# Model Question -2 <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" <br> (Very short answer questions)

## Attempt all questions:

[11x1=11]

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 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
$[8 \times 5=40]$
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
$[2+2+1]$
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 $\quad[1+1=2]$
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
14. The following financial transactions of a company are provided:

| Particulars | Amt <br> (Rs.) | Particulars | Amt <br> (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 |

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 | $2,00,000$ |  |
| Fixed assets | 80,000 |  |
| Cash at bank | 50,000 |  |
| Administrative expenses |  | 40,000 |
| Rent | $1,60,000$ | 25,000 |
| General reserve | $4,90,000$ | $4,90,000$ |
| Purchase |  |  |
| Total |  |  |

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
18. A) The standard output hour is 5 units. The wage rate per unit is Rs. 30 and total working hour in a month is 150 hours.
Required: Total wages for the month under piece rate system
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
19. Explain the elements of computerized accounting system

Write the advantages of accounting software

## 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 $31^{\text {st }}$ Chaitra 2077

| Particulars | Debit (Rs.) | Particulars | Credit (Rs.) |
| :--- | ---: | :--- | ---: |
| Plant (1 ${ }^{\text {st }}$ 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 |  | $5,30,000$ |
| Total | $5,30,000$ | Total |  |

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
$[4+1+3=8]$
OR
XYZ Co. Ltd
Trial Balance
as on $30^{\text {th }}$ 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
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 | $3,00,000$ | $5,00,000$ | 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.

Required: Cash Flow Statement using direct method [4+1+2+1]
22. Following cost information is provided to you:

Opening
Raw materials
Finished goods

Closing
Rs.16,000
Rs.93,000
Purchase of raw materials- Rs.1,42,000
Freight on purchase- Rs.11,000
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- 62,000
Sales - 25,000 units @ Rs. 24
Required: Statement of cost

Rs.19,000
Rs.20,000

