

Class XII  
SUBJECT-ACCOUNTANCY  
MID TERM EXAMINATION (2024-25)

Name of the student:  
Time Allowed: 3 hrs

Date:  
M.M. 80

**General Instructions:**

- This question paper contains 34 questions. All questions are compulsory.
- This question paper is divided into two parts, **Part A and B.**
- Question Nos. 1 to 16 and 27 to 30 carries 1 mark each.
- Questions Nos. 17 to 20, 31 and 32 carries 3 marks each.
- Questions Nos. from 21, 22 and 33 carries 4 marks each
- Questions Nos. from 23 to 26 and 34 carries 6 marks each
- Attempt all parts of question at one place.

**PART-A (ACCOUNTING FOR PARTNERSHIP FIRMS)**

- 1 A partnership firm has four partners. How many additional partners can be admitted into the business as per the provisions of the Companies Act 2013? 1
- a) 50                      b) 46                      c) 100                      d) 96

- 2 Arun and Vijay are partners in a firm sharing profits and losses in the ratio of 5:1. 1

Balance Sheet (Extract)

Liabilities	₹	Assets	₹
		Machinery	40,000

If the value of machinery reflected in the balance sheet is overvalued by  $33\frac{1}{3}\%$ , find out the value of Machinery to be shown in the new Balance Sheet:

- a) ₹ 44,000                      b) ₹ 48,000                      c) ₹ 32,000                      d) ₹ 30,000
- 3 At the time of admission of a partner, what will be the effect on journal of the following information? 1
- Balance in Workmen compensation reserve ₹40,000. Claim for workmen compensation ₹45,000.
- a) ₹45,000 Debited to the Partner's capital Accounts.  
b) ₹40,000 Debited to Revaluation Account.  
c) ₹5,000 Debited to Revaluation Account.  
d) ₹5,000 Credited to Revaluation Account.

Read the following hypothetical situation and answer question number (4) & (5):

Arjun, Nakul and Sahdev are partners running a garments business. They do not have a partnership deed. On 1st April, 2020, their capitals were ₹6,00,000, ₹ 4,00,000 and ₹3,00,000 respectively. During the year, they withdrew ₹ 20,000, ₹15,000 and ₹ 10,000 respectively. On 1st October, 2020, Nakul gave a loan of ₹ 80,000 to the firm and is claiming interest on loan @10% p.a. for the year ending 31<sup>st</sup> March, 2021. Arjun being an active partner is demanding a salary of ₹ 6,000 per quarter. For the year ending 31st March, 2021, the firm earned a profit of ₹ 90,000.

Interest on Nakul's Loan will be \_\_\_\_\_.

a) ₹8,000                      c) ₹ 4,800  
b) ₹4,000                      d) ₹ 2,400

The amount payable to Arjun as salary is \_\_\_\_\_.

a) ₹24,000                      c) ₹12,000  
b) ₹18,000                      d) No salary





20 Karan and Varun were partners in a firm sharing profits and losses in the ratio of 1 : 2. Their fixed capitals were ₹2,00,000 and ₹3,00,000 respectively. On 1st April 2016, Kishore was admitted as a new partner for  $\frac{1}{4}$ th share in the profits. Kishore brought ₹2,00,000 for his capital which was to be kept fixed like the capitals of Karan and Varun. Kishore acquired his share of profit from Varun. Calculate goodwill of the firm on Kishore's admission and the new profit sharing ratio of Karan, Varun and Kishore. Also, pass necessary Journal Entry for the treatment of Goodwill on Kishore's admission considering that Kishore did not bring his share of goodwill premium in cash.

21 Girija, Yatin and Zubin were partners in the ratio 5:3:2. Zubin died on 1st August, 2015. Amount due to Zubin's executor after all adjustments was ₹90,300. The executor was paid ₹10,300 in cash immediately and the balance in two equal annual instalments with interest @6% p.a. starting from 31st March, 2017. Accounts are closed on 31st March each year. Prepare Zubin's Executors Account till he is finally paid.

22 X, Y and Z are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows:

Year ending on 31st March, 2019	₹ 50,000 (Profit)
Year ending on 31st March, 2020	₹ 1,20,000 (Profit)
Year ending on 31st March, 2021	₹ 1,80,000 (Profit)
Year ending on 31st March, 2022	₹ 70,000 (Loss)

On 1st April, 2021 a Motor Bike costing ₹50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a. by Straight Line Method. The firm also paid an annual insurance premium of ₹20,000 which had already been charged to Profit and Loss Account for all the years. Calculate the amount of goodwill.

23 Sun and Kiran are partners sharing profits and losses equally. They decided to dissolve their firm. Assets and liabilities have been transferred to Realisation Account. Pass necessary Journal entries for the following:

- Deferred Advertisement Expenditure A/c appeared in the books at ₹28,000.
- Out of the Stock of ₹1,20,000; Kiran (a partner) took over 50% of the stock at a discount of 20% while the remaining stock was sold off at a profit of 30% on cost.
- Kiran's Loan of ₹12,000 was settled at ₹12,500.
- Gopal, a creditor for ₹1,05,000 accepted ₹90,000 in cash and investments of ₹14,000 in full settlement of his account.
- Realization expenses amounted to ₹2,000 which were paid by Sun.
- Furniture of ₹70,000 was sold for ₹68,000 by auction and auctioneer's commission amounted to ₹2,000.

24 The following is the balance sheet of A, B and C sharing profits and losses in proportion of 6:5:3 respectively:-

**Balance Sheet as at 31st March 2023**

Liabilities		₹	Assets		₹
Creditors		18,900	Cash		1,890
Bills Payable		6,300	Debtors		26,460
General Reserve —		10,500	Stock		29,400
Capitals:-			Furniture		7,350
A	35,400		Land & Building		45,150
B	29,850		Goodwill —		5,250
C	<u>14,550</u>	79,800			

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They agreed to take D into partnership and give him 1/8<sup>th</sup> share on the following terms:-

- i. Furniture be depreciated by ₹ 2,920.
- ii. An Old Customer, whose account was written off as bad, has promised to pay ₹ 2,000 in full settlement of his full debt.
- iii. A provision of ₹ 1,320 be made for outstanding repair bills.
- iv. The value of land and building having appreciated and brought up to ₹ 56,910.
- v. D should bring in ₹ 14,700 as his capital.
- vi. D should bring in ₹ 14,070 as his share of goodwill.
- vii. After making the above adjustments, the capital accounts of old partners be adjusted on the basis of the proportion of D's Capital to his share in business, i.e., actual cash to be paid off or brought in by the old partners, as the case may be.

Prepare Revaluation Account and Partner's Capital Account.

- 25 L, M and N were partners in a firm sharing profit & losses in the ratio of 2:2:3 .

**Balance Sheet as at 31<sup>st</sup> March 2023**

Liabilities	Amount(₹)	Assets	Amount(₹)
Creditors	80,000	Land and Building	5,00,000
Bank overdraft	22,000	Machinery	2,50,000
Long term debts	2,00,000	Furniture	3,50,000
Capital A/C		Investments	1,00,000
L 6,25,000		Stock	4,00,000
M 4,00,000		Debtors	2,00,000
N 5,25,000	15,50,000	Bank	20,000
Employees provident fund	38,000	Deferred Advertisement Expenditure	70,000
	18,90,000		18,90,000

On 31<sup>st</sup> March 2023 , M retired from the firm and remaining partners decided to carry on business. It was decided to revalue assets and liabilities as under :

- a) Land and Building be appreciated by ₹ 2,40,000 and Machinery be depreciated 10%.
- b) 50% of investments were taken by the retiring partner at book value.
- c) Provision for doubtful debts was to be made at 5% on debtors.
- d) Stock will be valued at market price which is ₹1,00,000 less than the book value.
- e) Goodwill of the firm be valued at ₹5,60,000. L and N decided to share future profits and losses in the ratio of 2:3.
- f) The total capital of the new firm will be ₹32,00,000 which will be in proportion of profit -sharing ratio of L and N.
- g) Gain on revaluation account amounted to ₹1,05,000.

Prepare Partner's Capital accounts and Balance sheet of firm after M's retirement.

- 26 Moli, Bhola and Raj were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. Their partnership deed provided for the following:

- (i) Interest on capital @ 5% per annum.
- (ii) Interest on drawing @ 12% per annum.
- (iii) Interest on partners' loan @ 6% per annum.
- (iv) Moli was allowed an annual salary of ₹ 4,000, Bhola was allowed a commission of 10% of net profit as shown by profit and loss account and Raj was guaranteed a profit of ₹ 1,50,000 after making all the adjustments as provided in the partnership agreement.

~~Their fixed capitals were Moli ₹ 5,00,000, Bhola ₹ 8,00,000 and Raj ₹ 4,00,000. On 1st April, 2016 Bhola extended a loan of ₹ 1,00,000 to the firm. The net profit of the firm for the year ended 31st March, 2017 before interest on Bhola's loan was ₹ 3,06,000.~~

Prepare profit and loss appropriation account of Moli, Bhola and Raj for the year ended 31st March, 2017 assuming that Bhola withdrew ₹ 5,000 at the end of each month, Moli withdrew ₹ 10,000 at the end of each quarter and Raj withdrew ₹ 40,000 at the end of each half year.

**PART-B (ANALYSIS OF FINANCIAL STATEMENTS)**

- 27 Which of the following is not an investing cash flow?  
 a) Purchase of marketable securities for ₹25,000 cash.  
 b) Sale of land for ₹28,000 cash.  
 c) Sale of 2,500 shares (held as investment) for ₹15 each.  
 d) Purchase of equipment for ₹500 cash.

- 28 Which of the following is device of Comparative statements?  
 a) Comparison expressed in terms of absolute change  
 b) Comparison expressed in terms of percentages  
 c) Comparison expressed in terms of ratios  
 d) All of the above

- 29 What will be the affect of issue of bonus shares on Cash Flow Statement?  
 a) No effect  
 b) Inflow in Financing Activity  
 c) Inflow in Operating activity  
 d) Inflow in Investing Activity

30 **Assertion(A):** Cash withdrawn from bank will not result in flow of Cash & Cash Equivalents.  
**Reason (R):** Cash withdrawn from bank is movement between items of Cash & Cash Equivalents.

- a) (A) and (R) both are correct and (R) correctly explains (A)  
 b) Both (A) and (R) are correct but (R) does not explain (A)  
 c) Both (A) and (R) are incorrect  
 d) (A) is correct but (R) is incorrect

31 The following Balance Sheet relate to Modern Computers Ltd.  
 Prepare Common Size Balance Sheet.

PARTICULARS	NOTE NO.	31.3.2024 (₹)
<b>I. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
a) Share Capital		3,00,000
b) Reserves and Surplus		6,50,000
<b>2. Non-Current Liabilities</b>		
Long-term Borrowings		2,50,000
<b>3. Current Liabilities</b>		
a) Trade Payables		2,85,000
b) Short Term Provisions		15,000
<b>TOTAL</b>		<b>15,00,000</b>
<b>II. ASSETS</b>		
<b>1. Non-Current Assets</b>		
a) Property, Plant and Equipment and Intangible Assets		5,00,000
b) Non-Current Investments		3,10,000
<b>2. Current Assets</b>		
a) Inventories		3,69,000
b) Trade Receivables		2,25,000
c) Cash and Cash Equivalents		196,000
<b>TOTAL</b>		<b>15,00,000</b>

32 Read the following hypothetical text and answer the questions given below on the basis of the same:

Aditi, initiated her start-up 'Fizz Ltd.' in 2019. Fizz Ltd. is an organic juice extracting unit. Its profits are increasing year-after-year because of the increasing awareness towards health.

Following information has been extracted from the Balance Sheet of Fizz Ltd. as on 31<sup>st</sup> March, 2022:

Particulars	31 <sup>st</sup> March, 2022 (₹)	31 <sup>st</sup> March, 2021 (₹)
Equity Share Capital	90,00,000	60,00,000
11% Debentures	30,00,000	50,00,000
Machinery (at cost)	28,00,000	20,00,000
Accumulated Depreciation on Machinery	90,000	60,000

Additional Information:

- During the year, a machine costing ₹4,00,000 was sold at a gain of ₹30,000.
- Depreciation charged on machinery during the year was ₹50,000.
- Dividend of ₹3,00,000 was paid on equity shares.
- Debentures were redeemed at a premium of 10% on 31<sup>st</sup> March, 2022.

Calculate cash flows of Fizz Ltd. from Financing Activities.

33 From the following information, prepare Comparative statement of Profit & loss:

Particulars	2021-22 (₹)	2020-21 (₹)
Revenue from operations	8,00,000	6,00,000
Cost of material consumed	4,80,000	4,50,000
Other expenses	20% of Gross Profit	10% of Gross Profit
Income Tax	40%	40%

34 On the basis of information given by Mayur Ltd., prepare Cash Flow Statement for the year ending 31<sup>st</sup> March, 2021:

**Mayur Ltd.**  
**Balance Sheet as on 31st March, 2021**

Particulars	Note No.	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>I. Equity and Liabilities</b>			
1. Shareholder's Funds			
(a) Share Capital		30,00,000	20,00,000
(b) Reserves and Surplus	1	3,00,000	4,00,000
2. Non-current Liabilities			
Long-term Borrowings		4,00,000	3,00,000
3. Current Liabilities	2		
(a) Trade Payables		1,70,000	2,50,000
(b) Short Term provisions	3	76,000	64,000
<b>Total</b>		<b>39,46,000</b>	<b>30,14,000</b>
<b>II. Assets</b>			
1. Non-current Assets			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment	4	29,00,000	23,00,000
(ii) Intangible Asset	5	2,70,000	1,60,000
2. Current Assets			
(a) Inventories		2,20,000	2,30,000

(b) Trade Receivables		1,10,000	1,30,000
(c) Cash and Cash Equivalents		4,46,000	1,94,000
Total		<u>39,46,000</u>	<u>30,14,000</u>

Notes to Accounts

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1. Reserves and Surplus Statement of Profit and loss	<u>3,00,000</u>	<u>4,00,000</u>
2. Long-term Borrowings 9% Debentures	<u>4,00,000</u>	<u>3,00,000</u>
3. Short-Term Provisions Provision for Tax	<u>76,000</u>	<u>64,000</u>
Property, Plant & Equipment Machinery	36,00,000	28,00,000
Less: Accumulated Depreciation	<u>(7,00,000)</u>	<u>(5,00,000)</u>
	<u>29,00,000</u>	<u>23,00,000</u>
Intangible Fixed Assets Goodwill	<u>2,70,000</u>	<u>1,60,000</u>

Additional Information:

- During the year, a piece of machinery costing ₹4,00,000 on which accumulated depreciation was ₹ 73,000 was sold for ₹ 3,10,000
- 9% Debentures of ₹1,00,000 were issued on 31<sup>st</sup> March, 2021.