# Model Question -1 <br> Subject : Accountancy (2078) 

## Class: XII

F.M. : 75

Candidates are required to give their answers in their own words as far as practicable. The figures in the margin indicate full marks.

## Section 'A'

## (Very short answer questions)

## Attempt all questions:

1. Write any two features of private company.
2. What do you mean by debenture?
3. Write any two importance of financial statement.
4. What is fixed cost?
5. Write the meaning of absorption of overhead.
6. List out any two difference between store ledger and bin card.
7. What is labour cost?
8. State any two importance of computer system in accounting.
9. Prepare adjustment entry of provision for tax Rs.20,000.
10. From the following information calculate cash flow from operating activities:

Net income Rs.30,000
Increase in current assets Rs.15,000
Decrease in current liabilities Rs.10,000
Non-operating expenses Rs.18,000
11. If minimum stock level is 3,000 units and re-order quantity is 12,000 units. Calculate average stock level.

## Section "B"

(Short Answer questions)
Attempt all questions [8x5=40]
12. A company issued 5,000 shares of Rs. 100 each at $20 \%$ premium. The money was payable as follows:
On application Rs. 30
On allotment Rs. 50
On first and final call Rs. 40
All the shares were fully subscribed and duly paid up except that a shareholder holding 400 shares failed to pay call money whereas another shareholder of 100 shares paid call money along with allotment money.
Required: Journal entries for:
$[1+2+2=5]$
a) Share application
b) Share allotment
c) Share first and final call
OR

A shareholder holding 300 shares of Rs. 100 each issued at $10 \%$ discount failed to pay allotment and call money Rs. 60 per share. His shares were forfeited, the company re-issued those forfeited shares @ Rs. 80 per share as fully paid.

Required: Journal entries for:
a) Share forfeiture
b) Share re-issue
c) Transfer.
$[2+2+1=5]$
13. a) Axis Co. Ltd took over the following assets and liability of Zenith Co. Ltd:

| Machinery | Rs.6,50,000 | Creditors Rs.1,50,000 |
| :--- | :--- | :--- |
| Stock | Rs.1,00,000 |  |

The company paid the purchase consideration by issuing 6,000 shares of Rs. 100 each at $10 \%$ premium.
Required: Entries for purchase of assets and payment of purchase consideration $\quad[1+1=2]$
b) A Co. Ltd issued 500, 7\% debentures of Rs.1,000 each at 20\% premium and redeemable at 10\% premium after 10 years.
Required: Journal entries for issue and redemption of debenture
14. The following financial transactions of a company are provided:

| Particulars | Amt <br> (Rs.) | Particulars | Amt <br> (Rs.) |
| :--- | ---: | :--- | ---: |
| Sales revenue | $8,00,000$ | Opening stock | 25,000 |
| Wages | 30,000 | Purchases | $3,45,000$ |
| Investment income | 50,000 | Selling expenses | 24,000 |
| Salaries and benefits | 85,000 | Insurance | 12,000 |
| Income tax expenses | 70,000 | Commission income | 8,000 |
| Debenture interest | 15,000 | Purchase returns | 13,000 |
| Interest received | 18,000 | Depreciation on plant | 20,000 |

Additional information:
a) Closing stock Rs.30,000.
b) Wages outstanding Rs.5,000
c) Prepaid salary Rs.10,000.

Required: Profit and Loss statement as per NFRS
15. An unadjusted trial balance of a company is given below:

| Particulars | Debit (Rs.) | Credit (Rs.) |
| :--- | ---: | ---: |
| Share capital |  | $3,00,000$ |
| Accounts payable |  | 90,000 |
| P/L App account |  | $1,10,000$ |
| Sales | $4,00,000$ |  |
| Fixed assets | $1,00,000$ |  |
| Cash and Bank | 95,000 |  |
| Salary | 45,000 |  |
| Prepaid insurance |  | 25,000 |
| Commission | $1,65,000$ |  |
| Purchase | $8,05,000$ | $8,05,000$ |
| Total |  |  |

Additional information:
a) Prepaid insurance expired to the extent of Rs.15,000.
b) Proposed dividend $10 \%$ on share capital.

Required: Work sheet
16. Explain how cost is classified on the basis of function.
17. a)Write the advantages of centralized purchase.
b) The following are the store transactions for six months:

Jan. 1 Opening stock 900 units @ Rs. 3
Mar. 8 Purchases 1,400 units @ Rs. 5
June. 20 Purchases 1,300 units @ Rs. 4
Total sales during six months were 2,850 units
Required: Cost of goods available, cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system
18. a) The standard working hours in a week is 40 hours and normal rate per hour is Rs.150. A worker worked with a total of 300 hours in 7 weeks. The overtime rate per hour is $120 \%$ of the normal rate.
Required: Total wages of the worker
b) The following information are provided:
i) Net profit shown by cost accounting Rs.15,000
ii) Opening stock valued in cost account Rs.22,000 and in financial account Rs.28,000.
iii) Works overhead over recovered in cost account Rs.4,000.
iv) Profit on sale of fixed assets recorded in financial accounting Rs.5,000.

Required: Cost reconciliation statement
19. Write the advantages of computerized accounting system

OR
Explain the use of accounting software

## Section "C"

## Long answer questions) <br> Attempt all questions:

20. The trial balance of Shrestha \& Co. is given below:

Shrestha \& Co.
Trial Balance
as on $31^{\text {st }}$ Chaitra 2077

| Particulars | Debit (Rs.) | Particulars | Credit (Rs.) |
| :--- | ---: | :--- | ---: |
| Fixed assets | $3,00,000$ | Share capital | $2,00,000$ |
| Discount \& commission | 10,000 | $10 \%$ debentures | $1,00,000$ |
| Salary and benefits | 55,000 | Creditors | $1,25,000$ |
| Insurance | 19,000 | P/L App A/c | 90,000 |
| Cash and bank | 75,000 | Interest on investment | 10,000 |
| S. debtors | $1,00,000$ | Gross profit | $2,50,000$ |
| $10 \%$ investment | $2,00,000$ |  |  |
| Legal fee | 12,000 |  |  |
| Carriage outwards | 6,000 |  |  |
| Total | $7,77,000$ | Total | $7,77,000$ |

Additional information:
a) Prepaid salary Rs.15,000.
b) Depreciate fixed assets @ 10\%.
c) Create a provision for doubtful debts @ $5 \%$.
d) Transfer to general reserve Rs.15,000.

## Required:

i) Profit and loss account
ii) Profit \& loss appropriation account
iii) Balance sheet
$[4+1+3=8]$

## OR

Derby Co. Ltd
Trial Balance
as on $30^{\text {th }}$ Chaitra 2077

| Particulars | Debit (Rs.) | Particulars | Credit (Rs.) |
| :--- | ---: | :--- | ---: |
| Opening stock | 30,000 | Share capital | $4,00,000$ |
| Salary | 90,000 | $12 \%$ Bank loan | $2,00,000$ |
| Purchases | $1,50,000$ | Accounts payable | $1,89,000$ |
| Insurance | 28,000 | Sales | $3,90,000$ |
| Bank balance | 55,000 | Purchase returns | 15,000 |
| Accounts receivable | 80,000 | Investment income | 20,000 |
| Investment | $2,00,000$ | Discount | 1,000 |
| Land \& building | $5,00,000$ |  |  |
| Interest on loan | 12,000 |  |  |
| Wages | 30,000 |  |  |
| Advertisement | 40,000 |  |  |
| Total | $12,15,000$ | Total | $12,15,000$ |

Additional information:
a) Closing stock Rs. 65,000
b) Outstanding wages Rs.5,000.
c) Appreciate land and building by $10 \%$.
d) Prepaid salary Rs.10,000
e) Income tax @ 25\%

## Required:

i) Multi step Income statement
ii) Balance sheet

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[5+3=8]
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21. A Limited Company provides you the following comparative Balance Sheets:

| Liabilities | $\mathbf{1}^{\text {st }}$ year | $\mathbf{2}^{\text {nd }}$ year | Assets | $\mathbf{1}^{\text {st }}$ year | $\mathbf{2}^{\text {nd }}$ year |
| :--- | ---: | ---: | :--- | ---: | ---: |
| Share capital | $4,00,000$ | $5,00,000$ | Fixed assets | $4,00,000$ | $4,80,000$ |
| Retained earning | $1,80,000$ | $3,25,000$ | Patent | $2,00,000$ | $1,90,000$ |
| Debentures | $3,00,000$ | $2,00,000$ | Debtors | 60,000 | $1,00,000$ |
| Creditors | 50,000 | 70,000 | Prepaid exp. | 90,000 | 80,000 |
| O/s expenses | 90,000 | $1,15,000$ | Inventory | 60,000 | $1,00,000$ |
|  |  |  | Cash and bank | $2,10,000$ | $2,60,000$ |
|  | $10,20,000$ | $12,10,000$ |  | $10,20,000$ | $12,10,000$ |

## Additional information:

a) Sales for the second year were Rs.5,85,000 and cost of goods sold was

Rs.2,00,000.
b) Operating expenses were Rs.1,38,000 (interest of Rs.18,000)
c) Fixed assets with book value of Rs.1,00,000 was sold for Rs.80,000 and fixed assets purchased during the year were Rs.1,50,000.
d) Dividend paid during the year Rs.40,000.
e) Debentures redeemed at a premium of Rs.20,000.
f) Tax paid during the year Rs.22,000.

Required: Cash flow statement using direct method
22. The following cost information were extracted from last month's record for the production of 100 units of a product:
Direct materials Rs.2,00,000
Direct wages Rs.1,00,000
Factory overhead Rs.60,000
Administrative overhead Rs.36,000
The following were considered for submitting a tender for production of 500 units:
a) Material cost per unit remains the same.
b) Labour cost per unit increases by $20 \%$
c) Factory overhead based on prime cost.
d) The factory is expected to earn $20 \%$ profit on tender price

## Required:

a) Cost sheet
b) Tender sheet

