



Pre-Board Exam-2071

Grade: XII  
Time: 3:00 hrs.

Subject: Accountancy

F.M.:100  
P.M.:40

Set A

1. What is private company? What are the privileges of private company? [2]
2. What is Article of Association? What are its contents? [1+2=3]
3. What do you mean by ratio analysis? Explain briefly its any two limitations. [1+2=3]
4. Differentiate between cost accounting and financial accounting. [3]
5. What are the different types of cost according to elements? [3]
6. Write any three differences between bin card and store ledger. [1+2=3]
7. What is piece rate system of wages payment? Mention its any two merits and two demerits. [1+2=3]
8. Hariyana Co. Ltd. issued 10,000 shares of Rs. 10 each at 10% premium, payable as Rs. 3 on application, Rs. 5 on allotment including premium, Rs. 3 on first & final call. Company received the applications for 16,000 shares. Allotments were made as follows:
 

To applicants for 5,000 shares	-	100%
To applicants for 7,000 shares	-	Pro-rata
To applicants for 4,000 shares	-	Nil

 Company decided to utilize the excess amount received on application for the reduction of allotment & calls money dues. Company received all the dues money except on calls by 500 shares from pro-rata basis. So, BODs of the company decided to forfeit these shares.  
**Required:** Journal Entries for:
 

(a) Share allotment	(b) Share first & final call
(c) Share forfeiture	[2+2+2=6]

9. Hamal Company Ltd. forfeited 1,000 shares of Rs.10 each, which were called up at Rs. 9, issued at a discount @ 10% for non-payment of allotment Rs. 3 (including discount) and first and final call of Rs. 2 per share. Out of these 600 shares were re-issued as fully paid for Rs. 8 per share.

**Required:** Journal entries for:

- |                      |                       |
|----------------------|-----------------------|
| (a) Share forfeiture | (b) Re-issue of share |
| (c) Transfer.        | [1+1+1=3]             |

10. **Sikha Co. Ltd. issued 10,000 shares of Rs. 100 each at a premium of Rs. 10 per share to purchase the following assets and liabilities of Diksha Co. Ltd.:**

Land & building	Rs. 6,00,000	Inventory	1,00,000
Plant & machine	3,00,000	Bank overdraft	30,000
Furniture	50,000	Cash balance	40,000

Besides, the company also issued 2,000 shares at 10% discount on cash.

**Required:** Entries for the purchase of assets and liabilities. [2+1= 3]

11. Subash Ltd. issued 300, 5% debentures of Rs. 1,000 each at 5% premium, repayable after 10 years at 10% premium.

**Required:** Entries for issue and redemption [4]

12. **The following trial balance and adjustments of Kantipur Trading Co. Ltd. on December 31, 2014 is as follows:**

Particulars	Amount	Particulars	Amount
Opening stock	15,000	Share capital	50,000
Discount	3,500	Creditors	4,000
General expenses	4,000	Bills payable	5,000
Purchases	88,000	Reserve fund	4,000
Plant and machinery	55,000	10% Bank loan	10,000
Book debts	17,000	Provision for bad debts	1,000
Investment	40,000	Commission received	1,000
Wages	16,000	Sales	2,00,000
Prepaid rent	1,000	Unearned rent	10,000
Interest on loan	500	Provision for tax for 2013	25,000
Calls in arrears	10,000		
Salary	10,000		
Underwriting commission	5,000		

Interim dividend	10,000		
Income tax for 2013	15,000		
Goodwill	20,000		
<b>Total</b>	<b><u>3,10,000</u></b>	<b>Total</b>	<b><u>3,10,000</u></b>

**Additional Information:**

- Ending inventory was valued at Rs. 200,000.
- Wages include Rs. 5,000 for the installation of plant & machinery.
- Write off 1/4<sup>th</sup> underwriting commission.
- Depreciate plant and machinery by 10%
- Provision for tax is made at 40% of profit.
- The directors have decided:
  - 10% dividend on paid up capital.
  - Transfer of Rs. 10,000 to the general reserve.

**Required:**

- Trading Account
- Profit and Loss Account
- Profit and Loss Appropriation A/C
- Balance Sheet

[3+3+2+4= 12]

13. The trial balance of Swarnim Company Ltd. as on 31<sup>st</sup> December, 2014 is given below:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Debtors	1,00,000	
Stock (1-1-2014)	80,000	
Plant and machinery	1,70,000	
Interim dividend	20,000	
Salary	15,000	
Purchase	4,00,000	
Sales		5,60,000
Discount received		50,000
Creditors		40,000
5% Bank loan		50,000
Tax paid for 2013	15,000	
Insurance	40,000	
Equity share capital		2,00,000
P/L Appropriation A/C		40,000

Cash	1,20,000	
Provision for tax for 2013		20,000
<b>Total</b>	<b><u>9,60,000</u></b>	<b><u>9,60,000</u></b>

**Additional Information:**

- Salary was paid for 15 months.
- Closing stock Rs.150,000
- Proposed dividend @ 10%

**Required:** Adjustment entries & work sheet

[2+6=8]

14. Given below is the balance sheet of Civil Co. Ltd. as on December 31, 2014

Liabilities & Capital	Rs.	Assets	Rs.
Equity shares capital @ Rs. 100 each	2,00,000	Land & building	1,80,000
8% preference share capital	1,00,000	Other fixed assets	1,00,000
5% Debenture	60,000	Inventory	43,000
Reserve & surplus	10,000	Cash and bank	40,000
Account payable	10,000	Debtors	22,000
Provision for tax	10,000	Underwriting commission	5,000
<b>Total</b>	<b><u>3,90,000</u></b>	<b>Total</b>	<b><u>3,90,000</u></b>

**Additional Information:**

- Debtor turnover ratio : 20 times  
 Net Profit before interest & tax : 10% on sales  
 Tax rate : 25%

**Required:**

- Amount of sales
- Quick ratio
- Fixed assets turnover ratio
- Return on shareholder's fund
- Earnings per share

[5 x 1=5]

**15. Comparative balance sheets of Kastoori Co. Ltd. for 2013 and 2014 are given below:**

Liabilities/Capital	2013	2014	Assets	2013	2014
Equity share capital	1,25,000	1,70,000	Marketable securities	5,000	14,000
Sundry creditors	45,000	20,000	Cash & bank	1,000	2,000
Short term loan	25,000	40,000	Stock	83,000	85,000
Provision for tax	5,000	10,000	Plant	75,000	1,00,000
Bank loan	32,000	20,000	Land & building	1,10,000	1,10,000
Retained earnings	42,000	51,000			
<b>Total</b>	<b>2,74,000</b>	<b>3,11,000</b>	<b>Total</b>	<b>2,74,000</b>	<b>3,11,000</b>

**Additional information:**

- Dividend paid for the year Rs. 10,000.
- Plant costing Rs. 25,000 was purchased.
- Funds from operation Rs. 19,000

**Required:**

(a) Schedule of changes in working capital

(b) Funds flow statement [3+2=5]

**16. Comparative balance sheets of Suvarambha Co. for the year 2013 and 2014 are given below:**

Liabilities/Capital	2013	2014	Assets	2013	2014
Equity share capital	5,00,000	6,00,000	Plant & machine	5,00,000	6,50,000
Share premium	50,000	60,000	Investment	1,00,000	1,50,000
Retained earnings	90,000	1,55,000	Sundry debtors	50,000	90,000
10% Bank loan	1,30,000	80,000	Stock	1,50,000	1,00,000
Sundry creditors	1,10,000	1,30,000	Prepaid rent	20,000	5,000
Wages payable	1,00,000	1,15,000	Cash & bank	1,60,000	1,45,000
<b>Total</b>	<b>9,80,000</b>	<b>11,40,000</b>	<b>Total</b>	<b>9,80,000</b>	<b>11,40,000</b>

**Additional information:**

- Sales for the year 2014 Rs. 9,00,000.
- Cost of goods sold Rs. 7,20,000.
- Administrative expenses Rs. 72,000.
- Selling & distribution expenses Rs. 1,00,000.
- Payment of interest on loan Rs. 13,000.
- A part of plant costing Rs. 30,000 with accumulated depreciation Rs. 10,000 was sold at a gain of Rs. 5,000.
- Purchase of plant and machinery for Rs. 75,000.
- Dividend distributed Rs. 30,000.

**Required:** Cash flow statement under direct method [10]

**17. Following stores relating information are given to you:**

- Baishakh 1: Opening balance of materials 700 kg@Rs.3 per kg  
 Baishakh 5: Received 1,000 kg @ Rs.4 per kg from vendor  
 Baishakh 8: Return to vendor 200 kg  
 Baishakh 12: Issued 1,200 kg  
 Baishakh 14: Received 800 kg @ Rs. 5 per kg  
 Baishakh 18: Issued 600 kg  
 Baishakh 28: Received 600 kg @ Rs.6 per kg from vendor  
 Baishakh 30: Stock verification found surplus of 40 kg

**Required:** Store ledger under LIFO method. [5]

**18. You are given following information relating to materials of a firm:**

- Yearly requirements : 40,000 units  
 Ordering cost per order : Rs.150  
 Cost per unit : Rs. 10  
 Insurance and storage charges : Rs. 2  
 Carrying cost : 10% of average inventory cost excluding insurance and storage.

**Required:** Economic order quantity [2]

**19. Following information relating to wage payment are given:**

- Wage rate per hour : Rs. 50  
 Output required per hour : 10 units  
 Output : 2,000 units  
**Required:** Wages payable under piece rate system [2]

**20. Cost information of a manufacturing company for 2014 are given below:**

Stock	2013-12-31	2014-12-31
Raw material	Rs. 35,000	Rs. 20,000
Work-in-progress	Rs. 15,000	Rs. 9,000

**Other information are as follows:**

Raw materials purchased	Rs. 1,80,000
Freight outward	Rs. 5,000
Direct wages	Rs. 80,000
Consumable stores	Rs. 10,000
Salaries	Rs. 30,000
Factory rent	Rs. 30,000
Carriage on purchase	Rs. 10,000
Bank charges	Rs. 5,000
Other administrative expenses	Rs. 15,000
Selling and advertising expenses	Rs. 2/unit sold
Production units	10,000 units
Sales units	12,000 units
Rate of profit	20% on sales

**Required:**

- a. Cost sheet [9]
- b. Selling price per unit [1]

**21. Net profit of a company is Rs. 80,000 as per financial accounting which is different with cost accounting. Causes of differences are:**

- (a) Depreciation charged Rs. 15,000 in cost accounting and Rs. 12,000 in financial accounting.
- (b) Bank interest received Rs. 5,000.
- (c) Preliminary expenses written off not recorded in cost accounting Rs. 8,000.
- (d) Income tax paid Rs. 15,000 not charged in cost accounting.
- (e) Closing stock was overvalued by Rs. 5,000 in cost accounting.

**Required:** Cost Reconciliation Statement [5]

*Good Luck*



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**Subject: Accountancy**

**F.M.:100**  
**P.M.:40**

**Set B**

1. Give any two differences between memorandum of association and article of association. [2]
2. What is company? Explain its any two features. [1+2=3]
3. What is financial accounting? Explain briefly its any two objectives. [1+2=3]
4. Explain the different types of cost based on functions. [3]
5. Define allocation and apportionment of overhead. [3]
6. What is decentralized purchasing system? What are its merits? [1+2=3]
7. What is time rate system of wages payment? Mention its any two merits and two demerits. [1+2= 3]
8. Supriya Co. Ltd. issued 4,000 shares of Rs. 100 each at 10% discount, payable as Rs. 30 on application, Rs. 40 on allotment, Rs. 20 on first & final call. Company received the applications for 9,000 shares. Allotments were made as follows:

Group	Applied for	Alloted
A	2,000 shares	2,000 shares
B	4,000 shares	Pro-rata
C	3000 shares	Nil

Company decided to utilize the excess amount received on application for the reduction of allotment & calls money dues. Company received all the dues money except on allotment and calls by 100 shares from full group. So, BODs of the company decided to forfeit these shares.

**Required:** Journal Entries for:

- (a) Share allotment  
(b) Share first & final call  
(c) Share forfeiture [2+2+2=6]

9. Prakriti Co. Ltd. forfeited 800 shares of Rs.100 each, which were called up at Rs. 80, issued at a premium @ 10% for non-payment of allotment Rs. 40 (including premium) and first and final call of Rs. 20 per share. Out of these 400 shares were re-issued as fully paid for Rs. 70 per share including premium.

**Required:** Journal entries for

- (a) Share forfeiture (b) Re-issue of share  
(c) Transfer [1+1+1=3]

10. Mechi Co. Ltd. took over the following assets and liabilities of Lalitpur Co. Ltd. by issuing 5,000 equity shares of Rs. 100 each and 3,000, 10% preference shares of Rs. 100 each:

Land & building	Rs. 4,00,000	Loan	40,000
Vehicle	1,00,000	Stock	50,000
Plant & machinery	2,00,000	Sundry debtors	40,000
Outstanding rent	20,000		

**Required:** Entries for purchase of assets and liabilities [2+1= 3]

11. Subash Ltd. issued 1,000, 8% debentures of Rs. 500 each at 10% discount, redeemable after 10 years at 5% premium by converting into equity shares of Rs. 100 each.

**Required:** Entries for issue and conversion. [4]

12. The following trial balance and adjustments of Sumeru Public Limited Co. on Chaitra 31, 2070 is as follows:

Particulars	Amount	Particulars	Amount
Plant and machinery	1,60,000	Equity share capital	1,50,000
Prepaid rent	5,000	10% preference share capital	1,00,000
Manufacturing expenses	10,000	Creditors	40,000
Purchases	83,000	Share premium	10,000
Patent	25,000	General reserve	50,000
Bad debt	5,000	10% Debenture	50,000
Interim dividend	8,000	Rent	10,000
Income tax for 2069	13,000	Net sales	1,50,000
8% Investment	80,000	Provision for tax for 2069	20,000
Interest on debenture	5,000	Return outward	3,000
Calls in arrears	10,000		
Salary	15,000		

Trade debtors	50,000		
Preliminary expenses	10,000		
Wages	20,000		
Cash and bank	84,000		
<b>Total</b>	<b>5,83,000</b>	<b>Total</b>	<b>5,83,000</b>

**Additional Information:**

- Ending inventory was valued at Rs. 110,000.
- Depreciation on plant & machine @ 10% p.a.
- Write off 20% preliminary expenses.
- Prepaid rent was expired to the extent of Rs. 1,000.
- Provision for tax is made at 40% of profit.
- The directors have decided:
  - 10% dividend on paid up capital.
  - Transfer of Rs. 10,000 to the general reserve.

**Required:**

- Trading Account
- Profit and Loss Account
- Profit and Loss Appropriation A/C
- Balance Sheet [3+3+2+4= 12]

13. **The trial balance of Bharosa Company Ltd. as on 31<sup>st</sup> Chaitra, 2070 is given below:**

Particulars	Dr. (Rs.)	Cr. (Rs.)
Beginning inventory	20,000	
Land and building	1,00,000	
10% Investment	40,000	
Purchase	66,000	
P/L Appropriation A/C		20,000
Interim dividend	5,000	
Sales		1,20,000
Tax paid for 2069	10,000	
Interest on mortgage loan	2,500	
5% Mortgage loan		50,000
Prepaid insurance	4,500	
Share capital		1,00,000
Wages and salary	10,000	
Cash and bank	50,000	

Provision for tax for 2069		15,000
Rent	5,000	8,000
<b>Total</b>	<b>3,13,000</b>	<b>3,13,000</b>

**Additional Information:**

- Closing stock Rs. 80,000
- Proposed dividend @ 10%
- General reserve Rs. 5,000

**Required:** Adjustment entries & work sheet [2+6=8]

14. **Given below is the balance sheet of Sahara Co. Ltd. as on Chaitra 31, 2070**

Liabilities & Capital	Rs.	Assets	Rs.
Equity shares capital @ Rs. 100 each	2,50,000	Fixed assets	2,00,000
Share premium	10,000	Account receivable	50,000
5% Mortgage loan	55,000	Stock	40,000
General reserve	10,000	Bank balance	35,000
Creditors	10,000	Goodwill	10,000
Overdraft	10,000	Preliminary expenses	10,000
<b>Total</b>	<b>3,45,000</b>	<b>Total</b>	<b>3,45,000</b>

**Additional Information:**

- Gross margin : 40% on sales  
 Gross profit : Rs. 80,000  
 Operating expenses : Rs. 30,000

**Required:**

- Amount of sales
- Current ratio
- Debt equity ratio
- Stock turnover ratio
- Return on shareholder's fund [5 x 1 =5]

15. **Following are the information provided to you:**

- Retained earnings for the year Rs. 50,000  
 Depreciation on fixed assets Rs. 30,000  
 Goodwill written off Rs. 10,000  
 Issue of shares Rs. 50,000  
 Purchase of fixed assets Rs. 90,000

Redemption of debenture Rs. 35,000  
 Increase in share premium Rs. 10,000

**Additional information:**

- A part of fixed assets costing Rs. 40,000 with accumulated depreciation Rs. 10,000 was sold at a gain of Rs. 5,000.
- Interim dividend paid Rs. 5,000
- Refund of excess tax Rs. 4,000

**Required:** (a) Funds from operation  
 (b) Funds flow statement [3+2=5]

**16. Comparative balance sheets of Chaitanya Co. Ltd. for the year 2013 and 2014 are given below:**

Liabilities/Capital	2013	2014	Assets	2013	2014
Share capital	3,00,000	4,00,000	Land & building	2,00,000	3,00,000
Share premium	10,000	15,000	Investment	1,00,000	40,000
Retained earnings	40,000	70,000	Plant & machine	80,000	1,20,000
5% Debenture	100,000	80,000	Bills receivable	30,000	50,000
Bills payable	40,000	60,000	Inventory	20,000	30,000
Outstanding rent	10,000	15,000	Advance salary	10,000	15,000
			Cash	20,000	25,000
			Bank	40,000	60,000
<b>Total</b>	<b>5,00,000</b>	<b>6,40,000</b>	<b>Total</b>	<b>5,00,000</b>	<b>6,40,000</b>

**Additional information:**

- Sales for the year 2014 Rs. 6,00,000.
- Cost of goods sold Rs. 4,00,000.
- Operating expenses Rs. 150,000 (including depreciation Rs. 10,000 and interest on debenture Rs. 10,000)
- A part of plant costing Rs. 40,000 with accumulated depreciation Rs. 10,000 was sold at a loss of Rs. 5,000.
- Purchase of plant and machinery for Rs. 60,000.
- Dividend paid Rs. 33,000.
- Debentures were redeemed at premium of Rs. 2,000.

**Required:** Cash flow statement under direct method [10]

**17. Following stores relating information are given to you:**

February 1: Opening stock of materials 400 kg @ Rs. 11 per kg  
 February 5: Received 600 kg @ Rs.12 per kg from vendor

February 9: Issued 600 kg  
 February 14: Purchased 500 kg @ Rs. 13 per kg  
 February 18: Issued 400 kg  
 February 24: Returned 50 kg to store  
 February 28: Received 300 kg @ Rs. 14 per kg from vendor  
 February 30: Stock verification found shortage of 50 kg  
**Required:** Store ledger under FIFO method. [5]

**18. You are given following information relating to materials of a firm:**

Re-order quantity : 5,000 kg  
 Usage : 3,000 – 6,000 kg  
 Lead time : 3 – 6 days

**Required:** Maximum stock level [2]

**19. You are given following information relating to wage payment:**

Wage rate per unit : Rs. 60  
 Time required per unit : 5 hours  
 Total time worked : 1,000 hours

**Required:** Wages payable under time rate system [2]

**20. Following figures have been extracted from the cost records of a manufacturer for the production and sale of 500 units:**

Cost of raw materials Rs. 50,000  
 Direct labour 40,000  
 Work overhead 18,000 (based on prime cost)  
 Office overhead 10,000  
 Selling expenses 8,000  
 Rate of profit 20% on sales

The manufacturer decides to produce and sell 1,000 units in next year. It is estimated that:

- Cost of raw material will decrease by 10%
- Labour cost will increase by 10%
- 70 % office overhead is fixed.
- Selling expenses per unit will be reduced by Rs. 4.
- The rate of profit will remain the same.

**Required:** (a) Cost sheet (b) Tender sheet [2+8=10]

**21. Net loss of a company is Rs. 10,000 as per cost accounting which is different with financial accounting. Causes of differences are:**

- a. Factory overhead charged Rs. 10,000 in financial accounting and Rs. 13,000 in cost accounting.
- b. Interest on investment Rs. 10,000 credited in financial accounting.
- c. Loss due to obsolescence Rs. 5,000 not recorded in cost accounting.
- d. Income tax paid Rs.10,000 charged only in financial accounting.
- e. Opening stock was undervalued by Rs. 4,000 in cost accounting.

**Required:** Cost Reconciliation Statement [5]

*Good Luck*