

BUDHA DAL PUBLIC SCHOOL PATIALA
Second Term Examination (10 December 2024)

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. If all the forfeited shares are reissued the balance, if any left in the forfeited shares account is transferred to : (1)
a) General Reserve account b) Securities Premium Account
c) Capital Reserve account d) Statement of profit and loss
- Q2. Dove Ltd. issued 8,000, 11% debentures of 100 each at a premium of 5%. The total amount of interest on debentures for one year will be (1)
a) Rs. 80,000 b) Rs. 92,400 c) Rs. 88,000 d) Rs. 880
- Q3. Aarav Ltd. issued 10,000, 9% debentures of Rs. 100 each at a premium of 5% redeemable at a premium of 10% Loss on issue of debentures account will be debited by (1)
- Q4. For _____ the amount payable on maturity is stated but the rate of interest is not stated (1)
a) secured debentures b) unsecured debentures
c) redeemable debentures d) zero coupon bond
- Q5. As per Companies Act 2013 securities Premium cannot be utilized for which of the following purpose (1)
a) in purchasing own shares of the company building
b) in writing off preliminary expenses of the company
c) issuing fully paid bonus shares to the members
d) writing off bad debts and depreciation on fixed assets
- Q6. If 1,000 shares of Rs. 10 each were forfeited for non payment of first & final call of Rs. 5 per share. All forfeited shares were reissued after a discount (40% of the forfeited amount). How much amount is to be transferred to the capital reserve? (1)
a) Rs. 5000 b) Rs. 2000 c) Rs. 3000 d) Rs. 1,000
- Q7. Select the correct answer form the following : (1)
a) Assertion (A) is correct, but Reason (R) is wrong.
b) Both Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanations of assertion (A).
c) Both Assertion (A) and Reason (R) is the correct explanation of Assertion (A).
d) Both Assertion (A) and Reason (R) are wrong.
- Assertion (A) : Interest on bearer debentures is paid to a person who produces the interest coupon attached such debentures.
- Reason (R) : Bearer debentures are debentures which can be transferred by way of delivery and the company does not keep any record of the debenture holders.
- Q8. Current ratio of skills ltd is 2.5:1. Accountant wants to maintain it at 2 :1. Following options are available (1)
I) He can repay bills payable II) He can purchase goods on credit
III) He can take short term loan
- Which of the following options is/are correct?
a) Only I b) II and III c) I and II d) Only III

- Q9. 'Dividend Paid' by a financial enterprise will come under which kind of activity from the following while preparing cash flow statement. (1)
 a) Operating activity b) Investing activity c) Financing activity d) Both (b) and (c)
- Q10. Vinod Ltd. had provided the following information : (1)
- | Particulars | 31 st Mar, 22 | 31 st Mar, 21 |
|------------------|--------------------------|--------------------------|
| Office equipment | 1,40,000 | 1,20,000 |
- A part of the office equipment costing Rs. 35,000 (Depreciation Provided thereon Rs. 15,000) was sold for Rs. 35,000.
 Depreciation charged during the year was Rs. 45,000. Office equipment purchased during the year
- a) Rs. 85,000 b) Rs. 88,000 c) Rs. 90,000 d) Rs. 80,000
- Q11. On 1st October 2021, Vinod Ltd. issued 25,000, 9% debentures of Rs. 100 each at a premium of 20%. The Co. Paid interest to debenture holders on time i.e. 31st March, 2022. (1)
 Cash inflow/ outflow from financing activities :
 a) Rs. 3,00,000 inflow b) Rs. 25,00,000 outflow
 c) Rs. 28,87,500 inflow d) Rs. 22,75,000 inflow
- Q12. Which of the following is a tool of analysis of Financial Statements: (1)
 i) Cash flow statement ii) Statement of Profit and Loss
 iii) Notes to Accounts iv) Balance Sheet
 Choose the correct option:
 a) (i) b) (i) and (ii) c) (ii) d) (i), (ii) and (iv)
- Q13. Maira Ltd. took over assets of Rs. 12,00,000 and liabilities of Rs. 4,00,000 of Subav Ltd. for an agreed purchased consideration of Rs. 9,00,000. (1)
 The amount was payable by issue of 11% debentures of Rs. 100 each at 10% discount. The number of debentures issued will be:
 a) 9,000 b) 10,000 c) 8,000 d) 11,000
- Q14. TPT Ltd. issued 1,000, 9% debentures of Rs. 100 each at Rs. 95 per debentures. 9% debentures A/c will be credited by (1)
 a) Rs. 1,90,000 b) Rs. 1,00,000 c) Rs. 90,000 d) Rs. 10,000
- Q15. Chavi Ltd. forfeited 5,000 equity shares of Rs. 10 each issued at a premium of Rs. 5 per share for non payment of first and final call of Rs. 4 per share. On forfeiture; 'Share Forfeiture Account' will be credited by:
 a) Rs. 20,000 b) Rs. 30,000 c) 50,000 d) 55,000
- Q16. If Revenue from operation is Rs. 10,00,000 and gross profit is 25% on cost, cost of revenue from operation will be : (1)
 a) Rs. 2,50,000 b) Rs. 12,50,000 c) Rs. 2,00,000 d) Rs. 8,00,000
- Q17. The current ratio of a company is 2 : 1 which of following transaction would decrease the ratio (1)
 a) Purchase of goods worth Rs. 80,000 on cash
 b) Sale of furniture worth Rs. 50,000
 c) Purchase of goods worth Rs. 50,000 on credit
 d) Paid creditors Rs. 40,000
- Q18. Elite Ltd. issued 20,000, 9% debentures of Rs. 100 each at a discount of 10%, redeemable at a premium. On issue of these debentures, 'Loss or Issue of Debentures Account' was debited with Rs. 4,00,000. The premium on redemption of debenture is: (1)
 a) Rs. 4,00,000 b) Rs. 2,00,000 c) Rs. 6,00,000 d) Rs. 10,00,000

- Q19. Vanga Ltd. forfeited 20,000 equity shares of Rs. 100 each for non-payment of first and final call of Rs. 40 per share. The maximum amount of discount at which these shares can be re-issued will be
- a) Rs. 80,000 b) Rs. 12,00,000 c) Rs. 20,00,000 d) Rs. 20,000
- Q20. Birbal Ltd. issued 40,000 equity shares of Rs. 10 each at a premium of 20%. The amount was payable as follows:
- On application - Rs. 3 per share
 On allotment - Rs. 5 per share (including premium)
 On First call – Rs. 2 per share
 On Final call – Rs. 2 per share
- The issue was fully subscribed. 'A' is holder of 600 shares; Paid the entire money with application. At the time of transfer of share application money. 'call in advance' Account will be:
- a) Credited with Rs. 5,400 b) Debited with Rs. 2,400
 c) Credited with Rs. 2,400 d) Credited with Rs. 4,200
- Q21. Prakash Ltd. had Rs. 10,00,000, 12% debentures outstanding as on 1st April, 2019. During the year company took a loan of Rs. 2,00,000 for 5 years from the State Bank of Patiala for which the company placed with the bank debentures for Rs. 2,50,000 as collateral security. Pass Journal entries if any. Also show how the debentures and bank loan will appear in the company's balance sheet. (3)
- Q22. Classify the following items under major heads and sub heads (if any) in the Balance sheet of a company as per schedule III of the Companies Act 2013 (3)
- Loose tools
 - Loan repayable on demand
 - Provision for retirement benefits
 - Prepaid insurance
 - Capital advances
 - Share in listed companies
- Q23. Pass necessary journal entries and prepare 9% debentures account for the issue of 7500. 9% debentures of Rs. 50 each at a discount of 6% redeemable at a premium of 10%. (3)
- Q24. Prepare a Comparative Statement of Profit and Loss from the following information extracted from the Statement of Profit and Loss for the years ended 31st March, 2017 and 31st March, 2018 (3)
- | Particulars | 2017-18 | 2016-17 |
|----------------------------|----------------------------------|----------------------------------|
| Revenue from operations | 400% of cost material consumed | 300% of cost material consumed |
| Cost of Materials Consumed | Rs. 4,40,000 | Rs. 4,00,000 |
| Other Expenses | 30% of cost of Material consumed | 20% of cost of Material consumed |
| Tax Rate | 50% | 50% |
- Q25. The debt equity ratio of M. Ltd. is 2 :1. State with reason whether the following transactions will increase, decrease or not change the debt equity ratio: (3)
- Obtained a loan from ICICI Bank Rs. 1,00,000 payable after 5 years.
 - Purchased machinery for cash Rs. 1,50,000
 - Redeemed 9% debentures Rs. 1,00,000
- Q26. K. Ltd. took over the assets of Rs. 15,00,000 and liabilities of Rs. 5,00,000 of P Ltd. for a purchase consideration of Rs. 13,68,500. Rs. 25,500 were paid by issuing a promissory note in favour of P Ltd. payable after two months and the balance was paid by issue of equity shares of Rs. 100 each at a premium of 25%. Pass necessary journal entries for the above transactions in the books of K. Ltd. (3)

- Q27. On 1st April, 2023, Khyati Ltd. was formed with an authorized capital of Rs. 20,00,000 divided into 2,00,000 equity shares of Rs. 10 each. The company invited applications for issuing 1,80,000 equity shares. The company received applications for 1,70,000 shares during the first year, Rs. 8 per year were called and final call of Rs. 2 per share has not been made yet. Siya holding 2,000 shares and Piya holding Rs. 4,000 shares did not pay the first call of Rs. 2 per share. All the shares of Siya and Piya were forfeited after the first call. (4)

Present the share capital in the Balance Sheet of Khyati Ltd. as per schedule III, Part I of Companies Act, 2013 and also prepare 'Notes to Accounts' for the same.

- Q28. a) (i) From the following information, calculate Operating Ratio: (4)
- | | |
|---------------------------------|---------------|
| Revenue from Operation | Rs. 10,00,000 |
| Cost of Revenue from Operations | Rs. 4,00,000 |
| Selling expenses | Rs. 80,000 |
| Administrative expenses | Rs. 1,20,000 |
- b) From the following details, calculate Interest Coverage Ratio:
- | | |
|-----------------------|--------------|
| Net Profit before Tax | Rs. 2,00,000 |
| 10% Long term debt | Rs. 5,00,000 |
| Tax rate 40% | |

- Q29. a) Current Liabilities Rs. 1,50,000, Current Assets Rs. 2,80,000, Inventories Rs. 40,000, Advance Tax Rs. 30,000 and Prepaid Rent Rs. 10,000. Calculate Quick Ratio. (4)
- b) Average Inventory Rs. 60,000, Revenue from Operations Rs. 6,00,000, the rate of Gross Loss on Sales is 10%.

Calculate the Inventory Turnover Ratio

- Q30. On 1st April, 2015, KVK Ltd. issued 15,000, 9% debentures of Rs. 100 each at a discount of 7% redeemable at a premium of 10% after 10 years. The company closes its books on 31st March every year; Interest on 9% debentures is payable on 30th September and 31st March every year. The rate of tax deducted at source is 10%. (6)

Pass necessary journal entries for the issue of 9% debentures and debentures interest for the year ended 31st March, 2016.

- Q31. Pass necessary for forfeiture and re-issue in both the following cases.
- a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of Rs. 5 per share and first and final call of Rs. 2 per share. Only application money of Rs. 3 was paid by him. Out of these, 3,000 shares were re-issued @ Rs. 12 per shares as fully paid.
- b) Ratan Ltd. forfeited 3,000 shares of Rs. 10 each (issued at Rs. 2 premium) for non-payment Rs. 3 per share was not yet made. Out of these 2,000 shares were re-issued at Rs. 10 per share as fully paid.

- Q32. Following are the Balance Sheet of G.Ltd. As at 31st March 2023 :

Particulars	Note No.	Mar 31, 2023 (Rs.)	Mar 31, 2022 (Rs.)
I) Equity and Liabilities			
1. Shareholders' funds			
a) Share Capital		10,00,000	10,00,000
b) Reserves and Surplus		6,00,000	3,00,000
(Balance in Statement of Profit & Loss)			
2. Non - Current Liabilities			
Long - term borrowings (12% Debentures)		8,00,000	6,00,000
3. Current Liabilities			
a) Short-term Borrowings (Bank overdraft)		4,50,000	4,00,000
b) Trade Payables		4,50,000	6,00,000
c) Short-term Provisions (Provision for tax)		2,00,000	1,00,000
Total		35,00,000	30,00,000

(6)

II) Assets			
1. Non-Current Assets			
a) Property, Plant and equipment (Machinery)		19,00,000	15,00,000
b) Non-Current Investments		3,00,000	4,00,000
2. Current Assets			
a) Inventories		5,50,000	4,00,000
b) Trade Receivables		4,50,000	4,00,000
c) Cash and Cash Equivalents		3,00,000	3,00,000
Total		35,00,000	30,00,000

Additional Information:

- A piece of machinery costing Rs. 50,000 on which depreciation of Rs. 20,000 had been charged was sold for Rs. 10,000. Depreciation charged during the year was Rs. 1,70,000.
- Fresh debentures were issued on 1st August, 2021.
- During the year Rs. 1,00,000 were paid as interim dividend.
- Proposed dividend for the years ended 31st March, 2021 and 2022 were Rs. 1,50,000 and Rs. 2,00,000 respectively.

On the basis of the above information, answer the following questions:

- State the amount of Machinery purchased during the year.
a) Rs. 6,00,000 b) Rs. 4,50,000 c) Rs. 4,00,000 d) Rs. 1,70,000
- State the amount of Net profit before Tax and Extraordinary items.
a) Rs. 6,50,000 b) Rs. 6,00,000 c) Rs. 5,50,000 d) Rs. 7,50,000
- State the amount of Operating Profit before Working Capital Changes.
a) Rs. 7,50,000 b) Rs. 9,40,000 c) Rs. 10,28,000 d) Rs. 10,08,000
- What is the amount of Cash generated from Operating Activities after Tax?
a) Rs. 6,78,000 b) Rs. 5,78,000 c) Rs. 5,87,000 d) Rs. 6,80,000
- The net affect from Investing Activities will be:
a) Net cash used in Investing Activities Rs. 5,90,000
b) Net cash flow from Investing Activities Rs. 4,90,000
c) Net cash used in Investing Activities Rs. 5,00,000
d) Net cash used in Investing Activities Rs. (4,90,000)
- Increasing in long-term borrowings by Rs. 2,00,000 is treated as:
a) Cash inflow under operating Activity
b) Cash outflow under Financing Activity
c) Cash inflow under Financing Activity
d) Cash inflow under Investing Activity

Q33. Following was the Balance Sheet of M.M.Ltd. as at 31st March 2015 :

Particulars	Note No.	Mar 31, 2015	Mar 31, 2014
I) Equity and Liabilities			
1. Shareholders' funds			
a) Share Capital		5,00,000	4,00,000
b) Reserves and Surplus	1	2,00,000	(50,000)
2. Non - Current Liabilities			
Long - term borrowings	2	4,50,000	5,00,000
3. Current Liabilities			
a) Short-term Borrowings	3	1,50,000	50,000
b) Short-term Provisions	4	70,000	90,000
Total		13,70,000	9,90,000

II) Assets			
1. Non-Current Assets			
a) Property, Plant and equipment and intangible assets			
i) Property, Plant and equipment	5	10,03,000	7,20,000
ii) Intangible			
b) Non-Current Investments	6	20,000	30,000
2. Current Assets		1,00,000	75,000
a) Current Investments		50,000	60,000
b) Inventories		1,07,000	45,000
c) Cash and Cash Equivalents	7	90,000	60,000
Total		<u>13,70,000</u>	<u>9,90,000</u>

Notes to Accounts

Particulars	31 st March 2015	31 st March 2014
1. Reserves and Surplus (Surplus, i.e. Balance in Statement of Profit & Loss)	<u>2,00,000</u> <u>2,00,000</u>	<u>(50,000)</u> <u>(50,000)</u>
2. Long-term Borrowings 12% Debentures	4,50,000	5,00,000
3. Short-term Borrowings Bank Overdraft	1,50,000	50,000
4. Short-term Provisions Provision for tax	70,000	90,000
5. Property, Plant and Equipment Machinery Accumulated Depreciation	12,03,000 <u>(2,00,000)</u> 10,03,000	8,21,000 <u>(1,01,000)</u> 7,20,000
6. Intangible Assets Goodwill	20,000	30,000
7. Inventories Stock - in Trade	1,07,000	45,000

Additional Information:

- 12% debentures were redeemed on March 31, 2015.
- Tax Rs. 70,000 was paid during the year.

Prepare cash flow statement.

Q34. X Ltd. invited applications for issuing 50,000 equity shares of Rs. 10 each. The amount was payable as follows: (6)

On Application : 2 per share

On Allotment: 2 per share

On First Call: 3 per share

On Second and Final Call: Balance amount Applications for 70,000 shares were received. Applications for 10,000 shares were rejected and the application money was refunded.

Shares were allotted to the remaining applicants on a pro-rata basis and excess money received with applications was transferred towards sums due on allotment and calls, if any.

Gopal, who applied for 600 shares, paid his entire share money with application. Ghosh, who had applied for 6,000 shares, failed to pay the allotment money and his shares were immediately forfeited. These forfeited shares were re-issued to Sultan for 20,000; ₹ 4 per share paid up. The first call money and the second and final call money was called and duly received.

Pass necessary journal entries for the above transactions in the books of X Ltd. Open Calls-in-Advance Account and Calls-in-Arrears Account wherever necessary.