

**BUDHA DAL PUBLIC SCHOOL PATIALA**  
**Second Term Examination (8 December 2023)**  
**Subject – ACCOUNTANCY**  
**Class XII (Set – A)**

**Time: 3 hrs.**

**M.M.80**

**General Instructions:**

1. *All questions are compulsory.*
2. *Question number 1-20 contains one mark each.*
3. *Question no. 21-26 contains 3 marks each.*
4. *Question no. 27-29 contains 4 marks each.*
5. *Question no. 30-34 contains 6 marks each.*
6. *Use of calculator is not allowed.*

Q1. 500 shares of Rs. 10 each issued at 40% premium were forfeited for non-payment of allotment money of Rs. 7 (including premium) and first & final call of Rs. 3 per share. Share Forfeiture Account will be credited with : (1)

- a) Rs. 4,000      b) Rs. 3,000      c) Rs. 2,000      d) Rs. 1,500

Q2. Ronaldo Ltd. forfeited 300 equity shares of Rs. 10 each, fully called up, on which Rs. 5 per share (including premium of Rs. 1 per share) was received. It later reissued these shares at a discount. (1)

The maximum discount per share, which the company could have given on their reissue would be:

- a) Rs. 6 per share      b) Rs. 5 per share      c) Rs. 4 per share      d) Rs. 3 per share

Q3. On 1st April 2021, Goswami Ltd. issued 8,000, 7% debentures of Rs. 100 each at 5% discount, 10,000, 9% debentures of Rs. 50 each at 5% premium and Rs. 5,00,000, 10% debentures as collateral security. Interest payable on 30<sup>th</sup> September 2021 will be ..... (1)

- a) Rs. 1,51,000      b) Rs. 75,000      c) Rs. 50,500      d) Rs. 1,01,000

**Read the following hypothetical situation and answer Q. No. 4 to 6.**

Easy Trip Ltd. was formed with an authorized capital of Rs. 60,000 divided into shares of Rs. 10 each. It offered 4,00,000 shares for public subscription at a premium of Rs. 20 per share. Applications were received for 3,80,000 shares and allotment was made to all applicants. Amounts were payable as follows :

|                          |                            |
|--------------------------|----------------------------|
| On Application           | ₹10 (including premium ₹6) |
| On Allotment             | ₹8 (including premium ₹5)  |
| On First Call            | ₹ 6 (including premium ₹4) |
| On Second and Final Call | Balance                    |

Arun, holding 5,000 shares did not pay allotment & first call and his shares were forfeited. Nandi, holding 2,000 shares did not pay first call.

Company forfeited 5,000 share of Arun. Out of these, 3,500 shares were reissued to Krishna as ₹ 9 called up for ₹15 per share. Second and final call was not made by the Company.

- Q4. Subscribed but not fully paid capital will be: (1)  
 (A) Rs. 34,02,500 (B) Rs. 34,06,500 (C) Rs. 34,08,500 (D) Rs. 34,12,500
- Q5. Amount of Share Capital to be shown in the Balance Sheet of the Company will be: (1)  
 (A) Rs. 34,02,500 (B) Rs. 34,06,500 (C) Rs. 34,08,500 (D) Rs. 34,12,500
- Q6. When Goodwill is not a purchased goodwill, Goodwill (1)  
 a) is not shown in the Balance Sheet.  
 b) is shown in the Balance Sheet.  
 c) may or may not be shown in the Balance Sheet  
 d) is partly shown in the Balance Sheet.
- Q7. A company purchased a Building for Rs. 8,00,000 out of which Rs. 2,00,000 were paid in cash. Balance amount will be issue of equity shares of Rs. 10 each at 300% premium. How many shares will be issued by the Company? (1)  
 a) 60,000 shares b) 80,000 shares c) 20,000 shares d) Rs. 15,000 shares
- Q8. Interest on debentures issued as a collateral security is paid on: (1)  
 a) Nominal value of debentures b) No interest is paid  
 c) Face value of debentures d) Paid up value of debentures
- Q9. Following amounts were payable on issue of shares of Rs. 10 each by a company: Rs. 3 on application, Rs. 3 on allotment and balance on first and final call. Kabir holding 500 shares paid only application and allotment money whereas Shahid holding 400 shares did not pay first & final call. Amount of calls in arrear will be : (1)  
 a) Rs. 3,800 b) Rs. 3,600 c) Rs. 4,400 d) Rs. 6,200
- Q10. The subscribed capital of a company is Rs. 60,00,000 and the nominal value of the share is Rs. 100 each. There were no calls in arrear till the final call was made. The final call made was paid on 57,500 shares only. The balance in the calls in arrear amounted to Rs. 50,000. Calculate the final call on share. (1)  
 a) Rs. 7 b) Rs. 20 c) Rs. 22 d) Rs. 25
- Q11. Which of the following is not an item under 'Current Assets'? (1)  
 a) Cash and cash Equivalents b) Computer Software  
 c) Short-term Loans and Advances d) Inventories
- Q12. X Ltd. made a profit of Rs. 6,00,000 before considering depreciation on machinery Rs. 50,000 and loss on sale of computer Rs. 10,000. State the amount to be shown as Cash Flows from Operating Activities. (1)
- Q13. A Company's Liquid Assets are Rs. 4,00,000, Inventory is Rs. 2,10,000, Prepaid Expenses are Rs. 30,000, Patent are Rs. 15,000 and Working Capital is Rs. 4,80,000. Its Current Ratio will be : (1)  
 a) 2.5 : 1 b) 3 : 1 c) 4 : 1 d) 1.33 : 1
- Q14. Compute Cash Flow from investing activities from the information given below: (1)

| Particulars                  | 1-1-2021 | 31-12-2021 |
|------------------------------|----------|------------|
| Machinery A/c                | 6,00,000 | 8,00,000   |
| Accumulated Depreciation A/c | 2,00,000 | 2,50,000   |

During 2021, machine costing Rs. 1,50,000 with accumulated depreciation Rs. 60,000 was sold at a profit of Rs. 10,000.

Q15. Revenue from Operations Rs. 9,60,000; Current Liabilities Rs. 20,000; Working Capital Turnover Ratio 8 times, Current Assets will be : (1)  
 a) Rs. 1,40,000 b) Rs. 1,20,000 c) Rs. 1,00,000 d) Rs. 1,60,000

Q16. A company had Current Assets of Rs. 20,00,000 and Current Liabilities of Rs. 1,00,000. What will be the company's Current Ratio after it collects Rs. 20,000 cash from its debtors of Rs. 25,000, the remaining debtors being bad? (1)  
 a) 2.2 : 1 b) 2.05 : 1 c) 1.75 : 1 d) 1.95 : 1

Q17. Quick Ratio of a company is 1.6 : 1, state giving reason whether the ratio will improve, reduce or not after because of B/R drawn on debtors for one month. (1)

**OR**

What will be the Current Ratio from the following:

Liquid Assets Rs. 1,00,000; Inventory Rs. 90,000 (including loose tools Rs. 15,000); Prepaid Expenses Rs. 5,000; Working Capital Rs. 1,20,000.

a) 1.5 : 1 b) 3.25 : 1 c) 3 : 1 d) 1.625 : 1

Q18. Which of the following is not true: (1)  
 a) Comparative Statement of Profit & Loss  
 b) Common size Statement of Profit & Loss  
 c) Common size Cash Flow Statement  
 d) Comparative Balance Sheet

Q19. From the following information, ascertain the inflow of Cash : (1)

|           | 31 <sup>st</sup> March<br>2023 (Rs.) | 31 <sup>st</sup> March<br>2022 (Rs.) |
|-----------|--------------------------------------|--------------------------------------|
| Furniture | 3,80,000                             | 5,00,000                             |

Additional information:

- i) Depreciation for the year 2022-23 was Rs. 40,000
- ii) Machinery purchased during the year was Rs. 70,000
- iii) Part of machinery sold at a gain of Rs. 10,000

a) Rs.. 1,50,000 b) Rs. 1,40,000 c) Rs. 1,60,000 d) Rs. 2,00,000

Q20. Cash deposits by customers in HDFC Bank will be : (1)  
 a) Cash Flow from Operating Activities  
 b) Cash Flow from Investing Activities  
 c) Cash Flow from Financing Activities  
 d) No Cash Flow

Q21. Ansh Ltd. issued 50,000 shares of Rs. 10 each at a premium of Rs.2 per share payable as Rs. 3 on application, Rs. 5 (including premium) on allotment and the balance on first and final call. Applications were received for 92,000 shares and allotment was done as under: (3)

- i) Applicants of 50,000 shares – 30,000 shares
- ii) Applicants of 40,000 shares – 20,000 shares
- iii) Applicants of 2,000 shares – NIL

Achint, who applied for 1,000 shares in category A and Sameer who was allotted 500 shares in category B failed to pay allotment money. Calculate the amount received on allotment.

Q22. BG Ltd. issued 2,000, 12% debentures of Rs. 100 each on 1<sup>st</sup> April 2019. The issue was fully subscribed. Acc. To the terms of issue, interest on debentures is payable half-yearly on 30<sup>th</sup> September and 31<sup>st</sup> March. Pass necessary journal entries related to issue and interest for the year. (3)

- Q23. Following is the statement of profit and loss of Sun India Ltd. for the year ended 31<sup>st</sup> March, 2023 : (3)

| Particulars                | No. | 31 <sup>st</sup> March 2023      | 31 <sup>st</sup> March 2022      |
|----------------------------|-----|----------------------------------|----------------------------------|
| Revenue from operations    |     | 25,00,000                        | 20,00,000                        |
| Other Incomes              |     | 1,00,000                         | 5,00,000                         |
| Employee Benefits Expenses |     | 60% of total revenue             | 50% of total revenue             |
| Other expenses             |     | 10% of employee benefit expenses | 20% of employee benefit expenses |
| Tax rate                   |     | 50%                              | 40%                              |

You are required to prepare a comparative statement of profit and loss of Sun India Ltd. from the given statement of profit and loss.

- Q24. ABC Ltd. issued 20,000, 9% debentures Rs. 100 each at a discount of 4% payable Rs. 30 on application and the balance on allotment. The debentures are redeemable after 5 years. Give necessary journal entries for the issue of debentures. (3)

- Q25. Under which head and sub-head will the following items appear in the balance sheet of a company? (3)

- i) Capital redemption reserve
- ii) Public deposits
- iii) Stores and spare parts
- iv) Patent being developed by the company
- v) Interest accrued and due on debentures
- vi) Provision for tax

- Q26. What is meant by 'Analysis of Financial Statement'? State any two limitations of such analysis. (3)

- Q27. Bal Krishan Ltd. was registered with an authorized capital of Rs. 2,00,00,000 divided in 12,50,000 equity shares of Rs. 10 each and 75,000, 9% preference shares of Rs. 100 each. The company issued 4,00,000 equity shares for public subscription at 20% premium, payable Rs. 3 on application, Rs. 7 on allotment (including premium) and balance on call. Public had applied for 5,00,000 shares. Excess applications were sent letters of regret. (4)

All the dues on allotment received except on 7,500 shares held by Tony. Another shareholder John paid his call dues along with allotment on his holding of 12500 shares. You are required to prepare the Balance Sheet of the Company as per Schedule III of the companies Act, 2013 showing share capital balance and also prepare notes to accounts.

- Q28. From the following information, calculate the following ratios: (4)
- a) Debt to equity rate
  - b) Working capital turnover ratio

Additional information:

Equity share capital Rs. 25,000, general reserve Rs. 2500, balance of statement of profit and loss after interest and tax Rs. 7,500, 9% debentures Rs. 10,000, creditors Rs. 7,500, land and building Rs. 32,500, equipments Rs. 7,500, debtors Rs. 7,250, cash Rs. 2,750, revenue from operations i.e. sales for the year ended 31<sup>st</sup> March 2019 was Rs. 25,000, tax rate is 50%.

- Q29. Nisha Ltd. purchased machinery from Sunil Ltd. and paid as follows (4)
- i) by issuing 10,000, equity shares of Rs. 10 each at a premium of 10%.
  - ii) by issuing 200, 9% debentures of Rs. 100 each at a discount of 10%.
  - iii) balance by accepting a bill of exchange of Rs. 50,000 payable after the month.

Pass necessary journal entries in the books of Nisha Ltd. for the above transaction.

Q30. Journalise the following:

(6)

- a) A Ltd. forfeited 1,000 shares of Rs. 10 each, Rs. 8 paid up, for non payment of final call of Rs. 2 per share. Out of these, 400 shares were re-issued as fully paid in such a way that Rs. 2800 should be transferred to capital reserve.
- b) B Ltd. forfeited 300 shares of Rs. 10 each, Rs. 8 called up, for non-payment of allotment of Rs. 2.50 per share and first call of Rs. 3 per share. Out of there 250 shares were re-issued for Rs. 7 per share as Rs. 8 paid up.

Q31. Following is the Balance Sheet of K.K. td. As at 31<sup>st</sup> March 2015 :

(6)

| Particulars  | Note No. | Mar 31, 2015            | Mar 31, 2014            |
|--|----------|-------------------------|-------------------------|
| <b>I) Equity and Liabilities</b>                       |          |                         |                         |
| 1. Shareholders' funds                                 |          |                         |                         |
| a) Share Capital                                       |          | 10,00,000               | 8,00,000                |
| b) Reserves and Surplus                                |          | 4,00,000                | (1,00,000)              |
| 2. Non - Current Liabilities                           |          |                         |                         |
| Long - term borrowings                                 |          | 9,00,000                | 10,00,000               |
| 3. Current Liabilities                                 |          |                         |                         |
| a) Short-term Borrowings                               |          | 3,00,000                | 1,00,000                |
| b) Short-term Provisions                               |          | <u>1,40,000</u>         | <u>1,80,000</u>         |
| <b>Total</b>   |          | <b><u>27,40,000</u></b> | <b><u>19,80,000</u></b> |
| <b>II) Assets</b>                                      |          |                         |                         |
| 1. Non-Current Assets                                  |          |                         |                         |
| a) Property, Plant and equipment and intangible assets |          |                         |                         |
| i) Property, Plant and equipment                       |          | 20,06,000               | 14,40,000               |
| ii) Intangible   |          | 40,000                  | 60,000                  |
| b) Non-Current Investments                             |          | 2,00,000                | 1,50,000                |
| 2. Current Assets                                      |          |                         |                         |
| a) Current Investments                                 |          | 1,00,000                | 1,20,000                |
| b) Inventories   |          | 2,14,000                | 90,000                  |
| c) Cash and Cash Equivalents                           |          | <u>1,80,000</u>         | <u>1,20,000</u>         |
| <b>Total</b>   |          | <b><u>27,40,000</u></b> | <b><u>19,80,000</u></b> |

**Notes to Accounts**

| Particulars  | 31 <sup>st</sup> March 2015 | 31 <sup>st</sup> March 2014 |
|--|-----------------------------|-----------------------------|
| 1. Reserves and Surplus<br>(Surplus, i.e. Balance in Statement of Profit & Loss) | 4,00,000                    | (1,00,000)                  |
| 2. Long-term Borrowings<br>12% Debentures  | 9,00,000                    | 10,00,000                   |
| 3. Short-term Borrowings<br>Bank Overdraft                                       | 3,00,000                    | 3,00,000                    |
| 4. Short-term Provisions<br>Provision for tax                                    | 1,40,000                    | 1,80,000                    |
| 5. Property, Plant and Equipment<br>Machinery                                    | 24,06,000                   | 16,42,000                   |
| Accumulated Depreciation   | <u>(4,00,000)</u>           | <u>(2,02,000)</u>           |
|  | 20,06,000                   | 14,40,000                   |

|                                    |          |        |
|------------------------------------|----------|--------|
| 6. Intangible Assets<br>Goodwill   | 40,000   | 60,000 |
| 7. Inventories<br>Stock - in Trade | 2,14,000 | 90,000 |

**Additional Information:**

- i) 12% debentures were redeemed on March 31, 2015.
- ii) Tax Rs. 1,40,000 was paid during the year.

Prepare cash inflow/outflow from operating activities.

- Q32. a) From the following information extracted from the statement of profit and loss for the years ended 31<sup>st</sup> March 2022 and 2003, prepare common size Statement of Profit and Loss. (6)

| Particulars                                    | 2022-23      | 2021-22      |
|--|--------------|--------------|
| Revenue from operations                        | Rs. 6,00,000 | Rs. 5,00,000 |
| Other incomes (% of revenue from operation)    | 20%          | 20%          |
| Employee benefit expenses (% of Total revenue) | 40%          | 30%          |
| Tax rate                                       | 50%          | 50%          |

- b) Also calculate Capital Employed Turnover ratio from the above information if Non-current assets = Rs. 9,00,000, current assets Rs. 5,00,000 and current liabilities = Rs. 6,00,000.

- Q33. On 1<sup>st</sup> April, 2017 Bhawani Ltd. issued 5,000, 10% Debentures of Rs. 100 each at a discount of 10% redeemable at 5% premium after 5 years. On the same date, Bhawani Ltd. borrowed a loan of Rs. 80,000 from SBI for 5 years and issued 10% Debentures of Rs. 1,00,000 to bank as a collateral security. You are required to prepare balance sheet of Bhawani Ltd. for the year ended 31<sup>st</sup> March 2018 assuming that the company has Rs. 1,00,000 balance in its Securities Premium Reserve account. (6)

- Q34. Aashna, an alumna of CBSE School, initiated her start up smartpay, in 2015. Smartpay is a service platform that processes payments via UPI and POS, and provides credit or loans to their clients. During the year 2021-22, smartpay issued bonus shares in the ratio of 5 : 1 by capitalizing reserves. The profits of smartpay in the year 2021-22 after all appropriations was Rs. 7,50,000. This profit was arrived after taking into consideration the following items: (6)

| Particulars  | 2022-23 |
|--|---------|
| Interim Dividend paid during the year                      | 90,000  |
| Depreciation on machinery                                  | 40,000  |
| Loss of Machinery due to full                              | 20,000  |
| Insurance claim received for loss of machinery due to full | 10,000  |
| Interest on Non-current investments received               | 30,000  |
| Tax refund   | 20,000  |

Additional Information:

| <b>Particulars</b>                  | <b>31 March 2022</b> | <b>31 March 2021</b> |
|-------------------------------------|----------------------|----------------------|
| Equity share capital                | 12,00,000            | 10,00,000            |
| Securities Premium Reserve          | 3,00,000             | 5,00,000             |
| General Reserve                     | 1,50,000             | 1,50,000             |
| Investment in Marketable Securities | 1,50,000             | 1,00,000             |
| Cash in Hand                        | 2,00,000             | 3,00,000             |
| Machinery                           | 3,00,000             | 2,00,000             |
| 10% Non-Current Investments         | 4,00,000             | 3,00,000             |
| Bank overdraft                      | 2,50,000             | 2,00,000             |
| Goodwill                            | 30,000               | 80,000               |
| Provision for tax                   | 80,000               | 60,000               |

- i) Goodwill purchased during the year was Rs. 20,000
- ii) Proposed Dividend for the year ends March 31, 2021 was Rs. 1,60,000 and for the year ended March 31, 2022 was Rs. 2,00,000

You are required to :

- i) Calculate Net Profit before tax and extraordinary items.
- ii) Calculate operating profit before working capital changes.
- iii) Calculate cash flow from Investing Activities
- iv) Calculate cash flow from Financing activities
- v) Calculate closing cash and cash equivalents.