

**CLASS:- XII****SUBJECT:ACCOUNTANCY****TIME ALLOWED: -3 HOURS****MAX. MARKS: - 80****GENERAL INSTRUCTIONS: -**

1. This question paper contains 34 questions. All questions are compulsory.
2. Question Nos.1 to 16 carries and Question No.27 to 30 carries 1 mark each.
3. Questions Nos. 17 to 20 and Question 31 to 32 carries 3 marks each.
4. Questions Nos. from 21 to 22 and Question No. 33 carries 4 marks each.
5. Questions Nos. from 23 to 26and Question No. 34 carries 6 marks each.
6. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

**PART A (Accounting for Partnership Firms)**

1. Which one of the following transactions may change fixed capitals of partners? 1  
(a) Drawings (b) Interest on Capital  
(c) Interest on Drawings (d) Additional Capital Introduced

**OR**

The interest on partners' capital account is credited to \_\_\_\_\_, when the firm is maintained fluctuating capital account.

- (a) Interest account (b) Profit and Loss appropriation account  
(c) Partners capital accounts (d) Partners current accounts
2. There are two statements Assertion (A) and Reason (R):  
Assertion (A): The maximum number of partners in a partnership firm are 50.  
Reason (R) : The maximum number of partners are prescribed by the Partnership Act, 1932.  
Choose the correct option from the following :  
(a) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

- (b) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). 1
- (c) Assertion (A) is correct, but Reason (R) is incorrect.
- (d) Assertion (A) is incorrect, but Reason (R) is correct.
3. If 'T' has withdrawn equal amount at the end of each quarter and Interest on Drawing is charged @ 12% p.a. and amount of interest is ₹ 1,080 Amount of Drawing will be 1
- (a) ₹12,000 (b) ₹24000
- (c) ₹36,000 (d) ₹48,000
4. Assertion (A): Reserves and accumulated profits and losses will continue to be shown at their old values in balance sheet of new firm. 1
- Reason (R): Reserves and Accumulated profits and losses are adjusted through Partners' Capital A/c.
- (a) Both A and R are true and R is the correct explanation of A.
- (b) Both A and R are true but R is not the correct explanation of A.
- (c) A is true but R is false.
- (d) A is false but R is true.
5. Charu, a partner guaranteed that her share of profits will not be less than ₹60,000 p.a. Deficiency, if any was to be borne by other partners Arohi and Bhavi equally. For the year ended 31<sup>st</sup> March, 2023 the firm incurred loss of ₹1,80,000. What amount will be debited to Arohi's Capital Account in total at the end of the year? 1
- (a) ₹60,000 (b) ₹1,20,000
- (c) ₹90,000 (d) ₹80,000

**OR**

- P and Q were partners sharing profit and losses in the ratio of 2:1. Their capitals were ₹12,00,000 and ₹8,00,000 respectively. They were allowed interest on capital @6% p.a. and interest on drawings was to be charged @10% p.a. Their drawings during the year were P- ₹2,40,000 and Q- ₹1,60,000. Q's share of net divisible profit as per Profit and Loss Appropriation Account amounted to ₹1,60,000. Net profit of the firm before any appropriation was:
- (a) ₹4,00,000 (b) ₹3,80,000
- (c) ₹5,60,000 (d) ₹5,80,000
6. If the goodwill of a firm was valued at ₹90,000 according to two-year purchase of super profit. Normal profit earned by other firm are ₹50,000, then actual profit of that

firm are:

- (a) ₹1,35,000 (b) ₹1,20,000  
(c) ₹95,000 (d) ₹1,50,000

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Read the following hypothetical situation and answer questions No. 7 and 8 on the basis of the given information :

Daksh and Ekansh are partners in a firm sharing profits and losses in the ratio of 3 : 1. Their capitals were ₹1,60,000 and ₹1,00,000 respectively. As per partnership deed, they were entitled to interest on capital @ 10% p.a.. The firm earned a profit of ₹13,000 for the year ended 31st March, 2023.

7. Daksh's interest on capital will be:

- (a) 5,000 (b) 8,000  
(c) 16,000 (d) 10,000

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8. Ekansh's share of profit/loss will be:

- (a) NIL (b) ₹9,750(Loss)  
(c) ₹3,250(Loss) (d) ₹9,750(Profit)

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9. Anamika and Sagarika were partner's in a firm sharing profits and losses in the ratio of 3:2. Bagmita was admitted with 1/6th share in the profits of the firm. At the time of admission, Workmen compensation reserve appeared in the Balance Sheet of the firm at ₹32,000. The claim on account of workmen compensation was determined at ₹40,000. Excess of claim over the reserve will be:

1

- (a) Credited to Revaluation Account  
(b) Debited to Revaluation Account  
(c) Credited to Old Partner's Capital Account  
(d) Debited to All Partner's Capital Account

10. Hari and Leela are partners in a firm sharing profits and losses in the ratio of 2 : 3.

Yash was admitted as a new partner for 1/5th share in the profit of the firm. Yash acquires his share from Leela. The new profit sharing ratio of Hari, Leela and Yash will be:

- a) 2 : 3 : 5 (b) 2 : 2 : 1  
c) 5 : 3 : 2 (d) 3 : 5 : 1

OR

A and B are in partnership sharing profits in the ratio of 3 : 2. They take C as a new partner. Goodwill of the firm is valued at ₹ 3,00,000 and C brings ₹ 30,000 as his share of goodwill in cash which is entirely credited to the Capital Account of A. New profit sharing ratio will be: 1

- a) 3 : 2 : 1  
b) 6 : 3 : 1  
c) 5 : 4 : 1  
d) 4 : 5 : 1

11. Deepa, Elton and Frank were partners in a firm sharing profits in the ratio of 2 : 2 : 1. With effect from 18th April, 2023 they decided to change their profit sharing ratio as 2:2:2. There existed a Debit Balance of Profit and Loss Account of ₹ 50,000 in the books of the firm on the date of change in profit sharing ratio. The partners decided to retain the Debit Balance of Profit and Loss Account in the books. The adjustment entry will be: 1

- (a) Dr. Deepa's Capital A/c ₹10,000 and Cr. Frank's Capital A/c by 10,000  
(b) Dr. Deepa's Capital A/c ₹5,000 and Cr. Frank's Capital A/c by 5,000  
(c) Dr. Frank's Capital A/c ₹10,000 and Cr. Deepa's Capital A/c by 10,000  
(d) Dr. Frank's Capital A/c ₹5,000 and Cr. Deepa's Capital A/c by 5,000

OR

Niva, Naman and Nityam were partners sharing profits in the ratio of 4 : 3 : 2. Niva and Naman each give  $\frac{1}{9}$  from their share to Nityam on reconstitution of the firm. The new profit sharing ratio among Niva, Naman and Nityam will be:

- (a) 3:4:2  
(b) 2:3:4  
(c) 4:2:3  
(d) 3:2:4

12. Swati and Aman were partners in a firm. Their fixed capitals were ₹ 9,00,000 and ₹3,00,000 respectively. They shared profits in the ratio of their capitals. Divya was admitted as a new partner for  $\frac{1}{4}$ th share in the profits of the firm. Divya brought ₹ 60,000 as her share of goodwill premium and ₹ 6,00,000 as her capital. The amount of goodwill premium credited to Swati's account will be: 1

- (a) ₹ 60,000  
(b) ₹ 30,000  
(c) ₹ 45,000  
(d) ₹ 15,000

13. X and Y are partners in a firm with capital of ₹1,80,000 and ₹ 2,00,000. Z was admitted for  $\frac{1}{3}$ rd share in profit and brings Rs.3,40,000 as capital. The value of goodwill of the firm on Z's admission was: 1

(a) ₹ 2,40,000

(b) ₹ 1,00,000

(c) ₹ 1,50,000

(d) ₹ 3,00,000

**OR**

Arjun, Babita and Charlie were partners in a firm sharing profits in the ratio of 2:2:1. They admitted Dheeraj for  $\frac{1}{5}$ th share in the profits of the firm. He has to contribute proportionate capital to acquire of admission, the capitals after all adjustments relating to goodwill and revaluation of assets and liabilities, were : Arjun 62,000, Babita 52,000 and Charlie 36,000. The capital brought by Dheeraj will be:

(a) ₹ 37,500

(b) ₹ 30,000

(c) ₹ 32,500

(d) ₹ 35,000

14. X, Y and Z are partners sharing profits in 7:2:1. Y retires on 1st April, 2023 amount transferred to his loan A/c is ₹1,08,000 which is payable in three equal annual instalments together with interest @6% p.a. The total amount paid for the last instalment along with interest will be – 1

(a) ₹ 38,160

(b) ₹ 38,100

(c) ₹ 37,800

(d) ₹ 36,000

15. Anmol, Bhavya and Chanakya were partners in a firm sharing profit and losses in the ratio of 5:3:2. Chanakya retired and his capital balance after adjustments regarding reserves, accumulated profit & losses and his share of gain on revaluation was ₹ 2,50,000. Chanakya was paid ₹ 3,22,000 including his share of goodwill. The amount credited to Chanakya's capital account on his retirement, for goodwill will be: 1

a) ₹ 72,000

b) ₹ 7,200

c) ₹ 24,000

d) ₹ 36,000

16. A, B and C are partners. C expired on 18th December 2019 and as per agreement surviving partners A and B directed the accountant to prepare financial statements as on 18th December 2019 and accordingly the share of profits of C (deceased partner) was calculated as ₹12,00,000. Which account will be debited to transfer C's share of profits: 1

(a) Profit and Loss Suspense Account.

(b) Profit and loss Appropriation Account.

(c) Profit and loss Account.

(d) None of the above.

**OR**

X, Y and Z were partners, sharing profits in the ratio of 3:2:1. Y died on 30<sup>th</sup> June, 2023. Profit share of the deceased partner from the beginning of the financial year was to be estimated based on sales up to the date of death and profit of the previous year. Net profit earned in the previous year was 20% on net sale. Net sale for the period of three months ended 30<sup>th</sup> June, 2023 was ₹6,00,000. The profit share of Y will be:

- (a) ₹ 35,000 (b) ₹ 40,000  
(b) 20,000 (d) ₹ 60,000

17. Rakshit and Malik are partners in a firm sharing profits and losses in the ratio of 4 : 1. On 1st April, 2021, their capitals were ₹1,20,000 and ₹80,000 respectively. On 1st December, 2021, they decided that the total capital of the firm should be ₹3,00,000 to be contributed by them in the ratio of 2:1. According to the partnership deed, interest on capital is allowed to the partners @ 6% p.a.

Calculate interest on capital to be allowed for the year ending 31st March, 2022.

18. A partnership firm earned net profit during the last three years as follows:

Years	Net Profit(₹)
2017-18	1,90,000
2018-19	2,20,000
2019-20	2,50,000

The capital employed in the firm throughout the above mentioned period has been ₹ 4,00,000. Having regard to the risk involved, 15% is considered to be a fair return on the capital. The remuneration of all the partners during this period is estimated to be ₹ 1,00,000 per annum.

Calculate the value of goodwill on the basis of capitalization of average profit method.

OR

A firm had ₹ 1,20,000 worth of fixed assets and ₹ 80,000 as current assets on on 1<sup>st</sup> April, 2023. On that date, creditors of the firm were ₹ 20,000, Partner's capital ₹ 1,70,000 and Reserve Fund ₹ 10,000. If the goodwill of the firm is valued at ₹ 40,000 on the basis of 4 year's purchase of super profit on the basis of 10% return on capital employed, find the average profit earned by the firm.

19. Riddhi, Siddhi and Vidhi were partners sharing profits and losses in the ratio of 7:5:3, w.e.f 01 April, 2023 they decided to share future profits and losses in the ratio of 5:4:1. Goodwill of the firm on the date of reconstitution was valued at ₹ 3,00,000. The following balances were also appearing on the date of reconstitution.

General Reserve ₹ 2,40,000

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Deferred Revenue Expenditure ₹ 1,80,000

Profit and Loss (Dr.) Balance ₹ 7,20,000

Partners decided to continue with above three balances in the books of the firm. Pass necessary entries in the books of the firm. Show your working clearly.

20. Rohit and Mohit were partners in a firm sharing profits and losses in the ratio of 3: 2. Rahul was admitted into partnership for 1/3rd share in profits. Goodwill of the firm was valued at ₹ 30,000. Rahul brought ₹ 40,000 as capital and ₹ 5,000 out of his share of goodwill premium in cash. At the time of Rahul's admission, goodwill was appearing in the books of the firm at ₹ 15,000.

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Pass necessary journal entries for the above transactions in the books of the firm on Rahul's admission.

OR

Falak, Girdhar and Hemang were partners in a firm sharing profits and losses in the ratio of 6:3:1. Girdhar retired. Falak and Hemang decided to share profits in future in the ratio of 3 : 2. On the day of Girdhar's retirement, goodwill of the firm was valued at ₹ 1,00,000.

Calculate gaining ratio and pass necessary journal entry to record the treatment of goodwill on Girdhar's retirement.

21. Suman, Vivek and Vinod were partners in a firm sharing profit and losses in the ratio of 5:3:2. Suman retired on 1st April, 2022. After making all adjustments relating to revaluation, goodwill and accumulated profits, etc. the capital accounts of Vivek and Vinod showed credit balances of ₹3,60,000 and ₹1,40,000 respectively.

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It was decided to adjust the capitals of Vivek and Vinod in their new profit-sharing ratio. Pass necessary journal entries for bringing in or withdrawal of the necessary amounts in cash. Show your working clearly.

22. 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.

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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).

23. Arun, Varun and Karan are partners in a trading firm. The firm has a total capital of ₹ 60,000 held equally by all the partners. Under the partnership deed, the partners were entitled to:

- (a) Arun and Varun were entitled to a salary of ₹ 1,800 and ₹ 1,600 per month respectively.
- (b) In the event of death of a partner, Goodwill was to be valued at two year's purchase of the average profits of the last 3 years.
- (c) Profits upto the date of death based on the profits of the previous year.
- (d) Partners were to be charged interest on drawings at 5% p.a and allowed interest on capitals at 6% p.a.

Varun died on January 1, 2023. His drawings to the date of death were ₹2,000 and interest thereon was ₹60. The profits for the three years ending March 31, 2020, 2021 and 2022 were: ₹ 21,200 , ₹3,200(Loss) and ₹ 9,000 respectively.

Prepare Varun's Capital account to calculate the amount to be paid to his executors.

24. X, Y and Z were partners sharing profits in the ratio of 3:2:1. On 31<sup>st</sup> March , 2023, X decided to retire from the firm. The amount due to him after necessary adjustment on retirement is ₹1,26,000. X was paid ₹ 26,000 on the date of retirement and balance amount due to him was payable in three annual instalments of ₹ 35,000 including interest @ 10% p.a. First instalment was paid on 31<sup>st</sup> March, 2024.

You are required to draw X's Loan Account until the whole amount due to him is paid.

OR

Kavya, Manya and Navita were partners sharing profits in the ratio 5:3:2. On 31<sup>st</sup> March 2023, Kavya retired. On that date the capitals of Kavya, Manya and Navita before the necessary adjustments stood at ₹ 6,00,000 , ₹ 5,00,000 and ₹4,00,000 respectively. On Kavya's retirement:

- 1) Goodwill of the firm valued at ₹ 60,000.
- 2) Revaluation of assets and reassessment of liabilities resulted in a loss of ₹80,000.



- 3) ~~Revaluation of assets and reassessment of liabilities resulted in a loss of~~  
General Reserve stood in the books of the firm at ₹ 1,00,000.
- 4) Kavya was to be paid ₹ 20,000 through bank draft and the balance was transferred to her loan account which will be paid in two equal annual instalments together with interest @ 10% p.a. The firm closes its books its books on 31<sup>st</sup> March every year.

Prepare Kavya's Loan Account till it is finally paid. Show your workings clearly.

25. Trisha, Urvi and Varsha were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. Their Balance Sheet as at 31st March, 2023 was as follows :

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Liabilities	₹	Assets	₹
Capitals:		Fixed Assets	4,00,000
Trisha 2,00,000		Stock	1,00,000
Urvi 1,30,000		Debtors	1,50,000
Varsha <u>1,00,000</u>	4,30,000	Cash	2,00,000
General Reserve <del>A</del>	1,50,000		
Creditors	<b>2,70,000</b>		
	<u>8,50,000</u>		<u>8,50,000</u>

Trisha retired on 1st April, 2023 and the partners agreed to the following terms :

- (i) Fixed Assets were found overvalued by ₹ 80,000.
- (ii) Stock was taken over by Trisha at ₹ 80,000
- (iii) Goodwill of the firm was valued at ₹ 1,00,000 on Trisha's retirement and Trisha's share by goodwill was adjusted through the Capital Accounts of remaining partners. New profit sharing ratio between the remaining partners was agreed at 2:3.
- (iv) Trisha was paid ₹ 50,000 on retirement and the balance was transferred to her loan account.

Pass necessary journal entries in the books of the firm on Trisha's retirement.

26. Anshul and Shiksha were partners in a firm sharing profit and losses in the ratio of 3:2. On 31st March, 2023 their balance sheet was as following:

**Balance Sheet of Anshul and Shiksha as at 31<sup>st</sup> March, 2023**

Liabilities	₹	Assets	₹
Anshul's Capital	3,10,000	Machinery	2,90,000
Shiksha's Capital	2,90,000	Furniture	2,20,000
General Reserve ★	50,000	Stock	1,40,000
Workmen Compensation Fund ★	20,000	Debtors 90,000	
Creditors	1,10,000	Less: Provision (1,000)	89,000
		Cash	41,000
	<u>7,80,000</u>		<u>7,80,000</u>

On 1st April 2023, Geeta was admitted into the partnership for 1/4th share in the profits on the following terms:

- Goodwill of the firm was valued at ₹2,00,000.
- Geeta brought ₹3,00,000 as her capital and her share of goodwill premium in cash.
- Bad debts amounted to ₹2,000. Created a provision for doubtful debts @5% on debtors.
- Furniture was found undervalued by ₹65,400.
- Stock was taken over by Shiksha for ₹1,30,000
- The liability against workmen's compensation fund was determined at ₹30,000 to be paid later.
- After the above adjustments, the capitals of Anshul and Shiksha were to be adjusted taking Geeta's capital as the base. Excess or shortage was to be adjusted by opening current accounts.

Prepare Revaluation Account and Partner's capital Account after Geeta's admission.

OR

Anna, Bina and Teena were partners sharing profits and losses in the ratio of 5 :3:2.

Their Balance Sheet on 31st March, 2022 was as follows :

Liabilities	₹	Assets	₹
Creditors	66,000	Furniture	1,12,000
Bills payable	59,000	Stock	1,77,000
Capitals:		Debtors 2,80,000	
Anna 2,00,000		Less: Provision (7,000)	2,73,000
Bina 2,00,000		Cash	63,000
Teena 1,00,000	5,00,000		
	<u>6,25,000</u>		<u>6,25,000</u>

On the above date, Anna retired on the following terms :

- (i) Goodwill of the firm was valued at ₹60,000 and Anna's share of goodwill was adjusted through the capital accounts of remaining partners.
- (ii) Furniture was increased by ₹ 80,000.
- (iii) Stock be reduced to ₹ 87,000
- (iv) Anna was to be paid through cash brought in by Bina and Teena in such a way as to make their capitals proportionate to their new profit sharing ratio of 1 : 1.

Prepare Revaluation and Partners' Capital Accounts.

### PART-B (Analysis of financial statements)

27. Which of the following is not a part of Finance Cost (in statement of profit and loss)? 1
- (a) Bank Charges (b) Interest Paid on Debentures  
(c) Interest Paid on Public Deposits (d) Loss on Issue of Debentures

OR

Electricity and telephone expenses paid by the company are shown in statement of profit and loss as :

- (a) Cost of materials consumed (b) Other income  
(c) Other expenses (d) None of the above

28. Current ratio of Vidur Pvt. Ltd. is 3:2. Accountant wants to maintain it at 2:1. 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:

- a) Only (i) is correct. (b) Only (ii) is correct.  
c) Only (i) and (iii) are correct. d) Only (ii) and (iii) are correct.

OR

..... is included in current assets while preparing balance sheet as per revised Schedule III but excluded from current assets while calculating Current Ratio,

- a) Debtors. (b) Cash and Cash Equivalent.  
c) Loose tools and Stores and spares. d) Prepaid Expense

29. If Debt-equity Ratio is 2, which of the transactions will increase the ratio, state the reason: 1
- Sale of a Fixed Asset (Book value ₹ 40,000) at a loss of ₹ 10,000.
  - Sale of a Fixed Asset (Book value ₹ 40,000) for ₹ 50,000.
  - Sale of a Fixed Asset (Book value ₹ 40,000) for ₹ 40,000.
  - Issue of bonus shares.
30. A company has an operating Cycle of eight months. It has account receivables amounting to ₹ 1,00,000 out of which ₹ 60,000 have a maturity period of 11 months. How would this information be presented in the Balance Sheet? 1
- ₹ 40,000 as Current Assets and ₹ 60,000 as Non-current Assets.
  - ₹ 60,000 as Current Assets and ₹ 40,000 as Non-current Assets.
  - ₹ 1,00,000 as Non-current Assets.
  - ₹ 1,00,000 as Current Assets.
31. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. 3
- Loans repayable on demand
  - Stores and spares
  - Premium payable on redemption of debentures
  - Interest accrued on investments
  - Capital Advances
  - Licenses and Franchise
32. Quick Ratio of a company is 1:1. State, with reason, whether the following transactions will increase, decrease or not change the ratio: 3
- Paid insurance premium in advance ₹ 10,000.
  - Purchased goods on credit ₹ 8,000.
  - Sale of office furniture (Book value ₹ 10,000) for ₹ 7,500.
33. From the following information Prepare a Common size Balance sheet of Mohan Ltd :

P.T.O

Particulars	31st March 2023	31st March 2023
i) Share Capital	5,00,000	4,00,000
ii) Trade Payables	1,40,000	80,000
iii) Reserves and Surplus.	1,60,000	1,20,000
iv) Property, Plant and Equipment	3,60,000	3,00,000
v) Cash and Cash equivalents	40,000	40,000
vi) Inventories	4,00,000	2,60,000

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OR

From the following information, Prepare Comparative Statement of Profit and Loss of SRCC Ltd.

Particulars	Note No.	31-3-2017 (Rs.)	31-3-2016 (Rs.)
Revenue from operations		8,00,000	4,20,000
Purchase of Stock in Trade		4,50,000	2,50,000
Changes in inventories		50,000	50,000
Other expenses(%of Cost of revenue from operations)		8%	10%
Tax Rate		50%	50%

34. a) Total Debt ₹12,00,000; Shareholders' Funds ₹ 2,00,000; Reserves & Surplus ₹ 50,000; Current Assets ₹ 5,00,000; Working Capital ₹ 1,00,000.

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Calculate Total Assets to Debt Ratio.

- b) X Ltd. has a current ratio of 3:1 and quick ratio of 2:1. The excess of current assets over quick assets are ₹ 24,000. Calculate current assets and current liabilities.

- c) Calculate 'Interest coverage Ratio':

Profit before interest and tax	₹ 6,00,000
10% Debentures	₹ 8,00,000
Rate of Income Tax	40%