

# Tamil Nadu State Board - Class XII

## Accountancy

### (Model Paper)

Time : 3 Hours

Max Marks : 150

#### General Instructions:

- i. Answer ALL questions.
  - ii. All questions carry equal marks.
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#### Section - A ( $30 \times 1 = 30$ marks)

##### I. Fill in the blanks:

1. Closing stock is valued at cost price or \_\_\_\_\_ price whichever is lower.
2. After providing provision for bad and doubtful debts, the remaining debtors are called as \_\_\_\_\_.
3. Trial Balance shows bank loan Rs.5,00,000 @ 10% on 1.4.02. Interest paid Rs.30,000. Interest outstanding is \_\_\_\_\_.
4. Statement of affairs method is also called as \_\_\_\_\_ method.
5. Tax authorities do not accept \_\_\_\_\_ method.
6. Under insurance policy method, cash is paid by way of \_\_\_\_\_ every year.
7. Selling price of a plant is Rs.3,00,000, profit on sale was Rs.28,000. The Book value of plant is \_\_\_\_\_.
8. \_\_\_\_\_ Ratio measures the firm's ability to pay off its current dues.
9. The relationship of net profit to sales is known as \_\_\_\_\_.
10. Cash budget is an useful tool for \_\_\_\_\_.
11. Mutual and \_\_\_\_\_ agency is the essence of partnership.
12. The credit balance of current account will be shown on the \_\_\_\_\_ side of balance sheet.
13. Undistributed loss will appear on the \_\_\_\_\_ side of Balance sheet.
14. Reserve capital can be issued only at the time of \_\_\_\_\_.
15. A Ltd. issued 60,000 shares of Rs.10 each, fully subscribed by public. Rs.7 per share has been called up, then \_\_\_\_\_ will represent uncalled capital.

##### II. Choose the correct answer:

16. Accrued commission is \_\_\_\_\_.
  - a. Liability
  - b. Asset
  - c. Income
17. Trial Balance as on 31.03.04 shows Sundry Debtors Rs.80,500. Write off Rs.500 as Bad debts. The amount of provision for bad and doubtful debt at 5% will be \_\_\_\_\_.
  - a. Rs. 4,000

- b. Rs. 5,000
- c. Rs. 2,500

18. Under Incomplete Double Entry, Capital of a business is ascertained by preparing \_\_\_\_\_.

- a. Trading A/c
- b. Statement of Profit or Loss
- c. Statement of Affairs

19. Debtors on 1<sup>st</sup> April 2004 Rs.20,400 and on 31<sup>st</sup> March 2005 Rs.33,000. Cash received from debtors during the year Rs.60,800. Thus, Credit Sale made during the year is \_\_\_\_\_.

- a. Rs. 73,400
- b. Rs. 81,200
- c. Rs. 48,200

20. If selling price is more than the book value of an asset on the date of sale, it is \_\_\_\_\_.

- a. a loss
- b. an income
- c. a profit

21. Cost of an asset Rs.1,00,000. Rate of depreciation is 10% p.a. Depreciation is calculated under straight line method. Book value of asset at the end of second year is \_\_\_\_\_.

- a. Rs. 90,000
- b. Rs. 80,000
- c. Rs. 70,000

22. Liquid Liabilities means \_\_\_\_\_.

- a. Current Liabilities
- b. Current Liabilities minus Bank Overdraft
- c. Current Liabilities +Bank Overdraft

23. \_\_\_\_\_ are those assets which are easily convertible into cash.

- a. Current Assets
- b. Liquid Assets
- c. Fixed Assets

24. Budget is expressed in terms of

- a. Money
- b. Physical Units
- c. Money and Physical Units

25. The excess of average profit over normal profit is \_\_\_\_\_.

- a. Goodwill
- b. Average Profit

c. Super Profit

26. Under fixed capital method, the profits of partners will be transferred to their \_\_\_\_\_ accounts.

- a. Current
- b. Drawings
- c. Capital

27. Under \_\_\_\_\_ method the new partner brings in cash for his share of goodwill.

- a. Premium
- b. Revaluation
- c. Memorandum Revaluation

28. Calls in arrear is shown in Balance sheet as \_\_\_\_\_

- a. deduction from called up capital
- b. addition to paid up capital
- c. addition to issued capital

29. When shares are forfeited the share capital of the company will \_\_\_\_\_.

- a. remain the same
- b. Decrease
- c. increase

30. Capital reserve is shown on the \_\_\_\_\_ side of Balance sheet

- a. Asset
- b. Liability
- c. Contingent liability

**Section - B (10 × 5 = 50 marks)**

- i. Answer any TEN questions.
- ii. All questions carry equal marks. Answer to theory question not to exceed 50 words.

31. What is an adjusting entry?

32. Mention any two limitations of incomplete double entry.

33. What is Annuity method of depreciation?

34. What are the advantages of Ratio Analysis?

35. Write notes on Cash budget.

36. Mention any two differences between fixed capital method and fluctuating capital method.

37. What is forfeiture of shares?

38. Give adjusting entry and transfer entry for Depreciation on machinery Rs.5,000.

39. From the following information, find out total sales.

	<b>Rs.</b>
Opening Sundry debtors	1,00,000

Cash received from Sundry debtors	1,60,000
Discount allowed to Sundry debtors	4,000
Sales Return	10,000
Closing debtors	1,50,000
Cash Sales	76,000

40. Tmt.Selvi & Company purchased an asset for Rs. 50,000. Depreciation is to be provided annually according to the straight line method. The useful life of asset is 10 years and residual value is Rs.5000. You are required to find out the rate of depreciation.
41. From the following particulars, calculate Debt-Equity ratio

	<b>Rs.</b>
Equity share capital	4,00,000
General Reserve	2,00,000
Long term loan	1,00,000
Debentures	2,00,000

42. J and K were partners sharing profits in the ratio of 3:2. J draws Rs.5,000 at the end of each quarter. K draws Rs.10,000 at the end of each half year. Calculate interest on their drawings at 10% p.a. for the year ending 31.3.2005.
43. Banu and Kala were sharing profits in the ratio of 4:3. Priya was admitted in the business as a partner with  $\frac{3}{7}$ <sup>th</sup> share in the profits of the firm, which she takes  $\frac{2}{7}$ <sup>th</sup> from Banu and  $\frac{1}{7}$ <sup>th</sup> from Kala. Find out new profit ratio and the sacrificing ratio.
44. Z Ltd., forfeited 300 shares of Rs.10 each fully called up for non payment of final call money of Rs.4 per share. Out of these 250 shares were reissued for a total payment of Rs.2,000. Pass necessary journal entries.

**Section - C** ( $5 \times 12 = 60$  marks)

- Answer any FIVE questions.
- All questions carry equal marks. Question No.45 is compulsory.
- Answer to theory question not to exceed 150 words.

45. (a) The Trial Balance on 31.3.2002, shows Sundry Debtors Rs.1,25,000. Bad debts Rs.8,000.

Adjustment:

- Bad Debts to be written off Rs.5,000.
- Provide @ 5% Provision for bad and doubtful debts and
- Provide @ 2% Provision for discount on debtors.

Pass adjustment entries and also show how these items will appear in the final accounts.

**Or**

- (b) Mr. Sukan kept his books by incomplete double entry. He started business with Rs.3,00,000 on 1.4.02. On 31.3.03 his position was as under.

	<b>Rs.</b>		<b>Rs.</b>
Cash in hand	8,000	Outstanding expenses	8,000

Sundry Creditors	50,000	Plant	2,00,000
Cash at bank	20,000	Sundry Debtors	1,50,000
Bills payable	10,000	Stock	1,50,000
Furniture	40,000	Bills receivable	15,000

Additional capital Rs.10,000; and drawings Rs.5,000. Ascertain the profit or loss made during the year 2002-03.

46. Explain the causes of depreciation
47. Explain the features and advantages of cash budget.
48. Explain the accounting rules applicable in the absence of partnership deed.
49. A company purchased a machinery for Rs.80,000 on 1.4.2001. On 1<sup>st</sup> October 2002, another machinery was purchased for Rs.48,000. On 30<sup>th</sup> September 2003, the first machinery was sold for Rs.48,000. Depreciation is to be provided at 10% p.a. on straight line method. The accounts are closed on 31<sup>st</sup> March every year. Prepare machinery account and depreciation account for 3 years.
50. From the following calculate Gross Profit Ratio, Net Profit Ratio and Operating Profit Ratio.

	Rs.		Rs.
Sales	1,00,000	Loss on sale of investment	800
Gross Profit	30,000	Dividend received	400
Administration expenses	1,000	Net Profit	26,600
Selling expenses	2,000		

51. Ravi and Arun are partners in a firm sharing Profits and Losses in the ratio of 3:2. Their capitals on 1.4.03 were Rs.1,60,000 and Rs.1,20,000 respectively. Drawings of the partners during the year were Ravi Rs.12,000 and Arun Rs.8,000. Following details are also given:
  - a. Interest on Capital at and on drawings at 6% p.a.
  - b. Ravi and Arun to get a salary of Rs.10,000 p.a.
  - c. Ravi to get a commission of 10% on the net profit before charging such commission.

The net profit of the firm for the year ended 31.3.04 before making of the above adjustments was Rs.60,000. Show the Profit and Loss Appropriation account and Capital Accounts of the partners.

52. The directors of Ashok Ltd. forfeited 3000 shares of Rs.10 each fully called up, for non-payment of first call Rs.3 and final call Rs.2 per share. Out of these 2000 shares were reissued at Rs. 7 each as fully paid. Give necessary journal entries and prepare ledger account for forfeiture and capital reserve account.

**Section - D** (3 × 20 = 60 marks)

- i. Answer any Three questions.
- ii. All questions carry equal marks.
- iii. Question No. 53 is compulsory.

53. (a) Mr.X maintains his books under incomplete double entry, you are required to prepare Trading and Profit and Loss A/c. and Balance Sheet as on 31.3.04.

	1.4.2003	31.3.2004
Stock	5,00,000	2,50,000
Sundry Debtors	12,50,000	17,50,000

Furniture	50,000	50,000
Cash	1,25,000	2,00,000
Sundry Creditors	7,50,000	8,75,000

Other Details:

	Rs.		Rs.
Discount received	75,000	Discount Allowed	50,000
Sundry Expenses	1,50,000	Cash paid to creditors	22,50,000
Cash received from debtors	26,75,000	Drawings	2,00,000
Sales return	75,000	Purchase return	25,000

Charge depreciation on furniture at 5% p.a.

**Or**

(b) A and B were partners, sharing profits in the ratio of 3:2. They admit C as a new partner for 1/3 share on April 1<sup>st</sup> 2000 under the following terms:

- a. C has to bring Rs.25,000 as Capital.
- b. Goodwill is valued at Rs.26,000.
- c. Land and Building be appreciated by 40%
- d. Depreciate plant and machinery by 10%.
- e. The provision for bad and doubtful debts was to be increased by Rs.800.
- f. A liability of Rs.1,000 included in creditors is not necessary.

Balance Sheet as on 1.4.2000 Liabilities Rs. Assets Rs. Sundry Creditors 29,000 Goodwill 10,000 Bills Payable 6,000 Land & Buildings 25,000 Capital: Plant & Machinery 30,000

A Rs. 50,000 Stock 15,000 B Rs. 35,000 85,000 Sundry Debtors Rs. 20,000 General Reserve 16,000 (-) Provision for

doubtful debts Rs. 1,000

19,000

Cash 9,000 Profit & Loss A/c. 28,000 1,36,000 1,36,000

Pass journal entries. Prepare revaluation account, capital account and new Balance Sheet.

54. From the following Trial Balance, prepare Final Accounts for the year ending 31.3.2002.

Trial Balance as on 31.3.2002

Debit	Rs.	Credit	Rs.
Furniture	30,000	Capital	2,00,000
Cash	8,000	Commission	14,000
Opening Stock	1,00,000	Sales	6,00,000
Purchases	3,20,000	Creditors	1,00,000
Investments at 10%	20,000	Interest	1,500

Drawings	60,000	
Bad debts	12,000	
Salaries	60,000	
Carriage inwards	20,000	
Insurance Premium	12,000	
Rent	26,000	
Debtors	1,80,000	
Advertisement	40,000	
General Expenses	27,500	
	9,15,500	9,15,500

Adjustments:

1. Closing Stock was valued at Rs.80,000.
2. Accrued Interest on investment Rs.500.
3. Commission received in advance Rs.4,000.
4. Depreciate Furniture at 5% p.a.
5. Provide Interest on Capital at 6% p.a.

55. From the following Balance Sheet calculate current ratio, liquid ratio, debt-equity ratio and proprietary ratio.

Balance Sheet of XYZ Ltd. as on 31.3.04

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Share Capital	40,000	Goodwill	24,000
Reserves	20,000	Fixed Assets	56,000
Loans	32,000	Stock	16,000
Creditors	20,000	Debtors	8,000
Overdraft	8,000	Bills receivable	4,000
		Cash	12,000
	1,20,000		1,20,000

56. Prepare cash budget for the month of June, July and August 2004 from the following information:

- a. Opening Balance of cash in June Rs.7,000.
- b. Cash Sales for June Rs.20,000; July Rs.30,000 and August Rs.40,000.
- c. Wages payable Rs.6,000 every month.
- d. Interest receivable Rs.500 in the month of August.
- e. Purchase of furniture for Rs.16,000 in July.
- f. Cash purchase for June Rs.10,000; July Rs.9,000; and August Rs.14,000.

57. A Ltd. issued 20,000 shares Rs.100 each at Rs.120 payable as follows:

The company's shares were fully subscribed. Both the calls were made and all the money were duly received.

Pass journal entries. Prepare necessary ledger accounts and Balance Sheet.

On application Rs. 25

On First Call Rs.20

On allotment Rs. 45 (including Premium)

On Second Call Rs.30

**All the Best from APSIRA**