Model Question -2 Subject : Accountancy (2078)

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:

Class: XII

- 1. Write any two differences between public company and private company.
- 2. What do you mean by share capital?
- 3. Write any two limitations of financial statement.
- 4. Define cost accounting.
- 5. Write the meaning of fixed overhead.
- 6. List out any two advantages of codification and classification of materials.
- 7. Mention any two advantages of time rate system of wage payment.
- 8. What is accounting software?
- 9. Calculate cost of goods sold from the following: Opening stock – Rs.15,000 Purchases – Rs.1,50,000 Carriage- Rs.5,000 Purchase returns- Rs.3,000 Wages- Rs.20,000
- 10. From the following information calculate cash flow from operating activities: Net income Rs.80,000 Decrease in current assets Rs.5,000 Depreciation- Rs.10,000 Increase in current liabilities Rs.3,000 Profit on sale of fixed assets- Rs.15,000
 11. If the set of the
- 11. If annual requirement is 40,000 units, ordering cost per order is Rs.500 and carrying cost per unit is Rs.10 then find out optimum purchase quantity.

Section "B" (Short Answer questions)

Attempt all questions

12. A company issued 5,000 shares of Rs.100 each at 10% premium. The money was payable as follows:

On application Rs.30

On allotment Rs.50

On first and final call Rs.30

Applications were received for 10,000 shares. Shares were allotted on pro-rata basis. Excess application money was utilized towards the money due on allotment. All calls were duly made and received except that a shareholder holding 300 shares failed to pay allotment and call money.

Required: Journal entries for:

a) Share application b) Share allotment c) Share first and final call [1+2+2=5]

OR

A shareholder holding 200 shares of Rs.100 each issued at 10% premium failed to pay allotment and call money of Rs.70 per share. Out of it,150 shares were re-issued at Rs.90 per share fully paid including premium.

Required : Journal entries for:

a) Share forfeiture b) Share re-issue c) Transfer

[2+2+1]

[8x5=40]

13. A)A Co. Ltd took over the following assets of B Co. Ltd with an agreed purchase price of Rs.4,00,000.
Fixed assets Rs.5,00,000 Inventory Rs.50,000

Current liabilities Rs.2,00,000

The company paid the purchase consideration by issuing shares of Rs.100 each at 20% discount. **Required:** Entries for purchase of assets and payment of purchase consideration [1+1=2]

[11x1=11]

B) A Co. Ltd issued 800, 6% debentures of Rs.1,000 each at 10% premium and redeemable after 10 years at 10% discount.

Required: Journal entries for issue and redemption of debenture

[1+2=3]

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Sales revenue	8,00,000	Promotional expenses	25,000
Opening stock	50,000	Rent received	60,000
Purchases	3,30,000	Commission expenses	14,000
Wages	35,000	Bank charges	3,000
Office expenses	40,000	Commission income	18,000
Income from rendering service	1,00,000	Miscellaneous expenses	6,000
Interest on debenture	15,000	Bad debts	2,000
Carriage	10,000	Depreciation	20,000

14. The following financial transactions of a company are provided:

Additional information:

- a) Closing stock Rs.30,000.
- b) Outstanding office expenses Rs.5,000
- c) Corporate tax 25%

Required : Multi-step income statement

15. An unadjusted trial balance of a company is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital		1,60,000
Creditors		90,000
Retained earning		60,000
Sales		2,50,000
Fixed assets	2,00,000	
Cash at bank	80,000	
Administrative expenses	50,000	
Rent		40,000
General reserve		25,000
Purchase	1,60,000	
Total	4,90,000	4,90,000

Additional information:

a) Depreciate fixed assets @ 10%.

b) Transfer to general reserve Rs.10,000.

Required: Work sheet

- 16. Explain any three methods of costing.
- 17. A)Write the importance of material control.

B) The following are the store transactions for the month of June:

June 1 Opening stock 1,200 units @ Rs.2

June14 Purchases 800 units @ Rs.3

June30 Purchases 1,500 units @ Rs.4

Total sales during the month of June2,750 units

Required: Cost of goods available, cost of ending inventory and cost of goods soldusing LIFO method under periodic inventory system [3]

[5]

[5]

[5]

[2]

18.	A) The standard output hour is 5 units. The wage rate per unit is Rs.30 and total working month is 150 hours.Required: Total wages for the month under piece rate system	hour in a				
	B) The following information are provided:					
	i) Net profit shown by financial accounting Rs.45,000					
	ii) Depreciation overcharged in cost accounting by Rs.10,000.					
	iii) Undervaluation of opening stock in financial accounting Rs.8,000.					
	iv) Interest on investment credited in financial accounting Rs.11,000.					
	Required: Cost reconciliation statement	[3]				
19.	Explain the elements of computerized accounting system	[5]				
	OR					
	Write the advantages of accounting software	[5]				

Section "C"

(Long answer questions)

Attempt all questions:

20. The trial balance of ABC Co. Ltd. is given below:

ABC Co. Ltd. Trial Balance

as on 31st Chaitra 2077

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)		
Plant (1 st Kartik 2077)	1,80,000	Share capital	1,50,000		
Rent and rates	20,000	12% bank loan	50,000		
Salary	35,000	Creditors	55,000		
Prepaid insurance	38,000	P/L App A/c	60,000		
Cash balance	25,000	Rent income	25,000		
Debtors	60,000	Gross profit	1,90,000		
10% investment	1,50,000				
Advertisement	15,000				
Discount	1,000				
Interest on loan	6,000				
Total	5,30,000	Total	5,30,000		

Additional information:

a) Prepaid insurance expired to the extent of Rs.18,000.

b) Depreciate plant @10%

c) Create a provision for doubtful debts @ 5% after writing bad debts Rs.2,000.

d) Proposed dividend 10%.

Required:

i) Profit and loss account

ii) Profit & loss appropriation account

iii) Balance sheet

OR

[4+1+3=8]

[3x8=24]

XYZ Co. Ltd **Trial Balance** as on 30th Chaitra 2076

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Cash and bank	35,000	Share capital	1,15,000
Discount	2,000	10% Bank loan	50,000
Fixed assets	2,00,000	Accounts payable	90,000
Purchases	70,000	Sales	2,30,000
Accounts receivable	75,000	Purchase returns	4,000
Interest on loan	5,000	Interest received	5,000
Salary	20,000	Commission	6,000

Prepaid rent	15,000		
Investment	50,000		
Opening stock	18,000		
Advertisement	10,000		
Total	5,00,000	Total	5,00,000

Additional information:

a) Closing stock Rs.55,000

b) Outstanding salary Rs.6,000.

c) Depreciate fixed assets by 10%.

d) Commission earned but not received Rs.4,000

e) Income tax @ 25%

Required:

i) Profit and loss statement as per NFRS

ii) Statement of financial position as per NFRS

[4+4=8]

21. A Limited Company provides you the following comparative Balance sheets:

Liabilities	1 st year	2 nd year	Assets	1 st year	2 nd year
Share capital	3,00,000	5,00,000	Fixed assets	1,50,000	4,00,000
Retained earning	1,00,000	3,20,000	Goodwill	2,50,000	2,00,000
6% debentures	2,00,000	-	Inventory	70,000	1,00,000
Bank loan	60,000	80,000	Debtors	15,000	40,000
O/s expenses	30,000	20,000	Bank	1,80,000	1,90,000
Creditors	10,000	15,000	Prepaid exp.	35,000	5,000
	7,00,000	9,35,000		7,00,000	9,35,000

Additional information:

- a) Sales for the second year were Rs.6,55,000 and Cost of goods sold was Rs.2,95,000.
- b) Operating expenses Rs.1,25,000 (including interest of Rs.5,000)
- c) Fixed assets with book value of Rs.30,000 sold at a profit of Rs.10,000 and fixed assets purchased during the year were Rs.2,40,000.
- d) Dividend paid for the year was Rs.30,000 and tax paid during the year was Rs.20,000.
- f) Redemption of debentures @ 10% discount.

22. Following cost information is provided to you:

Following cost information is	s provided to you.	
Opening	Closing	
Raw materials	Rs.16,000	Rs.19,000
Finished goods	Rs.93,000	Rs.20,000
Purchase of raw materials- R	s.1,42,000	
Freight on purchase- Rs.11,0	00	
Direct wages- Rs.50,000		
Carriage outwards- Rs.14,500)	
Indirect material- Rs.15,000		
General expenses- Rs.16,000		
Advertisement- Re.20,000		
Office salaries - Rs.36,000		
Fuel & power- Rs.28,000		
Other factory overhead- 62,0	00	
Sales - 25,000 units @ Rs.24		
Required: Statement of cost		

[4+1+2+1]