

THE ICONIC SCHOOL
SUMMER HOLIDAY ASSIGNMENT (2021-22)
GRADE – XII
SUBJECT – ACCOUNTANCY



NOTE: Solve the questions in a separate notebook.

1. Balance Sheet (Extract)

Equity and liabilities	31-3-2019	31-3-2020
12% Debentures	2,00,000	1,60,000

Additional Information: Interest on debentures is paid on half yearly basis on 30th September and 31st March each year. Debentures were redeemed on 30th September 2019. How much amount (related to above information) will be shown in Financing Activity for Cash Flow Statement prepared on 31st March 2020? 1

2. What will be the Current ratio of a company whose Net Working Capital is Zero? 1
3. Proposed dividend is a _____ liability. 1
4. The _____ may indicate that the firm is experiencing stock outs and lost sales. 1
5. Current ratio of Vidur Pvt. Ltd. is 3:2. Accountant wants to maintain it at 2:1. Following options are available. (i) He can repay Bills Payable (ii) He can purchase goods on credit (iii) He can take short term loan Choose the correct option 1
6. Jaspal and Rosy were partners with a capital contribution of ₹ 10,00,000 and ₹ 5,00,000, respectively. They do not have a Partnership Deed. Jaspal wants that profits of the firm should be shared in their capital ratio. Rosy convinced Jaspal that profits should be shared equally. Explain how Rosy would have convinced Jaspal for sharing the profit equally. 1
7. P used ₹ 20,000 belonging to the firm and made a profit of ₹ 5,000. Q and R want the amount to be given to the firm? State who is correct in each case 1
8. Q used ₹ 5,000 belonging to the firm and suffered a loss of ₹ 1000. He wants the firm to bear the loss? State who is correct in each case 1
9. P and Q want to purchase goods from A Ltd., R does not agree? State who is correct in each case 1
10. Current Assets ₹5,00,000, Inventories ₹2,50,000, Working capital ₹3,00,000 Calculate Current Ratio. 1
11. Identify the transactions as belonging to (i) Operating Activities, (ii) Investing Activities, (iii) Financing Activities and (iv) Cash and Cash Equivalents: 1

(a) Cash Sale of Goods
(b) Bank Overdraft
12. State which of the following would result in inflow/outflow or no flow of Cash and Cash Equivalents: 1
 - (a) Sale of Fixed Assets, Book Value ₹ 1,00,000 at a profit of ₹ 10,000.
 - (b) Sale of goods against cash.
13. For each of the following transactions, calculate the resulting Cash Flow and state the nature of Cash Flow, i.e., whether it is Operating, Investing or Financing: 1
 - (a) Acquired machinery for ₹2,50,000 paying 20% by cheque and executing a bond for the balance payable.
 - (b) Paid ₹2,50,000 to acquire shares in Informa Tech Ltd. and received a dividend of ₹50,000 after acquisition. 1
14. Calculate proprietary ratio, if Total assets to Debt ratio is 2:1. Debt is ₹5,00,000. Equity shares capital is 0.5 times of debt. Preference Shares capital is 25% of equity share capital. Net profit before tax is ₹10,00,000 and rate of tax is 40%. 3

15. From the following information, calculate 'Interest Coverage Ratio.

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Profit after interest and tax ₹7,50,000

Rate of income tax 25%

9 % Debentures ₹8,00,000

16. Prepare a comparative Statement of Profit and Loss from the following:

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Particulars	31.03.19	31.03.20
Revenue From operations	20,00,000	25,00,000
Cost of materials Consumed	10,00,000	13,00,000
Other Expenses	--nil--	1,20,000
Tax rate	50%	50%

17. From the following Balance Sheet of R Ltd., Prepare a Common Size Statement Balance Sheet of R Ltd. (as at 31st March, 2020).

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Particulars	Note no.	31.3.2020 (₹)	31.3.2019 (₹)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
a. Share Capital		2,50,000	2,00,000
b. Reserve and Surplus		80,000	60,000
2. Current Liabilities:			
a. Trade Payable		70,000	40,000
Total		4,00,000	3,00,000
II ASSETS			
1. Non-Current Assets:			
a. Fixed Assets:			
i. Tangible Assets		1,60,000	1,20,000
ii. Intangible Assets		20,000	30,000
2. Current Assets			
a. Inventories		80,000	30,000
b. Trade Receivables		1,20,000	1,00,000
c. Cash and Cash Equivalents		20,000	20,000
Total		4,00,000	3,00,000

18. A&B are partners in the ratio of 3:2. The firm maintains fluctuating capital accounts and the balance of the same as on 31-03-2020 amounted to ₹1,60,000 and ₹1,40,000 for A and B respectively. Their drawings during the year were ₹30,000 each. As per partnership deed interest on capital @10% p.a. on opening capitals had been provided to them. Calculate opening capitals of partners given that their profits were ₹90,000. Show your workings clearly.

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19. Following differences have arisen among P, Q and R. State who is correct in each case

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- P used ₹ 20,000 belonging to the firm and made a profit of ₹ 5,000. Q and R want the amount to be given to the firm?
- Q used ₹ 5,000 belonging to the firm and suffered a loss of ₹ 1000. He wants the firm to bear the loss?
- P and Q want to purchase goods from A Ltd., R does not agree?
- Q and R want to admit C as a partner, P does not agree?

20. In the absence of Partnership Deed, what are the rules related to :

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- Salaries of partners,
- Interest on partners' capitals
- Interest on partners' loan
- Division of profit, and

21. X and Y are partners sharing profits in the ratio of 3 : 2 with capitals of ₹ 8,00,000 and ₹ 6,00,000, respectively. Interest on capital is agreed @ 5% p.a. Y is to be allowed an annual salary of ₹ 60,000 which has not been withdrawn. Profit for the year ended 31st March, 2019 before interest on capital but after charging Y's salary amounted to ₹ 2,40,000.

A provision of 5% of the profit is to be made in respect commission to the manager. Prepare an account showing the allocation profits.

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22. Prem and Manoj are partners in a firm sharing profits in the ratio of 3 : 2. The Partnership Deed provided that Prem was to be paid a salary of ₹ 2,500 per month and Manoj was to get a commission of ₹ 10,000 per year. Interest on capital was to be allowed @ 5% p.a. and interest on drawings was to be charged @ 6% p.a. Interest on Prem's drawings was ₹ 1,250 and on Manoj's drawings was ₹ 425. Interest on Capitals of the partners were ₹ 10,000 and ₹ 7,500 respectively. The firm earned a profit of ₹ 90,575 for the year ended 31st March, 2018.

Prepare Profit and Loss Appropriation Account of the firm.

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23. Kamal and Kapil are partners having fixed capitals of ₹ 5,00,000 each as on 31st March, 2018. Kamal introduced further capital of ₹ 1,00,000 on 1st October, 2018 whereas Kapil withdrew ₹ 1,00,000 on 1st October, 2018 out of the capital.

Interest on capital is to be allowed @ 10% p.a.

The firm earned net profit of ₹ 6,00,000 for the year ended 31st March 2019.

Pass the Journal entry for interest on capital and prepare Profit and Loss Appropriation Account.

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24. From the following compute Current Ratio:

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Trade Receivable (Sundry Debtors)	1,80,000	Bills Payable	20,000
Prepaid Expenses	40,000	Sundry Creditors	1,00,000
Cash and Cash Equivalents	50,000	Debentures	4,00,000
Marketable Securities	50,000	Inventories	80,000
Land and Building	5,00,000	Expenses Payable	80,000

25. Xolo Ltd.'s Liquidity Ratio is 2.5 : 1. Inventory is ₹ 6,00,000. Current Ratio is 4 : 1.

Find out the Current Liabilities.

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26. Prepare Comparative statement of Profit & Loss from the following:

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Particulars	31.03.19 (₹)	31.03.20 (₹)
Revenue From operations	20,00,000	25,00,000
Cost of materials Consumed	10,00,000	13,00,000
Other Expenses	--nil--	1,20,000
Tax rate	50%	50%

27. Prepare Cash Flow Statement on the basis of information given in the Balance Sheets of Reg Ltd. as at 31st March, 2019 and 31st March, 2020:

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Particulars	Note No.	31st March 2019	31st March 2020
I. Equity and Liabilities			
1. Shareholder's Funds			
(a) Share Capital		2,00,000	2,50,000
(b) Reserves and Surplus		50,000	70,000
2. Non-current Liabilities			
Long-term Borrowings		1,00,000	80,000
3. Current Liabilities			
(a) Trade Payables		60,000	1,60,000
(b) Other Current Liabilities		25,000	20,000
Total		4,35,000	5,80,000
II. Assets			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	5	1,50,000	2,00,000
(ii) Intangible Assets	6	10,000	2,000

(b) Long-term Loans and Advances		1,00,000	1,30,000
2. Current Assets			
(a) Inventories		70,000	90,000
(b) Trade Receivables		40,000	60,000
(c) Cash and Cash Equivalents		65,000	98,000
Total		4,35,000	5,80,000

Notes to Accounts

Particulars	31st March 2019	31st March 2020
1. Reserves and Surplus		
General Reserve	50,000	70,000
2. Long-term Borrowings		
12% Debentures	1,00,000	80,000
3. Trade Payables		
Creditors	40,000	60,000
Bills Payable	20,000	1,00,000
	60,000	1,60,000
4. Other Current Liabilities		
Outstanding Expenses	25,000	20,000
5. Tangible Fixed Assets		
Machinery	2,00,000	2,60,000
Less: Provision for Depreciation	(50,000)	(60,000)
	1,50,000	2,00,000
6. Intangible Fixed Assets		
Goodwill	10,000	2,000

Additional Information: 1. During the year a piece of machinery with a book value of ₹ 30,000; provision for depreciation on it ₹ 10,000 was sold at a loss of 50% on book value. Debentures were redeemed on 31st March 2020.

28. Closing Trade Receivables ₹ 4,00,000; Cash Sales being 25% of Credit Sales; Excess of Closing Trade Receivables over Opening Trade Receivables ₹ 2,00,000; Revenue from Operations, i.e., Revenue from Operations, i.e., Net Sales ₹ 15,00,000. Calculate Trade Receivables Turnover Ratio. 8

29. Calculate Trade Receivables Turnover Ratio in each of the following alternative cases:

Case 1: Net Credit Sales ₹ 4,00,000; Average Trade Receivables ₹ 1,00,000.

Case 2: Revenue from Operations (Net Sales) ₹ 30,00,000; Cash Revenue from Operations, i.e., Cash Sales ₹ 6,00,000; Opening Trade Receivables ₹ 2,00,000; Closing Trade Receivables ₹ 6,00,000. 8

Case 3: Cost of Revenue from Operations or Cost of Goods Sold ₹ 3,00,000; Gross Profit on Cost 25%; Cash Sales 20% of Total Sales; Opening Trade Receivables ₹ 50,000; Closing Trade Receivables ₹ 1,00,000. 8

30. From the following Balance Sheet of R Ltd. Prepare Common size Balance Sheet. 8

Balance Sheet of R Ltd. (as at 31st March, 2020).

Particulars	Note no.	31.3.2020 (₹)	31.3.2019 (₹)
I EQUITY AND LIABILITIES			
1. Shareholder's Funds:			
a. Share Capital		2,50,000	2,00,000
b. Reserve and Surplus		80,000	60,000
2. Current Liabilities:			
a. Trade Payable		70,000	40,000
Total		4,00,000	3,00,000
II ASSETS			
1. Non-Current Assets:			
a. Fixed Assets:			
i. Tangible Assets		1,60,000	1,20,000
ii. Intangible Assets		20,000	30,000
2. Current Assets			
a. Inventories		80,000	30,000
b. Trade Receivables		1,20,000	1,00,000
c. Cash and Cash Equivalents		20,000	20,000
Total		4,00,000	3,00,000
