

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

**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"**

**(Very short answer questions)**

**Attempt all questions:**

[11x1=11]

1. Write any two features of public company.
2. What do you mean by authorized capital?
3. Write any two objectives of financial statement.
4. Describe the concept of process costing.
5. Write the meaning of allocation of overhead.
6. List out any two duties of store keeper.
7. What is time rate wage system?
8. State any two limitations of computer system in accounting.
9. Prepare adjustment entry of prepaid insurance Rs.2,000.
10. From the following information calculate cash flow from operating activities:  
Net income Rs.40,000  
Increase in current assets Rs.5,000  
Non-operating expenses Rs.10,000  
Increase in current liabilities Rs.3,000
11. If annual requirement is 1,00,000 units and optimum order size is 20,000 units then find out number of orders.

**Section "B"**

**(Short Answer questions)**

**Attempt all questions**

[8x5=40]

12. A company issued 6,000 shares of Rs.100 each at 5% premium. The money was payable as follows:  
On application Rs.30  
On allotment Rs.50  
On first and final call Rs.25  
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.
- Required:** Journal entries for: [1.5+2+1.5=5]
- a) Share application    b) Share allotment    c) Share first and final call

OR

A shareholder holding 250 shares of Rs.100 each issued at 5% discount fails to pay final call money Rs.35. His shares were forfeited, the company re-issued those forfeited shares @ Rs.110 per share as fully paid.

**Required:** Journal entries for: [2+2+1]

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

13. A) Ayaansh Co. Ltd took over the following assets of Aarab Co. Ltd:

Machinery	Rs.2,00,000	Furniture	Rs.50,000
Stock	Rs.1,00,000		

The company paid the purchase consideration by issuing shares of Rs.100 each at 10% discount.

**Required:** Entries for purchase of assets and payment of purchase consideration [1+1=2]

B) A Co. Ltd issued 200, 8% debentures of Rs.1,000 each at par and redeemable at 10% premium after 10 years.

**Required:** Journal entries for issue and redemption of debenture [1+2=3]

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

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Sales revenue	5,00,000	Advertising expenses	15,000
Opening stock	40,000	Rental income	10,000
Purchases	3,00,000	Commission expenses	4,000
Insurance expenses	15,000	Income tax expenses	12,000
Salary expenses	70,000	Commission income	8,000
Income from rendering service	1,00,000	Repair & maintenance	3,000
Interest on loan	5,000		

Additional information:

- a) Closing stock Rs.30,000.
- b) Salary outstanding Rs.5,000

**Required:** Profit and Loss statement as per NFRS

[5]

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

Particulars	Debit (Rs.)	Credit (Rs.)
Share capital		1,00,000
Creditors		50,000
Retained earning		40,000
Sales		2,50,000
Machinery	1,00,000	
Cash balance	60,000	
Salary	35,000	
Rent	15,000	
Discount		5,000
Purchase	2,35,000	
Total	4,45,000	4,45,000

Additional information:

- a) Prepaid rent Rs.3,000.
- b) Profit transfer to reserve Rs.10,000.

**Required:** Work sheet

[5]

16. Why cost account is important for an industry?

[5]

17. A) Differentiate between centralized purchase and decentralized purchase.

[2]

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

Jestha 1 Opening stock 200 units @ Rs.3

Jestha 5 Purchases 400 units @ Rs.2.50

Jestha 10 Purchases 300 units @ Rs.2

Total sales during the month of Jestha 750 units

**Required:** Cost of ending inventory and cost of goods sold using FIFO method under periodic inventory system

[3]

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

[2]

**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. Why computer system is important in accounting?

[5]

OR

Describe the features of accounting software

[5]

### Section "C"

**(Long answer questions)**

**Attempt all questions:**

[3x8=24]

20. The trial balance of Shrestha & Co. is given below:

Shrestha & Co.

Trial Balance  
as on 31<sup>st</sup> Chaitra 2074

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Furniture	80,000	Share capital	1,50,000
Rent	30,000	5% debentures	50,000
Salary	55,000	Creditors	25,000
Insurance	12,000	P/L App A/c	30,000
Cash balance	45,000	Interest on investment	5,000
Debtors	75,000	Gross profit	1,40,000
10% investment	1,00,000		
Interest on loan	2,000		
Bad debt	1,000		
Total	4,00,000	Total	4,00,000

Additional information:

- a) Salary to be paid Rs.2,000.  
b) Depreciate furniture Rs.5,000  
c) Further bad debt Rs.500.  
d) Proposed dividend 10%.

**Required:**

- i) Profit and loss account  
ii) Profit & loss appropriation account  
iii) Balance sheet

[4+1+3=8]

OR

Arya Co. Ltd

Trial Balance  
as on 30<sup>th</sup> Chaitra 2076

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	40,000	Share capital	1,50,000
Salary	32,000	Bank loan	50,000
Purchases	2,50,000	S. Creditors	40,000
Advertisement	14,000	Sales	3,90,000
Bank balance	35,000	Purchase returns	5,000
S. debtors	50,000	Interest received	14,000
Investment	50,000	Commission	2,000
Plant	1,20,000		
Interest paid	5,000		
Wages	35,000		
Insurance	20,000		
Total	6,51,000	Total	6,51,000

Additional information:

- a) Closing stock Rs.55,000  
b) Outstanding wages Rs.2,000.

- c) Depreciate plant by 10%.
- d) Prepaid insurance Rs.3,000
- e) Income tax @ 25%

**Required:**

- i) Multi step Income statement
- ii) Balance sheet

[5+3=8]

21. The balance sheet of a company for two years are given below:

Liabilities	2019	2020	Assets	2019	2020
Share capital	2,50,000	3,00,000	Machinery	1,80,000	300,000
Debentures	50,000	80,000	Goodwill	40,000	20,000
Creditors	30,000	65,000	Debtors	70,000	1,20,000
O/s expenses	10,000	5,000	Stock	30,000	50,000
Retained Earning	40,000	60,000	Cash balance	60,000	20,000
Total	3,80,000	5,10,000	Total	3,80,000	5,10,000

Additional information:

- a) Sales Rs.5,50,000.
- b) cost of goods sold Rs.3,50,000.
- c) Operating expenses (including depreciation Rs.30,000) Rs.1,00,000.
- d) Interest expenses Rs.10,000.
- e) Sale of machinery Rs.40,000; Purchase of machinery Rs.1,85,000.
- f) Dividend paid Rs.55,000.

**Required:** Cash flow statement by using direct method

[4+1+2+1]

22. The following cost information were extracted from last month's record:

Direct materials Rs.2,50,000

Direct wages Rs.1,50,000

Factory overhead Rs.45,000

Administrative overhead Rs.44,500

The following costs were estimated for submitting a tender:

Material cost Rs.1,00,000

Labour cost Rs.60,000

The factory is expected to earn 20% profit on tender price

**Required:**

- a) Cost sheet
- b) Tender sheet

[3+5]

The End