

Divya

07

TIME- 3 Hours

FIRST TERM EXAM 2024-25
CLASS XII ACCOUNTANCY

MAX MARKS-80

- Q 1. Heena and Sudha share Profit & Loss equally. Their capitals were Rs.1,20,000 and Rs. 80,000 respectively. There was also a balance of Rs. 60,000 in General reserve and revaluation gain amounted to Rs. 15,000. They admit friend Teena with 1/5 share. Teena brings Rs.90,000 as capital. Calculate the amount of goodwill of the firm. 1
- a) Rs.85,000 b) Rs.1,00,000 c) Rs.20,000 d) None of the above
- Q 2. As per _____, only purchased goodwill can be shown in the Balance Sheet. 1
- a) AS 37 b) AS 26 c) Section 37 d) AS 37
- Q 3. At the time of admission of a partner, Employees Provident Fund is: 1
- a) Distributed to partners in the old profit sharing ratio
b) Distributed to partners in the new profit sharing ratio
c) Adjusted through gaining ratio
d) None of the above
- Q 4. P, Q and R sharing profit and losses in the ratio of 8:5:3. P retire from the firm, Q takes 3/16 from P and R takes 5/16 from P. New profit-sharing ratio between Q and R will be 1
- (A) 1:1 (B)10:6 (C)9:7 (D)5:3
- Q 5. Name the account which is opened to credit the share of profit of the deceased partner, till the time of his death to his Capital account. 1
- Q 6. 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).
c) Assertion (A) is correct, but Reason (R) is incorrect.
d) Assertion (A) is incorrect, but Reason (R) is correct. 1
- Q 7. Pawan, Kavita and Gaurav were partners in a firm. The firm was dissolved. Creditors took over furniture of book value of Rs. 60,000 at 10% less than the book value in part settlement of their amount of 60,000. The balance amount was paid to them through cheque. The amount paid through cheque will be : 1
- a. Rs. 5000 b. Rs. 6000 c. Rs. 54000 d. Nil
- Q 8. A, B and C who were sharing profits and losses in the ratio of 4:3:2 decided to share the future profits and losses in the ratio to 2:3:4 with effect from 1" April 2023. An extract of their Balance Sheet as at 31 March 2023 is:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Workmen Compensation Reserve	65,000		

At the time of reconstitution, a certain amount of Claim on workmen compensation was determined for which B's share of loss amounted to 5,000. The Claim for workmen compensation would be:

- a) ₹15,000 b) 270,000 c) 250,000 d) ₹80,000 1

Q 9. Assertion (A):- Commission provided to partner is shown in Profit and Loss A/c.
Reason (R):- Commission provided to partner is charge against profits and is to be provided at fixed rate.

- a) (A) is correct but (R) is wrong
b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
c) Both (A) and (R) are incorrect.
d) Both (A) and (R) are correct, and (R) is the correct explanation of (A) 1

Q 10. At the time of dissolution of a firm, Creditors are ₹ 70,000; Firm's Capital is ₹ 1,20,000; Cash Balance is ₹ 10,000. Other assets realised ₹ 1,50,000. Gain/Loss in the realisation account will be:

- a) ₹ 30,000 (Gain) b) ₹ 40,000 (Gain) c) ₹ 40,000 (Loss) d) ₹ 30,000 (Loss) 1

Q 11. Gopal, Krishna and Govind are partners sharing profits and losses in the ratio of 5:4:3. Krishna retired on 1st April, 2022. Gopal and Govind purchased her share of profit by giving her ₹1,20,000, ₹ 80,000 being paid by Gopal and ₹40,000 by Govind. The gaining ratio will be :

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

Q 12. A partnership firm has capital employed of ₹ 6,00,000. Its average profits are ₹80,000. The normal rate of return in similar type of business is 10%. The amount of super profits are:

- (a) ₹60,000 (b) ₹8,000 (c) ₹20,000 (d) ₹52,000 1

Q 13. Green and Orange are partners. Green draws a fixed amount at the beginning of every month. Interest on drawings is charged @8% p.a. At the end of the year interest on Green's drawings amounts to ₹ 2,600. Monthly drawings of Green were:

- a) ₹ 8,000 b) ₹ 60,000 c) ₹ 7,000 d) ₹ 5,000 1

Q 14. A, B and C are partners in a firm sharing profit/loss in the ratio of 2:2:1. On March 31, 2020, C died. Accounts are closed on Dec. 31 every year. The sales for the year 2019 was ₹8,00,000 and the profits were ₹1,20,000. The sales for the period from Jan. 1, 2020 to March 31, 2020 were ₹3,00,000. The share of deceased partner in the current year's profits on the basis of sales is :

- (A) ₹2,250 (B) ₹45,000 (C) ₹9,000 (D) ₹24,000 1

Q 15. List any two grounds on which a court may dissolve the firm. 1

Q 16. What will be the current ratio of a company whose net working capital is zero? 1

Q 17. A, B and C are partners. A's capital is ₹ 3,00,000 and B's capital is ₹1,00,000. C has not invested any amount as capital but he alone manages the whole business. C wants ₹30,000 p.a. as salary, though the deed is silent. Firm earned a profit of ₹1,50,000. How much will each partner receives as an appropriation of profits? 1

a) A ₹ 60,000; B ₹ 60,000; C ₹ 30,000
 c) A ₹ 40,000; B ₹ 40,000 and C ₹ 70,000

b) A ₹ 90,000; B ₹ 30,000; C ₹ 30,000
 d) A ₹ 50,000; B ₹ 50,000 and C ₹ 50,000

Q 18. In the Balance Sheet Total Debtors appear at ₹50,000 and Provision for Doubtful Debts appear at ₹1,500. How much amount will be realised from Debtors, if bad debts amount to ₹10,000 and remaining debtors are realised at a discount of 5%? 1

Q 19. On the basis of following data, the proprietary ratio of a Company will be :
 Equity Share Capital ₹3,00,000; Debentures ₹90,000; Current Liabilities ₹30,000; Statement of Profit & Loss Debit Balance ₹20,000.

(A) 75% (B) 80% (C) 70% (D) 82% 1

Q 20. X, Y and Z are partners sharing profits and losses in the ratio of 2:3:1. They decided to share future profits in the ratio of 3:2:1 with effect from 1st April, 2022. At the time of change of profit sharing ratio, unrecorded furniture will be recorded in the books of Accounts by:

(A) Debiting it to Partners' Capital Account (B) Debiting it to Revaluation Account
 (C) Crediting it to Revaluation Account (D) Crediting it to Partners' Capital Account 1

Q 21. A, B, C and D are partners in a firm sharing profit in the ratio 3:3:2:2 respectively. D retires and A, B and C decided to share future profit in the ratio 3:2:1. Goodwill of the firm is valued at Rs 600,000, goodwill already appears in the book at Rs 4,50,000. The profit for the first year after D's retirement amount to Rs 12,00,000. Give necessary journal entries to record and to distribute the profits. Show your calculation clearly. 3

Q 22. From the following data, calculate Current Ratio and Liquid Ratio 3

Liquid Assets	₹75,000
Inventories (Includes Loose Tools of ₹20,000)	₹35,000
Prepaid Expenses	₹10,000
Working Capital	₹60,000

Q 23. A, B and C are partners sharing profits in the ratio of 8:7:5. D is admitted as a new partner for 1/4th share. B sacrifices 1/10th from his share in favour of D and the remaining sacrifice was made by A and C in the ratio of 2:1. Calculate sacrificing ratio and new profit sharing ratio. 3

Q 24. Tarun, Abhishek, Kamal and Vivek were partners in a firm sharing profits in the ratio of 5:3:2:2. Kamal retired on 31st March, 2022. Tarun, Abhishek and Vivek decided to share future profits equally. On Kamal's retirement goodwill of the firm was valued at ₹9,00,000. Showing your working clearly, pass the necessary journal entry for treatment of goodwill on Kamal's retirement. It was decided not to show goodwill in the books of the firm. 3

Q 25. Amay, Anmol and Rohan entered into partnership on 1st July, 2021 to share profits and losses in the ratio of 3:2:1. Amay guaranteed that Rohan's share of profit after charging interest on capital @ 6% p.a would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended 31st March, 2022 was ₹1,38,000. Prepare Profit and Loss Appropriation A/c. 3

(238000)

- Q 26. Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their Capitals were ₹ 6,00,000, ₹ 8,00,000 and ₹ 11,00,000 as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of ₹ 2,00,000 were distributed without providing for Interest on Capitals.
Pass an adjustment entry and show the workings clearly.

3

- Q 27. Calculate the amount of Opening Trade Receivables and Closing Trade Receivables from the following figures

4

Trade Receivables Turnover Ratio	5 times
Cost of Revenue from Operations	₹8,00,000
Gross Profit Ratio	20%
Closing Trade Receivables were ₹40,000 more than in the beginning	
Cash sales being $\frac{1}{4}$ times of Credit Sales	

- Q 28. Ravi, Kavi and Chand were partners sharing profits in the ratio of 5:3:2. On 31st March, 2022, their Balance Sheet was as follows:

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	70,000	Land & Building	3,50,000
Chand's Loan	20,000	Stock	3,00,000
Mrs. Chand Loan	20,000	Debtors	2,00,000
Capitals:		Less provision	10,000
Ravi	4,00,000	Cash	70,000
Kavi	3,00,000		
Chand	1,00,000		
	9,10,000		9,10,000

The firm was dissolved on the above date.

- Land and Building and Stock were sold for ₹6,00,000. Debtors were realised at 10% less than the book value.
- Mrs. Chand's loan was settled by giving her a computer of ₹ 22,000 not recorded in the books.
- Ravi paid off one of the creditors ₹20,000 in settlement of his amount of ₹30,000.
- Remaining creditors were paid in cash.

Prepare Realisation Account

4

- Q 29. On 1st April 2016, an existing firm had assets of ₹10,00,000 including cash of ₹20,000. Its creditors amounted to ₹50,000 on that date. The partner's capital accounts showed a balance of ₹8,00,000 while the reserve fund amounted to ₹1,50,000. If the normal rate of return is 15% and the goodwill of the firm is valued at ₹1,80,000 at 3 year's purchase of super profit, find the average profits of the firm.

4

202500

- Q 30. X and Y were partners in the profit-sharing ratio of 3: 2. Their balance sheet as at March 31, 2022 was as follows:

Balance Sheet as at March 31, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	56,000	Plant and Machinery ✓	70,000
General Reserve ✗	14,000	Buildings	98,000
Capital Accounts:		Stock	21,000
X 1,19,000		Debtors 42,000	
Y 1,12,000	2,31,000	(-)Provision 7,000	35,000
		Cash in Hand	77,000
	3,01,000		3,01,000

Z was admitted for 1/6th share on the following terms:

- Z will bring ₹ 56,000 as his share of capital, but was not able to bring any amount to compensate the sacrificing partners.
 - Goodwill of the firm is valued at ₹. 84,000.
 - Plant and Machinery were found to be undervalued by ₹ 14,000 Building was to brought up to ₹ 1,09,000.
 - All debtors are good.
 - Capitals of X and Y will be adjusted on the basis of Z's share and adjustments will be done by opening necessary current accounts.
- You are required to prepare a revaluation account and partners' capital account. 6

- Q 31. A, B and C were partners sharing P&L in the ratio 5:3:2. A died on 30th June, 2019. A's profit till date of death was estimated as ₹ 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as ₹ 8,40,000 out of which ₹ 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual instalments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932.. Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement. 6

- Q 32. Pass necessary Journal Entries for the following transactions, on the dissolution of a partnership firm of Kavita and Suman on 31st March, 2022, after the various assets (other than cash) and third party liabilities have been transferred to Realisation Account.
- Kavita took over stock amounting to ₹ 1,00,000 at ₹90,000.
 - Creditors of ₹2,00,000 took over Plant and Machinery of ₹ 3,00,000 in full settlement of their claim.
 - There was an unrecorded asset of ₹23,000 which was taken over by Suman at ₹17,000.
 - Realisation expenses ₹2,000 were paid by Kavita.
 - Bank loan ₹21,000 was paid off.
 - Loss on dissolution amounted to ₹ 7,000.
- 6

- Q 33. P, Q and R were partners in a firm sharing profits in the ratio of 3:2:1 respectively. On March 31st, 2022, the balance sheet of the firm stood as follows:

Balance Sheet

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	13,000	Cash ✓	4,700
Bills Payable	590	Debtors ✓ (₹400)	8,000
Capital Accounts:		Stock	11,690
P 15,000		Buildings ✓ + 7000	23,000
Q 10,000		Profit and Loss Account ✗	1,200
R 10,000	35,000		
	48,590		48,590

Q retired on the above-mentioned date on the following terms:

- (i) Buildings to be appreciated by ₹7,000
 - (ii) A provision for doubtful debts to be made at 5 % on debtors.
 - (iii) Goodwill of the firm is valued at ₹ 18,000 and adjustment to be made by raising and writing off the goodwill.
 - (iv) ₹ 2,800 was to be paid to Q immediately and the balance in his capital account to be transferred to his loan account carrying interest as per the agreement.
 - (v) Remaining partner decided to maintain equal capital balances, by opening current account.
- Prepare the revaluation account and partner's capital accounts.

6

Q 34. A, B and C are partners sharing profits and losses in the ratio of 2:2:1. Their balance sheet as at 31st March, 2016 was as follows:

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	1,50,000	Cash	18,000
Outstanding Expenses	8,000	Stock ✓	1,40,000
Reserves ✗	60,000	Debtors 1,00,000	
Workmen's Compensation Reserve	25,000	Less Provision for doubtful debts 5,000 ✓	95,000
Capital Accounts:		Plant	1,50,000
A 4,00,000		Building ✓	6,00,000
B 3,00,000		Advertisement Suspense A/c ✗	40,000
C 1,00,000	8,00,000		
	10,43,000		10,43,000

The partners agreed that from 1st April, 2016 they will share profits and losses equally. They agreed that

- (i) Stock is to be valued at 90%.
- (ii) Provision for doubtful debts to be increased to 6% of debtors.
- (iii) Outstanding Expenses are to be increased by ₹12,000.
- (iv) Building is to be valued at ₹7,00,000.
- (v) Goodwill is valued at ₹1,20,000.00
- (vi) Claim for Workmen Compensation is ₹ 40,000.

Partners decided to record the altered values of assets and liabilities in the books. However, they want to leave the reserves undisturbed. You are required to record necessary journal entries.