

# OSF

Date : 08-03-2024

## STD 12 Commerce Elements of Account 12th Account Practice Sheet Day 30 (Full Portion)

Total Marks : 100

### Section A

\* Choose The Right Answer From The Given Options. [20]

- The capital proportion of A, B and C is 3 : 2 : 1 respectively. The divisible profit is ₹ 66,000. What will be the amount of profit of C?  
(A) ₹ 11,000                      (B) ₹ 22,000                      (C) ₹ 33,000                      (D) ₹ 66,000
- Under which method, the interest on capital keeps on changing during the year due to the changes in the capital?  
(A) Fluctuating capital account method                      (B) Fixed capital account method  
(C) Current accounts method                      (D) None of the above
- Following factors are affecting the valuation of goodwill except-  
(A) Business location      (B) Nature of business      (C) Competitiveness      (D) Customer's frequency of business
- 'Goodwill' is which type of asset?  
(A) Tangible asset      (B) Intangible asset      (C) Current asset      (D) Fictitious asset
- Where is the worker profit sharing fund shown in balance sheet at the time of the reconstruction of a partnership firm?  
(A) Credit side of revaluation account  
(B) Capital-Liabilities side of balance sheet after reconstruction  
(C) Credit side of partners' capital accounts  
(D) Debit side of partners' capital accounts
- Where are the effects given when the value of assets increase at the time of the reconstruction of a partnership firm?  
(A) Addition in assets value and the revaluation account will be credited.  
(B) Addition in assets value and the revaluation account will be debited.  
(C) Subtract from assets value and the revaluation account will be credited.  
(D) Subtract from assets value and the revaluation account will be debited.
- Goodwill appearing in the books of the firm at the time of admission of the new partner is recorded as .....  
(A) debited to old partners' capital accounts in their old profit-loss sharing ratio and goodwill account is credited  
(B) credited to all partners' capital accounts including new partner in their new profit-loss sharing ratio.  
(C) admitted partners' capital A/c Cr, Goodwill A/c Dr

- (D) credited to old partners' capital accounts in their old profit-loss sharing ratio and goodwill account debited.
8. Balance of general reserve and credit balance of profit and loss account is transferred to ..... at the time of the admission of a new partner.
- (A) capital account of newly admitted partner account  
(B) all partners' capital accounts including new partner account  
(C) old partners' capital accounts  
(D) revaluation account
9. Goodwill shown in the balance sheet at the time of the retirement of a partner is recorded as .....
- (A) shown in new balance sheet, if decided by partners.  
(B) debit side of all partners' capital accounts in their old profit-loss sharing ratio.  
(C) credit side of all partners' capital accounts in their old profit-loss sharing ratio.  
(D) debit side of retiring partners' capital account only.
10. At the time of dissolution ? 5,000 realised for unrecorded furniture when it was which sold account will it be credited to?
- (A) Cash Account                      (B) Partner's Capital                      (C) Realisation A/c                      (D) Partner's Current A/c
11. At the time of dissolution of partnership firm, what will be the accounting effect of Bad debts return?
- (A) Cash A/c Cr.                      (B) Realisation A/c Cr.                      (C) Realisation A/c Cr.                      (D) NO effect
12. If the company does not receive subscription for at least \_\_\_\_\_ of the public issue, then share issue would be cancelled.
- (A) 50                      (B) 75                      (C) 90                      (D) 100
13. At what minimum price per share company can issue shares according to current provision of Companies Act?
- (A) ₹ 100                      (B) ₹ 1000                      (C) ₹ 1                      (D) ₹ 0.50
14. Company gives ..... on their debentures to debenture holders.
- (A) dividend                      (B) interest  
(C) share in profit                      (D) both interest and dividend
15. Which of the following analysis indicates the classification on the basis of time period ?
- (A) External Analysis                      (B) Internal Analysis                      (C) Vertical Analysis                      (D) Long-Term Analysis
16. Total of Balance Sheet of a Company is Rs.50,00,000 and the Tangible Assets are Rs.15,00,000. Find the percentage of Tangible Assets to the total of the Balance Sheet.
- (A) 0.3                      (B) 0.2                      (C) 0.25                      (D) 0.15
17. Which of the following ratios is revenue based profitability ratio?
- (A) Gross profit ratio                      (B) Net profit ratio

- (C) Operating ratio (D) Both (a) and (b)
18. A company has the purchase of ₹ 90,000, the purchase expenses of Rs.15,000, the changes in stock (₹ 15,000) and sales of ₹ 1,50,000. Determine the gross profit ratio.  
 (A) 40 (B) 13.33 (C) 20 (D) None of the given
19. Rent received .....
- (A) is added to operating activity and deducted from financing activity  
 (B) is added to operating activity and added to financing activity  
 (C) is added to operating activity and added to investing activity  
 (D) is deducted from operating activity and added to investing activity
20. Collection of debtors and bills receivable is .....
- (A) cash inflow of operating activity (B) cash outflow of operating activity  
 (C) cash inflow of financing activity (D) cash inflow of investing activity

### Section B

**\* Answer The Following Questions In One Sentence.**

**[10]**

21. What is goodwill?
22. What is revaluation account?
23. Explain accounting treatment of the new goodwill of the firm valued at the time of the retirement of a partner.
24. Which balance is shown by cash account after completion of accounts of dissolution?
25. When the partner's loan will be paid at the time of dissolution of partnership firm ?
26. Explain (state) the methods of redemption of debentures.
27. Are financial expenses included to determine operating ratio?
28. When ratio is useful?
29. Give illustration of any two operating incomes.
30. What is cash flow?

### Section C

**\* Answer The Following Questions. ( Write any 4 )**

**[12]**

31. The closing capital of Raghuvir is Rs. 80,000. In which Rs. 12,500 drawings of current year and profit of Rs. 17,800 are recorded. What will be the interest at 6% p.a. on the opening capital?
32. Komal, Krupa and Karishma are the partners' of a partnership firm. They distribute profit-loss in the ratio of 3:2 :1. All the partners have decided to change the profit-loss sharing ratio to 5 : 3 : 2 for future. From this information calculate the sacrifice ratio.
33. Pass journal entries for the following of firm in the case of firm's dissolution:

There are debtors of Rs. 1,20,000 and creditors of Rs. 60,000 at the time of dissolution of firm. One partner has taken debtors at 20% than book value less and accepted to pay creditors

34. Explain in brief, legal provisions of accounting settlement for partnership firm dissolution.
35. Write a note on 'Debentures issued at a premium.'
36. Explain the methods of redemption of debentures.

**Section D**

**\* Answer The Following Questions With Necessary Calculations. ( Write any 3 ) [12]**

37. From the following information find out weighted average profit.

Year	2013-14	2014-15	2015-16	2016-17
Profit (Rs.)	60,000	70,000	90,000	1,10,000

38. From the following information of Bhavesh and Vipul's firm, compute the value of goodwill on the basis of 4 years purchase of last five years average profit. Information of last five years profit is as under:

Year	2011-12	2012-13	2013-14	2014-15	2015-16
Profit(Rs.)	1,00,000	1,10,000	1,80,000	2,00,000	1,50,000

39. The abridged profit and loss statement ending on 31-3-2016 and 31-3-2017 of Saman Company Limited are given as follows. Prepare comparative statement of profit and loss.

Particulars	Note No.	31-3-2017 ( ₹ )	31-3-2016 ( ₹ )
Sales revenue		33,00,000	22,00,000
Other income		2,25,000	1,50,000
Expenses		23,76,000	15,40,000
Income tax rate 30 %			

40. Calculate stock turnover ratio from the following information of 'Y' Company Limited:

Particulars	(Rs.)	Particulars	(Rs.)
Opening stock	2,00,000	Closing stock	1,50,000
Sales	40,00,000	Purchases	22,00,000
Purchase expenses	10,00,000	Wages	2,50,000

41. From the following details of Chirag Company compute cash flow from operating activities.

Particulars	(₹)
Profit of current year	3,20,000
Taxation provision	30,000
Proposed dividend	60,000
Goodwill written off	35,000
Depreciation charged	47,000
Loss on sale of asset	43,000
Rent received	45,000
Dividend received	65,000
Increase in current assets	1,00,000
Decrease in current liabilities	90,000

### Section E

\* Answer The Following Questions In Detail. ( Write any 3 )

[24]

42. Tapu and Sonu are the partners sharing profit and loss in the ratio of 1:2. The balance sheet of their firm as on 31/3/2016 was as under :

Balance Sheet			
Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)
Capital account:		Goodwill	54,000
Tapu                    2,00,000		Land-Building	3,00,000
Sonu <u>3,00,000</u>	5,00,000	Machinery	1,00,000
Profit-loss A/c	48,000	Stock	40,000
Creditors	50,000	Debtors	80,000
Bad debt reserve	16,000	Cash	40,000
	<u>6,14,000</u>		<u>6,14,000</u>

They admitted Goli as a new partner on the following terms :

- (1) Goodwill is valued at Rs. 54,000.
  - (2) Bad debt reserve on debtors to be maintained at Rs. 10,000.
  - (3) Land-building is to be increased by 10%.
  - (4) Book value of machinery is 25% more than its market value.
  - (5) Value of stock is to be reduced by 10%.
  - (6) Goli will bring his capital equal to 50% of net assets of the new firm.
  - (7) Goli will bring his share of goodwill in cash.
  - (8) Tapu sacrifices 1/3 rd of his profit share and Sonu sacrifices 1/6 share for Goli.
- Prepare the necessary accounts and balance sheet. Also determine new profit-loss sharing ratio of all the three partners.
43. Ankita and Esha are the partners sharing profit and loss in the ratio of 2: 1. Balance sheet of their firm as on 31-3-2016 was as under :

Balance Sheet			
Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)

Capital :			Machinery	64,000
Ankita	64,000		Furniture	40,000
Esha	<u>32,000</u>	96,000	Stock	13,600
General reserve		16,800	Debtors	40,000
Creditors		60,000	- Bad debt reserve	<u>3,200</u>
Bills payable		8,000	Cash-Bank	26,400
		<u>1,80,000</u>		<u>1,80,800</u>

They admitted Arpita as a new partner on 1-4-2016 on the following conditions:

- (1) Ankita sacrificed 1/12 th from her share and Esha sacrificed 1/6 th from her share in favour of Arpita.
- (2) Arpita is to bring proportionate capital.
- (3) Arpita is to bring her share of goodwill in cash. Goodwill of the firm is valued at Rs. 90,000.
- (4) Fixed assets are to be depreciated by 10%.
- (5) All debtors are good.
- (6) Insurance premium of Rs. 2,400 out of Rs. 12,000 is to be carried forward to next year.

Prepare necessary accounts and balance sheet.

44. L, B and W are the partners of a firm sharing profit and loss in the ratio of 2 : 2 : 1. Balance sheet of their firm on 31-3-2016 was as under:

Balance Sheet

Liabilities		Amt.(Rs.)	Assets		Amt.(Rs.)
Capital Accounts:			Goodwill		8,000
L	20,000		Building		37,000
B	12,500		Debtors		13,000
W	<u>5,000</u>	37,500	Stock		5,500
General reserve		5,000	Cash		2,000
Creditors		20,000			
Outstanding exp.		3,000			
		<u>65,500</u>			<u>65,500</u>

W retired on 1-4-2016. Terms of retirement were decided as under:

- (1) Market value of building is Rs. 50,000.
- (2) Book value of stock is 10% more than its cost. Stock is to be recorded at its cost.
- (3) Personal expenses of W Rs.500 was debited to profit and loss account.
- (4) Goodwill of the firm is valued at Rs. 80,000.
- (5) L will gain 710 and B Will gain E from W's share of profit.
- (6) Amount due to W is to be paid in cash and the same amount will be brought in cash by L and B in such a manner that their capital may remain in their new profitloss sharing ratio in the new firm.

Prepare necessary accounts and balance sheet of the new firm.

45. Vala Manuf. Limited of Dhandhuka issued 4,00,000 equity shares of Rs.10 each at a premium of Rs.60 per share. Amount was called up per share as under:
- On application Rs.23 (including premium Rs.20),  
On allotment Rs.34 (including premium Rs.30),

On final call Rs.13 (including premium Rs.10).

Company received applications for 6, 00, 000 shares. Excess applications were rejected and money paid thereon was refunded.

Amount due on allotment and final call were called up in time. All amounts due on allotment and call were received except allotment and final call money on 500 shares held by Himmatbhai and final call money on 300 shares held by Hima.

Pass necessary journal entries in books of company for above transactions.

46. Rustom Limited of Valsad issued 2,40,000 equity shares of Rs.10 each at a premium of Rs.70 per share. Amount called up per share was as under:

Rs.38 on application (including premium of Rs.35),

Rs.28 on allotment (including premium of Rs.25),

Rs.14 on final call (including premium of Rs.10)

All the sums due were duly received except money due on allotment and final call on 2,000 shares held by Jahangir.

After carrying out necessary formalities, company forfeited Jahangir's shares. These shares were reissued to Joshef at 40% premium as fully paid up.

Pass journal entries for above transactions in the books of company.

### Section F

\* **Answer The Following Essay Type Questions.**

**[22]**

47. Harsha and Chhaya are partners of a partnership firm. From the following information prepare final accounts:

Trial Balance of Partnership Firm of Harsha and Chhaya as on 31-3-2017

Debit Balance	Amt. (Rs.)	Credit Balance	Amt.(Rs.)
Drawings: Harsha (1-10-16)	5,000	Capital acc. : Harsha	20,000
Chhaya (1-1-17)	10,000	Chhaya	30,000
Current account: Harsha	6,000	Current acc. : Chhaya	4,000
Interest on capital: Harsha	700	Int.on draw.: Harsha	100
Chhaya	1,000	Chhaya	50
Machinery	40,000	Loan of Harsha	10,000
Interest on loan	200	(from 1-10-2016)	
Salary (Monthly Rs.1,000)	13,000	Rent	12,000
Salary of Chhaya	5,500	Creditors	5,000
Debtors	15,000	Trading account	24,700
Receivable rent	2,000	Bank balance	5,450
Bad debts	1,300	Int.on cur. Acc. : Harsha	100
Stock of goods (3 1-3-17)	10,000	Suspense account	300
Insurance pre. (Out of which Rs. 1,200 is for the year ending on 30-6-17)	2,000	Capital accounts: Harsha	
	<u>1,11,700</u>		<u>1,11,000</u>

Adjustments:

1. Provide interest 5% on capital, 6% on drawings and 10% on opening balance of current A/c.

2. Provide 10% depreciation on machines.
3. Monthly salary of Chhaya is Rs.500.
4. Total of sales book is under cast by Rs.300.
5. Rs.1,700 are to be transferred to general reserve.

48. 1. Following balance is taken from the books of Patel Ltd. Prepare statement of profit and loss for the year ending 31-3-2017 as per schedule III of Companies Act 2013 [4 MARK]

Balance	(Rs.)
(1) Sales of scrap	10,500
(2) Cost of material consumed	1,87,500
(3) Salary	78,000
(4) Interest paid	9,000
(5) Sales	3,81,000
(6) Change in the stock of finished goods	12,000
(7) Office and administration expenses	15,600
(8) Depreciation	84,000
(9) Provision for tax on Profit is 30%	

2. Following balances are extracted from books of Shaan Ltd. on 31-3-2017. From these balances, prepare statement indicating equity and liabilities of balance sheet as per schedule II of Companies Act, 2013.[7MARK]

Particulars	Rs.
26,000 equity shares of 10 each	2,60,000
9 % loan from Bank of Baroda	50,000
Proposed dividend	18,000
Bills payable	10,000
Surplus as per statement of profit and loss	50,000
Provident fund	70,000
Bank overdraft	17,000
Outstanding salary	30,000

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