CBSE Class 12 Accountancy 3 Mark Important Questions for Board Exam 2024

Part -A

1. Cheese and Slice are equal partners. Their capitals as on April 01, 2022 were Rs. 50,000 and Rs. 1,00,000 respectively. After the accounts for the financialyear ending March 31, 2023 have been prepared, it is observed that interest on capital @ 6% per annum and salary to Cheese @ ₹5,000 per annum, as provided in the partnership deed has notbeen credited to the partners' capital accounts before distribution of profits.

You are required to give necessary rectifying entries using P&L adjustment account.

1. Pioneer Fitness Ltd. took over the running business of Healthy World Ltd. having assets of ₹10,00,000 and liabilities of ₹ 1,70,000 by:
a) Issuing 8,000 8% Debentures of ₹ 100 each at 5% premium redeemable after 6 years @ ₹ 110; and
b) Cheque for ₹ 50,000. Pass the Journal entries in the books of Pioneer Fitness Ltd.

2. P, Q and R were partners with fixed capital of ₹ 40,000, ₹32,000and ₹24,000.After distributing the profit of ₹48,000 for the year ended 31st March 2022 in their agreed ratio of 3 : 1 : 1it was observed that:
(1) Interest on capital was provided at 10% p.a. instead of 8% p.a. (2) Salary of ₹ 12,000 was credited to P instead of Q.
You are required to pass a single journal entry in the beginning of the next year to rectify the above omissions.

3. Anthony Ltd. issued 20,000, 9% Debentures of ₹ 100 each at 10% discount to Mithoo Ltd. from whom Assets of ₹ 23,50,000 and Liabilities of ₹ 6,00,000 were taken over. Pass entries in the books of Anthony Ltd. if these debentures were to be redeemed at 5% premium.

4. Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their Capitals were ₹ 6,00,000; ₹ 8,00,000 and ₹ 11,00,000 as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹ 2,00,000 were distributed without providing for Interest on Capitals.

Pass an adjustment entry and show the workings clearly.

5. Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the 3:4:3. Books were closed on 31st March every year. Sara died on 1st February, 2022. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2021 was ₹ 10,00,000 and profit for the same year was ₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%.
Journalise the transaction along with the working notes.

6. Rihaan Ltd had an authorised capital of 4,00,000 equity shares of ₹10 each. The company offered for subscription 1,00,000 shares. The issue was fully subscribed . The amount payable on application was ₹2 per share, ₹4 per share were payable each on allotment and first and final call. A shareholder holding 100 shares failed to pay the allotment money. His shares were forfeited immediately after the allotment. Show

how the 'Share Capital will be shown in the company's balance sheet (as per Schedule III, Part I of the Company's Act, 2013) if the final call has not yet been made. Also prepare Notes to Accounts for same.

7. Alok and Manish were partners sharing profits and losses in the ratio of 5:3. For the year ended March 31, 2023 it was observed that profits of ₹80,000 were distributed equally without providing for Salary of ₹ 5,000 p.m. to Alok and Commission of ₹ 40,000 to Manish. You are required to pass necessary adjustment entry. Show working notes clearly.

8. Raju and Rinku were partners sharing profits and losses in the ratio 3:2. They admitted Sumit as a new partner for 1/3 share. On the date of admission Capitals of Raju and Rinku were ₹ 5,50,000 and ₹ 6,50,000 respectively, also, General Reserve of ₹ 3,00,000 and Profit and Loss (Dr.) balance of ₹ 1,00,000 were appearing in the books of accounts. Firm made an average profits of ₹ 2,40,000 during the last few years and the normal rate of earning was expected to be 12%. Calculate the Goodwill of the firm by Capitalisation Method.

9. Sapphire India Ltd. was registered with an authorised capital of ₹20,00,000 divided into 2,00,000 equity shares of ₹10 each. The company offered to the public for subscription 80,000 equity shares payable per share as: ₹3 on application, ₹ 2 on allotment, ₹3 on first call and the balance on second and final call. 78,000 shares were subscribed for and all amounts due were called and received except the first and final call money on 2,000 shares allotted to Chavi. Her shares were forfeited. Present the 'Share Capital' in the Balance Sheet of the company as per Schedule III, Part I of the Company's Act, 2013. Also prepare 'Notes to Accounts'.

PART B:- Analysis of Financial Statements/

1. Classify the following items under Major heads and Sub heads (If any) in the balance sheet of a Company as per schedule III of the Companies Act 2013.

i. Loose Tools	ii. Loan repayable on demand
iii. Provision for Retirement benefits	iv. Pre-paid Insurance
v. Capital advances	vi. Shares in Listed Companies

2. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013.
(i) Current maturities of long term debts
(ii) Furniture and Fixtures
(iii) Provision for Warranties
(iv) Income received in advance
(v) Capital Advances
(vi) Advances recoverable in cash within the operation cycle

3. Lala Ltd. and Bala Ltd. use different accounting policies for inventory valuation. These variations leave a big question mark on the cross-sectional analysis and comparison of these two firms was not possible. Identify the limitation of Ratio Analysis highlighted in the above situation.

Also explain any two other limitations of Ratio Analysis apart from the identified above.

4. Profit after tax amounted to ₹6,00,000, and tax rate was 20%. If earnings before interest and tax was ₹ 9,50,000 and debentures were amounted to ₹ 40,00,000 (assuming the only debt of the company), determine Interest Coverage Ratio. Also determine the rate of interest on debentures.

5. State the head and sub head under which the following items are shown in the Balance Sheet of a company as per Companies Act 2013.
a) Finished goods
b) Bank overdraft
c) Prepaid insurance
d) Debenture Redemption Reserve
e) Capital advances
f) Debentures due for redemption at the end of the year

6. Classify the following items under Major heads and Sub heads (If any) in the Balance Sheet of Beltek Ltd. as per Schedule III of the Companies Act, 2013.

Particulars	Amount
Building under construction.	80,000
Unpaid Dividend	63,000
Securities Premium	47,000
Interest Accrued and due on Unsecured Loan.	6,000
Design	49,000
Mortgage Loan	1,10,000

7. Following is the Balance Sheet of Yorkshire Ltd. as at 31st March, 2023.

Particulars	31.3.2023
I. EQUITY AND LIABILITIES:	
(1) Shareholders' funds	
(a) Share capital	2,10,000
(b) Reserves and surplus	2,800
(2) Non- Current liabilities	
Long term Borrowings(12% Debentures)	60,000
(2) Current liabilities	
(a) Trade Payable	20,000
(b) Other current liabilities	2,000
(c) Short-term provisions	20,000
TOTAL	**3,14,800**
II. ASSETS:	
(1) Non-current Assets	
(a) Property, Plant and Equipment and Intangible Assets	
(i) Property, Plant and Equipment	1,96,400
(ii) Intangible Assets	18,800
(b)Non-current investments	14,000
(2) Current assets	
(a) Inventories	31,200
(b) Trade Receivables	43,200
(c) Cash and Cash Equivalents	11,200
TOTAL	**3,14,800**

You are required to calculate:
(i) Debt to Equity Ratio
(ii) Current Ratio
(iii) Return on Investment

8. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013.
(i) Current maturities of long term debts

(ii) Furniture and Fixtures
(iii) Provision for Warranties
(iv) Income received in advance
(v) Capital Advances
(vi) Advances recoverable in cash within the operation cycle

9. Lala Ltd. and Bala Ltd. use different accounting policies for inventory valuation. These variations leave a big question mark on the cross-sectional analysis and comparison of these two firms was not possible.

Identify the limitation of Ratio Analysis highlighted in the above situation. Also explain any two other limitations of Ratio Analysis apart from the identified above.

10. a) A company had a liquid ratio of 1.5 and current ratio of 2 and inventory turnover ratio 6 times. It had total current assets of ₹8,00,000. Find out annual sales if goods are sold at 25% profit on cost.
B) Calculate debt to capital employed ratio from the following information.

Shareholder funds	₹ 15,00,000
8% Debenture	₹ 7,50,000
Current liabilities	₹ 2,50,000
Non -current Assets	₹ 17,50,000
Current Assets	₹7,50,000

Computerised Accounting

1. State any three requirements which should be considered before making an investing decision to choose between 'Desktop database' or 'Server database'.

2. 'Accounting Vouchers used for entry in Tally software'. Define any three types of vouchers which form the basis of entry in Tally software.

3. What is the advantage of graphs over textual data?

4. Describe the steps to resize a chart.