CBSE EXAMINATION PAPER-2022

ACCOUNTANCY

(Solved)

Time allowed : 3 hours | Maximum Marks : 54

General Instructions :

Read the following instructions carefully and follow them :

i. This question paper contains **16 questions.** All questions are **compulsory.**

ii. This question paper is divided into **3 sections.**

iii. **Section A** – questions number **1 to 4** are short answer

iv. **Section B** – questions number **5 to 11** are long answer type i

v. **Section C** – questions number **12 to 16** are long answer type ii

vi. There is no overall choice given in the question paper. However, an internal choice has been provided in few questions.

vii. Use of calculator is NOT allowed.

Section A

Question 1.

State any two features of 'Receipts and Payments Account'.

[2 Marks]

Question 2.

P, Q, R and S were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2 : 1. On 31st March, 2022, P retired from the firm. P's share was taken over by Q, R and S in the ratio of 1: 2 : 3. Calculate the new profit sharing ratio of Q, R and S.

[2 Marks]

Question 3.

Geeta, Seeta and Meeta were partners a firm sharing profits and losses in the ratio of 2: 2: 1. On 31 March, 2022, Meeta retired from the firm. On Meeta's retirement the goodwill of the firm was valued at 3 years' purchase of average profits of the last 5 years. The profits of the last 5 years were :

Calculate Meeta's share of goodwill and pass necessary journal entry for the same without opening goodwill account.

[2 Marks]

Year	Profit (₹)
2017 – 2018	70,000
2018 – 2019	80,000
2019 – 2020	90,000
2020 – 2021	1,00,000
2021 – 2022	1,10,000

Question 4.

State the primary objective of preparing 'Cash Flow Statement'.

[2 Marks]

Section B

Question 5.

Receipts and Payments Account of Asha Health Club showed Rs 70,000 as subscriptions received for the year ended 31st March, 2022. The additional information was as under :

(i) Subscriptions received in advance as on 31st March, 2022 were Rs 7,000.

(ii) Subscriptions received in advance as on 31st March, 2021 were Rs 4,000.

(iii) Outstanding subscriptions as on 31st March, 2022 were Rs 8,000.

(iv) Outstanding subscriptions as on 31st March, 2021 were Rs 3,000.

Calculate the amount of subscriptions to be credited to the Income and Expenditure Account for the year ended 315 March, 2022.

[3 Marks]

Question 6.

From the following particulars taken out from the Cash Book of Gem Club, prepare a Receipts and Payments Account for the year ended 315t March, 2022 :

[3 Marks]

	Amount ₹
Opening Balance :	
Cash in Hand	15,000
Cash at Bank	12,000
Subscriptions	1,02,000
Investments Purchased	15,000
Rent Outstanding	6,000
Entrance Fees Collected (including ₹ 10,000 for the previous year)	36,000
Closing Balance :	
Cash in Hand	15,000

Question 7.

L, M and R were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 31st August, 2021, L died. The partnership deed provided that a deceased partner's share in the profits of the firm in the year of his death will be calculated on the basis of average profits of the previous two years. The profits for the years ended 31 March, 2020 and 31st March, 2021 were Rs 5,00,000 and Rs 7,00,000 respectively.

Calculate L's share of profit till the date of his death and pass necessary journal entry on the same date in the books of the firm.

[3 Marks]

Question 8.

BX Ltd. took over a building worth Rs 3,00,000, machinery worth Rs 2,00,000, furniture worth Rs 30,000 and its liabilities of Rs 40,000 from PQ & Company for a purchase consideration of Rs 6,00,000.

BX Ltd. paid the purchase consideration by issuing 11% debentures of Rs 100 each at a premium of 20%.

Pass necessary journal entries for the above transactions in the books of BX Ltd.

[3 Marks]

Question 9.

XZ Ltd. invited applications for issuing 5000, 9% debentures of Rs 100 each. The amount was payable as follows :

On application — Rs 40 per debenture

On allotment — Balance

Applications for 10,000 debentures were received. Applications for 2000 debentures were rejected and the application money of these applicants was refunded to them. Pro-rata allotment was made to

the remaining applicants. Excess application money received with those applications against which pro-rata allotment was made was adjusted towards amount due on allotment.

Pass the necessary journal entries for the issue of debentures in the books of XZ Ltd.

[3 Marks]

Question 10.

From the following Statement of Profit and Loss of Kalyan Ltd. prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2022 :

[3 Marks]

Particulars	Note No.	2021 – 22 ₹	2020 – 21 ₹
Revenue from Operations		52,00,000	40,00,000
Employee Benefit Expenses		12,00,000	8,00,000
Other Expenses		24,00,000	20,00,000
Tax Rate 50%			

Question 11.

From the following information, prepare a Common Size Statement of Profit and Loss for the year ended 31st March, 2021 and 31st March, 2022 :

[3 Marks]

Particulars	Note No.	2021 – 22 ₹	2020 – 21 ₹
Revenue from Operations		10,00,000	4,00,000
Employee Benefit Expenses		4,00,000	1,60,000
Other Expenses		20,000	20,000
Tax Rate 50%			

Section C

Question 12.

From the following Receipts and Payments Account of Laxmi Club, prepare Income and Expenditure Account for the year ended 31st March, 2022 :

Additional Information :

The club has 500 members, each paying an annual subscription of Rs 1,000.

[5 Marks]

Receipts and Payments Account of Laxmi Club for the year ended 31st March, 2022

Receipts		Amount ₹	Payments		Amount ₹
To Balance b/d			By Printing and Stationery		65,000
Cash	40,000		By Electricity Bill		54,000
Bank	70,000	1,10,000	By Municipal Tax		35,000
To Subscriptions		5,30,000	By Insurance Premium		10,000
To Entrance Fee		46,000	By Furniture		2,00,000
To Life Membership Fee		40,000	By Fixed Deposits		3,00,000
To Interest on Fixed Deposit		13,500	By Balance c/d		
To Donations		1,20,000	Cash	1,03,500	
To Locker Rent		28,000	Bank	1,20,000	2,23,500
		8,87,500			8,87,500

Question 13.

Ravi, Mohan and Pandey were partners in a firm sharing profits and losses in the ratio of 7 : 8 : 9. On 315 March, 2022, their Balance Sheet was as follows :

On 31st March, 2022, Mohan retired from the firm on the following terms :

(i) Goodwill of the firm was valued at Rs 4,80,000.

(ii) Mohan's share of goodwill will be credited to his capital account without opening goodwill account.

(iii) Debtors of Rs 10,000 will be written off and a provision of 10% for bad and doubtful debts will be created on debtors

(iv) Machinery will be depreciated by 10% and land and building will be appreciated by 5%.

(v) The balance in Mohan's Capital Account will be transferred to his loan account

Prepare Revaluation Account and Mohan's Capital Account on Mohan's retirement, in the books of the firm.

[5 Marks]

Balance Sheet of Ravi, Mohan and Pandey as at 31st March, 2022

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		1,41,000	Bank		27,000
			Stock		91,000
			Debtors	2,10,000	
General Reserve		24,000	Less : Provision for		
Capitals :			doubtful debts	10,000	2,00,000
Ravi	3,00,000		Machinery		3,00,000
Mohan	4,00,000		Land and Building		10,00,000
Pandey	8,43,000	15,43,000	Profit and Loss Account (Loss of 2021 – 22)		90,000
		17,08,000			17,08,000

Question 14.

B, C and D were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022 their Balance Sheet was as follows :

On the above date the firm was dissolved. The Assets were realised and the Liabilities were paid off as follows

(i) Debtors were sold to a debt collection agency at 10% less than the book value.

(ii) Stock Rs 2,00,000 was taken over by B at Rs 90,000 less than its book value and the remaining stock realised Rs 1,80,000.

(iii) Furniture was taken over by C for Rs 65,000.

(iv) Creditors were paid 10% less in full settlement of their amount.

(v) Land and Building realised Rs 18,00,000.

(vi) B was assigned the work of dissolution for which he was to be paid Rs 40,000.

Prepare Realisation Account.

[5 Marks]

Balance Sheet of B, C and D as at 31st March, 2022

Liabilities		Amount ₹	Assets		Amount ₹
Sundry Creditors		1,20,000	Bank		17,000
			Debtors	2,00,000	
Profit and Loss A/c		2,000	Less : Provision for		
Capitals :			bad debts	5,000	1,95,000
B	13,00,000		Stock		4,50,000
C	2,00,000		Furniture		60,000
D	2,00,000	17,00,000	Land and Building		11,00,000
		18,22,000			18,22,000

Question 15.

Pass the necessary journal entries for the issue of 9% debentures in the following cases :

(a) Issued Rs 5,00,000, 9% debentures of Rs 100 each at par, redeemable at par, after three years.

(b) Issued 4,000, 9% debentures of Rs 100 each at a discount of 3%, redeemable at a premium of 10% after five years.

(c) Issued 10,000, 9% debentures of Rs 100 each issued at a premium of 20%, redeemable at a premium of 10% after five years.

[5 Marks]

Question 16.

From the following Balance Sheet of PP Ltd. as at 31st March, 2022, calculate Cash Flows from Operating Activities :

Additional Information :

Rs 90,000 interest was paid on 6% debentures.

[5 Marks]

PP Ltd.
Balance Sheet as at 31st March, 2022

Particulars	Note No.	31st March, 2022 ₹	31st March, 2021 ₹
I – Equity and Liabilities :			
1. Shareholder's Funds			
(a) Share Capital	1	70,00,000	50,00,000
(b) Reserves and Surplus	2	10,00,000	8,00,000
2. Non-Current Liabilities			
Long-term Borrowings	3	20,00,000	15,00,000
3. Current Liabilities			
(a) Trade Payables		2,00,000	1,00,000
(b) Short-term Provisions	4	50,000	80,000
Total		1,02,50,000	74,80,000
II – Assets :			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	5	65,00,000	40,00,000
(ii) Intangible Assets	6	2,00,000	3,00,000
(b) Long-term Loans and Advances		10,00,000	15,00,000
2. Current Assets			
(a) Inventories		6,00,000	7,00,000
(b) Trade Receivables		5,00,000	3,00,000
(c) Cash and Cash Equivalents		14,50,000	6,80,000
Total		1,02,50,000	74,80,000

Notes to Accounts :

Note No.	Particulars	31st March, 2022 ₹	31st March, 2021 ₹
1	Share Capital Equity Share Capital	70,00,000	50,00,000
2	Reserves and Surplus (Surplus i.e., Balance in the Statement of Profit and Loss)	10,00,000	8,00,000
3	Long-term Borrowings 6% Debentures	20,00,000	15,00,000
4	Short-term Provisions Provision for Tax	50,000	80,000
5	Tangible Assets Land and Building	65,00,000	40,00,000
6	Intangible Assets Goodwill	2,00,000	3,00,000