

CLASS:-XII

SUBJECT: ACCOUNTANCY

TIME ALLOWED: -1 HOUR

MAX. MARKS: - 30

GENERAL INSTRUCTIONS: -

1. This question paper has 14 questions in all.
2. Marks are indicated against each question.
3. Attempt all parts of the same question at one place.
4. Answer should be neat and supported by proper workings.

1. Mike and Ken were two partners sharing profits and losses in the ratio 4:3. Ken was in need of funds so he took a loan of ₹ 50,000 from the firm at an agreed rate of interest being 10% p.a. If interest is charged on loan to the partner it will be: 1
 - (a) Debited to Profit and Loss A/c
 - (b) Credited to Profit and Loss A/c
 - (c) Debited to Profit and Loss Appropriation A/c
 - (d) Credited to Profit and Loss Appropriation A/c
2. Stella, Grace and Carol were partners in the firm sharing profits and losses in the ratio 3:2:1. Carol was guaranteed a profit of 15,000 after making all adjustments. Any deficiency is to be borne by Grace. The net profit for the year 31st March 2023 was ₹ 60,000. Grace will be _____ by ₹ _____. 1
 - (a) Credited, ₹ 6,500.
 - (b) Debited, ₹ 5,000.
 - (c) Credited, ₹ 7,500.
 - (d) Debited, ₹ 2,500.
3. Edward and Hayward are partners. Edward draws a fixed amount at the beginning of every quarter. Interest on drawings is charged @10% p.a. At the end of the year, interest on Edward's drawings amounted to ₹ 7,500. Drawings of Edward were: 1
 - (a) ₹ 34,000 per quarter.
 - (b) ₹ 44,000 per quarter
 - (c) ₹ 30,000 per quarter
 - (d) ₹ 60,000 per quarter
4. Neeru and Meetu are partners in a firm with capitals of ₹ 2,00,000 and ₹ 1,50,000 respectively. If the firm earned profit of ₹ 17,500 for the year ended 31st March, 2023, then interest on capital @ 10% p.a. would be: 1

- (a) Neeru ₹ 15,000; Meetu ₹ 20,000
 (b) Neeru ₹ 8,750; Meetu ₹ 8,750
 (c) Neeru ₹ 20,000; Meetu ₹ 15,000
 (d) Neeru ₹ 10,000; Meetu ₹ 7,500

5. Mahi, Ruchi and Gini are partners in a firm sharing profits and losses in the ratio of 6:4:1. Mahi guaranteed a profit of ₹ 50,000 to Gini. Net profit for the year ending 31st March, 2023 was ₹ 1,10,000. Mahi's share in the profit of the firm after giving guaranteed amount to Gini will be:

- (a) ₹ 20,000 (b) ₹ 60,000 (c) ₹ 40,000 (d) ₹ 10,000

6. A, B and C are partners sharing profits and losses in the ratio 2:2:1. B is entitled to a commission of 15% on the net profit after charging such commission. The net profit before charging such commission is ₹ 9,20,000. The amount of commission payable to B will be:

- (a) ₹ 1,20,000 (b) ₹ 1,38,000 (c) ₹ 48,000 (d) ₹ 55,200

7. P, Q and R are partners in a firm sharing profits and losses in the ratio of 2:2:1. For the year ended 31st March, 2022, interest on capital was credited to them @ 10% instead of 5% p.a. Their fixed capitals were ₹ 2,00,000; ₹ 1,00,000; ₹ 50,000 respectively. The necessary adjustment entry to rectify the error will be:

(a) P's Current A/c Dr. 2,000
 To Q's Current A/c 1,000
 To R's Current A/c 1,000

(b) P's Current A/c Dr. 3,000
 To Q's Current A/c 2,000
 To R's Current A/c 1,000

(c) P's Capital A/c Dr. 2,000
 To Q's Capital A/c 1,000
 To R's Capital A/c 1,000

(d) P's Capital A/c Dr. 3,000
 To Q's Capital A/c 2,000
 To R's Capital A/c 1,000

8. Indu, Vijay and Pawan were partners in a firm sharing profits in the ratio of 4:3:3. They decide to change their profit sharing ratio with effect from 1st April, 2022. New profit sharing ratio among Indu, Vijay and Pawan will be 5:3:2. An extract of their Balance Sheet as at 31st March, 2022 is given below:

| Liabilities | ₹ | Assets | Rs, |
|--------------------------------|--------|--|---------------|
| Investment Fluctuation Reserve | 80,000 | Investments (Market value ₹ 80,000) | <u>90,000</u> |

Which of the following is the correct accounting treatment of 'Investment fluctuation reserve' at the time of change in profit sharing ratio?

| | | | |
|--|-----|--------|--------|
| (a) Investment Fluctuation Reserve A/c | Dr. | 10,000 | |
| To Revaluation A/c | | | 10,000 |
| (b) Investment Fluctuation Reserve A/c | Dr. | 80,000 | |
| To Indu's Capital A/c | | | 32,000 |
| To Vijay's Capital A/c | | | 24,000 |
| To Pawan's Capital A/c | | | 24,000 |
| (c) Revaluation A/c | Dr. | 10,000 | |
| To Investment Fluctuation Reserve A/c | | | 10,000 |
| (d) Investment Fluctuation Reserve A/c | Dr. | 80,000 | |
| To Investments A/c | | | 10,000 |
| To Indu's Capital A/c | | | 28,000 |
| To Vijay's Capital A/c | | | 21,000 |
| To Pawan's Capital A/c | | | 21,000 |

9. At the time of reconstitution of a partnership firm, recording of an unrecorded liability will lead to: 1
- Gain to the existing partners
 - Loss to the existing partners
 - Neither gain nor loss to the existing partners
 - None of the above

10. On April 1, 2018, a firm had assets of ₹ 1,00,000 excluding stock of ₹ 20,000. The current liabilities were ₹ 10,000 and the balance constituted Partners' Capital Accounts. If the normal rate of return is 8%, the Goodwill of the firm is valued at ₹ 60,000 at four years purchase of super profit, find the actual profits of the firm. 3

11. Himanshu and Vikrant are partners in a firm and share profits equally. Their Balance Sheet as at March 31, 2017 is as follows: 4

| Liabilities | ₹ | Assets | ₹ |
|-------------------|----------|----------------|----------|
| Capitals: | | Fixed Assets | 3,60,000 |
| Himanshu 2,00,000 | | Current Assets | 40,000 |
| Vikrant 1,40,000 | 3,40,000 | | |
| Creditors | 60,000 | | |
| | 4,00,000 | | 4,00,000 |

During the year 2016-17, Himanshu's Drawings were ₹ 30,000 and Vikrant's Drawings were ₹ 40,000. During the year 2016-17, the firm earned profit of ₹ 1,00,000. While distributing profits for the year 2016-17. Interest on capital @ 5% per annum and interest on drawings @ 12% per annum were ignored.

Show your workings clearly, pass necessary rectifying entry.

12. Radhika, Bani and Chitra were partners in a firm sharing profits and losses in the ratio of 2:3:1. With effect from 1st April, 2022 they decided to share future profits and losses in the ratio of 3:2:1. On that date, their balance sheet showed a debit balance of ₹ 24,000 in Profit and Loss A/c and a balance of ₹ 1,44,000 in General Reserve. It was also agreed that: 4
- The goodwill of the firm be valued at ₹ 180,000.
 - The land (having book value of ₹ 3,00,000) will be valued at ₹ 4,80,000.

Pass the necessary journal entries for the above changes. Show workings clearly.

13. Chaman, Bumun and Aman were partners in a firm sharing profits and losses in the ratio of 3:2:1. Aman was guaranteed a minimum amount of ₹ 60,000 as his share of profit every year. The net profit for the year ended 31st March, 2023 amounted to ₹ 1,20,000. Prepare Profit and Loss Appropriation A/c and Pass Journal entry for the deficiency borne by firm.

14. L, M and N are partners in a firm sharing profits & losses in the ratio of 2:3:5. On April 1, 2023 their fixed capitals were ₹ 2,00,000, ₹ 3,00,000 and ₹ 4,00,000 respectively. Their partnership deed provided for the following:

- (i) Interest on capital @ 9% per annum.
- (ii) Interest on Drawings @ 12% per annum.
- (iii) Interest on partners' loan @ 12% per annum.

On July 1, 2023 L brought ₹ 1,00,000 as additional capital and N withdrew ₹ 1,00,000 from his capital. During the year L, M and N withdrew ₹ 12,000, ₹ 18,000 and ₹ 24,000 respectively for their personal use. On January 1, 2024 the firm obtained a Loan of ₹ 1,50,000 from M. The Net profit of the firm for the year ended March 31, 2024 after charging interest on M's Loan was ₹ 85,000.

Prepare Profit & Loss Appropriation Account and Partner's Capital Account.