

**Model Question -8**  
**Subject : Accountancy (2078)**

Class: XII

F.M. : 75

**Group 'A'**

**Very short answer questions :**

**(11×1=11)**

**Attempt all the questions**

1. Write any two differences between equity and preference shares.
2. Write the advantages of debt financing.
3. Explain any two limitations of cost accounting.
4. What are the inventory management techniques?
5. Explain variable cost with examples.
6. Write any two advantages of piece wages system.
7. Explain controllable and uncontrollable overhead.
8. Explain any two features of company.
9. Find EOQ if annual requirement is 4000 kg ordering cost per order is RS 40 and carrying cost per unit is Rs 2.
10. What is the limitation of computer in accounting.
11. What is amount of cost of goods sold if opening stock is Rs 20,000. Purchase of Rs 380,000 and value of closing stock Rs 25,000.
12. Arpan Ltd issued 20,000 equity shares of par value Rs 100 each at Rs 110. Company demanded the price of the shares under following installments :
  - On application Rs 30
  - On allotment RS 60 (including premium)
  - On calls Rs 20

Company received application for 40,000 shares. Company decided to reject the application for 10,000 shares and make pro rata allotment for application of remaining shares. Company informed subscriber and utilized excess application money of the subscribers towards sum due on allotment and subsequent calls. All dues were received as per company's expectations except calls money of a subscriber of 600 shares. Subscriber failed to pay calls money. Company decided to forfeit these share after final call.

**Req; Entries for allotment, calls and share forfeiture.**

5

Or

President co. Ltd has declared the forfeiture of 800 equity shares of a subscriber against default in payment of allotment and calls money Rs 85 per share including premium Rs 20 the par value per share is Rs 100. Co reissued these shares at Rs 80 to a new subscriber for Rs 100 fully paid.

**Req: Entries of share forfeiture, re issue and transfer of the forfeited amount to the capital reserve.**

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13. a) Strong Ltd has acquired business of Weak Ltd at an agreed value Of Rs 816,000. Asset taken over and liabilities assumed are:

Equipment & tools Rs230,000. Furniture Rs 45,000. Building Rs 505,000 and Creditors Rs 20,000. Company, to discharge the purchase price, issue 8000 shares par value Rs 100 at Rs 102.

Req: entry of the purchase of the business and discharge of the agreed value. 2

b) Acer co ltd has issued 10000, 12% debenture par value of Rs 1000 at its 110% value and repayable at 125% value at its maturity on cash after five years

Req; Entries of the issue and redemption of the debenture. 3

14. Trial balance and necessary adjustments of Jupiter Company Ltd. as on Chaitra 31, 2010, as follows:

Particulars	Debit (Rs.)	Credit (Rs.)
Machinery	2,00,000	
Sundry creditors		20000
Purchase	50,000	
Share Capital		200,000
Sales revenue		150,000
Salaries	40,000	
Advertisement	10,000	
Debtors	50000	
Cash and bank balance	25,000	
Commission		50,000
Prepaid insurance	15000	
Rent	30,000	
<b>Total</b>	<b>42,0000</b>	<b>42,0000</b>

Additional Information:

- Closing stock Rs 50000.
- Prepaid insurance expired Rs.10, 000
- Outstanding rent Rs 6,000.

**Required: a) Journal Entries for adjustment**

**b) Twelve column Work sheet.**

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15. Following Trial balance of Drift Company Ltd contains the ledger balances of the year ended Dec 31 2016

Particulars	Debit	Credit
Share capital		400,000
Sales		700,000
Plant and Machinery	300,000	
General reserve		50,000
Debtors	200,000	
Bank and cash Balance	150,000	
Account Payable		30,000
Profit and loss Account		60,000
Dividend	20,000	
Bank Loan		40,000
Insurance	45,000	
Wages and Salary	50,000	
Carriage outward	20,000	
Office & administrative expenses	50,000	
Vehicles	100,000	
Purchase	200,000	
Opening Stock	30,000	
Investment	100,000	

Legal expenses	5,000	
Return outward		10,000
Discount and Commission		5,000
Power and fuel	25,000	
Total	12,95,000	12,95,000

Additional Information:

- Closing Stock Rs 25,000
- Wages outstanding Rs 10,000.
- Depreciation on Vehicles 10% and Machinery 20%
- Outstanding office expenses Rs.12,000
- Pre-paid Insurance Rs. 30,000
- Provision for dividend @ 10% on paid up capital
- Transfer to general reserve Rs.50000.

**Required: Trading Account**

2

**Profit and loss Account**

3

**Balance sheet**

16. What is cost accounting ? What are the importance of cost accounting?

5

17. a) Write the advantages of decentralized purchase.

2

b) Following information are given related with store ledger

1 Dec: Opening balance 300 units @ Rs. 10 each

5 Dec: Issued 200 units @ Rs. 5 each

10 Dec: Received from Vendor 150 units @ Rs. 15 each

15 Dec: Issued 200 units @ Rs. 25 each

18 Dec: Return from department 50 units

Required store ledger under LIFO Method

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18. a) Standard time required for an units of output is 30 minutes.

Wages rate per hour is Rs 100

Total output of A is 150 units

Total output of B is 200 units

Required: Total wages under Piece rate wage system.

2

b) Net profit as per Cost Account Rs 10000

Opening stock in cost account Rs. 15000

Opening stock in financial account Rs. 5000

Depreciation

In Cost Account Rs. 60000

In Financial Account Rs. 50000

Income Tax shown in Financial Accounts 40000

Factory overhead under recorded in cost account Rs.12000

Required: Cost Reconciliation Statement

3

19. What are the limitations of computer in accounting?

5

Or

Explain the elements of computerized accounting system.

**Group 'C'**

(3×8=24)

20. Following information are costing information of 10,000 units of output manufactured last year

Direct material Rs. 50000

Direct Labor Rs. 60000

Factory overhead Rs. 20000

Office and administrative expenses Rs. 5000

Selling expenses Rs. 5000

Company has received quotation of 2,000 units of same product from a customer

Price of material and labour increases by Rs 10 per unit each.

Percentage of factory overhead is based on direct Labor

Office expenses remains unchanged.

and other expenses are based on Factory Cost.

Profit is 10% on tender price.

**Required: a) Cost Sheet**

**b) Tender Sheet**

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21. The balance sheet and income statement of Aviator Co. Ltd has been illustrated below

Capital & liabilities	2017	2018	Assets	2017	2018
Due expenses	50000	70000	Cash	55000	20000
creditors	10000	5000	Customers a/c	120000	200000
Debentures	100000	150000	Inventories	20000	50000
Equity share capital	330000	410000	Debtors	5000	10000
Profit and loss a/c	10000	15000	Fixed assets	300000	370000
total	500000	650000	Total	500000	650000

**Further information:**

Sales Rs 400,000

- Cost of goods sold Rs 180,000.
- Selling and administrative exp. Rs 105,000 and depreciation on fixed assets Rs 20,000.
- Interest on debenture Rs 10000
- Income tax paid Rs 35000
- Fixed assets book value Rs 50,000 sold at a profit of Rs 10,000. New Purchase of fixed assets Rs 150,000.
- Dividend paid Rs 55,000

**Required: Cash flow statement**

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22. The trial balance of Shrestha Traders as on 31<sup>st</sup> December 2020 is given below:

Particular	Amount	Particular	Amount
Salaries	80,000	Sales	9,00,000
Investment	1,50,000	Creditors	80,000
Cost of goods sold	5,00,000	10% bank loan	60,000
Debtors	40,500	Share Capital	4,00,000
Goodwill	50,500	Investment interest	8,000
Plant (1 <sup>st</sup> July 2020)	4,00,000		30,000
Closing stock	1,17,000	Retained earning	240,000
Carriage out	4,000		
Bank	36,000		
Advertisement	60,000		
Rent prepaid	40,000		
Total	14,78,000	Total	14,78,000

Additional information:

- Outstanding salaries of Rs.15,000.
- Prepaid rent expired of Rs.6,000
- Depreciate plant & machinery @ 15% p.a.
- dividend Rs 10,000 declared

**Required:** i) Income statement based on NFRS.

ii) statement of retained earning

iii) Balance Sheet based on NFRS.

OR

The trial balance of Shrestha Traders as on 31<sup>st</sup> December 2020 is given below:

Particular	Amount	Particular	Amount
Admin expenses	90,000	Sales	6,00,000
10% investment	1,20,000	Trade payables	80,000
Cost of goods sold	300,000	10% debenture	60,000

Bills receivable	40,500	Capital stock	4,00,000
Land	50,500	Investment interest	6,000
Plant	4,00,000	Accumulated depreciation	30,000
Closing stock	1,17,000	Retained profit	55,000
Other selling cost	4,000		
Cash	89500		
Advertisement	60,000		
Bank charge	10,000		
Total	1231000	Total	1231000

Additional information:

a) appreciation on land Rs 20,000.

b) prepaid admin expenses Rs.20,000.

c) Depreciate plant & machinery @15% p.a.

d) transfer of profit to general reserve Rs 3000 and dividend Rs 5,000

**Required:** i) multiple step Income statement , statement of retained earning

ii) Balance Sheet