



INDIAN SCHOOL AL WADI AL KABIR
DEPARTMENT OF COMMERCE
TERM 2- SAMPLE PAPER- 2021-22
ACCOUNTANCY (055) SAMPLE PAPER 1

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.

PART A

(Accounting for Not-for-Profit organizations, Partnership firms and Companies)

1.	Calculate the amount of medicines consumed during the year ended 31st March, 2020	2												
	<table border="1"><thead><tr><th>Particulars</th><th>Amount (Rs.)</th></tr></thead><tbody><tr><td>Opening Stock of Medicines</td><td>1,00,000</td></tr><tr><td>Closing stock of Medicines</td><td>90,000 more than opening stock</td></tr><tr><td>Amount paid for medicines during the year</td><td>4,00,000</td></tr><tr><td>Opening Creditors</td><td>40,000</td></tr><tr><td>Closing Creditors</td><td>50% of opening creditors</td></tr></tbody></table>	Particulars	Amount (Rs.)	Opening Stock of Medicines	1,00,000	Closing stock of Medicines	90,000 more than opening stock	Amount paid for medicines during the year	4,00,000	Opening Creditors	40,000	Closing Creditors	50% of opening creditors	
Particulars	Amount (Rs.)													
Opening Stock of Medicines	1,00,000													
Closing stock of Medicines	90,000 more than opening stock													
Amount paid for medicines during the year	4,00,000													
Opening Creditors	40,000													
Closing Creditors	50% of opening creditors													
2.	Differentiate between Realisation account and Revaluation account	2												
3.		2												

X, Y and Z were partners sharing profits and losses in the ratio of 2:2:1. On 31st March, 2021, their Balance Sheet stood as under:

LIABILITIES		₹	ASSETS		₹
Creditors		19,000	Machinery		18,000
Bank Loan		30,000	Building		25,000
X's capital	20,000		Stock		10,000
Y's capital	15,000		Debtors		25,000
Z's capital	10,000		Cash at Bank		16,000
		<u>45,000</u>			<u>16,000</u>
		94,000			94,000

On 1st April, 2021, Y decides to retire from the firm. On that day, the assets and liabilities of the firm are revalued as follows:

- Building is revalued at Rs. 28,000
- Value of Stock has been increased by Rs. 5,000.
- Provision @5% is to be created for doubtful debts on debtors.
- Machinery is valued at Rs. 15,000.
- Amount due to sundry creditors has been decreased by Rs. 5,000.

Pass necessary journal entries on revaluation of assets and liabilities.

4.

From the following extracts of Receipts and Payments Account and additional information, you are required to calculate the income from subscriptions for the year ending 31st March, 2021 and show them in Income and Expenditure Account and the Balance sheet of Royal Club:

Receipts	Rs.	Payments	Rs.
To Subscriptions:			
2019-20	5,000		
2020-21	30,000		
2021-22	6,000		

Additional Information:

- Subscriptions outstanding on 31st March, 2020 Rs. 6,000
- Subscriptions outstanding on 31st March, 2021 Rs. 5,000
- Subscriptions received in advance on 31st March, 2020 Rs. 6,000.

OR

From the following particulars, calculate expenses to be debited to Income and Expenditure Account of Kids Development Association for the year ended 31st March, 2021:

Particulars	Amount
Expenses outstanding on 1 st April, 2020	350
Expenses outstanding on 31 st March, 2021	600
Expenses prepaid on 31 st March, 2021	720
Expenses prepaid on 1 st April, 2020	540
Expenses paid in cash during the year 2020-21	2,450

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5. A, B and C are partners sharing profit in ratio 3:2:1. Their balance Sheet on 31st March 2021 was as follows:

LIABILITIES	₹	ASSETS	₹
Creditors	17,000	Machinery	25,000
		Building	70,000
A's capital	50,000	Stock	32,000
B's capital	50,000	Debtors	15,000
C's capital	<u>50,000</u>	Bank	<u>25,000</u>
	1,67,000		1,67,000

A died-on 1st July 2021 and the following decisions were taken by the surviving partners.

- His share of profit for the period he was alive should be based on the figure of 31st March 2021.
- Goodwill according to his share of profit to be calculated by taking twice the amount of the average profit of the last three years. The profits of the previous years were:
31st March 2021 – Rs. 11,000, 31st March 2020 – Rs. 15,000, 31st March 2019– Rs. 10,000.

Pass the required journal entries.

6. Pass following Journal entries at time of issue of Debentures:

- A Debenture issued at 5% discount, repayable at par.
- A debenture issued at 5% premium, repayable at par.
- A debenture issued at 5% discount, repayable at 5% premium.

OR

Mahadev Ltd. Took over assets of ₹6,60,00 and liabilities of ₹ 80,000 for a purchase consideration pf ₹ 6,00,000. Give necessary journal entries as per following cases:

- If 20% paid through bank draft and for remaining balance issued 9% debenture.
- If 10% paid in cash and for remaining balance issued 9% debenture at par but redeem at 10% premium.

7.

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Rakesh, Mukesh and Sukesh are partners sharing profits and losses in the ratio of 3:3:2. Their balance sheet as on March 31st 2021 was as follows:

<i>Liabilities</i>		₹	<i>Assets</i>		₹
Sundry Creditors		48,000	Cash at bank		1,14,000
Mukesh's Loan		72,000	Sundry debtors		88,000
Capitals:			Stock		2,40,000
Rakesh	4,00,000		Machinery		3,18,000
Mukesh	3,00,000		Building		3,60,000
Sukesh	<u>3,00,000</u>	10,00,000			
		11,20,000			11,20,000

Mukesh decided to retire from the firm with effect from April 1st, 2021, they would share profits and losses in the ratio of 3:2. It was agreed that:

- (i) Stock be valued at ₹ 2,20,000.
- (ii) Machinery is to be depreciated by 10%
- (iii) A provision for doubtful debts is to be made on debtors at 5%.
- (iv) Building already appreciated by 20%
- (v) A liability for ₹ 5,000 included in sundry creditors is not likely to arise.
- (vi) Goodwill of the firm was valued at ₹ 72,000.

You are required to prepare necessary ledger accounts.

OR

Give the necessary journal entries for the following transactions on dissolution of the firm of Swara and Raja on 31st March, 2022, after the transfer of various assets and the third-party liabilities to Realization account. They shared profits and losses in the ratio of 2 : 1.

- (a) There was a bill of exchange of ₹ 10,000 under discount. The bill was received from Dharam who became insolvent. Dharam promise to pay 40% in future.
- (b) Bills payable of ₹ 30,000 falling due on 30 April, 2022 were discharged at ₹ 29,550.
- (c) Creditors of ₹ 30,000 took over stock of ₹ 10,000 at 10 % discount and the balance was settled in cash.
- (d) There was an old Typewriter which has been completely written off from books. But it was estimated to realize at ₹ 600. It was taken over by Raja at 25% less than the estimate realize value.
- (e) Swara agreed to take over responsibility of completing dissolution process at an agreed remuneration of ₹ 1,000. Actual realization expenses come ₹ 800 paid by firm.

8. Journalise the following transactions:

- (a) A Ltd. took a loan of Rs. 6,00,000 from HDFC Bank. The company issued 8,000; 12% Debentures of Rs. 100 each as a collateral security for the same. Show how these items will be presented in the Balance Sheet of the company.

(b) Axis Ltd took over assets of Rs. 6,60,000 and liabilities of Rs. 80,000 of Mars Ltd for an agreed purchase consideration of Rs. 6,00,000 payable 10% in cash and the balance by the issue of 15% Debentures of Rs. 100 each. Give journal entries in the books of Axis Ltd, if the debentures are issued at 20% premium.

(c) On 1st April, 2021, the board of directors had decided to issue 15% Debentures of ₹100 each to the public at a premium of 10%, redeemable after 3 years at ₹110 per share.

9. From the following Receipts and Payments Account and additional information of Modern Health Club, prepare Income and Expenditure Account for the year ended 31st March, 2021 and the Balance Sheet as at 31st March, 2020.

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Receipts and Payments Account for the year ended 31st March, 2020

Receipts	₹	Payments	₹
To balance b/d	17,000	By Salaries	30,000
To Subscriptions	60,000	By Rent	18,300
To Donations	2,000	By Repairs	4,700
To furniture (Book Value Rs. 6,000)	5,000	By Books	16,000
To Life Membership fee	7,000	By Buildings	30,000
To interest on Investment (@ 5% for full year)	9,000	By balance b/d	1,000
	<u>1,00,000</u>		<u>1,00,000</u>

Additional information:

	Particulars	31.03.2020(Rs)	31.03.2021 (Rs)
(i)	Subscriptions received in advance	4,000	5,000
(ii)	Outstanding Subscription	3,000	4,000
(iii)	Books	12,500	26,500

Part-B
Option-I
(Analysis of Financial Statements)

10 . (i) Under which type of activity will you classify 'Issuing 9% Debentures' while preparing Cash Flow Statement?
(ii) Declaration of final dividend would result in inflow, outflow or no flow of cash? Give your answer with reason.

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Prepare a common size income statement from the following for the year ended 31st March, 2021

Particulars	31 st March, 2021
Revenue from Operations	17,00,000
Cost of Material Consumed	9,20,000
Depreciation Expenses	3,40,000
Interest on Investment	90,000
Taxes Payable	@50%

OR

Prepare Comparative Balance Sheet statement for S Ltd.

Particulars	2020-21₹	2019-20₹
I- EQUITY AND LIABILITIES		
Shareholders' Funds	4,00,000	2,00,000
Non-Current Liabilities	2,50,000	1,00,000
Current Liabilities	1,50,000	1,00,000
II-ASSETS		
Non-current Assets	5,00,000	2,50,000
Current Assets	3,00,000	1,50,000

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From the following Balance Sheet of Dreams Converge Ltd as at 31.3.2021 and 31.3.2020; prepare Cash Flow Statement.

Particulars	Note No	31.3.2021	31.3.2020
EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
(a) Share Capital		7,00,000	5,00,000
(b) Reserves & Surplus		3,50,000	2,00,000
2. Non-Current Liabilities:			
Long term borrowings		50,000	1,00,000
3. Current Liabilities			
(a) Trade Payables		1,22,000	1,05,000
(b) Short term Provisions		50,000	30,000
(Provision for tax)		12,72,000	9,35,000

ASSETS				
(1) Non-Current Assets				
(a) Fixed assets				
	1			
i. Tangible Assets	2	5,00,000	5,00,000	
ii. Intangible Assets		95,000	1,00,000	
(b) Non-Current Investments				
		1,00,000	NIL	
(2) Current Assets				
(a) Inventories		1,30,000	55,000	
(b) Trade Receivables		1,47,000	80,000	
(c) Cash and Cash Equivalents		3,00,000	2,00,000	
		<u>12,72,000</u>	<u>9,35,000</u>	

Notes to Accounts:

Note. No.	Particulars	31.3.2021	31.3.2020
1	Tangible Assets:		
	Machinery	2,80,000	2,00,000
	Accumulated depreciation	(1,00,000)	(80,000)
		1,80,000	1,20,000
	Equipment	3,20,000	3,80,000
		5,00,000	5,00,000
2	Intangible Assets :		
	Goodwill	95,000	1,00,000

Additional Information:

Machinery of the book value of 80,000 (accumulated depreciation ₹ 20,000) was sold at a loss of ₹ 18,000

**Part -B
Option-II
(Computerized Accounting)**

10	What do you understand by terms 'primary key' and 'secondary key' in a database?	2
11	State any three features of computerized accounting system. Or State any three advantages of computerized accounting system.	3
12	Name and explain the function which returns the future value of an investment which has constant payment and interest.	5