

Model Question -6
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.

Attempt all questions:

Group 'A'

Very Short Answer Questions

[11×1=11]

1. Write the meaning of private company with a suitable example. [1]
2. Define Memorandum of Association. [1]
3. Clarify the meaning of financial statement? [1]
4. Write any two importance of cost accounting. [1]
5. Define fixed cost with suitable example. [1]
6. Write any two advantage of time rate system of wage payment. [1]
7. Define controllable overhead. [1]
8. Define accounting software. [1]
9. Prepare adjustment entry of depreciation on furniture Rs 4,000. [1]
10. From the following information calculate retained earnings for the year [1]
Last year profit was transferred to Balance sheet Rs.50, 000, current year's profit Rs. 35,000, Proposed dividend Rs 15,000 and transfer to general reserve Rs. 5,000

11. From the following information calculate Annual requirement; [1]
 The following information is given to you:
 Quantity to be ordered on each purchase : 1,000 units
 Cost per order : Rs. 10
 Cost per unit : Rs. 2
 Storage and Insurance cost: 5% of average inventory value

Group 'B'

Short Answer Questions [5×8= 40]
Attempt all questions

12. A company Limited issued 5,000 shares of Rs. 100 each with 10% discount payable as under.

On application	Rs. 30
On allotment	Rs. 30 (after discount)
On first and final call	Rs. 30

Application were received for 8,000 shares, allotment were made on the following basis:

To the applicants for 3,000 shares	full
To the applicants for 4,000 shares	2,000
To the applicants 1,000 shares	rejected

All excess amount paid on application is to be adjusted against amount due on allotment and subsequent calls. The shares were full called and paid up except one shareholder to whom 200 shares were allotted failed to pay on allotment and first and final call (under pro –rata group).

Required: Journal entries for:

- a) Share application b) share allotment c) Share first and final call** [1+2+2]

OR

A company Limited issued 10,000 shares of Rs. 100 each payable as under.

On application	Rs. 30
On first and final call	Rs. 30

Application were received for 16,000 shares, allotment were made on the following basis:

To the applicants for 6,000 shares	full
To the applicants for 8,000 shares	4000
To the applicants 2,000 shares	Nil

All excess amount paid on application is to be adjusted against amount due on allotment and subsequent calls. The shares were full called and paid up except one shareholder to whom 200 shares were allotted failed to pay on first and final call and his shares were forfeited.

Required: Journal entries for Share allotment, Share first and final call, Share forfeiture [1+2+2]

13. A. A company limited issued 6,000 shares of Rs 100 each at a premium of 10% to purchase the following assets and liabilities of X company Ltd.

Machinery	Rs. 4, 00,000	Furniture	Rs. 1, 50,000
Sundry creditors	Rs. 1, 0, 0000	Loan	Rs. 1, 50,000
Sundry debtors	Rs. 2, 50,000		

Required: Journal entries for purchase of assets and liabilities [2]

- B.** A company issued 5,000 10% debenture of Rs. 100 each at 10% discount. These debentures were redeemed after 5 years at 5% premium.

Required: Journal entries for issue and redemption of debenture [1+2]

14. The following unadjusted trial balance is related to Dhawalari Company

Account Heads	Debit Rs	Credit Rs
Cash	6,000	
Prepaid insurance	3,000	
Office supplies	8,000	
Office equipment	70,000	
Bank loan		10,000
Accounts payable		12,000
Share Capital		40,000
Sales		60,000
Miscellaneous expenses	15,000	
Salaries	20,000	
Total	1,22,000	1,22,000

Adjustment information

- (a) Outstanding salaries Rs.4, 000 (c) Prepaid insurance expired Rs.1, 000
 (d) Depreciation on equipment Rs. 4,000 e) Outstanding interest on loan Rs 1,000

Required: Worksheet

[5]

15. You are given the following ledger balances of the ABC company ltd. concern for the year ending 31 Chaitra 2075

Particulars	Dr. Amount	Particulars	Cr. Amount
Opening stock	30,000	Sales	8,00,000
Purchase	5,50,000	Share Capital	4,50,000
Factory rent	5,000	Creditors	10,000
Building	2,00,000	Reserve fund	20,000
Salaries	10,000	P/L App. A/C	20,000
Machinery	2,00,000	Debenture	1,00,000
Debtors	1,00,000	Bills payable	40,000
Cash at bank	25,000	Commission	3,000
Wages	20,000	Share transfer fee	22,000
Carriage Outward	17,000	Purchase return	5,000
Investment in share	2,00,000		
Commission	10,000		
Rent	28,000		
Stationary	20,000		
Goodwill	50,000		
Interest on debenture	5,000		
Total	<u>14,70,000</u>	Total	<u>14,70,000</u>

Additional information:-

- a. Stock on 31th Chaitra 2075 was of Rs.30, 000.
 b. Depreciate Machinery by 10%.

Required: Income statement as per NFRS

[5]

16. Write the meaning of codification and classification of materials with suitable example

[5]

17. a) Writes the meaning of allocation of overhead.

[2]

b) The following transactions show the movement of a particular item of material during March

March 1	Opening stock 500 units @ 20 per unit
March 8	Purchased 300 units @ Rs. 25 per unit
March 10	Issued 200 units
March 12	Returned to supplier 30 units (out of March 8)
March 15	Purchased 450 units @ 30 per unit
March 18	Issued 150 units

Required: Store ledger under LIFO method by using perpetual inventory system [3]

18. a) The standard output per half an hour is 20 units. The piece rate is Rs. 12 per unit and worker worked 100 hours in a month.

Required: Total wage under Piece rate system [2]

b) The net profit as per financial account is Rs. 60,000. Reconciling the cost account with financial account, the following discrepancies were revealed:

- Works overhead under recovered in cost account Rs. 5,000.
- Office overhead over recovered in cost account Rs. 3,000.
- Depreciation charged in financial account Rs. 5,000 and in cost accounts Rs. 6,000.
- Income tax paid Rs. 15,000.

Required: Reconciliation statement of cost and financial account [3]

19. Discuss the needs and feature of accounting software [5]

Group 'C'

Long Answer Questions

Attempt all questions

20. You are given the following ledger balances of the ABC company ltd. concern for the year ending 31 Chaitra 2075

Particulars	Dr. Amount	Particulars	Cr. Amount
Building	2,00,000	Share Capital	4,50,000
Salaries	10,000	Creditors	10,000
Machinery	2,00,000	Reserve fund	20,000
Debtors	1,00,000	P/L App. A/C	20,000
Cash at bank	25,000	6% Debenture	1,00,000
Carriage Outward	7,000	Bills payable	40,000
Calls in arrears	10,000	Commission	3,000
Investment in share	2,00,000	Share transfer fee	20,000
Commission	10,000	Provision for tax	2,000
Rent	28,000	Gross Profit	2,30,000
Stationary	20,000		
Goodwill	50,000		
Interest on debenture	5,000		
Closing stock	30,000		
Total	8,95,000	Total	8,95,000

Additional information:-

- Appreciation on Building @ 5% and depreciate Machinery by 10%.
- Further bad debt Rs 5,000 and Provision for doubtful debts to be maintained on 5% on debtors.
- Salaries for the year Rs.12, 000
- Proposed Dividend @ 10% on paid up capital

Required: a) Profit and loss a/c c) Profit and loss app. a/c d) Balance Sheet [2+3+3]

OR

Trial Balance of a trading concern as on 31st Chaitra 2077 is given below:

Particulars	Dr (Amount)	Particulars	Cr (Amount)
Stock 1-1.2077	30,000	Sales	6,00,000
Purchase	5,50,000	Share Capital	4,50,000
Fuel & Power	5,000	Creditors	10,000
Salaries	30,000	Provision for bad debt	5,000
Machinery(1.7.2077)	2,00,000	Bank loan	1,02,000
Debtors	80,000		
Cash at bank	25,000		
Wages	20,000		
Carriage Out	7,000		
Investment	2,00,000		
Commission	5,000		
Rent	15,000		
Total	<u>11,67,000</u>	Total	<u>11,67,000</u>

Additional information:-

- Stock on 31th Chaitra 2077 was of Rs.60 000.
- Depreciate Machinery by 10%.
- Salaries for the year Rs.32, 000 and wages prepaid Rs.3, 000.

Required: **Multi step income statement and Balance sheet** by using modern approach [4+4]

21. Sagar Co Ltd. Provides the following information.

Balance sheet of

Capital and liabilities	2018(Rs)	2019 (Rs)	Asset	2018(Rs)	2019 (Rs)
Share capital	5,00,000	7,00,000	Fixed asset	6,00,000	7,50,000
Retained earning	3,00,000	4,85,000	Investment	1,00,000	-
10% debentures	2,00,000	50,000	Inventory	50,000	90,000
Creditors	30,000	40,000	Debtors	1,00,000	2,00,000
O/s expenses	5,000	2,000	Cash in hand	2,00,000	2,45,000
Bank overdraft	15,000	8,000			
Total	10,50,000	12,85,000	Total	10,50,000	12,85,000

Other information:

- Sales (Net) for the year Rs. 8,00,000 and Cost of goods sold Rs. 3,00,000
- Operating expenses were Rs. 2,00,000
- The fixed asset costing Rs. 2, 00,000 was purchased in the year 2008 and depreciation of Rs. 50,000 was charged on the fixed assets.
- Investment was sold at a profit of Rs. 10,000
- Dividend of Rs. 60,000 was paid during the year.
- Debentures were redeemed at 10% premium.

Required: **Cash flow statement by using direct method** [3+2+2+1]

22. A manufacturing company provides you the following cost information for the productions of 500 units of cotton shirts:

Materials	1, 50,000
Direct Wages	1, 20,000
Works Overheads	30,000
Office Overheads	15,000
Selling overhead	10,000

Following estimates were made by the costing departments of the company for quoting the tender price of 2,000 units of cotton shirts:

Cost of materials will increase by 25% and direct wage cost decrease by 10%. Factory overhead based on direct wage and other overhead based on factory cost. So that the price might yield a profit of 20% on Selling Prices

Required- (a) Cost Sheet (b) Tender sheet [2+6]