



## INDIAN SCHOOL AL WADI AL KABIR

### DEPARTMENT OF COMMERCE

#### TERM 2- SAMPLE PAPER- 2021-22

#### ACCOUNTANCY (055) SAMPLE PAPER 2

**MAX. MARKS:40**

**TIME: 2 HOURS**

General Instructions:

1. This question paper comprises two Parts – A and B. There are 12 questions in the question paper. All questions are compulsory.
2. Part-A is compulsory for all candidates.
3. Part- B has two options i.e. . (i) Analysis of Financial Statements and (ii) Computerized Accounting. Students must attempt only one of the given options.
4. Question nos. 1 to 3 and 10 are short answer type–I questions carrying 2 marks each.
5. Question nos. 4 to 6 and 11 are short answer type–II questions carrying 3 marks each.
6. Question nos. 7 to 9 and 12 are long answer type questions carrying 5 marks each.
7. There is no overall choice. However, an internal choice has been provided in 3 questions of three marks and 1 question of five marks.

<b>Part A - Accounting for Not-for-Profit organizations, Partnership firms and Companies)</b>											
1	<p>Calculate the amount of medicine to be debited to Income and Expenditure Account of Modern Hospitals for the year ending 31st March, 2021 from the following information:</p> <table border="1"><thead><tr><th>Particulars</th><th>1.4.2020 (₹)</th><th>31.3.2021 (₹)</th></tr></thead><tbody><tr><td>Stock of Medicine</td><td>5,000</td><td>3,500</td></tr><tr><td>Outstanding for Medicine</td><td>3,000</td><td>2,000</td></tr></tbody></table> <p>Payment made to medicine suppliers during the year ended 31st March, 2021 was ₹12,000. Value of medicine spoiled during the year ₹400.</p>	Particulars	1.4.2020 (₹)	31.3.2021 (₹)	Stock of Medicine	5,000	3,500	Outstanding for Medicine	3,000	2,000	2
Particulars	1.4.2020 (₹)	31.3.2021 (₹)									
Stock of Medicine	5,000	3,500									
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2	<p>Sanjay and Ihsaan are partners in a firm sharing profit/loss in the ratio 3:1. They decided to dissolve their firm. Pass the necessary journal entry for the following after various assets, other than cash and bank and outsiders' liability have been transferred to Realisation A/c. The total value of stock were 30,000 and Sanjay took over stock at 16,000 (being 20% less than the book value).The remaining stock were realized 10% less.</p>	2									

3	<p>P, Q and R were partners sharing profits in the ratio of 2 : 2 : 1. The firm closes its books on March 31 every year. On June 30, 2021, R died. His share in the profit of the firm till the date of death, to be calculated on the basis of the rate of Net Profit on Sales of the previous year, which was 25 %. The Sales of the firm till June 30, 2021 were Rs. 6,00,000.</p> <p>Pass the journal entry showing the share of profit for the deceased partner.</p>	2																																																											
4	<p>There are 800 members in Young Star Club. The subscription rate is ₹50 per member.</p> <p>Subscription received during the year 2020-21 is ₹35,000. (including ₹8,000 for 2019-20 and ₹2,000 for 2021-22.)</p> <p>There are 60 members who had paid their subscription in 2019-20 for 2020-21. Calculate the amount of subscription arrear as on 31.3.2021.</p> <p style="text-align: center;">OR</p> <p>From the following information of a club show the amounts of match expenses and match fund in the financial statements of Sports club for the year ended 31<sup>st</sup> March 2021.</p> <table border="1" data-bbox="272 860 1198 1205"> <thead> <tr> <th>Particulars</th> <th>Amount (₹)</th> </tr> </thead> <tbody> <tr> <td>Match expenses</td> <td>30,000</td> </tr> <tr> <td>Match fund on 1.4.2020</td> <td>17,000</td> </tr> <tr> <td>Donation for Match Fund received during the year</td> <td>9,000</td> </tr> <tr> <td>Proceeds from sale of match tickets</td> <td>3,000</td> </tr> </tbody> </table>	Particulars	Amount (₹)	Match expenses	30,000	Match fund on 1.4.2020	17,000	Donation for Match Fund received during the year	9,000	Proceeds from sale of match tickets	3,000	3																																																	
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5	<p>On 31st March, 2021 the Balance Sheet of Alia, Tara and Shilpa who share profits and losses in the proportion of <math>\frac{1}{2}</math>, <math>\frac{1}{3}</math> and <math>\frac{1}{6}</math> respectively, is as follows:</p> <table border="1" data-bbox="272 1319 1289 1760"> <thead> <tr> <th colspan="2">LIABILITIES</th> <th>₹</th> <th colspan="2">ASSETS</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td></td> <td>12,600</td> <td>Bank</td> <td></td> <td>4,100</td> </tr> <tr> <td>General Reserve</td> <td></td> <td>9,000</td> <td>Stock</td> <td></td> <td>25,000</td> </tr> <tr> <td>Employees Provident Fund</td> <td></td> <td>3,000</td> <td>Debtors</td> <td>30,000</td> <td rowspan="2">29,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Less: Provision</td> <td>(1,000)</td> </tr> <tr> <td>Alia's capital</td> <td>40,000</td> <td></td> <td>Investment</td> <td></td> <td>10,000</td> </tr> <tr> <td>Tara's capital</td> <td>36,500</td> <td></td> <td>Patent</td> <td></td> <td>5,000</td> </tr> <tr> <td>Shilpa's Capital</td> <td>20,000</td> <td></td> <td>Machinery</td> <td></td> <td>48,000</td> </tr> <tr> <td></td> <td></td> <td><u>96,500</u></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><b>1,21,100</b></td> <td></td> <td></td> <td><b>1,21,100</b></td> </tr> </tbody> </table> <p>Shilpa retired on above date on the following terms:</p> <p>(i) Provision for doubtful debt to be maintained at ₹800.  (ii) Machinery will be depreciated by 10%.  (iii) Patents are reduced by 20%.  (iv) Liability on account of Provident Fund was estimated at ₹2,400.  (v) Shilpa took over investments for ₹15,800.</p> <p>Prepare Revaluation A/c.</p>	LIABILITIES		₹	ASSETS		₹	Creditors		12,600	Bank		4,100	General Reserve		9,000	Stock		25,000	Employees Provident Fund		3,000	Debtors	30,000	29,000				Less: Provision	(1,000)	Alia's capital	40,000		Investment		10,000	Tara's capital	36,500		Patent		5,000	Shilpa's Capital	20,000		Machinery		48,000			<u>96,500</u>						<b>1,21,100</b>			<b>1,21,100</b>	3
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6	<p>Binani Ltd. issued 10,000, 10% Debentures of ₹100 each on 1st April, 2019. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable half-yearly on 30th September and 31st March and tax deducted at source is 10%. Pass the necessary journal entries related to the debenture interest for the half-yearly ending on 31st March, 2020 and transfer of interest on debentures for the year to Statement of Profit and Loss.</p> <p style="text-align: center;">OR</p> <p>Pass the journal entries for the following cases:</p> <p>(a) Issued 5,000, 8% Debentures of ₹200 each at a discount of 5%, redeemable at a premium of 10%.</p> <p>(b) Issued 1,000, 12% Debentures of ₹50 each at par, redeemable for ₹55 each.</p>	3
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7.	<p>Deepak, Kavita and Kiran are partners sharing profit and loss in the ratio 2:2:1. They decided to dissolve the firm on 31.3.2021.</p> <p>The balance sheet of the firm on the date of dissolution was as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">LIABILITIES</th> <th style="text-align: center;">₹</th> <th style="text-align: left;">ASSETS</th> <th style="text-align: center;">₹.</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: right;">60,000</td> <td>Machinery</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Commission received in advance</td> <td style="text-align: right;">10,000</td> <td>Stock</td> <td style="text-align: right;">53,000</td> </tr> <tr> <td>Employees' Provident Fund</td> <td style="text-align: right;">20,000</td> <td>Debtors</td> <td style="text-align: right;">45,000</td> </tr> <tr> <td>Bank Overdraft</td> <td style="text-align: right;">23,000</td> <td>Investments</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Deepak's capital</td> <td style="text-align: right;">60,000</td> <td>Prepaid expense</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Kavita's capital</td> <td style="text-align: right;">50,000</td> <td>Cash</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Kiran's Capital</td> <td style="text-align: right;">20,000</td> <td>Profit/Loss A/c</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>2,43,000</b></td> <td></td> <td style="text-align: right;"><b>2,43,000</b></td> </tr> </tbody> </table> <p>The assets were and liabilities were realized as follows:</p> <p>(i) Debtors- ₹36,000; Machinery 10% less than book value; Investments @ 60%;</p> <p>(ii) Kiran took over stock at ₹40,000.</p> <p>(iii) Creditors were settled at a discount of 20%.</p> <p>(iv) Realisation expense were ₹2,000.</p> <p>Prepare Realisation A/c and Partners' capital A/c.</p> <p style="text-align: center;">OR</p> <p>X, Y &amp; Z are partners sharing profits in 3:2:1. The Balance sheet is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">LIABILITIES</th> <th style="text-align: center;">₹</th> <th style="text-align: left;">ASSETS</th> <th style="text-align: center;">₹</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: right;">15,000</td> <td>Cash</td> <td style="text-align: right;">11,000</td> </tr> <tr> <td>EPF</td> <td style="text-align: right;">5,000</td> <td>Stock</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Workmen compensation reserve</td> <td style="text-align: right;">12,000</td> <td>Investment</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>Investment fluctuation reserve</td> <td style="text-align: right;">7,000</td> <td>Debtors 40,000 -PDD -2,000</td> <td style="text-align: right;">38,000</td> </tr> <tr> <td>Capitals:</td> <td></td> <td>Patent</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>X</td> <td style="text-align: right;">68,000</td> <td></td> <td></td> </tr> <tr> <td>Y</td> <td style="text-align: right;">32,000</td> <td></td> <td></td> </tr> <tr> <td>Z</td> <td style="text-align: right;">21,000</td> <td></td> <td></td> </tr> </tbody> </table>	LIABILITIES	₹	ASSETS	₹.	Creditors	60,000	Machinery	1,00,000	Commission received in advance	10,000	Stock	53,000	Employees' Provident Fund	20,000	Debtors	45,000	Bank Overdraft	23,000	Investments	25,000	Deepak's capital	60,000	Prepaid expense	5,000	Kavita's capital	50,000	Cash	10,000	Kiran's Capital	20,000	Profit/Loss A/c	5,000		<b>2,43,000</b>		<b>2,43,000</b>	LIABILITIES	₹	ASSETS	₹	Creditors	15,000	Cash	11,000	EPF	5,000	Stock	30,000	Workmen compensation reserve	12,000	Investment	15,000	Investment fluctuation reserve	7,000	Debtors 40,000 -PDD -2,000	38,000	Capitals:		Patent	10,000	X	68,000			Y	32,000			Z	21,000			5
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		Plant	50,000	
		Goodwill	6,000	
	<b>1,60,000</b>		<b>1,60,000</b>	

Z retired on following terms:  
(a) Goodwill of the firm is valued at ₹30,000.  
(b) Patents be reduced by 20% and Plant to 90%, Provision for doubtful debt to be raised to ₹2,200. The loss on revaluation of assets and reassessment of liabilities on amounted to ₹7,200.  
(c) Z took over half of investments at ₹6,500 and remaining were shown in the books at its book value.  
(d) Liability of workmen compensation was ₹3,000.  
(e) The amount due to Z on retirement was transferred to his loan A/c, 9+ which is to be paid to him after 1 year.  
Prepare Partner's Capital A/c and Balance Sheet after Z's retirement.

8. (i) A limited company has issued ₹1,00,000, 10% Debentures at a discount of 6%. It has a balance of Securities Premium reserve of ₹4,000 and ₹3,000 in surplus i.e. Balance in Statement of P/L. The debentures are redeemed equally over five annual installments.  
Pass the journal entry to write off the discount on issue of debenture and also show Notes to Accounts writing off the Discount on issue of Debentures.  
(ii) Mukta Ltd. took over assets of ₹3,20,000 and liabilities of ₹80,000 from Heena Ltd at an agreed value of ₹2,50,000. Mukta Ltd paid ₹50,000 by bank draft and the balance by issuing 12% Debentures of ₹100 each at a discount 20%.  
Pass the necessary entries in the books of Mukta Ltd.

9. The following is a Receipt & Payment A/c of Rotary Hospital for the year ended 31.03.2021

RECEIPT	₹	PAYMENT	₹
To Balance b/d	19,400	By salaries	26,800
To Subscription	55,000	By Payment for medicine	12,000
To Interest on Investment @ 9% (full year)	4,500	By Honorarium to doctors	15,300
To sale of old typewriter (Book Value- Nil)	120	By Computers	12,300
To Misc. Income	3,280	By Medical Journals	1,200
		By Balance c/d	14,700
	<u>82,300</u>		<u>82,300</u>

(i) There are 500 members of the hospitals each contributing annual subscription ₹100.  
(ii) Stock of medicine were ₹3,500 on 31.3.2021.  
(iii) Salaries of ₹1,800 was paid in advance as on 31.3.2020.  
(iv) Computers are depreciated @10%.  
Prepare Balance sheet on 1.4.2020 to find Capital Fund and Income and Expenditure A/c for the year ended 31.3.2021.

<b>Part-B Option-I (Analysis of Financial Statements)</b>																																														
10.	How are the following activities classified while preparing Cash Flow Statement: (a) Dividend received by financing company. (b) Interest received on calls in arrears. (c) Purchase of land by a manufacturing unit.	2																																												
11.	<b>Common Size Profit/Loss Statement</b>	3																																												
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	Fill in the blanks and complete the above table.																																													
12.	Prepare Cash Flow Statement for the year 2020-21 from the Balance Sheet of Divine Ltd.	5																																												
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<b>ASSETS</b>			
(1) Non-Current Assets			
Fixed assets			
Tangible assets - Building	3	1,50,000	1,50,000
Intangible Assets- Patent		11,500	12,500
(2) <b>Current Assets</b>			
(a) Inventories		3,700	2,500
(b) Accounts Receivables		62,550	50,000
(c) Cash and Cash Equivalents		41,250	5,000
<b>TOTAL ASSETS</b>		<b>2,69,000</b>	<b>2,20,000</b>
Notes to Accounts			
Note No.	Particulars	31.3.2021 (₹)	31.3.2020 (₹)
1	<b>Reserves &amp; Surplus</b> Balance in Statement of profit/loss	50,000	25,000
2	<b>Short-term Provisions</b> Provision for tax	32,500	30,000
3	<b>Tangible Assets</b> Building (at cost) -Accumulated Depreciation	2,00,000 (50,000) <b>1,50,000</b>	1,80,000 (30,000) <b>1,50,000</b>
Additional Information :			
(i) Interim Dividend paid ₹6,000.			
(ii) Tax paid during the year 2020-21- ₹17,500			
Part -B (Computerized Accounting) NOT APPLICABLE FOR ISWK STUDENTS			