D.S.B INTERNATIONAL PUBLIC SCHOOL

Summer Break Holiday Homework (2022-23)

Class: 12 Commerce

Accountancy

Accounting for Partnership Firm - Fundamental

Q1. Robin and Raaj are partners in a firm sharing profits and losses in the ratio of 5:2. Capital contributed by them is Rs. 50,000 and Rs. 20,000 respectively. Robin was given salary of Rs. 10,000 and Raaj Rs. 7,000 per annum. Robin advanced loan of Rs. 20,000 to firm without any agreement to rate of interest in deed while in deed rate of interest on capital was mentioned as 6% p.a. Profits for the year are Rs. 29,400. Prepare Profit and Loss Appropriation Account for the year ending 31st March 2020.

Q2. X and Y invested Rs. 20,000 & Rs. 10,000. Interest on capital is allowed @ 6% per annum. Profits are shared in ratio of 2 : 3. Profits for year ending 11.3.2015 is Rs. 1,500. Show allocation of profits when partnership deed.
(a) Allows interest on capital & deed is silent on treating interest as charge.
(b) Interest is charge against profit.

Q3. A and B are partners in business. Their capitals at the end of year were Rs. 48,000 & Rs. 36,000 respectively. During the year ended March 31st 2015 A's Drawings and B's drawings were Rs. 8, 000 & Rs. 12, 000 respectively. Profits before charging interest on capital during the year were Rs. 32, 000. Calculate Interest on partners' capitals @ 10% p.a.

Q4. Ruhi and Rohit are partners in a firm. During the year ended on 1st March, 2015. Ruhi makes the drawings as under:

Date of Drawing	**Amount (Rs.)**
01-08-2015	5,000
31-12-2014	10,000
31-03-2015	15,000

Partnership Deed provided that partners are to be charged interest on drawing @ 12% p.a. Calculate the interest chargeable to Aarushi Drawing by using Simple Interest Method and Product Method.

Q5. A, B & C are patterns in a firm sharing profits & losses in ration of 2:3:5. Their fixed capitals were Rs. 15,00,000, Rs.30,00,000 & Rs. 60,00,000 reactively. For the year ended 31st March 2015, interest was credited 15% intend of 10%. Pass the necessary adjustment entry.

Q6. Read the following hypothetical text and answer the given questions:

Amit and Mahesh were partners in a fast-food corner sharing profits and losses in ratio 3:2. They sold fast food items across the counter and did home delivery too. Their initial fixed capital contribution was ₹1,20,000 and ₹80,000 respectively. At the end of first year their profit was ₹ 1,20,000 before allowing the remuneration of ₹.3,000 per quarter to Amit and ₹.2,000 per half year to Mahesh. Such a promising performance for first year was encouraging, therefore, they decided to expand the area of operations.

For this purpose, they needed a delivery van, a few Scotties and an additional person to support. Six months into the accounting year they decided to admit Sundaram as a new partner and offered him 20% as a share of profits along with monthly remuneration of ₹ 2,500. Sundaram was asked to introduce ₹1,30,000 for capital and ₹.70,000 for premium for goodwill. Besides this Sundaram was required to provide Rs.1,00,000 as loan for two years. Sundaram readily accepted the offer. The terms of the offer were duly executed and he was admitted as a partner.

i. Remuneration will be transferred to _______________ of Amit and Mahesh at the end of the accounting period.

a. Capital account. b. Loan account. c. Current account. d. None of the above.

ii. Upon the admission of Sundaram the sacrifice for providing his share of profits would be done:

(a) by Amit only. (b) by Mahesh only.

(c) by Amit and Mahesh equally. (d) by Amit and Mahesh in the ratio of 3:2.

iii. Sundaram will be entitled to a remuneration of _____________at the end of the year.

iv. While taking up the accounting procedure for this reconstitution the accountant of the firm Mr. Suraj Marwaha faced a difficulty. Solve it be answering the following: For the amount of loan that Sundaram has agreed to provide, he is entitled to interest thereon at the rate of ____________.

Q7. Rohit, Raman and Raina are partners in a firm. Their capital accounts on 1st April, 2019, stood at `2,00,000, `1,20,000 and `1,60,000 respectively. Each partner withdrew `15,000 during the financial year 2019-20. As per the provisions of their partnership deed: (a) Interest on capital was to be allowed @ 5% per annum. (b) Interest on drawings was to be charged @ 4% per annum. (c) Profits and losses were to be shared in the ratio 5:4:1. The net profit of `72,000 for the year ended 31st March 2020, was divided equally amongst the partners without providing for the terms of the deed. You are required to pass a single adjustment entry to rectify the error (Show workings clearly).

Q8. The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:

a) Alia and Chand were entitled to a salary of ₹ 1,500 each p.a.

b) Bhanu was entitled for a commission of ₹ 4,000

c) Bhanu and Chand had guaranteed a minimum profit of ₹ 35,000 p.a. to Alia any deficiency to borne equally by Bhanu and Chand. Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.

Q9. Calculate the interest on drawings of X @ 10% p.a. for the year ended 31st March, 2018 in each of the following cases:-

(i) If his drawings during the year were Rs. 12,000

(ii) If he withdrew Rs. 1,000 p.m. at the beginning of every month.

(iii) If he withdrew Rs. 1,000 p.m. at the end of every month.

(iv) If he withdrew Rs. 1,000 p.m. In the middle of each month.

(v) In he withdrew the following amounts; April 30th Rs. 3,000, June 30th Rs. 2,000, October 1st Rs. 4,000 , December 31st Rs. 1,500, February 1st 2,500

(vi) If he withdrew Rs. 3,000 at the beginning of each quarter

(vii) If he withdrew Rs. 3,000 during the middle of each quarter.

Q10. X, Y and Z are partners in a firm. Their Capitals as on April 1, 2020 were Rs. 5,00,000; Rs. 4,00,000 and Rs. 3,00,000 respectively. On July 1, 2020 they introduced further Capitals of Rs. 1,00,000; Rs. 80,000 and Rs. 50,000 respectively. On February 1, 2021

Y withdrew Rs. 15,000 from his Capital. Interest is to be allowed @ 8% p.a. on the Capitals. Compute interest on Capital for the year ending March 31, 2021.

Goodwill: Nature & Valuation

Q11. The average net profits expected of a firm in future are Rs. 68,000 per year and capital invested in the business by the firm is Rs. 3,50,000. The rate of interest expected from capital invested in this class of business in 12%. The remunerating of the partners is estimated to be Rs. 8,000 for the year. You are required to find out the value of goodwill on the basis of two years' purchase of super profits.

Q12. On April 1st, 2014 an existing firm had assets of Rs. 75,000 including cash of Rs. 5,000. The partners' capital accounts showed a balance of Rs. 60,000 and reserves constituted the rest. If the normal rate of return is 20% and the goodwill of the firm is valued at Rs. 24,000 at 4 years purchase of super profits, find the average profits of the firm.

Q13. Compute the value of goodwill on the basis of four years' purchase of the average profits based on the last five years? The profits/losses for the last five years were as follows: 2012 – Rs 25,000; 2013 - Rs40,000; 2014 - (Rs15,000) loss; 2015 - Rs80,000; 2016 - Rs1,00,000.

Q14. Capital employed in a business is Rs.2,00,000. The normal rate of return on capital employed is 15%. During the year 2002 the firm earned a profit of Rs.48,000. Calculate good will on the basis of 3 years purchase of super profit?

Q15. A business has earned average profits of Rs.1,00,000 during the last few years. Find out the value of goodwill by capitalisation method, given that the assets of the business are Rs.10,00,000 and its external liabilities are Rs.1,80,000. The normal rate of return is 10%?

Q16. Following information is available about the business of a firm :

(i) Profits: In 2019, Rs. 40,000; In 2020, Rs. 50,000; In 2021, Rs. 60,000

(ii) Non- recurring income of Rs.1,000 is included in the profits of 2014,

(iii) Profits of 2019 have been reduced by Rs. 6,000 because goods were destroyed by fire,

(iv) Goods have not been insured but it is thought to insure them in future. The insurance premium is estimated at Rs. 400 per year,

(v) Reasonable remuneration of the proprietor of business is Rs. 6,000 per year, but it has not been taken into account for calculation of above mentioned profits.

(vi) Profits of 2021 include Rs. 5,000 income on investment.

Goodwill is agreed to be valued at two year's purchase of the weighted average profits of the past three years. The appropriate weights to be used are :

2019 :-1; 2020: -2; 2021: -3.

Q17. A business has earned average profits of Rs. 1,00,000 during the last few years and the normal rate of return in similar business is 10%. Find out the value of goodwill by
(i) Capitalisation of super profit method.
(ii) Super profit method, if the goodwill is valued at 3 years' purchase of super profit. The assets of the business were Rs. 10,00,000 and its external liabilities Rs. 1,80,000. (Delhi 2011)

Company Accounts: Shares

Q18. Zocon Ltd. issued a prospectus inviting applications for 5,00,000 equity shares of Rs10 each issued at a premium of 10% payable as:

Rs 3 on Application

Rs 5 on Allotment (including premium) and

Rs3 on call.

Applications were received for 6, 60,000 shares. Allotment was made as follows: (a) Applicants of 4, 00,000 shares were allotted in full.

(b) Applicants of 2, 00,000 shares were allotted 50% on pro rata basis.

(c) Applicants of 60,000 shares were issued letters of regret. A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money. Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited. These shares were then reissued at `14 per share as `7 paid up. Call has not yet been made. Journalise.

Q19. X Ltd. has offered 50000 equity shares of `100 each at a premium of `20, payable as follows: Application `50 Allotment `40 (including premium) and balance on first and final call. The bank account of the company has received `35, 00,000 on account of share application money. X Ltd. decided to allot shares to all the applicants on Pro Rata basis. The balance in calls in arrears account at the time of allotment and first and final call amounted to `1, 00,000 and `1, 50,000 respectively. These shares were forfeited and re-issued at `90 per share as fully paid up. Journalize.

Q20. Bliss Products Ltd. registered with capital of ₹ 90,00,000 divided into 90,000 equity shares of ₹ 100 each. The company issued prospectus inviting applications for 50,000 equity shares of ₹ 100 each payable as ₹ 20 on application, ₹ 30 on allotment, ₹ 20 on first call and balance on second call. Applications were received for ₹40,000 shares. Raman to whom 1600 shares were allotted failed to pay final call money and these shares were forfeited. Of the forfeited shares, 600 shares were reissued to Sukhman, credited as fully paid for ₹ 90 per share. Present the Share Capital as per Schedule III of Companies Act, 2013

Q21. Saregama Ltd invited applications for issuing 80,000 equity shares of ₹ 100 each at a premium of ₹ 10. The amount was payable as follows On Application – ₹ 30 On allotment – ₹ 30 (including a premium of ₹ 10) On 1st call – ₹ 30 On Final Call Balance Applications of 1,20,000 shares were received. Allotment was made on pro rata basis to all applicants. Excess money received on application was adjusted on sums due on allotment. Dhwani, who was allotted 1,600 shares, failed to pay allotment money and Sargam who applied of 6,000 shares did not pay 1st call money. These shares were forfeited immediately after 1st call. 2,000 of these shares (including all shares of Dhwani were issued to Tarang for ₹ 95 per share as 80 paid up. Pass necessary journal entries in books of Saregama Ltd. by opening call in arrear, call in advance account, if final call has not been made.

Q22. (A). X Ltd. forfeited 10 shares of ₹ 10 each, ₹ 7 called up on which the shareholder had paid application and allotment money of ₹ 5 per share. Out of these, 8 shares were re-issued to Y for ₹8 per share at ₹ 8 per paid up per share. Record the journal entries for forfeiture and reissue of shares by opening call in arrear, call in advance account.

(B). L ltd forfeited Mr M’s shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of ₹ 4 per share including premium of ₹ 2 on which he had paid application money of ₹ 2 only. Pass necessary journal entries for forfeiture of shares by opening call in arrear, call in advance account.

(C). Crown Ltd forfeited 50 shares of ₹ 10 each, for non- payment of final call money of ₹ 3 per share. Out of these 20 shares were reissued to Taj at₹ 8 per share.

Record the journal entries for forfeiture and reissue of shares assuming that the company maintains call in arrear, call in advance account.

Q23. Anshika Ltd. issued applications for 2,00,000 equity shares of ₹10 each, at a premium of ₹4 per share. The amount was payable as follows: On application ₹ 6 (including ₹2 premium) On allotment ₹ 7 (including ₹2 premium) Balance on first and final call Applications for 3,00,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Mehak to whom 400 shares were allotted, failed to pay allotment and call money. Khushboo who had applied for 300 shares failed to pay call money. These shares were forfeited after Final call. 400 of the forfeited shared (including all shares of Khushboo) were reissued @ ₹8 per share as fully paid up. Pass necessary journal entries in the books of Anshika Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.

Q24. Khyati Ltd. issued a prospectus inviting applications for 80,000 equity shares of ₹10 each payable as follows: ₹2 on application ₹3 on allotment ₹2 on first call ₹3 on final call Applications were received for 1,20,000 equity shares. It was decided to adjust the excess amount received on account of over subscription till allotment only. Hence allotment was made as under: (i) To applicants for 20,000 shares – in full (ii) To applicants for 40,000 shares – 10,000 shares (iii) To applicants for 60,000 shares – 50,000 shares Allotment was made and all shareholders except Tammana, who had applied for 2,400 shares out of the group (iii), could not pay allotment money. Her shares were forfeited immediately, after allotment. Another shareholder Chaya ,who was allotted 500 shares out of group (ii), failed to pay first call. 50% of Tamanna's shares were reissued to Satnaam as ₹ 7 paid up for payment of ₹ 9 per share. Pass necessary journal entries in the books of Khyati Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.

Q25. X Ltd. Issued 50,000 shares of Rs.10 each at a premium of Rs.2 per shares payable as follows: Rs.3onapplication, Rs 6 on allotment (including premium) and Rs.3 on call. Applications were received for 75,000 shares and a prorate allotment was made as follows: To the applicants of 40,000 shares, 30,000 shares were issued and for the rest 20,000 shares were issued. All money due was received except the allotment and call money from Ram who had applied for 1,200 shares (out of the group of 40,000 shares). All his shares were forfeited. The forfeited shares were reissued for Rs.7 per share fully paid up. Pass necessary journal entries for the above transactions.

Business studies

Do Project work as per the CBSE guidelines on any one Topic:

I) Effect of Covid 19 on various dimensions of Business Environment

II) Principles of Management.

III) Marketing

Students are requested to make projects on these topics according to their Roll No. For example Roll no 1 will make on project 1(Effect of Covid 19 on various dimensions of Business Environment), Roll no 2 will make on project 2 (Principles of Management), Roll no 3 will make on project3 (Marketing), Similarly roll no 4,5,6 will make on project 1,2&3 respectively and so on.

Economics

Prepare a project work as per CBSE guideline on any one of the topic

Note-

Project should be of 3,500-4000 words(excluding diagrams and graphs), preferably handwritten.

Topics:-

1. Micro and Small Scale Industries
2. Food Supply Channel in India
3. Contemporary Employment situation in India
4. Disinvestment policy of the government
5. Goods and Services Tax Act and its Impact on GDP
6. Health Expenditure (of any state)
7. Human Development Index
8. Inclusive Growth Strategy
9. Self-help group
10. Trends in Credit availability in India
11. Monetary policy committee and its functions
12. Role of RBI in Control of Credit
13. Government Budget & its Components *Trends in budgetary condition of India
14. Exchange Rate determination – Methods and Techniques
15. Currency War – reasons and repercussions
16. Livestock – Backbone of Rural India
17. Alternate fuel – types and importance
18. Sarwa Siksha Abhiyan – Cost Ratio Benefits
19. Minimum Support Prices
20. Economic Health of Nation
21. Waste Management in India – Need of the hour
22. Digital India- Step towards the future

23. Rain Water Harvesting – a solution to water crises
24. Vertical Farming – an alternate way
25. Silk Route- Revival of the past
26. Make in India – The way ahead
27. Bumper Production- Boon or Bane for the farmer
28. Rise of Concrete Jungle- Trend Analysis
29. Organic Farming – Back to the Nature