

# HISSAN CENTRAL EXAMINATION - 2079(2022)

Grade : XII

F.M. : 75

Time : 3 hrs

## ACCOUNTANCY (1041)

Candidates are required to give their answers in their own words as far as practicable. The figures in the margin indicate full marks.

Attempt all questions.

### GROUP A

#### Very short answer questions

[11 × 1=11]

1. Clarify the meaning of public limited company.
2. Define preference share.
3. Mention any two limitations of financial statement analysis.
4. Define cost accounting.
5. Classify overhead according to its' elements.
6. Write the meaning of store ledger.
7. Mention any two advantages of time rate system of wages payment.
8. State any two importance of computer accounting system.
9. Prepare adjusting entry of prepaid rent Rs. 6,000 was expired.
10. Calculate amount of cash collection from customers, from the following information:  

Total sales during the period	Rs. 900,000
Beginning accounts receivable	Rs. 40,000 and
Ending accounts receivable	Rs. 60,000.
11. If annual requirements are 30,000 units and EOQ is 2,000 units find out number of order.

### GROUP B

#### Short answer questions

[8 × 5=40]

12. A limited company issued 10,000 shares of Rs. 100 each at 10% premium payable as follows:  

On application	Rs. 40
On allotment with premium	Rs. 30
First & final call	Rs. 40

Applications were received for 20,000 shares. Out of these, applicants for 5,000 shares were allotted full, 10,000 applicants were allotted to 5,000 shares and rest applicants money was refunded. Excess money paid on

applications were to be utilized towards the allotment and call money. All money was duly received.

**Required:** Journal entries for:

- a. Application
  - b. Allotment
  - c. First and final call
- [2+2+1]

13. a. A company took over the following assets at an agreed price of Rs. 400,000:

Land and building	Rs. 200,000
Furniture	Rs. 100,000

The company paid the purchase consideration amount by issuing shares of Rs. 100 each at par.

**Required:** Journal entries for the purchase of assets and issue of share [1+1=2]

- b. A limited company issued 10,000, 9% debentures of Rs. 100 each at 10% discount redeemable at par. Subsequently it is redeemed by converting into equity shares of Rs. 100 each at par.

**Required:** a. Entry for issued of debenture

- b. Entry for converting debentures into shares
- [1.5+1.5=3]

14. The following is the trial balance drawn up on 31st Chaitra.

Particulars	Rs.	Particulars	Rs.
Opening stock	34,000	Sales	710,000
Purchases	490,000	Discount	6,000
Furniture	150,000	P/L account	30,000
Rent	58,000	Share capital	240,000
Debtors	65,000	Creditors	29,000
Wages	42,000		
Salaries	55,000		
Sundry expenses	12,000		
Cash	51,000		
Patent	58,000		
<b>Total</b>	<b>1015,000</b>	<b>Total</b>	<b>1015,000</b>

**Additional information:**

- i. Closing stock was valued at Rs. 75,000
- ii. Make a provision for tax Rs. 5,000

**Required:** a. Trading account  
b. Profit and loss account

[2+3=5]

15. Trial balance of a company is as under:

Particulars	Debit Rs.	Particulars	Credit Rs.
Fixed assets	30,000	Sales	60,000
Advertising expense	3,000	Share capital	30,000
Salaries expense	6,000	Loan	4,000
Purchase	42,000	Creditors	5,000
Debtors	8,000		
Prepaid rent expense	4,000		
Cash	6,000		
	99,000		99,000

**Additional information:**

- Outstanding salaries Rs. 2,000
- Prepaid rent was expired Rs. 3,000

**Required:** Worksheet [5]

16. Write the meaning of fixed and variable overhead with suitable examples. [5]

17. a. What do you understand by material control? [2]

b. The following transactions are given:

- Baisakh 1 Beginning inventory 1000 units @ Rs. 20 each  
 Baisakh 5 Purchased 800 units @ Rs. 30 each  
 Baisakh 10 Sold 1200 units  
 Baisakh 20 Shortage found 40 units

**Required:** Cost of ending inventory and cost of goods sold using FIFO method under perpetual inventory system [3]

18. a. Following information is given in relating to wages:

Normal rate per hour Rs. 50

Normal time per unit 20 minutes

Output completed by a worker 100 units

**Required:** Total wage payable. [2]

b. The net profit shown by cost account is Rs. 92,000. Reconciling the cost and financial accounts following descriptions were located:

- Works overhead over recovered in cost account Rs. 5,000.
- Income tax paid in financial account Rs. 8,000.
- Interest income credited in financial account Rs. 12,000.

**Required:** Reconciliation statement of cost and financial account [3]

19. Explain the applications of computer in accounting. [5]

**GROUP C**

**Long answer questions**

[3 × 8=24]

20. The following is the trial balance drawn up on 31 December 2021.

Particulars	Rs.	Particulars	Rs.
Opening stock	20,000	Share Capital	50,000
Purchases	95,000	10% Debentures	10,000
Wages	40,000	Sundry creditors	5,000
Salaries (40% selling)	30,000	General Reserve	2,000
Sundry debtors	10,000	Profit and loss account	10,000
Cash and bank	22,000	Sales	2,00,000
Insurance	5,000		
10% Investment	50,000		
Advertising	5,000		
	2,77,000		2,77,000

**Additional Information:**

- Closing stock was valued at Rs.70,000
- Outstanding wages of Rs. 5,000.
- Depreciation on furniture by @10%
- The directors have decided 10% dividend on capital.

**Required:** a. Multi-step income statement and retained earnings

b. Classified balance sheet [4+4=8]

**OR**

The following is the trial balance extracted on 31st. Chaitra:

Particulars	Debit (Rs.)	Credit (Rs.)
Machinery	2,00,000	
Opening stock	1,20,000	
Wages	60,000	
Salaries	20,000	
Debtors	50,000	
Stationary	10,000	
Prepaid insurance	5,000	
Repair	6,000	
Custom duty	5,000	
Cash in hand	24,000	
Purchases	3,10,000	
Sales		4,60,000
Share premium		40,000
Bills payable		60,000
Equity Share Capital		2,50,000
	8,10,000	8,10,000

**Additional Information:**

- Stock on 31 Chaitra Rs.1,80,000.
- Prepaid insurance Rs. 4,000 was expired
- Wages due Rs. 10,000
- Provision for tax is made at 20% of profit.

**Required:** a. Profit or Loss statement based on NFRS  
b. Statement of financial position based on NFRS [4+4=8]

21. The balance sheets of M limited company for two years are under:

Liabilities	Year-I	Year-II	Assets	Year-I	Year-II
Share capital	400,000	460,000	Fixed assets	3,00,000	4,00,000
Long term loan	60,000	30,000	Investment	100,000	120,000
Creditors	60,000	80,000	Debtors	126,000	102,000
Expenses due	30,000	40,000	Inventories	24,000	48,000
P/L account	60,000	90,000	Cash	60,000	30,000
	<u>6,10,000</u>	<u>7,00,000</u>		<u>6,10,000</u>	<u>7,00,000</u>

**Other information:**

- Sales for the year II was Rs. 3,20,000 and cost of sales was Rs. 1,70,000
- The operating expenses ( including depreciation Rs. 20,000) was Rs. 80,000
- The sales proceed of fixed assets was Rs. 40,000 and purchased was Rs.110,000
- Dividend paid was Rs. 30,000

**Required:** Cash flow statement using direct method [4+1+2+1]

22. The details of manufacturing and other cost are:

Material purchased	Rs. 2,50,000
Carriage inwards	Rs. 10,000
Opening stock of raw materials	Rs. 20,000
Closing Stock of raw materials	Rs. 30,000
Direct Wages	Rs. 2,00,000
Factory overheads	Rs. 1,00,000
Sale of Scrap	Rs. 5,000
Administrative overhead	: 10% of factory cost.
Selling and distribution cost	Rs. 2 per unit
Opening stock of Work-in-Progress	Rs.30,000
Closing stock of Work-in-Progress	Rs. 20,000
Unit produce	: 5,000 units
Unit sold	: 4,500 units
Profit	: 20% of cost

**Required:** Cost Sheet. [8]

**THE END**