MAHAVA BHARATI
INDIA INTERNATIONAL SCHOOL

CLASS XII: ACCOUNTANCY (055)
MID-TERM ASSESSMENT
SESSION:2024-25

Name:

Roll No:

Weightage: 80 marks.

Time Duration 3.0 hrs

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, **Part A and B.**
3. **Part - A** is Accounting for Partnership Firms.
4. **Part - B** is Analysis of Financial Statements.
5. Question Nos. **1 to 10 and 20 to 29** carries **1** mark each.
6. Questions Nos. **11 to 14, 30 and 31** carries **3** marks each.
7. Questions Nos. from **15,16 and 32** carries **4** marks each.
8. Questions Nos. from **17 to 19** and **33,34** carries **6** marks each.
9. There is no overall choice. However, an internal choice has been provided Question No. 15.

Part – A

Q-1. Vijay and Ajay are partners in a firm. The partnership agreement provides for interest on drawings @ 12% per annum. Which of the following accounts will be debited to transfer interest on drawings to Profit and Loss Appropriation A/c? **(1)**

a. Partners' Current accounts
b. Bank Account
c. Interest on Drawings account
d. Partners' Capital accounts

Q-2. Aman and Chaman are partners in a firm. On 1st July, 2021 Aman advanced a loan of ₹ 6,00,000 to the firm. There is no partnership deed. On 31st March, 2022, Aman was entitled to get the following amount as interest on loan: **(1)**

a. ₹ 36,000 b. ₹ 18,000 c. ₹ 27,000 d. ₹ 9,000

Q-3. Anu, Bindu and Siya were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Siya was guaranteed that her share of profit will not be less than ₹ 50,000. The firm's profit for the year ended 31st March, 2022 was ₹ 2,00,000. The amount of deficiency to be borne by Anu was: **(1)**

a. ₹ 75,000 b. ₹ 10,000 c. ₹ 2,500 d. ₹ 5,000

Q-4. Keshav and Karan were partners in a firm sharing profits equally. The capitalised value of average profits of the firm was ₹ 18,00,000. Assets of the firm were ₹ 20,00,000 (excluding goodwill) and Liabilities were ₹ 5,00,000. The value of goodwill of the firm by capitalisation of average profits method will be: **(1)**

a. ₹ 4,00,000 b. ₹ 3,00,000 c. ₹ 2,00,000 d. ₹ 3,50,000

Q-5. 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: (1)

a. Debiting it to Partners' Capital Account
b. Crediting it to Partners' Capital Account
c. Crediting it to Revaluation Account
d. Debiting it to Revaluation Account

Q-6. Isha and Naman were partners in a firm sharing profits and losses in the ratio of 2 : 3. With effect from 1st April, 2022 they agreed to share profits and losses equally. Due to change in the profit sharing ratio, Isha's gain or sacrifice will be: (1)

a. Gain 1/10
b. Gain 2/5
c. Sacrifice 1/10
d. Sacrifice 2/5

Q-7. Ria and Surbhi were partners in a firm sharing profits and losses in the ratio of 3 : 2. With effect from 1st April, 2022, they agreed to share profits equally. The goodwill of the firm was valued at ₹ 3,00,000. The adjustment will be done by which of the following transaction? (1)

a. Debiting Ria's account by ₹ 3,000 and crediting Surbhi's account by ₹ 3,000.
b. Debiting Ria's account by ₹ 30,000 and crediting Surbhi's account by ₹ 30,000.
c. Debiting Surbhi's account by ₹ 3,000 and crediting Ria's account by ₹ 3,000.
d. Debiting Surbhi's account by ₹ 30,000 and crediting Ria's account by ₹ 30,000.

Q-8. Amit and Sumit were partners in a firm with fixed capitals of ₹ 6,00,000 and ₹ 4,00,000 respectively. Kavi was admitted as a new partner for 15th share in the profits of the firm. Kavi brought ₹ 40,000 as his share of goodwill premium and ₹ 3,00,000 as his capital. The amount of Goodwill premium credited to Sumit will be: (1)

a. ₹ 40,000
b. ₹ 24,000
c. ₹ 20,000
d. ₹ 16,000

Q-9. What is 'Sacrificing Ratio'? (1)

Q-10. On the reconstitution of a firm the value of furniture increased from ₹ 7,00,000 to ₹ 8,00,000 and stock reduced to ₹ 4,00,000 from ₹ 4,20,000. Gain or loss on revaluation will be: (1)

a. Loss ₹ 1,20,000
b. Gain ₹ 8,00,000
c. Loss ₹ 80,000
d. Gain ₹ 80,000

80,000
18,000

Q-11. Mohan, Sohan and Suresh were partners in a firm sharing profits in the ratio of 2 : 2 : 1. Suresh was guaranteed a profit of ₹ 70,000. Any deficiency on account of guarantee to Suresh was to be borne by Mohan and Sohan in 3 : 2 ratio. The profit of the firm for the year ended 31.3.2022 amounted to ₹ 2,00,000.
Prepare Profit and Loss Appropriation Account of the firm for the year ended 31.3.2022. (3)

14000
70,000 x 3/5
14000
42000

Q-12. State any three circumstances other than (i) admission of a new partner (ii) retirement of a partner and (iii) death of a partner, when need for valuation of goodwill of a firm may arise. (3)

Q-13. The Average profit earned by a firm is ₹ 75,000 which includes undervaluation of stock of ₹ 5,000 on average basis. The capital invested in the business is ₹ 7,00,000 and the normal rate of return is 7%. Calculate goodwill of the firm on the basis of 5 times the super profit. (3)

40000
2,00,000 x 2/5

80,000
80,000
40,000

38000

14000
70000 x 2/5

Q-14. On 1st April, 2022, the capital of the firm of Ashu and Madhav is ₹ 1,50,000. The normal rate of return on capital employed is 10%. Average profits of the firm are ₹ 23,500. Calculate goodwill of the firm based on three years purchase of super profits. (3)

Q-15. J and K are partners in a firm. Their capitals are : J : Rs 3,00,000 and K : Rs 2,00,000. During the year ended 31st March, 2010 the firm earned a profit of Rs 1,50,000. Assuming that the normal rate of return is 20%, calculate the value of goodwill of the firm : (2+2=4)

i. By Capitalisation Method; and
ii. By Super Profit Method if the goodwill is valued at 2 years' purchase of super profit.

OR

Sangeeta, Deepa, Ajay and Lalit were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 4 : 1. They decided to share profits and losses in the ratio of 5 : 1 : 2 : 2 with effect from 1st April, 2022. On this date, the goodwill of the firm was valued at ₹ 5,20,000, General Reserve appeared in the books at ₹ 1,00,000.
Pass necessary journal entries for the above transactions. Show your workings clearly. (4)

Q-16. Vanshika and Shikha were partners in a firm with capitals of ₹ 1,00,000 and ₹ 80,000 respectively. They admitted Nisha on 1st April, 2022 as a new partner for 1/4 share in the future profits of the firm. Nisha brought ₹ 90,000 as her capital. Nisha acquired her share equally from Vanshika and Shikha. Calculate the value of goodwill of the firm and pass necessary journal entries on Nisha's admission, assuming that Nisha did not bring her share of goodwill premium in cash. Show the working clearly. (4)

Q-17. Asha, Rina and Chahat were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2019 was as follows: (6)

Balance Sheet of Asha, Rina and Chahat
as at 31st March, 2019

Liabilities		₹	Assets		₹
Creditors		12,00,000	Plant and Machinery		14,80,000
General Reserve		2,00,000	Stock		2,20,000
Capitals:			Sundry Debtors	2,60,000	
Asha	3,00,000		*Less*: Provision for doubtful debts	20,000	2,40,000
Rina	2,00,000		Bank		60,000
Chahat	1,00,000	6,00,000			
		20,00,000			20,00,000

Asha, Rina and Chahat decided to share future profits equally with effect from 1st April, 2019. For this, it was agreed that:

1. Goodwill of the firm be valued at ₹ 1,50,000.
2. Bad debts amounted to ₹ 40,000. A provision for doubtful debts was to be made @ 5% on debtors.

Pass the necessary journal entries to record the above transactions in the books of the firm.

Q-18. Raj, Mehak and Divya were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their respective capitals were: ₹ 6,00,000, ₹ 4,00,000 and ₹ 2,00,000. The partnership deed provided for the following: **(6)**

a) Interest on capital @ 8% per annum.

b) Interest on drawings @ 6% per annum.

c) Interest on partner's loan to the firm @ 5% per annum.

During the year, Raj had withdrawn ₹ 12,000 on 1st October, 2021, while Mehak withdrew ₹ 60,000 on 1st December, 2021.

On 1st January, 2021, Divya had given a loan of ₹ 1,20,000 to the firm.

Pass the necessary journal entries in the books of the firm for the following transactions for the year ended 31st March, 2022:

i. Allowing interest on Raj's capital.

ii. Charging interest on Mehak's drawings.

iii. Providing interest on loan given to the firm by Divya.

Also pass transfer entries in the Profit and Loss Account/Profit and Loss Appropriation Account, as the case may be.

Q-19. Madhav and Girdhari were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their balance sheet as at 31st March, 2022 was as follows: **(6)**

Balance sheet of Madhav and Girdhari as on 31st March, 2022

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital: Madhav	3,00,000		Machinery		4,70,000
Girdhari	2,00,000	5,00,000	Investment		1,10,000
			Debtors	1,20,000	
Workmen's compensation fund		60,000	Less: Provision for doubtful debts	10,000	1,10,000
Creditors		1,90,000	Stock		1,40,000
Employee's Provident fund		1,10,000	Cash		30,000
Total		**8,60,000**	**Total**		**8,60,000**

On 1st April, 2022, they admitted Jyoti into partnership for 1/4th share in the profits of the firm. Jyoti brought ₹ 1,86,000 as her capital and ₹ 40,000 as her share of goodwill premium in cash. The following terms were agreed upon:

i. Stock was found undervalued by ₹ 23,000.

ii. 20 % of the investments were taken over by Girdhari at book value.

iii. Claim on account of workmen's compensation amounted to ₹ 70,000, which was to be paid later.

iv. Creditors included a sum of ₹ 27,000 which was not likely to be claimed.

Prepare Revaluation A/c, Partners' Capital Accounts and Balance-Sheet on Jyoti's admission.

Part - B

Q-20. What is meant by **Authorised Capital**? (1)

Q-21. The Balance Sheet provides information about financial position of an enterprise: (1)

a. for a period of time
b. over a period of time
c. during a period of time
d. at a point of tim

Q-22. **Security Deposits** are presented in the Balance Sheet of the company under the subhead: (1)

a. Fixed Assets
b. Other Current Liabilities
c. Long-term Loans and Advances
d. Other Non-Current Assets

Q-23. **Income received in advance** appears in the Balance Sheet of a company under the sub-head ______. (1)

Q-24. What is 'Capital Reserve'? (1)

Q-25. If revenue from Operations ₹ 9,00,000, gross profit 25% on Cost, operating expenses ₹ 90,000, the operating ratio will be: (1)

a. 100% b. 50% c. 90% d. 10%

Q-26. Which of the following is **not** a **Profitability Ratio:** (1)

a. Proprietary Ratio
b. Operating Ratio
c. Gross Profit Ratio
d. Return on Investment

Q-27. Which of the following equations is correct: (1)

a. Cost of Revenue from Operations = Opening Inventory - Net Purchases + Direct Expenses - Closing Inventory
b. Cost of Revenue from Operations = Revenue from Operations + Gross Profit
c. Cost of Revenue from Operations = Revenue from Operations - Gross Profit
d. Cost of Revenue from Operations = Opening Inventory + Closing Inventory

Q-28. Which of the following is not a tool of financial analysis? (1)

a. Comparative Income Statement
b. Comparative Position Statement
c. Cash Flow Statement
d. Statement of Profit and Loss

Q-29. Which of the following is a limitation of financial analysis? (1)

a. It identifies the reasons for change in financial position.
b. It judges the ability of the firm to repay its debts.
c. It ascertains the relative importance of different components of the financial position of the firm.
d. It is just a study of reports of the company.

Q-30. Y Ltd. has a Current Ratio of 3.5 : 1 and Quick Ratio of 2 : 1. If excess of current assets over quick assets represented by inventory is ₹ 48,000, calculate current assets and current liabilities. (3)

Q-31. Under which major head/sub-head will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013? (3)

i. Computer software
ii. Calls-in-advance
iii. Outstanding salary
iv. Securities Premium Reserve
v. Patents
vi. Interest accrued on Investment

Q-32. From the following information, calculate any two of the following ratios

i. Debt equity ratio
ii. Working capital turnover ratio and
iii. Return on investment

Information Equity shares capital Rs. 50,000, general reserve Rs. 5,000; statement of profit and loss after tax and interest Rs. 15,000; 9% debenture Rs. 20,000; creditors Rs. 15,000; land and building Rs. 65,000; Equipments Rs. 15,000; debtors Rs. 14,500 and cash Rs. 5,500; revenue from operations for the year ended 31st March 2011 was Rs. 1,50,000. Tax rate of 50%. (2+2=4)

Q-33.

a) Calculate Revenue from operations of **BN Ltd.** from the following information:

Current assets	₹ 8,00,000.
Quick ratio is	1.5 : 1
Current ratio is	2 : 1
Inventory turnover ratio is	6 times.

Goods were sold at a profit of 25% on cost.

b) The Operating ratio of a company is 60%. State with reason, whether 'Purchase of goods costing ₹ 20,000' will increase, decrease or not change the operating ratio. (4+2=6)

Q-34. From the following Balance Sheet of J.J. Ltd. prepare (i) a Comparative Balance Sheet and (ii) a Common Size Balance Sheet as at 31.3.2022: (3+3=6)

J.J. Ltd.

Balance Sheet as at 31.3.2022

Particulars	Note No.	31.3.2022 (₹)	31.3.2021 (₹)
I - EQUITY AND LIABILITIES:			
1. Shareholders' Funds:			
(a) Equity Share Capital		25,00,000	20,00,000
(b) Reserves and Surplus		5,00,000	4,00,000
2. Non-Current Liabilities:			
Long-term Borrowings		10,00,000	10,00,000
3. Current Liabilities:			
Trade Payables		2,00,000	1,00,000
Total		**42,00,000**	**35,00,000**
II Assets:			
1. Non-Current Assets:			
Fixed Assets		30,00,000	25,00,000
2. Current Assets:			
Inventories		12,00,000	10,00,000
Total		**42,00,000**	**35,00,000**