

SURAJ BHAN DAV PUBLIC SCHOOL
MID TERM EXAMINATION-2024
SUBJECT: ACCOUNTANCY
CLASS: 12 (COMMERCE)

MM: 20
TIME: 3HR3

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 Part B
3. There are 20 questions of one mark each
 - 6 questions of 3 marks each
 - 3 questions of 4 marks each
 - 5 question of 6 marks each
4. show your workings clearly and mention the question number clearly.

PART A(PARTNERSHIP ACCOUNTS)

1	A partnership firm has 45 partners. It wants to admit 7 more partners into partnership. Only 5 more partners can be admitted in the partnership firm & according to Companies Act, 2013.	1
2	<p>Assertion (A) : In partnership firm, the private assets of the partners can also be used to pay off the firm's debts.</p> <p>Reason (R) : The liability of the partners for acts of the firm is limited.</p> <p>Choose the correct option from the following :</p> <p>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).</p> <p>(C) Assertion (A) is false, but Reason (R) is true.</p> <p>(D) Assertion (A) is true, but Reason (R) is false.</p>	1
3	On dissolution of a partnership firm, if realization expenses are paid by the firm on behalf of a partner, then such expenses are debited to which account. FTW	1
	<p>Read the following hypothetical situation and answer question numbers 4 and 5:</p> <p>Kanu and Hina are partners sharing profits and losses in the ratio of 3: 2. On 31st March, 2028 after division of profit of ₹15,000, their</p>	

Handwritten marks/signature

	<p>capitals were ₹55,000 and ₹45,000 respectively. During the year Kanu's drawings were ₹1,500 at the beginning of each quarter, and Hina withdrew ₹9,000 on 1st November, 2022. After the final accounts have been prepared, it was discovered that interest on capital @ 5% p.a. and interest on drawings @ 8% p.a. have not been taken into consideration.</p>	
4	Opening capital of Kanu was?	1
5	Interest to be charged on Hina's drawings will be?	1
6	<p>Isha and Manish were partners in a firm sharing profits and losses in the ratio of 3 : 2. With effect from 1st April, 2023, they agreed to share profits equally. On this date the goodwill of the firm was valued at ₹3,00,000. The necessary journal entry for the treatment of goodwill with opening Goodwill Account will be?</p>	1
	<p>E, F and G are partners sharing profits in the ratio of 3:3:2. As per the partnership agreement, G is to get a minimum amount of 80,000 as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March, 2020 amounted to ₹3,12,000. Calculate the amount to be borne by E. 2000</p>	1
	<p>X, Y and Z are partners sharing profits in the ratio 1:2:3. Salary to X ₹10,000 per month and to Y ₹15,000 per quarter was omitted and profits distributed. What treatment will be given Y's capital A/c?</p>	1
7	<p>A partnership deed provides for the payment of interest on capital but there was a loss instead of profit during the year 2019-20. At what rate will the interest on capital be allowed?</p>	1
10	<p>The average profit of a business over the last five years amounted to 60,000. The normal commercial yield on capital invested in such a business is deemed to be 10% p.a. The net capital invested in the business is ₹5,00,000. Amount of goodwill, if it is based on 3 years purchase of average profits of last 5 years will be? 500000</p>	1
11	<p>Suman, Vivek and Vinod were partners in a firm sharing profits 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</p>	3

Handwritten notes at the bottom right corner, possibly including a date or calculation: 2/28/20

PIL

Tanu

(old) ratio (Annu, Manu, Kanu)

To v

To 7

$\frac{2}{3} - \frac{2}{6}$

$\frac{2}{3} \times 224 = 149 \frac{1}{3}$
 $\frac{2}{6} \times 224 = 74 \frac{2}{3}$

showed credit balances of ₹3,60,000 and ₹ 1,40,000, respectively. 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. Show your working clearly.

22
6
 $\frac{1}{3} \times 224 = 74 \frac{2}{3}$
 $\frac{2}{3} \times 224 = 149 \frac{1}{3}$

12

Anu, Manu, Tanu and Kanu were partners in a firm sharing profits and losses in the ratio of 2 : 1 : 2 : 1. They decided to share profits and losses in the ratio of 4 : 2 : 3 : 1 with effect from 1st April, 2022. On this date, goodwill of the firm was valued at ₹ 1,20,000 and General Reserve appeared in the books at ₹ 36,000. Pass necessary journal entries for the above transactions. Show your workings clearly.

3
1
4
6
11
31

13

On 01.04.2022, Ravi, Kavi and Avi started a partnership firm with fixed capitals of 6,00,000, 6,00,000 and 3,00,000 respectively with the following provisions:
• Interest on capital @ 10% per annum.
• Interest on drawings @ 12% per annum.
• Profits and losses were to be shared in the ratio of their capitals
• An annual salary of 1,20,000 to Avi..
• The net profit of the firm for the year ended 31.03.2023 was 3,08,000. Interest on partners' drawings was Ravi 4,800, Kavi 4,200 and Avi 3,000.
Prepare Profit and Loss Appropriation Account of Ravi, Kavi and Avi for the year ended 31.03.2023.

3
24 + 3 = 27
22 + 3 = 25
360
24 + 30 = 54
41 + 315 = 356

14

(a) Rohan and Mohan are partners in a firm sharing profits in the ratio of 5:3 respectively. They admit Bhim as a partner for 1/7th share in the profits. The new profit sharing ratio will be 4:2:1. Calculate the sacrificing ratio of Rohan and Mohan.
(b) Rekha, Sunita and Teena are partners in a firm sharing profits in the ratio of 3:2:1. Samiksha joins the firm. Rekha surrenders 1/4th of her share; Sunita surrenders 1/3rd of her share and Teena 1/5th of her share in favor of Samiksha. Find the new profit sharing ratio.

4
24 + 360 = 384
120

15

A and B are partners sharing profits in the ratio of 2:1. They admit C for 1/4th share in profits. C brings 30,000 for his capital and 8,000 out of his share of 10,000 for goodwill. Before admission goodwill appeared in books at 18,000. Give Journal entries to give effect to above arrangement.

4
29 + 5 = 34
120

16

P, Q and R sharing profits in the ratio of 3:2:1, decide to share profits and losses equally with effect from 1st April, 2021. Following is an extract of their Balance sheet as at March 31, 2021:

6
18

6000
2000
15-2-3
1/4
1/3
1/5
1/7
1/3
1/5
1/4
1/3
1/5
1/7

$\frac{1}{4} \times 360 = 90$
 $\frac{1}{3} \times 360 = 120$
 $\frac{1}{5} \times 360 = 72$
 $\frac{1}{7} \times 360 = 51 \frac{3}{7}$
 $\frac{3}{4} = 0.75$
 $\frac{2}{3} \times 3 = 2$
 $\frac{1}{3} \times 3 = 1$
 $\frac{2}{4} = 0.5$
 $\frac{1}{3} \times 3 = 1$
 $\frac{1}{5} \times 5 = 1$
 $\frac{1}{7} \times 7 = 1$

Handwritten calculations at the top left of the page:

$$\begin{array}{r} 291122010 \\ 41875 \\ \hline 298125 \end{array}$$

Handwritten calculations at the top right of the page:

$$\begin{array}{r} 5625 \\ 1875 \\ \hline 7500 \\ 96000010 \\ -125625 \\ \hline 134375 \end{array}$$

Liabilities	Amount(₹)	Assets	Amount(₹)
Investment fluctuation reserve	30,000	Investments(at cost)	5,00,000

Show the accounting treatment under the following cases:

- Case 1: If the market value of investment is 5,00,000
- Case 2: If the market value of investment is 4,88,000
- Case 3: If the market value of investment is 4,46,000
- Case 4: If the market value of investment is 5,06,000.

Handwritten calculations on the right side of the page:

$$\begin{array}{r} 125625 \\ 134375 \\ \hline 260000 \\ 100000 \\ \hline 56250 \\ 18750 \\ \hline 75000 \end{array}$$

17. A and B were partners in a firm sharing profits and losses in the ratio of 3:1. On 31.03.2022, their Balance Sheet was as follows :
Balance Sheet of A and B as at 31st March, 2022

LIABILITIES	AMOUNT(₹)	ASSETS	AMOUNT(₹)
Outstanding Expenses	3,000	Bank	40,000
Bills Payable	20,000	Stock	60,000
Sundry Creditors	1,40,000	Bills receivable	70,000
General Reserve	80,000	Debtors	1,00,000
Capitals:		(-) Provision for doubtful	5,000
A 2,00,000			95,000
B 3,00,000	5,00,000	Debts	85,000
		Furniture	1,10,000
		Machinery	2,83,000
		Land and buliding	
	7,43,000		
			7,43,000

On the above date, C was admitted as a new partner for Capitals : the profits on the following terms :

- C will bring 2,00,000 as her capital and 1,60,000 as her premium for goodwill
 - Stock will be appreciated by 1500
 - Debtors of 5000 will be written off as bad debts and a provision of 10% on doubtful debts is to be maintained.
- Prepare Revaluation account and capital account of the partners.

Handwritten calculations on the right side of the page:

$$\begin{array}{r} 1000 \\ 2750 \\ 2218 \\ \hline 6000 \\ 2500 \\ 1875 \\ \hline 5625 \end{array}$$

18. Khushboo, Leela and Meena were partners in a firm sharing profits in the ratio of 5:3:2. Their Balance Sheet on March 31, 2015 was as follows:

Handwritten calculations at the bottom of the page:

$$\begin{array}{r} 500000 \\ 120000 \\ \hline 620000 \\ 33600 \\ \hline 653600 \\ 120000 \\ \hline 773600 \end{array}$$

Balance Sheet of Khushboo, Leela and Meena
As at March 31, 2015

Liabilities	₹	Assets	₹
Creditors	70,000	Bank	41,000
Capitals		Debtors	21,000
Khushboo	90,000	Stock	60,000
Leela	50,000	Buildings	1,40,000
Meena	60,000	Profit & Loss A/c	2,00,000
	2,06,000		2,76,000
	2,76,000		2,76,000

On April 1, 2015 Leela retired on the following terms:

- i. Building was to be depreciated by 10,000.
 - ii. A Provision of 5% was to be made on Debtors for doubtful debts.
 - iii. Salary outstanding was 4,800
 - iv. Goodwill of the firm was valued at 1,40,000.
 - v. Leela was to be paid 20,800 through cheque and the balance was to be paid in two equal quarterly installments (starting from June 30, 2015) along with interest @ 10% p.a.
- Prepare Revaluation Account, Leela's Capital Account and her Loan Account till it is finally paid.

PART B (COMPANY ACCOUNTS)

100000 + 3/4
2000

10	If all the forfeited shares are reissued, the balance, if any, left in the Forfeited Shares Account is transferred to.....	1
20	Raghav Ltd. forfeited 100 shares of ₹10 each issued at a premium of 20% for non-payment of first call of ₹3 per share and final call of ₹1 per share. The minimum price per share at which these shares can be reissued will be.....	1
21	Kewal Ltd. purchased sundry assets from Ganpati Ltd. for ₹28,60,000. The amount was paid by issuing fully paid shares of ₹100 each issued at a premium of 10%. The number of shares issued to Ganpati Ltd. were.....	1
22	Sarita Ltd. forfeited 100 shares of ₹10 each, ₹8 called up issued at a premium of ₹2 per share to Ramesh for non-payment of allotment money of ₹5 per share (including premium). The first and final call of ₹2 per share was not made. Out of these 70 shares were reissued to Ashok as ₹8 called up for ₹10 per share. The gain on reissue will be.....	1
23	Alfa Ltd. invited applications for 50,000 equity shares of ₹10 each at a premium of 30%. The whole amount was payable on	1

50000
50000
45000

106405

	<p>application. Applications were received for 2,50,000 shares. The company decided to allot the shares on a pro-rata basis to all the applicants. The amount refunded by the company was</p>	
24	<p>Xeno Ltd. issued 25,000 equity shares of 10 each. The amount was payable as follows : on application - ₹4 on allotment - ₹5 1st and final call - balance All the shares offered were applied for and allotted. All the money due on allotment was received except on 1,500 shares. These shares were forfeited immediately after allotment. First and final call was not yet made. At the time of forfeiture, Share Capital Account will be debited with ₹.....</p>	1
5	<p>Money received in advance from shareholders before it is actually called up by the directors is :</p> <ol style="list-style-type: none"> 1. debited to calls in advance account 2. credited to calls in advance account 3. debited to share capital account 4. credited to share capital account 	1
	<p>Apaar Ltd forfeited 4,000 shares of ₹20 each, fully called up, on which only application money of ₹6 has been paid. Out of these 2,000 shares were reissued and ₹8,000 has been transferred to capital reserve. Calculate the rate at which these shares were reissued.</p>	1
27	<p>Given below are two statements, one labeled as Assertion (A) and the other labeled as Reason (R): Assertion (A): In case of shares issued on Pro-rata basis, excess money received at the time of application can be utilized till allotment only. Reason (R): Company has to pay interest on calls in advance @12% p.a. for amount adjusted towards calls (if any). In the context of the above two statements, which of the following is correct? Codes: - I r</p> <ol style="list-style-type: none"> (A) Both (A) and (R) are true, but (R) is not the explanation of working capital management. (B) Both (A) and (R) are true and (R) is a correct explanation of (A). (C) Both (A) and (R) are false. (D) (A) is false, but (R) is true. 	1
28	<p>As per the provisions of Companies Act, 2013 Securities Premium</p>	1

cannot be utilized for :

1. buy back of shares
2. issue of partly paid bonus shares
3. writing off discount on issue of debentures
4. writing off preliminary expenses

29 Grapple Ltd. took over assets of 25,00,000 and liabilities of 5,00,000 from Allore Ltd. for an agreed purchase consideration of 18,00,000. Grapple Ltd. issued 11% Debentures of 100 each at 20% premium in satisfaction of the purchase consideration. Pass necessary journal entries in the books of Grapple Ltd. Show your workings clearly.

3

30 Manika Ltd. forfeited 500 shares of 100 each for non-payment of first call of 20 per share and second and final call of ? 25 per share. 250 of these shares were reissued at ? 50 per share fully paid up. Pass the Journal Entries for forfeiture and reissue of shares.

3

31 Pass Journal entries relating to issue of debentures in the books of Unicom Ltd. in each of the following cases : .
(i) Issued 20,000, 8% Debentures of ₹100 each at a premium of 10%, redeemable at a premium of 5%.
(ii) Issued 3,000, 8% Debentures of ₹100 each at par, redeemable at a premium of 10%.

3

32 Shivalik Limited was registered with an authorized capital of 10,00,000 divided into equity shares of 10 each. It offered 50,000 equity shares to the public. The amount was payable as follows :
On Application - ₹2 per share
On Allotment - ₹6 per share
On First and Final call - Balance
The issue was fully subscribed. All the amounts were duly received except the allotment and first and final call money on 4,000 equity shares. These equity shares were forfeited. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts' for the same.

4

33 Qumtan Ltd. invited applications for issuing 1,00,000 equity shares of 10 each at a premium of ₹6 per share was payable as follows:
On Application and Allotment ₹8 per share (including premium ₹3)
On First and Final call - Balance (including premium)

6

Account 10,00,000
7
10,00,000
95,00,000

AM-2
AM-2 (4000)
AM-2 (4000)
95,000

	<p>Applications for 1,60,000 shares were received. Applications for 10,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Excess money received on application and allotment was returned. Dheeraj, who was allotted 200 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were reissued at 5 per share fully paid up.</p> <p>Pass necessary journal entries in the books of Qumtan Ltd.:</p>	
34	<p>On 1st April; 2022, Zubian Ltd. issued 10,00,000, 7% Debentures of 15,000 of ₹100 each at a premium of 6%, redeemable at a premium of 4% after five years. The company had a balance of 30,000 in Securities Premium Account.</p> <p>(a) Pass necessary journal entries for issue of debentures and for writing off Loss on Issue of Debentures' utilizing Securities Premium Account at the end of the first year itself.</p> <p>(b) Prepare Loss on Issue of Debentures Account' for the year ended 31st March, 2023.</p>	6