories---Rs.30, 000. Calculate Current Ratio; Liquid Ratio, Operating Ratio and Gross Profit Ratio. 4

19. With the help of following information obtained from the books of Raghu Ltd.; prepare a Comparative Income Statement for the year ended 31st March 2012:

Particulars	2011	2012
Sales	17, 00,000	20, 00,000
Cost of Goods Sold	60% of sales	70% of sales
Operating Expenses	10% of Gross Profit	7% of Gross Profit
Other Income	14, 000	20, 000
Tax	50%	50%

4

20. Prepare a Common Size Balance Sheet from the following details:

Equity & Liabilities	2011	2012
Equity Share Capital	6, 00,000	8, 00,000
Reserves & Surplus	4, 00,000	6, 00,000
Current Liabilities	2, 00,000	1, 00,000
Total	12, 00,000	15, 00,000
Assets	2011	2012
Fixed Assets	8, 00,000	8, 00,000
Current Assets	4, 00,000	7, 00,000
Total	12, 00,000	15, 00,000

4

21. A, B and C are partners in a firm having capitals of Rs.60, 000, Rs.60, 000 and Rs.80, 000 respectively. According to partnership deed the partners are entitled to interest on Capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs.6,000 p.a. The profits are to be distributed as follows:

- a. The first Rs.20, 000 in proportion to their capitals.
- b. Next Rs.30, 000 in the ratio of 5:3:2.
- c. Remaining profits to be shared equally.

The firm made a profit of Rs.1, 56,000 before charging any of the above items. Prepare the Profit & Loss Appropriation Account and pass necessary journal entry for apportionment of profit. 6

22. From the following particulars, compute Cash Flows from Financing Activities:

Particulars	2011	2012
Equity Share Capital	Nil	5, 00,000
15% Preference Share Capital	5, 00,000	Nil
12% Debentures		2, 00,000
Dividend paid on old preference shares		1, 50,000
Interest paid on old debentures		60, 000
Underwriting commission on issue of equity shares		25,000
Interim Dividend paid		2, 25,000

- i. Equity Shares were issued at a premium of 10%
- ii. 12% Debentures were issued at a discount of 1%

6

23. From the following information of Punit Ltd., calculate cash flow from Investing activities:

Particulars	Purchased	Sold
Machinery	8, 00,000	2, 00,000
Investments	8, 60,000	5, 00,000
Goodwill	4, 40,000	Nil
Patents	Nil	2, 00,000

Interest received on debentures held as Investments Rs.22, 000.

Dividend received on shares held as investments Rs.20, 000.

6

24. M, N and J are partners in a firm. On the first day of every month M, N and J withdrew Rs.7, 000, Rs. 6,000 and Rs.5,000 respectively. Interest on capitals and interest on drawings are fixed @ 8% and 10% p.a. respectively. Profit for the year ended 31st March 2012 was Rs. 7, 55,000 out of which Rs2, 00,000 are to be transferred to General Reserve. M and J are entitled to receive a salary of Rs.30,000 and Rs.45,000 p.a. respectively and A is entitled to receive a commission @ 10% on net distributable profits after charging such commission. On 1st April, 2011, the balances of their Capital Accounts were Rs.5, 00,000; Rs.4, 00,000 and Rs.3, 50, 000. You are required to show the Profit and Loss Appropriation Account for the year ended 31st March, 2012 and the Partners' Capital Accounts.

OR

A and B are partners sharing profits and losses in the ratio of 3:1. On 1st April, 2011, their capitals were: A--- Rs.50,000 and B---Rs.30,000. During the year ended 31st March 2012, they earned a net profit of Rs.74, 000. The terms of Partnership are:

- i. Interest on capital is to be charged @6% p.a.
- ii. A will get commission of 2% on turnover.
- iii. B will get a salary of Rs.500 p.m.
- iv. B will get commission of 5% on profits after deduction of interest, salary and commission (including his own commission).
- v. A is entitled to a rent of Rs.2, 000 per month for the use of his premises by the firm.

It is paid to him by cheque at the end of every month. Partners' drawings for the year were: A—Rs.8,000 and B—Rs.6,000. Turnover for the year was Rs.3, 00,000. After considering the above factors, you are required to prepare the Profit and Loss Appropriation account and the Capital Accounts of the partners. 8

25. From the following particulars, prepare cash flow statement:

Equity & Liabilities	2012	2011
Shareholders' Funds		
Equity Share Capital	80,000	80,000
12% Preference Share Capital	20,000	Nil
Reserves & Surplus:		
P & L A/c	2,400	2,000
General Reserve	4,000	4,000
Non-Current Liabilities		
15% Debentures	14,000	12,000
Current Liabilities		
Creditors	22,000	24,000
Provision for Taxation	8,400	6,000
Proposed Dividend	11,600	10,000
Total	1,62,400	1,38,000
Assets	2012	2011
Non-Current Assets:		
Fixed Assets	80,000	82,000
Less: Accumulated Depreciation	30,000	22,000
	<u>50,000</u>	<u>60,000</u>
Current Assets:		
Stock	70,000	60,000
Debtors	48,000	40,000
Bank	7,000	2,400
Bank Overdraft	(13,600)	(25,000)
Prepaid Expenses	1,000	600
Total	1,62,400	1,38,000

Additional Information:

- Fixed assets sold for Rs.10,000, their cost Rs.20,000 and accumulated depreciation till the date of sale on them Rs.6,000.
- Interim Dividend paid during the year Rs.9,000
- Provision for tax made Rs.9,400

OR

From the following Balance Sheet of Vijaya Ltd., prepare a cash flow statement:

Equity & Liabilities	2012	2011
Shareholders' Funds		
Share Capital	65,000	45,000
General Reserve	27,500	15,000
P&L A/c	15,000	10,000
Preliminary Expenses	(500)	(1,000)
Current Liabilities		
Trade Creditors	11,000	8,700
Total	1,18,000	77,700
Assets	2012	2011
Fixed assets	83,000	46,700
Stock	13,000	11,000
Debtors	19,500	18,000
Cash	2,500	2,000
Total	1,18,000	77,700

- Depreciation on Fixed Assets for the year was Rs.14,700.
- An Interim Dividend of Rs.7,000 paid during the year.