

Model Question -7
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

[11x1=11]

Attempt all questions:

1. What do you mean by Chartered Company? [1]
2. Differentiate between equity share and preference share capital? [1]
3. Write any two features of financial statement. [1]
4. Write any two functions of cost account. [1]
5. What do you mean by Bin card? [1]
6. What is the meaning of perpetual inventory system? [1]
7. What do you mean by bin card? [1]
8. Give the meaning of variable overhead with suitable example. [1]
9. Prepare adjustment entries of outstanding wages Rs 10,000. [1]
10. From following information calculate net cash flow from investing activities: [1]
Plant and machinery increased from 35,000 to 45,000, investment decreased from 60,000 to 40,000, land and building increased from 2, 00,000 to 3, 50,000.
11. From the following information calculate maximum stock level; [1]
Daily consumption 2,000 units to 3,000 units, lead time 5 to 10 days. Re order quantity 6,000 units

Group 'B'

Short Answer Questions

[8×5=40]

12. B&B. Company Ltd. Issued 10,000 shares of Rs. 100 each at 10% discount payable as follows:

On application	Rs. 20
On allotment	Rs. 30 (After discount)
On First and Final Call	Rs. 40

Applications were received for 20,000 shares. It was decided

To refuse to applicants for 5,000 shares

To allot 5,000 shares for 5,000 applicants

To allot 5,000 shares for 10,000 applicants

To allot on pro- rata basis for remaining applicants

Excess money is utilized towards part payments on subsequent calls. All monies were duly received except a holder who applied for 200 shares and was allotted 100 shares failed to pay allotment and first and final call money.

Required: Journal entries for a). Share Application b). Share Allotment
c). Share First and Final call

[1+2+2]

OR

Aarambha Company forfeited 450 shares of Rs. 100 each issued at 10 % premium for non-payment of first and final call of Rs. 30. Only 300 shares were re-issued to A at Rs. 80.

Required: Journal entries for i) Forfeiture ii) Re-issue iii) Transfer

[2+2+1]

13. A. X Co. Ltd. Took over the following assets and liabilities of Y Company Ltd at an agreed purchase price of Rs. 3, 15,000.

Plant	Rs. 2, 50,000	Furniture	Rs. 1, 00,000
Creditors	Rs. 40,000	Debtors	Rs 40,000

Outstanding expenses Rs. 10,000

The company issued fully paid equity shares of Rs. 10 each at 10% discount for the payment of purchase consideration.

Required: Journal entries [2]

B. A Company Limited issued 4,000 5% Debentures of Rs. 10 each at 5 % discount and redeemable after 7 years at 10% premium.

Required: Journal entries for issuance and redemption of debentures [1+2]

14. The following is the trial balance drawn up on 31st Dec 2020.

Particulars	Dr. Amounts	Particulars	Dr. Amounts
Opening stock	50,000	Sales	3,14,500
Furniture	17,000	Rent received	3,000
Rent and taxes	4,000	P/L appropriation A/C	15,000
Machinery	29,500	Share capital	1,00,000
Purchase	2,45,000	Reserve	15,500
Sundry debtors	32,500	Account payable	29,500
Wages and salaries	31,000	Return outward	5,000
Salaries	13,500	Bank loan	50,000
Calls in arrears	10,000		
Cash	50,000		
Interest on loan	2,500		
Goodwill	47,500		
Total	5,32,500	Total	5,32,500

Additional Information:

a. The value of closing stock at the end was Rs. 59,000.

b. Depreciate machinery and furniture by 10% each.

c. Outstanding rent and taxes Rs. 1250

Required: **Multi step Income statement by using modern approach.** [5]

15. You are given the following trial balance of a company:

Particulars	Debit Rs.	Credit Rs.
Capital		1,50,000
Sales		2,50,000
Machinery	1,00,000	
Sundry debtors	25,000	
Furniture	50,000	
Purchase	1,90,000	
Opening stock	10,000	
Sundry creditors		25,000
Salaries and wages	40,000	
Prepaid insurance	10,000	
Total	425,000	4,25,000

Additional Information:

a. Depreciate machinery @10%.

b. Outstanding salaries Rs. 2,500

c. Bad debt written off Rs. 500

d. Prepaid insurance expired Rs. 6,000

Required: a. Work sheet [5]

16. Write the meaning of apportionment and absorption of overhead. [2.5+2.5]

17. a) What are the objectives of inventory management? [2]

b) Following are the transactions of material of a company for the month of Paush.

Poush 1 Opening stock 400 units @ Rs. 10 per unit

Poush 6 Purchased 800 units @Rs. 12 per unit

Poush 18 Purchased 1400 units @ Rs. 14 per unit.

Total sales during the month of poush 1,300 units. The Company follows periodic inventory system.

Requirement: **Cost of goods sold and cost of ending inventory** by using FIFO method [3]

18. a) The standard time allowed for one unit of output is 30 minutes. The hourly wage rate is Rs. 50 per hour . Umesh produced 40 units in a day.

Required: Total earning of the worker Umesh for a month. [2]

- b) You are given the following information on 31st Dec.2007

Net profit as per cost account	Rs. 20,000
Patent written off shown in financial account	Rs. 12,000
Factory overhead were over recorded in financial account	Rs. 10,000
Interest received not recorded in cost account	Rs. 5,000
Closing stock undervalued in cost account	Rs. 3000
Depreciation overcharged by financial account	Rs. 1,000

Required : Cost Reconciliation Statement. [3]

19. Difference between manual and computerized accounting. [5]

Group 'C'

Long Answer Questions

[3×8= 24]

Attempt All Questions:

20. Bajaj Company has been established with authorized capital of Rs 10,00,000 divided into equity and 8% preference capital at Rs. 6,00,000 and Rs. 4,00,000 respectively. The company showed the following trial balance on 30th December 2005

<u>Particulars</u>	<u>Debit Rs.</u>	<u>Particulars</u>	<u>Credit Rs</u>
Opening stock	80,000	Equity share (5000)	5, 00,000
Purchases	2, 20,000	8% preference share	1, 00,000
Building	6, 00,000	Sales	7, 50,000
Office rent	40,000	Creditors	1, 50,000
Interest paid	4,000	General reserve	50,000
Calls in arrears	50,000	6% long term loan	1, 00,000
Salary	80,000	P/L App A/C	8,000
Wages	1, 20,000	Commission outstanding	20,000
Tax paid for last year	25,000	Bank overdraft	75,500
Freight in ward	40,000	Provision for bad debts	1,500
Underwriting commission	16,000	Provision for tax	20,000
Prepaid insurance	20,000		
Plant and machinery	3, 80,000		
Debtors	1, 00,000		
Total	17,75,000	Total	17,75,000

Additional Information:

- Stock valued at the end of the year Rs. 2,75,000
- Wages included Rs. 20,000 erection made for machinery.
- Insurance expired to extent of Rs. 15,000
- Depreciate plant and machinery by 5% p.a.
- Bad debt written off Rs. 10,000 and provide for provision for bad debts @ 4%
- Board of Directors proposed a dividend on preference shares and create a general reserve of Rs. 20,000

Required: a) Trading account b) Profit and loss account
b) Profit and loss appropriation account [3+3+2]

OR

You are given the following ledger balances of the ABC Trading concern for the year ending 31st December 2007.

Debit	Amount	Credit	Amount
Opening stock	2,00,000	Sales	14,00,000
Purchase	7,00,000	10% debentures	3,00,000
Wages	1,00,000	Share capital	6,30,000
Cash	90,000	Creditors	2,00,000
Fixed asset	1080000	Retained Earning	80,000
Debtors	180,000	General reserve	50,000
General expenses	300000	Transfer fees	10,000
Prepare Insurance	20,000	Interest received	5,000
Interest on debenture	30,000	commission	25,000
Total	27,00,000	Total	27,00,000

Additional information:-

- i. Wages payable Rs. 10,000 per month.
- ii. Prepaid Insurance expire Rs. 5,000 during the year.
- iii. Closing stock valued Rs. 200,000
- iv. Fixed asset revalued at Rs 10, 00,000 at the end of the year.

Required: Income statement as per NFRS and Balance sheet as per NFRS [4+4]

21. The balance sheets of a Company as on Dec. 31 are as follows:

Liabilities	2017 Rs.	2018 Rs.	Assets	2017 Rs.	2018 Rs.
Share capital	5,00,000	6,00,000	Plant and machinery	6,00,000	8,00,000
Share premium	50,000	60,000	Stock	50,000	1,00,000
5% Debentures	1,00,000	50,000	Sundry debtors	1,50,000	1,00,000
Account payable	50,000	40,000	Bank balance	1,00,000	50,000
Sundry creditors	1,00,000	1,50,000			
Retained Earning	1,00,000	1,50,000			
Total	9,00,000	10,50,000	Total	9,00,000	10,50,000

Additional Information:

- a. Sales for the year 2018 Rs. 8,00,000
- b. Cost of goods sold Rs. 5, 30,000.
- c. Operating expenses Rs. 1,25,000 (including depreciation Rs. 25,000 and interest Rs.40,000)
- d. A plant costing Rs. 20,000 was sold for Rs. 30,000 and another plant was purchased for Rs. 3, 00,000.
- e. Dividend distributed Rs. 40,000
- f. Debenture was redeemed at 20% premium.

Required: Cash flow statement using direct method

[3+2+2+1]

22. The details of manufacturing and other cost are given below:

Opening stock of raw material	Rs. 80,000
Purchase	Rs. 200,000
Carriage	Rs. 4000
Closing stock of raw material	Rs. 40,000
Direct wages	Rs. 4, 00,000

Work overhead	Rs. 60,000
Administrative overhead	10% of direct wages
Selling and distribution cost	Rs. 5 per unit.
Units produced	6,000 units
Units sold	7000 units
Profit	20% on sales
Required: a). Cost of raw material used. B). Prime Cost c). Factory cost d). Cost of production e). Total cost f). Sales	1+1+1+2+2+1

Best of luck