

MAR THOMA RESIDENTIAL SCHOOL, TIRUVALLA

First Term Examination-2017

Accounts

Class: XII C

Marks: 80

Time: 3 hr

I. Answer the following:

1. Mention two differences between premium on issue of debentures and premium on redemption of debentures.
2. What are the closing entries for interest on calls-in-arrears and calls-in-advance?
3. Name the major headings into which the liability side of a company's balance sheet is organised and presented.
4. What do you mean by 'Perpetual debentures'?
5. In case debentures are redeemable at a premium, the premium payable will be debited and credited to which account.
6. What is 'minimum subscription'? (12)

Section A

II. Answer the following questions:

- a. Maneesh Ltd took over assets of Rs 10,40,000 and Liabilities of Rs 2,40,000 of Ram Ltd at an agreed value of Rs 7,80,000. Maneesh Ltd paid to Ram Ltd by issue of 9% debentures of Rs 100 each at a premium of 20%.
- b. Alfa Ltd. issued 1,000 , 9% debentures of Rs 100 each. Pass journal entries for issue of debentures when debentures are issued at a premium of 25% to the vendors for the purchase of machinery worth Rs 1,25,000.
- c. X Ltd. Purchased machinery for Rs 5,50,000 from Y Ltd. Rs 55,000 were paid by X Ltd. In cash and the balance was paid by issue of 9% debentures of Rs 1,000 each at 10% premium redeemable after 3 years.

- III. a. Palms Ltd. Was formed on 1st November, 2015 with a capital Rs 12,00,000 divided into equity shares of Rs 10 each at a premium of Rs 2 per share. It offered 1,00,000 shares to the public.

The issue price was payable as follows:

Rs 4 on applications Rs 6 on allotment (including premium). The balance was not called till the date of the balance sheet.

All the shares offered by the company were subscribed by the company were subscribed for. One share holder holding 1,000 shares paid the balance with allotment.

Another share holder holding 800 shares didn't pay the allotment money when due.

You are required to show the items under equities and liabilities in the balance sheet the company with notes to accounts.

b. Under which heads and sub heads will the following items appear in the balance sheet of a company as per schedule III of the companies Act,2013.

i) Public deposits.

ii) Calls-in-advance.

(12)

iii) Building under construction

IV During the year 2014-15, ABC Ltd. Issued 10000 equity shares of Rs 50 each at Rs 55 per share, payable as follows:

On application Rs 15.

On allotment Rs 20(including premium Rs 5).

On first and final call Rs 20.

All the issued shares were subscribed by the public. One share holder holding 500 shares didn't pay the amount due on allotment and his shares were immediately forfeited.

Another share holder holding 100 shares paid the amount of the first and final call with the allotment. After the company had made the first and final call, 200 of the forfeited shares were re-issued as fully called-up Rs 45 per share. The share issue expenses were Rs 7000 which were written off at the end of the year.

You are required to pass journal entries in the books of the company for the year ending 31st March,2015. (1)

V a) During the year 2014-15, A Ltd issued 12 % debentures of Rs.100 each, as per given below

i) 900 debentures issued as collateral security to a bank against a loan of Rs.60,000.

ii) The underwriters were to be paid a commission of Rs. 48,000. 25% of the amount was paid to them in cash and balance was paid by the issue of debentures at a discount of 10 %,to be redeemed at par.

iii) 5,000 debentures were issued to public at 5% premium to be redeemed at a premium of 5%.

The company wrote off all capital losses arising from the issue of debentures at the end of the year from capital profits and if need to be from its revenue profits. Journalise the above transactions and show the Balance Sheet in the first case.[12]

Section B

VI a.) Why are prepaid expenses not considered as quick assets? (2)

b.) From the following, calculate inventory turnover ratio (2)

Opening inventory	Rs 28000
Closing inventory	Rs 52000
Revenue from operations	Rs 600000
Gross profit	25% on cost of revenue from operations

c.) From the following information calculate (up to two decimal places)

(6)

1. Trade receivables turnover ratio	R
2. Operating profit ratio	
3. Net profit ratio	
Cash revenue from operations	Rs 1,00,000
Net purchases	Rs 2,97,000
Credit revenue from operations	Rs 3,00,000
Closing debtors	Rs 80,000
Closing bills receivables	Rs 60,000
Carriage inward	Rs 3000
Finance cost	Rs 5000
Administrative expenses	Rs 40,000
Profit on sale of fixed assets	Rs 10,000
Discount received	Rs 7000

VII a. From the following particulars, calculate cash flow from investing activities

(4)

Assets	Note no.	31 March,2016(Rs)	31 March,2015(rs)
Non-current assets			
(a) Fixed assets			
(i) Tangible	1	13,40,000	11,20,000
(ii) Intangible	2	4,60,000	4,80,000
(b) Non-current investments	3	2,60,000	1,60,000

Notes to Accounts

Particulars	31 March,2016(Rs)	31 March,2015(Rs)
1. Tangible fixed assets		
Machinery	12,40,000	10,20,000
Land	<u>1,00,000</u>	<u>1,00,000</u>
	13,40,000	11,20,000
2. Intangible Assets		
Goodwill	2,00,000	1,00,000
Patents	<u>2,60,000</u>	<u>3,80,000</u>
	4,60,000	4,80,000
3. Non-Current Investments		
Shares of finance Ltd.	2,60,000	1,60,000

Additional Information

- i. Patents were written off to the extent of Rs 40,000 and some patents were sold at a profit of Rs 20,000.
- ii. A machine costing Rs 1,40,000 (depreciation provided there on Rs 60,000) was sold for Rs 50,000.
- iii. Depreciation charged during the year on plant and machinery was Rs 1,40,000.
- iv. Dividend received on shares Rs 40,000.

B. From the following extracts of a company's balance sheets, calculate cash financing activities for the year ending 31st March, 2016.

Particulars	31 March, 2016 (Rs)	31 March, 2015 (Rs)
Equity Share capital	9,00,000	7,00,000
Securities premium Reserve	1,25,000	1,00,000
12% Debentures	4,00,000	3,00,000
Proposed Dividend	60,000	70,000
Bank Overdraft	12,000	10,000

Additional Information

- i. Dividend proposed on equity shares Rs 65,000.
- ii. Debentures were issued on 1st April, 2015, at a discount of 10%.
- iii. Unclaimed dividend Rs 7000.

11. (A) Name any two commonly used tools for comparison of financial statements.

(B) (i) State whether declaration of final dividend would result in inflow, outflow or no flow of cash.

(ii) Give one difference between an operating activity and an investing activity.

(C) Give the formulae for calculating the following ratios

(i) Interest coverage ratio

(ii) Proprietary ratio

(D) From the following data, prepare a common size statement of profit and loss Pitambar Ltd.

PARTICULARS	31 March, 2015 (Rs.)	31 March, 2016 (Rs.)
Revenue from Operations (% of Other Income)	200 %	200 %
Other Income	2,00,000	1,50,000
Cost of Materials Consumed (% of Operating Revenue)	60 %	50 %
Other Expenses (% of Material cost)	10 %	20 %
Tax Rate	30 %	30 %