ST. ANTHONY'S SENIOR SECONDARY SCHOOL

TERM 1 EXAMINATION (2024-25)

Class : XII

ACCOUNTANCY

Set – 1

TIME: 3 HR

M.M: 80M

General Instructions:

1. All questions are compulsory.
2. The question paper consists of two sections- Section A and Section B.
3. Question Nos.**1 to 16** and **27 to 30** carries **1** mark each.
4. Questions Nos. **17 to 20, 31and 32** carries **3** marks each.
5. Questions Nos. from **21 ,22 and 33** carries **4** marks each
6. Questions Nos. from **23 to 26 and 34** carries **6** marks each

Q 1 Vinod, Mohan and Rakesh are partners sharing profits and losses equally. Their capital balance on March 31st 2022 are ₹1,60,000; ₹1,20,000 and ₹80,000 respectively. Their net personal assets are worth as follows:
Vinod ₹40,000; Mohan ₹30,000 and Rakesh ₹20,000. The extent of their liability (other than their capitals) for the firm's debts would be: **1**

a) Vinod ₹1,60,000; Mohan ₹1,20,000 and Rakesh ₹80,000

b) Vinod ₹40,000; Mohan ₹30,000 and Rakesh ₹20,000

c) Vinod ₹2,00,000; Mohan ₹1,50,000 and Rakesh ₹1,00,000

d) Equally to all partners

Q 2 Vinod and Sathish are partners sharing profits in the ratio of 3:2. Their fixed capitals are ₹20,00,000 and ₹16,00,000. As per the partnership deed interest on capital is to be provided @ 10% p.a. The profit made by the firm at the end of the year ₹2,70,000. The current accounts of the partners were credited with.........(if Interest on capital is considered as an appropriation). **1**

a) ₹2,00,000 and ₹1,60,000

5:4

b) ₹1,35,000 and ₹1,35,000

c) No effect on their current accounts

d) Rs 1,50,000 and ₹1,20,000

Q 3 A partnership firm earns ₹2,20,000. The normal rate of return is 10%. The assets of the firm amounted to ₹22,00,000 and liabilities to ₹2,00,000. Value of goodwill by capitalisation of average actual profits will be: **1**

a) ₹ 4,00,000

b) ₹ 20,000

c) ₹ 10,000

d) ₹ 2,00,000

Q 4 X&Y are partners sharing profits and losses in the ratio of 3:2. With effect from 1st April 2021 they agreed to share future profits equally. The goodwill of the firm was valued at ₹30,000. How much amount is debited or credited to X?

a) Debit ₹2000 to X

b) Debit ₹3000 to X

c) Credit ₹2000 to X

d) Credit ₹3000 to X

Q 5 At the time of reconstitution of firm the value of land was appreciated by ₹2,00,000 and value of plant and machinery reduced to ₹7,00,000 from ₹10,00,000. Gain or loss on revaluation will be:

a) Gain ₹1,00,000

b) Loss ₹ 1,00,000

c) loss ₹5,00,000

d) Gain ₹5,00,000

Q 6 Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason(R). 1

Assertion (A): Transfer to reserve is shown in P& L Appropriation Account.
Reason(R): Reserves are charge against profit.
In the context of the above statements, which one of the following is correct?

a) (A) is correct , but (R) is wrong.
b) Both (A) and (R) are correct
c) (A) is wrong, but (R) is correct
d) Both (A) and (R) are wrong

Q 7 Meera, Mayra and Neera were partners Sharing profits in the ratio of 2:2:1. They decided to share future profits in the ratio of 7:5:3 with effect from 1st April 2019 . Their balance sheet as on that date showed a balance of ₹45,000 in advertisement suspense account. The amount to be debited respectively to the capital accounts of Meera, Mayra and Neera for writing off the amount in the advertisement suspense account will be : 1

a) ₹ 18,000, ₹18,000 and ₹9,000 9
b) ₹15,000, ₹15,000 and ₹15,000
c) ₹21,000 , ₹15,000 and ₹9,000
d) ₹22,500, ₹22,500 and NIL

Q 8 A and B are partners in a firm having capital of ₹54,000 and ₹36,000 respectively. They admitted C for 1/3 share in the profits. C brought proportionate amount of capital ,the capital brought in by C would be: 1

a) ₹90,000
b) ₹45,000
c) ₹ 5,400
d) ₹ 3,600

Q 9 A & B are partners sharing profits in the ratio of 3:2. On admission of C for 1/5th share, 1

	Land is appreciated by 10% (Book Value ₹ 80,000), Building is decreased by 20% (₹ 2, 00,000), UnrecordedDebtors of ₹ 1,250 are bought in the books & Creditors of ₹ 2,750 need not be paid. The profit/ loss on revaluation will be: (a) Loss ₹ 28,000 (b) Loss ₹ 40,000 (c) Profit ₹ 28,000 (d) Profit ₹ 40,000	
Q 10	Interest on capital is provided to partners, when : a) Capitals or more than Rs.5,00,000 b) Partner provides a loan c) Drawings or not made by partners d) It is provided in the partnership deed	1
Q 11	A, B and C are partners, their partnership deed provides for interest on drawings at 8% per annum. B withdrew a fixed amount in the middle of every month and his interest on drawings amounted to Rs.4800 at the end of the year. What was the amount of his monthly drawings ? a) ₹10,000 b) ₹5000 c) ₹1,20,000 d) ₹48,000	1
Q 12	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 : a) Gain ₹80,000 b) Loss ₹80,000 c) Gain ₹8,00,000 d) Loss ₹1,20,000	1
Q 13	The goodwill of a firm is ₹1,08,000. It was valued at 4 years purchase of super profits. The capital employed by the firm is ₹4,00,000 and the normal rate of return is 10%. The average profit of the firm is: a) ₹47,000 b) ₹67,000 c) ₹40,000 d) ₹49,000	1
Q 14	If total assets of a firm are ₹12,00,000 and total liabilities are ₹2,40,000, what will be the capitals of P, Q and R if they share profits in the ratio of their capitals and profit-sharing ratio is 1:2:3? a) P ₹4,80,000; Q ₹3,20,000 ; R ₹1,60,000 b) P ₹1,60,000 ; Q ₹3,20,000 ; R ₹4,80,000 c) P ₹2,00,000; Q ₹4,00,000 ; R ₹ 6,00,000 d) P ₹6,00,000; Q ₹4,00,000 ; R ₹2,00,000	1
Q 15	Which of the following does not result into reconstitution of a firm? a) Dissolution of a partnership firm	1

	b) Dissolution of partnership c) Change in profit sharing ratio of existing partners d) Death of a partner	
Q 16	Avaya, Divya and kavya were equal partners. They decided to change the profit sharing ratio to 4:3:2 . For this purpose, the goodwill of the firm was valued at ₹90,000. Pass the journal entry	
Q 17	X&Y purchased Z's business. The profit of Z's business for last 4 years were: 31st March 2017 ₹40,000 31st March 2018 ₹70,000(after charging an abnormal loss of ₹30,000) 31st March 2019 ₹80,000 (including an abnormal gain ₹70,000) 31st March 2020 ₹70,000 (excluding newly appointed manager salary Rs. 60,000 per annum which is to be paid every year) It was decided that firm's goodwill will be calculated at 3 years purchase of adjusted average profits of last four years. Calculate the value of firm's goodwill.	
Q 18	A, B and C are sharing profits and losses in the ratio of 2:3:1. With effect from April 1st 2022, they decided to share future profits and losses in the ratio of 3:2:1. They also decided to record the effect of following revaluations without affecting book values of the assets and liabilities by passing an adjustment entry:	3

Particulars	Book Value	Revised value
Land and Building	6,00,000	10% increase in the book value
Plant and Machinery	2,20,000	10% decrease in the book value
Furniture	1,00,000	20% decrease in the book value
S. Creditors	1,50,000	Increase by 20%

Pass necessary single adjustment entry.

Q 19	A and B are partners in a firm sharing profits in the ratio of 3:2. They admitted C as a new partner in the beginning of the accounting period for 1/5th share in the future profits. C brought Rs. 45,000 as capital. After closing the accounts, closing capitals were A Rs. 60,000 and B Rs. 37,500 respectively. Calculate the value of goodwill of the firm and pass necessary journal entries.	3
Q 20	Doremon, Shinchan and Nobita 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. Journalise the transaction along with the working notes.	3
Q 21	Ajay and Suresh were into partnership business sharing profits and losses in the ratio of 3:2 and their capitals were fixed. They admitted Monila (a minor) as a new partner for 1/5th share of profits. Monila is individually guaranteed by Ajay and Suresh a minimum profit of ₹2,00,000 per annum. Deficiency if any is to be met by both the partners in the ratio of 4:1. Loss for the year were ₹10,00,000. Give necessary adjustment entries for the adjustment of profit or loss among the partners.	4

Q22	Karan and Varun were partners in a firm sharing profits and losses in the ratio of 1:2. Their fixed capital is worth Rs.2,00,00 and Rs.300,000 respectively. On 1 April 2016, Kishore was admitted as a new partner for 1/4th share in the profits. Kishore got Rs.2,00,00 for his capital which was to be kept fixed like the capitals of Karan and Varun. Kishore acquired a share of profit from Varun. Calculate goodwill of the firm on Kishore's admission and the new profit sharing ratio of the Karan, Varun and Kishore. Also pass journal entry for the treatment of Goodwill on Kishor's admission. Considering that Kishore did not bring his share of goodwill premium in cash .	4
Q 23	P,Q and R are partners having fixed capitals of Rs. 2,00,000; Rs. 1,60,000 and Rs. 1,20,000 respectively on April 1st 2021. They share profits in the ratio of 3:1:1. The partnership deed provide for the following which were not recorded in the books. a) Interest on capital @5% p.a. b) Salary to P Rs. 1,500 per month and to R Rs. 1,000 per month. c) 10% of the Net Profit is to be transferred to the General Reserve. Net profit for the year ended 31st March 2022 was Rs. 1,00,000 which was shared directly in the profit-sharing ratio without providing the above. Give adjustment entry.	6
Q 24	A, B and C were partners in a firm sharing profits in the ratio of 6:5:3. On 31.3.2022 their Balance Sheet was as follows:	6

Liabilities	Amount	Assets	Amount
S. Creditors	37,800	Cash +35400 -5040	3,780
Bills Payable	12,600	Debtors	52,920
General Reserve	21,000	Stock	58,800
A's capital	70,800	Furniture	14,700
B's capital	59,700	Land and Building	90,300
C's capital	29,100	Goodwill	10,500
	2,31,000		2,31,000

They agree to take D into partnership giving 1/8th share in profits on the following terms:

a) Furniture to be depreciated by Rs. 1,840; stock by 10%.
b) A provision of Rs. 2,640 to be made for an outstanding bill for repairs.
c) Land and Building to be increased upto Rs. 1,19,700.
d) Goodwill of the firm is valued at Rs. 33,600. Revaluation expense Rs. 5,040 paid by the firm.
e) D is to bring in Rs. 35,400 as his capital.
f) After making adjustments the capitals of old partners be adjusted in proportion to D's Capital by bringing in cash or excess to be paid off.

Prepare Revaluation Account, partner's capital Account and Balance Sheet.

Q 25	A, B and C were partners in a firm sharing profits in the ratio which 2:2:1. Their balance sheet was at 31st March 2019 was as follows :	

Liabilities	Amt. (₹)	Assets	
Creditors	30,000	Land	85,0
Bills payable	20,000	Building	50,00
Outstanding expenses	25,000	Plant	1,00,000
General reserve	50,000	Stock	40,000
Capitals:		Debtors	25,000
A - 50,000 B – 60,000 C - 70,000	1,80,000	Cash	5,000
	3,05,000		3,05,000

From April1,2019 the partners decided to share profits in the ratio of 1:2:3. For this purpose, it was agreed that:

a) The goodwill of the firm should be valued at Rs.60,000

b) Land should be revalued at Rs1,00,000. Building should be depreciated by 6%.

c) Creditors amounting to Rs.3000 were not to be paid

It was decided among the partners that general reserve has to be distributed among the partners whereas Goodwill and revised values of assets and liabilities were not to be recoded in the books.

You are required to :

1) Record the necessary journal entries to give effect to the above agreement
2) Prepare Partners' Capital A/c and Balance sheet of the reconstituted firm.

Q 26 Anil and Beena are partners in a firm sharing profits in the ratio 4:3. On 1 April 2015, they admitted Chahat as a new partner for 1/4th share in the profits of the firm. On the date of chahat's admission, the balance sheet of Anil and Beena showed general reserve of Rs 70,000, debit balance of Rs 7,000 in the profit and loss account and an investment fluctuation fund of Rs.10,000. The following was agreed upon, on Chahat's admission : 6

a) Chahat will bring Rs.80,000 as a capital and his share of goodwill premium of 21,000 in cash

b) The market value of investments was Rs.17,000 less than the book value

c) New profit sharing ratio was agreed at 2:1:1

Pass the journal entries for the above on Chahat's admission.

PART B
(Analysis of Financial Statements)

Q 27	Give any two items that are disclosed under the sub heading "Inventories".	1
Q 28	Income received in advance will be shown under: a) Short term provisions b) Other current liabilities c) Short term borrowings d) Trade payables	1
Q 29	Claim against the company not yet acknowledged as debt is a: a) Current liability b) Provisions c) reserve and surplus d) contingent liability	1
Q 30	Current ratio of a company is 3:1, working capital is ₹30,000. Calculate the amount of current assets and current liabilities.	1
Q 31	Net profit after interest and tax ₹ 1,00,000 Current assets ₹ 4,00,000 Current liabilities ₹ 2,00,000 Non current assets ₹ 6,00,000 10% long term debt ₹4,00,000 Tax rate 50% Calculate Return on Investment.	3
Q 32	Explain the types of following Financial Statement analysis. a) External analysis b) Internal analysis	3
Q 33	Following is the extract of information provided by Vinod Law firm.	4

Particulars	31.3.2021	31.3.2022
Surplus i.e Balance in Statement of P&L	3,00,000	5,00,000
General Reserve	-	60,000
Workmen Compensation reserve	-	40,000
Provision for tax	10,000	30,000
Debtors	70,000	90,000
Creditors	50,000	60,000

Additional information:

Proposed dividend for the year 31st March 2021 and 31st March 2022 was ₹30,000 and

	₹50,000. Tax paid during the year ₹20,000. Loss on sale of old furniture was Rs 4000 Find out the cash flow from operating activities
Q 34	Calculate Cash Flow from Operating Activities from the following : Profit made during the year ₹ 2, 50,000 after considering the following items: Depreciation on fixed assets ₹ 10,000 Amortization of goodwill ₹ 5,000 Loss on sale of machinery ₹ 7,000 Profit on sale of land ₹ 3,000 **Additional information:-**

Particulars	**31.03.2022**	**31.03.2023**
Trade Receivables	23,000	22,000
Trade Payables	10,000	15,000
Prepaid Expenses	4,000	6,000