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Pre-Board Sample Papers

CBSE EXAM 2024

Class : 12th

Sub : Accountancy



20 Sets

Disclaimer :

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Sample Paper 1
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. The 'share of premium for goodwill' brought in by the new partner is divided in which ratio?
 - (a) In old ratio
 - (b) In sacrificing ratio
 - (c) In new ratio
 - (d) None of these

or

Interest on capital will be paid to the partner only out of _____ if provided for in the partnership deed.

- (a) accumulated profits
 - (b) profits
 - (c) goodwill
 - (d) reserves

2. Ravi, Dhoni and Tony are partners sharing profits in the ratio of 3 : 3 : 2. As per the partnership agreement, Tony is to get a minimum amount of ₹ 8,000 as his share of profits every year and any deficiency on this account is to be personally borne by Ravi. The net profit for the year ended 31st March, 2021 amounted to ₹ 31,200. Calculate the amount of deficiency to be borne by Ravi.
 - (a) ₹ 800
 - (b) ₹ 200
 - (c) ₹ 100
 - (d) ₹ 400

3. Which of the following is/are method(s) of valuation of goodwill?
 - (i) Average profit method
 - (ii) Super profit method
 - (iii) Capitalisation method
 - (a) (ii) and (iii)
 - (b) (i), (ii) and (iii)
 - (c) Only (i)
 - (d) (i) and (ii)

4. Calculate the interest for the year 2021, when 6% debentures are issued for ₹ 20,00,000 of ₹ 100 each.
 - (a) ₹ 12,000

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- (b) ₹ 12,00,000
- (c) ₹ 1,60,000
- (d) ₹ 1,20,000

5. A shareholder to whom 9,000 shares of ₹ 10 per share allotted, failed to pay first and final call of ₹ 2 per share. How will it be recorded in the books of company?
- (a) ₹ 18,000 will be credited to Calls-in-arrear A/c
 - (b) ₹ 18,000 will be credited to Share Forfeiture A/c
 - (c) ₹ 18,000 will be debited to Calls-in-arrear A/c
 - (d) ₹ 18,000 will be debited to Share Forfeiture A/c

or

If vendors are issued fully paid shares of ₹ 1,00,000 in consideration of net assets of ₹ 1,20,000 the balance of ₹ 20,000 will be _____.

- (a) credited to Vendor's Account
- (b) credited to Goodwill Account
- (c) credited to Profit and Loss Account
- (d) credited to Capital Reserve Account

6. Jhunjhun, a partner paid loan of the firm of ₹ 1,00,000 at the time of dissolution. Pass the journal entry for this transaction.

- | | | | |
|----------------------------|----|----------|----------|
| (a) Realisation A/c | Dr | 1,00,000 | |
| To Jhunjhun's Capital A/c | | | 1,00,000 |
| (b) Jhunjhun's Capital A/c | Dr | 1,00,000 | |
| To Realisation A/c | | | 1,00,000 |
| (c) Realisation A/c | Dr | 1,00,000 | |
| To Loan A/c | | | 1,00,000 |
| (d) None of the above | | | |

7. If equal amount is withdrawn by a partner at the end of each month during a period of 6 months, interest on the total amount will be charged for _____ months.
- (a) 3.5
 - (b) 6
 - (c) 2.5
 - (d) 3

or

A partner withdraws ₹ 1,600 each on 1st April and 1st October. Interest on his drawings @ 6% p.a. on 31st March will be

- | | |
|----------|-----------|
| (a) ₹ 48 | (b) ₹ 192 |
| (c) ₹ 96 | (d) ₹ 144 |

8. A firm having the assets of ₹ 2,00,000 and liabilities of ₹ 84,000 earns the annual profit of ₹ 18,000. The rate of normal profit being 12%, the amount of goodwill by capitalisation of super profit method, will be _____.
- (a) ₹ 34,000
 - (b) ₹ 4,080
 - (c) ₹ 13,290
 - (d) ₹ 36,000

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9. Assertion (A): At the time of change in profit sharing ratio, it is important to determine the sacrificing ratio and gaining ratio.
Reason (R): At the time of change in profit sharing ratio, gaining partner compensates the sacrificing partner by paying him proportionate amount of goodwill.
Alternatives
(a) Assertion (A) is true, but Reason (R) is false
(b) Assertion (A) is false, but Reason (R) is true
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
10. If a partner withdraws equal amount at end of each quarter, then _____ are to be considered for interest on total drawings.
(a) 4.5 months
(b) 7.5 months
(c) 5.5 months
(d) 6 months
11. TDS refers to _____ relating to debenture interest.
(a) tax deducted at source
(b) these debentures secured
(c) the debenture security
(d) None of these

or

When debenture amount is received in lumpsum, _____ is credited with bank account.

- (a) Debenture account
(b) Debenture allotment account
(c) Debenture application and allotment account
(d) None of the above
12. Pappu and Gullu are partners in the ratio of 3 : 2. Their capitals are ₹ 10,000 and ₹ 5,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm incurred a loss of ₹ 3,000 for the year ended 31st March, 2021. Interest on capital will be
(a) Pappu ₹ 400; Gullu ₹ 200
(b) Pappu ₹ 720; Gullu ₹ 480
(c) Pappu ₹ 800; Gullu ₹ 400
(d) No interest will be allowed

13. Raman, Tapan and Naman are partners in a firm with profit sharing ratio 3 : 2 : 1 respectively. The extract of their Balance Sheet is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
Workmen Compensation Reserve	48,000		

At the time of retirement of Naman, if liability for workmen compensation to the extent of ₹ 24,000 is to be created, then at what amount will workmen compensation reserve be shown in new balance sheet?

- (a) ₹ 56,000
(b) ₹ 24,000
(c) ₹ 52,000
(d) Not to be shown in new balance sheet

or

Mukesh and Rakesh are partners in a firm sharing profits and losses in the ratio of 5 : 1.

An Extract of Balance Sheet

Liabilities	Amount (₹)	Assets	Amount (₹)
		Machinery	4,000

If value of machinery in the balance sheet is undervalued by 20%, then at what value will machinery be shown in new balance sheet?

- (a) ₹ 3,200
 (b) ₹ 5,000
 (c) ₹ 4,400
 (d) ₹ 4,800

14. David and Jacob are two partners sharing profits in the ratio of 2 : 1. Ronaldo, a new partner admitted for 1/4th share. At the time of admission, loss from revaluation is ₹ 9,000. Pass a necessary journal entry for distribution of loss between the partners.

(a)	David's Capital A/c	Dr.	9,000	
	To Jacob's Capital A/c			9,000
(b)	Revaluation A/c	Dr.	9,000	
	To David's Capital A/c			6,000
	To Jacob's Capital A/c			3,000
(c)	Jacob's Capital A/c	Dr.	9,000	
	To David's Capital A/c			9,000
(d)	David's Capital A/c	Dr.	6,000	
	Jacob's Capital A/c	Dr.	3,000	
	To Revaluation A/c			9,000

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Goldee Export Limited was incorporated on 1st April, 2020 with registered office in Ahmedabad. The capital clause of memorandum of association reflected a registered capital of ₹ 2,00,000 equity shares of ₹ 10 each and 25,000 preference shares of ₹ 50 each.

Since some large investments were required for building and machinery, the company in consultation with vendors, M/s Sultan International Limited issued 25,000 equity shares and 5,000 preference shares at par to them in full consideration of assets acquired. Besides this the company issued 50,000 equity shares for cash at par payable as 3 on application, ₹ 2 on allotment, ₹ 3 on first call and ₹ 2 on second call.

Till date, second call has not yet been made and all the shareholders have paid except Rishant who did not pay allotment and calls on his 75 shares and Sonu who did not pay first call on his 50 shares. Shares of Rishant were then forfeited and out of them 25 shares were reissued at ₹ 12 per share.

15. How many equity shares of the company have been subscribed?
 (a) ₹ 71,475
 (b) ₹ 74,950
 (c) ₹ 78,340
 (d) None of these
16. The amount of security premium reflected in the balance sheet at the end of the year will be _____.
 (a) ₹ 100
 (b) ₹ 250
 (c) ₹ 50
 (d) ₹ 150

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17. Samay and Dev are partners in a firm sharing profit and loss equally. On 1st April, 2021, the capital of the partners were ₹ 4,00,000 and ₹ 3,00,000 respectively. The profit and loss appropriation account of the firm showed a net profit of ₹ 7,74,000 for the year ended 31st March, 2022. The terms of partnership deed provided the following
- Transfer 10% of distributable profits to reserve fund.
 - Interest on capitals @ 6% per annum.
 - Interest on drawings @ 6% per annum. Drawings being Samay ₹ 80,000 and Dev ₹ 60,000.
 - Samay is entitled to a rent of ₹ 2,000 per month for the use of premises by the firm. It is paid to him by cheque at the end of every month.
- Prepare profit and loss appropriation, account for the year ended 31st March, 2022.

18. Arun, Tarun and Pawan are in partnership sharing profits in the ratio of 4 : 3 : 1. Tarun takes retirement on 30th June, 2019. The firm's profits for various years were : 2014 (profits ₹ 3,24,444), 2015 (profits ₹ 80,000), 2016 (profits ₹ 10,000), 2017 (losses ₹ 10,000), 2018 (profits ₹ 40,000) and 2019 (profits ₹ 50,000). Arun and Pawan decided to share future profits in the ratio of 3 : 2. Goodwill is to be valued on the basis of 2 years' purchase of average profit of 4 completed years immediately preceding the year of retirement of a partner. Pass the journal entry to record Tarun's share of goodwill.

19. Ajanta Engineering Limited invited applications for 4,000 equity shares of ₹ 10 each at the issue price of ₹ 10. The amount payable along with application is ₹ 10. This issue was fully subscribed. Give the journal entries for the above transactions.

or

A company issued 8,000, 10% debentures of ₹ 100 each, payable ₹ 20 on application and the remaining amount on allotment. The debentures are redeemable after 5 years. All the debentures were applied for and allotted. All money was received. Give the journal entries.

20. Calculate the value of goodwill by super profit method, when goodwill is to be valued at 2.5 years' purchase of the average profits of the last 3 years. Profits of the previous 5 years are given below
 2019 – ₹ 60,000, 2018 – ₹ 40,000, 2017 – ₹ 1,10,000
 2016 – ₹ 40,000, 2015 – ₹ 30,000
 Capital investment of the firm is ₹ 1,00,000 and having rate of return is 20%.

or

Parth and Rajiv are partners sharing profits and losses in the ratio of 3 : 1. Their capitals at the end of the financial year 2017-2018 were ₹ 1,50,000 and ₹ 75,000. During the year 2017-2018, Parth's drawings were ₹ 20,000 and the drawings of Rajiv were ₹ 5,000. Profit before charging interest on capital for the year was ₹ 16,000 which was duly credited to their accounts. Rajiv had brought additional capital of ₹ 16,000 on 1st October, 2017. Calculate interest on capital @ 12% per annum for the year 2017-2018.

21. United India Limited purchased machinery from Berger Technologies Limited for ₹ 10,00,000 to start a business of manufacturing low cost school dresses for children belonging to low income group. It made the payment as follows
 ₹ 2,00,000 by cheque,
 5,000, 10% preference shares of ₹ 100 each at par, and 3,000, 10% debentures of ₹ 100 each at par.
 You are required to pass the journal entries for the transactions.

22. Daksh and Kavya are partners in a firm sharing profits in the ratio of 2 : 3. The balance sheet of the firm as on 31st March, 2021 is given below

Balance Sheet

as at 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	6,20,000	Bills Receivable	3,60,000
Bills Payable	1,80,000	Stock	16,00,000

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Capital A/cs			Machinery	18,40,000
Daksh	16,00,000		Land and Building	10,00,000
Kavya	24,00,000	40,00,000		
		48,00,000		48,00,000

The partners decided to share profits in equal ratio with effect from 1st April, 2021. The following adjustments were agreed upon

- Land and building was valued at ₹ 16,00,000 and machinery at ₹ 16,40,000 and were to appear at revalued amounts in the balance sheet.
 - The goodwill of the firm was valued at ₹ 80,000 but it was not to appear in books.
- Prepare revaluation account, partners' capital account and balance sheet.

23. Nikita Services Private Limited issued 50,000, 10% debentures of ₹ 100 each at 10% premium to the public on 1st April, 2019, which are redeemable after 5 years of issue at a premium of 20%. Pass journal entry for the issue of debentures, for writing-off 'loss on issue of debentures' in the same year of issue and prepare 'loss on issue of debenture account' also.

24. Riyaz and Imran, who were sharing profits and losses in the ratio of 3 : 1 respectively, decided to dissolve the firm on 31st March, 2020.
Their balance sheet is as follows

Balance Sheet
as at 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade Creditors	15,000	Cash at Bank	1,000
Loan from Mrs. Riyaz	5,000	Imran's Capital	5,000
Riyaz's Capital	50,000	Profit and Loss A/c	4,000
		Other Sundry Assets	60,000
	70,000		70,000

The assets (other than cash at bank) realised ₹ 55,000 and all creditors including loan from Mrs. Riyaz were paid-off less 5% discount. Realisation expenses amounted to ₹ 500. Prepare the realisation account, bank account and the capital account of the partners assuming that both the partners are solvent.

25. Johnson Textiles and Industries Limited invited applications for issuing 75,000 equity shares of ₹ 100 each at a premium of ₹ 30 per share. The amount was payable as follows
On application and allotment – ₹ 85 per share (including premium)
On first and final call – the balance account
Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sum due on first and final call. The calls were made.
A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were re-issued at ₹ 150 per share fully paid-up.
Pass necessary journal entries for the above transactions in the books of Johnson Textiles and Industries Limited

or

Zigzak Technologies Limited has been registered with an authorised capital of ₹ 2,00,000 divided into 2,000 shares of ₹ 100 each of which 1,000 shares were offered for public subscription at a premium of ₹ 5 per share payable as under

On application ₹ 10; on allotment ₹ 25 (including premium); on first call ₹ 40 and on final call ₹ 30.

Applications were received for 1,800 shares of which applications for 300 shares were rejected outright, the rest of the applications were allotted 1,000 shares on pro-rata basis. Excess application money was transferred to allotment.

All the money were duly received except from Naveen, a holder of 200 shares, who failed to pay allotment

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and first call money. His shares were later on forfeited and re-issued to Sohan at ₹ 60 per share, as ₹ 70 paid-up. Final call has not been made.

Record necessary journal entries.

26. Geeta, Sita and Reeta are partners with profit sharing ratio of 2 : 2 : 1. Their balance sheet is given below

Balance Sheet
as at 31st December, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,00,000	Bank	60,000
Bills Payable	70,000	Debtors	52,000
Reserve Fund	40,000	(-) Provision for Doubtful Debts	(2,000)
Workmen Compensation Fund	30,000	Building	2,00,000
Profit and Loss	20,000	Furniture	1,30,000
Provident Fund	20,000	Investment	30,000
Capital A/cs		Prepaid Insurance	10,000
Geeta	80,000	Goodwill	20,000
Sita	80,000		
Reeta	60,000		
	2,20,000		
	5,00,000		5,00,000

Additional Information

- (i) Sangeeta comes as a new partner and brings ₹ 66,750 as capital and his share of goodwill in cash.
- (ii) New ratio is 3 : 3 : 2 : 2.
- (iii) Goodwill of the firm is ₹ 50,000.
- (iv) Prepaid insurance is no more required.
- (v) Provision for doubtful debts is to be increased to ₹ 5,000.
- (vi) Investment is valued at ₹ 20,000 and is taken over by Geeta.
- (vii) Furniture valued at ₹ 1,00,000.
- (viii) Building valued at 120%.

Prepare necessary accounts and balance sheet.

or

Aryan, Shyam and Dalbir are partners with ratio of 5 : 3 : 2.

Balance Sheet
as at ...

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,00,000	Cash in Hand	40,000
Expenses Owing	20,000	Debtors	60,000
Reserve Fund	30,000	Building	1,00,000
Workmen Compensation Fund	10,000	Bills Receivable	40,000
Capital A/cs		Goodwill	20,000
Aryan	60,000	Profit and Loss	30,000
Shyam	60,000	Patents	30,000
Dalbir	40,000		
	1,60,000		
	3,20,000		3,20,000

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Additional Information

- (i) Aryan takes retirement.
- (ii) New ratio of Shyam and Dalbir is 1 : 1 and goodwill of the firm is valued at ₹ 60,000.
- (iii) Expenses owing increased by ₹ 10,000.
- (iv) Creditors increased to ₹ 1,05,000.
- (v) ₹ 10,000 bills receivable dishonoured and are not recoverable.
- (vi) Patents are now value less.
- (vii) ₹ 20,000 unrecorded investment brought into books.
- (viii) ₹ 10,000 paid to Aryan in cash and balance is transferred to his loan account. Prepare necessary accounts and balance sheet.

Part B (Financial Statement Analysis)

27. If current assets are ₹ 1,00,000, current liabilities are ₹ 50,000, inventories ₹ 6,000 and prepaid expenses ₹ 10,000, what is the value of quick assets?
- (a) ₹ 70,000 (b) ₹ 84,000
(c) ₹ 58,000 (d) ₹ 64,000
28. For a company manufacturing garments, procurement of raw material, incurrence of manufacturing expenses, sale of garments are classified as _____ activity.
- (a) investing
(b) operating
(c) financing
(d) None of these

or

Which of the following statement(s) is/are true?

- (i) Cash flow statement is not a replacement of fund flow statement
- (ii) Cash flow statement is a substitute of income statement
- (iii) Cash flow statement records only cash items
- (iv) Cash flow statement records only cash equivalents items

Select the correct option from the below options

- (a) Both (i) and (ii) are correct (b) Only (ii) is correct
(c) Only (i) is correct (d) All of these

29.

Balance Sheet (Extract)

Particulars	Note No.	31 March 2020 (₹)	31 March 2019 (₹)
Share Capital		4,50,000	3,50,000
Reserves and Surplus	1	1,25,000	50,000

Notes to Accounts

Particulars	Note No.	31 March 2020 (₹)	31 March 2019 (₹)
1. Reserve and Surplus			
Surplus		1,25,000	50,000

Additional Information

Proposed Dividend – 2020 ₹ 1,00,000; 2019 ₹ 62,500

Based on above information given, you are required to find out the value of 'net profit before tax and extraordinary items' to be used while preparing cash flow statement.

- (a) ₹ 2,25,000 (b) ₹ 1,37,500
(c) ₹ 1,25,000 (d) ₹ 50,000

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30. Under which head and sub-head will the following items appear in the balance sheet of a company?
- Share option outstanding account
 - Interest accrued and due on secured loans
 - Advances recoverable in cash
31. Livestock is a item of _____ assets under sub-head fixed assets and the major head non-current assets.
- trade receivables
 - tangible
 - intangible
 - inventories

or

Ratio analysis under financial statement analysis is significant as it

- ignores qualitative factors
 - helps in locating weak points of the firm
 - helps in window-dressing
 - does not requires any standards
32. Hanuman Group Limited has a current ratio at 3 : 1. Its management is interested in maintaining this ratio at 4 : 1. What are the two choices to do so?
33. From the following balance sheet of Pratap Foods Limited as at 31st March, 2020 and additional information, calculate the debtors' turnover ratio and debt collection period.

Balance Sheet
as at 31st March, 2020

Particulars	31st March 2020 (₹)
I. EQUITY AND LIABILITIES	
1. Shareholder's Funds	
(i) Share Capital	5,00,000
(ii) Reserves and Surplus	2,00,000
2. Non-Current Liabilities	
(i) Long Term Borrowing	2,00,000
(ii) Deferred Tax Liabilites (Net)	50,000
3. Current Liabilities	
(i) Trade Payables	2,00,000
(ii) Short-term Provisions	10,000
Total	11,60,000
II. ASSETS	
1. Non-Current Assets :	
Fixed Assets (Tangible assets)	7,00,000
2. Current Assets	
(i) Trade Receivables	3,50,000
(ii) Inventories	1,10,000
Total	11,60,000

Additional Information

- Credit sales of ₹ 15,00,000 and cash sales of ₹ 2,50,000.
- Trade receivables in the beginning of the year were ₹ 4,50,000.

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or

Calculate trade receivables turnover ratio from the following information

Cost of revenue from operations ₹ 4,50,000, Gross profit on sales 20%, Cash sales 25% of net credit sales, Opening trade receivables ₹ 60,000, Closing trade receivables ₹ 90,000.

34. Jaya an alumni of Apex School initiated her startup Super Moon Private Limited in 2020. The net profit after tax of Super Moon Private Limited for the year ended 31st March, 2020 was ₹ 3,40,000. Following is the extract of Balance Sheet of Super Moon Private Limited as at 31st March, 2020

Particulars	31 March 2020 (₹)	31 March 2019 (₹)
Inventories	69,000	72,000
Trade Receivables	94,000	61,000
Prepaid Expenses	14,000	3,000
Trade payables	82,000	78,000
Provision for Tax	13,000	19,000

Depreciation charged on plant and machinery ₹ 49,000, insurance claim received ₹ 20,000 and gain on sale of investments of ₹ 8,000 appeared in the statement of profit and loss for the year ended 31st March, 2020.

You are required to

- Calculate net profit before tax and extraordinary items.
- Calculate operating profit before working capital changes.
- Calculate cash flow from operating activities.

□□□□□□

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Sample Paper 2
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

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PART—A

Accounting for Partnership Firms and Companies

1. Ganesh and Rakesh are partners sharing profits in the ratio of 2 : 3. Their balance sheet shows machinery at ₹ 1,00,000; stock at ₹ 40,000 and debtors at ₹ 80,000. Mukesh is admitted and new profit sharing ratio is agreed at 6 : 9 : 5. Machinery is revalued at ₹ 70,000 and a provision is made for doubtful debts @ 5%. Ganesh's share in loss on revaluation amount to ₹ 10,000. Revalued value of stock will be
(a) ₹ 30,000 (b) ₹ 49,000
(c) ₹ 31,000 (d) ₹ 50,000

2. When shares offered to public are subscribed completely, then it is referred to as
(a) undersubscription of shares (b) no subscription of shares
(c) full subscription of shares (d) None of these

or

Which one of the following items is not a part of subscribed capital?

- (a) Forfeited shares (b) Bonus shares
(c) Equity shares (d) Preference shares

3. Find the closing balance of capital account from the given information. Opening balance of capital account as at 1st April, 2019 of Daniel and Nathen are ₹ 5,00,000 and ₹ 5,40,000 respectively. Daniel is entitled to take salary for ₹ 1,000 per month and Nathen is to take commission for ₹ 20,000.
(a) Daniel = ₹ 5,12,000, Nathen = ₹ 5,60,000 (b) Daniel = ₹ 5,60,000, Nathen = ₹ 5,12,000
(c) Daniel = ₹ 5,40,000, Nathen = ₹ 5,80,000 (d) Daniel = ₹ 5,00,000, Nathen = ₹ 5,40,000
4. Claim of the retiring partner is payable in which of the following form?
(a) Fully transferred to loan account to be paid later with some interest on it
(b) Partly in cash and partly as loan repayable later with agreed interest
(c) Fully in cash
(d) Any of the above method

or

At the time of admission, incoming partner become liable for the _____ of the firm and also acquires right on the _____

- (a) goodwill, capital (b) liabilities, assets
(c) assets, liabilities (d) None of these

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5. A company issued 2,000 equity shares of ₹ 50 each at par payable as under. On application 20%, on allotment 40%, on first call 10%, on final call-balance. Applications were received for 5,000 shares. Allotment was made on pro-rata basis. How much amount will be received in cash on allotment?
- (a) ₹ 8,000 (b) ₹ 10,000
(c) ₹ 3,000 (d) Nil
6. Tanwar Medicare Private Limited issued 20,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable alongwith application. All the shares were applied and duly allotted. What will be the total amount at the time of application?
- (a) ₹ 2,00,000 (b) ₹ 2,40,000
(c) ₹ 2,20,000 (d) ₹ 2,60,00

or

Following amounts were payable on issue of shares by a company ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first call and ₹ 2 on final call. Jairaj holding 250 shares paid only application and allotment money whereas Viraj holding 200 shares did not pay final call. Amount of calls-in-arrear will be

- (a) ₹ 900
(b) ₹ 3,100
(c) ₹ 1,900
(d) ₹ 1,400
7. Assertion (A): A new partner should contribute towards goodwill on his admission.
Reason (R): A new partner gets his share of profits from old partners thus he must compensate the old partners for the share sacrificed by them.
Alternatives
- (a) Assertion (A) is true, but Reason (R) is false
(b) Assertion (A) is false, but Reason (R) is true
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
8. Ashok, Trilok and Aalok are partners in profit sharing ratio of 2 : 3 : 4 with effect from 1st April, 2021, they decided to share profits in 4 : 3 : 3. What is Trilok's gain/sacrifice?
- (a) Gain $\frac{3}{100}$ (b) Gain $\frac{1}{30}$
(c) No gain/sacrifice (d) Sacrifice $\frac{1}{30}$

or

Arjun, Harish and Keshav are partners sharing profits in ratio of 3 : 3 : 2. They agree to admit Raghav into the firm for $\frac{4}{7}$ profit. Raghav acquired his share $\frac{2}{7}$ from Arjun, $\frac{1}{7}$ from Harish and $\frac{1}{7}$ from Keshav. The share of profit of Harish will be

- (a) $\frac{6}{56}$ (b) $\frac{32}{56}$
(c) $\frac{5}{56}$ (d) $\frac{13}{56}$
9. Partners' current account is maintained under
- (a) fluctuating capital method (b) fixed capital method
(c) Both (a) and (b) (d) cumulative capital method

or

Neeraj and Pankaj are partners in a firm which develops software for industries. Neeraj's minor son Rajendra is a computer wizard. Can he be admitted in the partnership firm?

- (a) Yes, if Pankaj agrees (b) Yes, if Neeraj agrees
(c) Yes, if Neeraj and Pankaj both agree (d) No, he cannot be admitted

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10. Dhara, Zara, Nora 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, 2020. Their balance sheet as on that date showed a balance of ₹ 4,500 in advertisement suspense account for the amount to be debited respectively to the capital accounts of Dhara, Zara and Nora for writing-off the amount in advertisement suspense account, following journal entry is passed.

Dhara's Capital A/c	Dr	X	
Zara's Capital A/c	Dr	Y	
Nora's Capital A/c	Dr	Z	
To Advertisement Suspense A/c			45,000

Here X, Y, Z are

- (a) ₹ 1,500, ₹ 1,500 and ₹ 1,500
 (b) ₹ 1,800, ₹ 1,800 and ₹ 900
 (c) ₹ 2,250, ₹ 2,250 and Nil
 (d) ₹ 2,100, ₹ 1,500 and ₹ 900
11. On 28th February, 2020, the first call of ₹ 2 per share became due on 25,000 equity shares allotted by Mrinal Trading Private Limited Nakul, a holder of 500 shares did not pay the first call money. Mradul, a holder of 375 shares paid the second and final call of ₹ 4 per share along with the first call. Pass the necessary entry only for the amount received by opening calls-in-arrears and calls-in-advance account in the books of the company.

(a) Equity Share First Call A/c	Dr	50,000	
Call-in-arrears A/c	Dr	1,000	
To Bank A/c			49,500
To Calls-in-advance A/c			1,500
(b) Bank A/c	Dr	50,500	
Calls-in-arrears A/c	Dr	1,000	
To Equity Share First Call A/c			50,000
To Calls-in-advance A/c			1,500
(c) Bank A/c	Dr	50,500	
Calls-in-advance A/c	Dr	1,000	
To Equity Share First Call A/c			50,000
To Call-in-arrears A/c			1,500
(d) None of the above			

12. Jaswant Private Limited invited applications for issuing 1,000, 12% debentures of ₹ 100 each at a discount of 5%. These debentures were redeemable after three years at par. Applications for 1,200 debentures were received. Pro-rata allotment was made to all the applicants. Journalise.

(a) Bank A/c	Dr	1,00,000	
12% Debentures A/c	Dr	19,000	
To Debenture Application and Allotment A/c			1,14,000
To Discount on Issue of Debentures A/c			5,000
(b) Bank A/c	Dr	1,14,000	
To Debenture Application and Allotment A/c			1,14,000
(c) Debenture Application and Allotment A/c	Dr	1,14,000	
Discount on Issue of Debentures A/c	Dr	5,000	
To 12% Debentures A/c			1,00,000
To Bank A/c			19,000
(d) Both (b) and (c)			

13. A firm having the assets of ₹ 4,00,000 and liabilities of ₹ 1,68,000 earns the annual profit of ₹ 36,000. The rate of normal profit being 12%, the amount of goodwill by capitalisation of super profit method, will be _____
- (a) ₹ 27,840 (b) ₹ 8,160
(c) ₹ 97,920 (d) ₹ 68,000
14. A manager gets 5% commission on net profit after charging such commission, gross profit ₹ 29,000 and expenses of indirect nature other than manager's commission are ₹ 8,000. Amount of commission will be
- (a) ₹ 750 (b) ₹ 1,100
(c) ₹ 1,050 (d) ₹ 1,000

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Magan and Jagan entered into partnership on 1st April, 2019. They do not have partnership deed. They contributed capitals of ₹ 10,00,000 and ₹ 6,00,000 respectively. On 31st October, 2019, Magan advanced a loan of ₹ 4,00,000 to the firm without any agreement as to interest. Books are closed on 31st March every year.

Profit and Loss A/c			
Dr.		Cr.	
for the year ended 31st March, 2020			
Particulars	Amount (₹)	Particulars	Amount (₹)
To ...	.....	By Net Profit	.....
To Net Profit Transferred to Profit and Loss Appropriation A/c	8,50,000		

15. What will be interest on loan ?
- (a) ₹ 5,000 (b) ₹ 2,400
(c) ₹ 24,000 (d) ₹ 10,000
16. What will be net profit from profit and loss account ?
- (a) ₹ 8,40,000 (b) ₹ 8,60,000
(c) ₹ 8,70,000 (d) ₹ 8,50,000
17. Sachin, Rajveer and Mohsin were the partners sharing of 5:3:2. on 31st March, 2022 their Balance Sheet was as under:

Liabilities		Amount (₹)	Assets	
Capitals :			Leasehold Premises	1,25,000
Sachin	1,50,000		Patents	30,000
Rajveer	1,25,000		Machinery	1,50,000
Mohsin	75,000	3,50,000	Stock	1,90,000
Creditors		1,55,000	Cash at Bank	40,000
Workmen's Compensation Reserve		30,000		
		5,35,000		5,35,000

Rajveer died on 1st August, 2022. It was agreed that:

- (i) Goodwill of the firm is to be valued at ₹ 1,75,000.
(ii) For the purpose of calculating Rajveer's share in the profits of 2022-23, the profits should be taken to have accrued on the same scale as in 2021-22, which were ₹ 75,000.
(iii) Interest on capital @ 9% p.a.

Prepare Rajveer's Capital Account to show the amount due to his executors.

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18. Reena, Leena, and Neera are partners sharing profits equally. Reena died on 30th April 2022. The firm had workmen's compensation reserve of ₹ 20,000, against which there is claim of ₹ 2,000 on this date. The firm has investment of market value of ₹ 1,90,000 appearing in the books of ₹ 2,00,000. Investment fluctuation fund appear at ₹ 40,000. Pass journal entries for treatment of reserves.
19. Rashmi, Lavanya and Tania were partners in the firm sharing profits and losses equally. On 1st April, 2022, they mutually decided to give more profit to Rashmi as she was comparatively contributing more time to the business than other two partners, so they decided to give half the share to Rashmi and decided to share the remaining profit equally. Following balances appear on this date:
General reserve ₹ 1,00,000, Profit & Loss A/c (Dr. balance) ₹ 60,000, Revaluation loss ₹ 30,000 and Goodwill is to be valued at 10% more than twice the profit of last year which was ₹ 50,000. The partners do not want to show the effect of above changes in the books. Pass the single adjusting entry for the same.

or

Jaspreet and Balbir started their partnership firm sharing profits in the ratio of 3 : 2 on 1st April, 2022. Their cousin, Simran completed her course in legal studies. So, they requested her to join their firm to provide all legal advices to which Simran agreed with 1/5th share in profits of the firm. Simran contributed ₹ 2,00,000 for capital and premium for goodwill. Goodwill of the firm was valued at ₹ 3,50,000. Jaspreet and Balbir decided to share the remaining profit in the ratio of 4 : 3. Pass the necessary journal entries if half of the premium for goodwill credited to the partners is withdrawn by them.

20. Newbi Cloths Limited is registered with an authorised capital of ₹ 50,00,000 divided into 50,000 equity shares of ₹ 100 each. Out of these, the company issued 40,000 shares at a premium of 10%. The amount per share was payable as follows:
₹ 30 on application
₹ 30 (including premium) on allotment.
Balance on first and final call
Public applied for 39,000 shares. Only application and allotment money was called till 31st March, 2022. A shareholder holding 500 shares did not pay the allotment money. Show the share capital in the Balance Sheet of Newbi Cloths Limited as at 31st March, 2022 as per Schedule III of Companies Act.

or

Briefly explain the following terms:

- (i) ESOP
- (ii) Private placement of shares
- (iii) Oversubscription of shares

21. Ferox Limited issued 20,000 10% Debentures of ₹ 100 each at a premium of ₹ 60 per debenture. The company received application for 35,000 debentures. 15,000 debentures were rejected and rest were allotted debentures. The whole money was payable on application. Pass necessary journal entries for the issue of debentures. Also present it in the balance sheet.
22. Teena and Veena were partners in a firm sharing profits equally. In spite of repeated reminders by the authorities, they kept evading the taxes. The court ordered for the dissolution of their partnership firm on 31st March, 2022. Teena was deputed to realise the assets and to pay the liabilities. She was paid ₹ 1,000 as commission for her services. They were having ₹ 8,000 (credit balance) in Profit and Loss A/c on the date of dissolution. From the information given below, complete Realisation A/c, Partners' Capital A/cs and Cash A/c.

Dr.		Realisation A/c		Cr.	
Particulars		Amount (₹)	Particulars		Amount (₹)
To	Building	1,52,000	By	Prov. for Doubtful Debts	4,000
	Investments	28,600	By	Creditors	80,000
	Debtors	24,000	By	Teena's Spouse Loan	40,000
	Bills Receivable	17,400	By	Investments Fluctuation Fund	8,000

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To Goodwill	20,000	By Cash A/c: (Assets realised)	
Teena's Capital A/c (Spouse Loan)	Debtors	24,000
Cash A/c:		Building	.....
To Creditors	.....	Bills Receivable	36,000
Realisation Expenses	2,500	By Veena's Capital A/c (Investments)	27,000
To Teena's Capital A/c (Commission)	.....	
To Profit transferred to:			
Teena's Capital A/c	.....	
Veena's Capital A/c	.....	
	3,71,000		3,71,000

Dr.		Partner's Capital A/cs		Cr.	
Particulars	Teena (₹)	Veena (₹)	Particulars	Teena (₹)	Veena (₹)
To Realisation A/c		By Balance b/d	42,000	42,000
To Cash A/c	By Realisation A/c (Profit)	.....	.....
			By Realisation A/c	.....	.....
			By Realisation A/c	.....	.....
			By Profit and Loss A/c	.....	.....

Dr.		Cash A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Balance b/d	6,000	By Veena's Loan A/c	24,000		
To Realisation A/c	.....	By Realisation A/c (Creditors & Expenses)	.....	
		By Teena's Capital A/c	.....	
		By Veena's Capital A/c	.....	
		

23. Soltex Chemicals Limited invited applications for 70,000 shares of ₹ 10 each payable as ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first call and ₹ 2 on final call. Public has applied for 1,05,000 shares. Pro-rata allotment was made to 90,000 shares and rest was rejected.

Rohan the holder of 700 shares failed to pay allotment money and his share were forfeited on further nonpayment of first call. After forfeiting the shares final call was made.

Sohan the holder of 800 shares failed to pay the final call and his shares were also forfeited. Out of forfeited shares 900 shares were re-issued for ₹ 8,000 as fully paid up (including 350 shares of Rohan and Balance of Sohan).

Prepare Cash Book and pass the journal entries to record the above transactions.

or

Writex Pen Limited invited applications for issuing 50,000 equity shares of ₹ 10 each. The amount was payable as follows:

On Application: ₹ 3 per share

On Allotment: ₹ 4 per share

On First and Final Call: ₹ 3 per share

Applications were received for 75,000 shares and pro-rata allotment was made as follows:

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Applicants for 40,000 shares were allotted 30,000 shares on pro-rata basis.

Applicants for 35,000 shares were allotted 20,000 shares on pro-rata basis.

It was decided to utilise excess application money towards the sums due on allotment.

Rohit, to whom 1,200 shares were allotted out of the group applying for 40,000 shares failed to pay allotment money. His shares were forfeited immediately after allotment.

Puneet, who had applied for 700 shares out of the group applying for 35,000 shares failed to pay the first and final call. His shares were also forfeited. Out of the forfeited shares 1,000 shares were re-issued @ ₹ 8 per share fully paid up. The re-issued shares included all the forfeited shares of Puneet.

Prepare Cash Book and pass the journal entries to record the above transactions.

24. The Balance Sheet of P, Q and R sharing profits and losses in the ratio of 5:3:2, as on 31st March, 2022 was as under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals :			Land and Building		30,000
P	46,000		Plant and Machinery		35,000
Q	34,000		Stock		12,800
R	25,000	1,05,000	Debtors	16,000	
Creditors		15,600	Less : Provision for doubtful debts	(800)	15,200
			Cash at Bank		27,600
		1,20,600			1,20,600

On the same date, Q retires from the firm. The following adjustments were agreed upon:

- That an amount of ₹ 1,100 included in Sundry Debtors be written off as no longer receivable.
- That a Provision for Doubtful debts be maintained at an existing rate.
- There is an unrecorded liability for outstanding expenses of ₹ 955.
- Plant and Machinery includes a machinery amounted to ₹ 5,000 which was completely damaged was sold for ₹ 1,000. Depreciation to be charged on remaining machinery @ 10%.
- Unrecorded furniture amounted to ₹ 1,000 was accepted by Q towards payment due to him and balance was transferred to his loan A/c.
- Goodwill of the firm was valued at ₹ 70,000.

You are required to prepare Revaluation A/c, Partners' Capital A/cs and Balance sheet of the new firm.

or

Romesh and Kiran were partners sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, Koyal was admitted for 1/5th share. Balance Sheet of Romesh and Kiran on 31st March, 2022 was as under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals :			Plant and Machinery		18,000
Romesh	40,000		Furniture		40,000
Kiran	20,000		Profit & Loss A/c		25,000
Employees Provident Fund	10,000		Sundry Debtors		9,000
Workmen Compensation Fund	16,000		Cash in Hand		1,500
Sundry Creditors	7,500				
	93,500				93,500

On the above date Koyal was admitted with the following terms:

- Koyal will bring ₹ 20,000 for her capital and ₹ 5,000 for her share of goodwill premium.
- Provision for doubtful debts is to be created @ 5%.
- There was a liability of ₹ 6,000 for workmen compensation.
- There was a unrecorded furniture for ₹ 5,000.

Prepare Revaluation A/c, Partners' Capital A/cs and Balance Sheet of the new firm.

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25. Jeet, Pant and Kumar were partners of an architect firm sharing profits in the ratio of 2 : 2 : 1. Their partnership deed provided the following:
- A monthly salary of ₹ 15,000 each to Jeet and Pant.
 - Kumar was guaranteed a profit of ₹ 5,00,000 and Jeet guaranteed that he will earn an annual fee of ₹ 2,00,000. Any deficiency arising because of guarantee to Kumar will be borne by Jeet and Pant in the ratio of 3 : 2.
- During the year ended 31st March, 2018 Jeet earned fee of ₹ 1,75,000 and the profits of the firm amounted to ₹ 15,00,000.
- Showing your workings clearly prepare Profit and Loss Appropriation Account and the Capital Account of Jeet, Pant and Kumar for the year ended 31st March, 2018.
26. Pentex Services Private Limited provides its services in South India. Seeing its growth and success, it decided to expand in other parts of India too, especially North India. This would involve huge expenditure for which the directors decided to issue ₹ 40,00,000, 12% Debentures of ₹ 100 each at par to be redeemed at 5% premium after 6 years. It has a balance of ₹ 60,000 in securities premium reserve. Answer the following questions on the basis of the above information.
- State the amount of application money received.
 - What amount will be debited to "Loss on Issue of Debentures Account"?
 - Pass necessary Journal entry for writing off "Loss on Issue of Debentures Account".

PART—B

Analysis of Financial Statements

27. Empire Innovations Private Limited paid ₹ 30,000 as installment for machinery purchased on credit which included interest of ₹ 5,000. How will this payment be presented while preparing cash flow statement?
- It will be shown as investing activity
 - It will be shown as financing activity
 - It will be shown as operating activity
 - Not to be present while preparing cash flow statement
28. What will be the value of shareholder's fund, if 12% debentures are ₹ 5,00,000 and debt-equity ratio is 2.5 : 1?
- | | |
|----------------|----------------|
| (a) ₹ 2,00,000 | (b) ₹ 4,00,000 |
| (c) ₹ 3,00,000 | (d) ₹ 5,00,000 |
29. A company issued capital. A shareholder paid all money on allotment while first call is not called by company. Where will you show this advance in balance sheet of the company?
- | | |
|-------------------------|-----------------------|
| (a) Long-term liability | (b) Current liability |
| (c) Current assets | (d) None of these |
- or**
- Which of the following is not correct?
- Sale of fixed asset (book value ₹ 40,000) at a loss of ₹ 5,000 will increase debt-equity ratio.
 - Issue of new shares for cash will decrease debt-equity ratio.
 - Redemption of debentures for cash will decrease debt-equity ratio.
 - Declaration of final dividend will decrease debt-equity ratio.
- | | |
|------------------|---------------|
| (a) (i) and (ii) | (b) Only (i) |
| (c) (i) and (iv) | (d) Only (iv) |
30. If the net profits earned during the year are ₹ 50,000 and amount of debtors in the beginning and the end of the year are ₹ 10,000 and ₹ 20,000 respectively, then the cash from operating activities will be equal to _____
- | | |
|--------------|--------------|
| (a) ₹ 60,000 | (b) ₹ 50,000 |
| (c) ₹ 10,000 | (d) ₹ 40,000 |

or

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In the net profit is ₹ 35,000 after writing-off goodwill ₹ 6,000 and loss on sale of furniture ₹ 1,000, cash flow from operating activities will be

- (a) ₹ 42,000 (b) ₹ 35,000
(c) ₹ 28,000 (d) ₹ 29,000

31. The firm can make some year end changes to their financial statements, to improve their ratios. Then the ratios end up being nothing but window dressing.
Briefly explain the limitation of Ratio Analysis highlighted in the above situation. Also explain any two other limitations of Ratio Analysis apart from the identified above.
32. State any one importance and one limitation of financial statement analysis.
33. List two items each which are recorded under the following head in the Balance Sheet as per Schedule III of the Companies Act, 2013.
(a) Short-term Provisions
(b) Other Current Liabilities
(c) Other Long-term Liabilities
(d) Long-term provisions

or

From the details given below, calculate Inventory Turnover Ratio and Operating Ratio:

	(₹)
Opening Inventory	28,000
Closing Inventory	22,000
Purchases	40,000
Revenue from Operations	80,000
Carriage Inwards	4,000
Employees' Benefit Expenses	4,000
Depreciation	2,000

34. From the following information of Bikanerwala Sweets, prepare a Cash Flow Statement:

Balance Sheet as at 31.03.2022

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital	1	1,35,000	1,30,000
(b) Reserves and Surplus	2	22,000	4,000
2. Non-Current Liabilities (10% Debentures)		25,000	21,000
3. Current Liabilities (Trade Payables)		12,500	8,500
Total		1,94,500	1,63,500
II. ASSETS			
1. Non-Current Assets :			
Property, Plant and Equipments and Intangible Assets:			
Property, Plant and Equipment : Tangible Fixed Assets (Net)		41,000	32,000
Intangible Assets (Goodwill)		8,000	10,500
Non-Current Investments		68,000	63,000
2. Current Assets :			
Current Investments		49,000	50,000

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Cash & Cash Equivalents		4,000	2,000
Other Current Assets		24,500	6,000
	Total	1,94,500	1,63,500

Notes to Accounts:

Particulars	31 March 2022 (₹)	31 March 2021 (₹)
1. Share Capital		
Equity shares of ₹ 10 each	1,35,000	1,30,000
2. Reserves and Surplus		
General Reserve	11,000	10,000
Surplus i.e. balance in Statement of Profit and Loss	11,000	(6,000)
	22,000	4,000

Additional information:

- (i) A machine costing ₹ 3,000 (depreciation provided thereon ₹ 400) was sold for ₹ 2,800. Depreciation charged, during the year was ₹ 4,400.
- (ii) Debentures were issued on 1st April, 2021.
- (iii) Interim dividend of ₹ 30,000 has been paid during the year.

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Sample Paper 3
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Victoria Sales Limited purchased an asset from Shivalik Marketing Limited for ₹ 5,40,000. Victoria Sales Limited issued 8% debentures of ₹ 100 each at 10% discount against the payment. Calculate the number of debentures issued by Victoria Sales Limited.
(a) 60,000 (b) 54,000
(c) 5,400 (d) 6,000

2. Grand Engineers Private Limited invited application for 4,000 equity shares of ₹ 10 each at the issue price of ₹ 10. Complete amount was received on application itself. How the amount received will be shown in balance sheet?
(a) Cash and cash equivalent = ₹ 40,000 (b) Shares = ₹ 40,000
(c) Cash not received = ₹ 40,000 (d) Amount utilised = ₹ 40,000

or

Power Marketing Limited bought business of Vaishnavi Marketing Limited and purchase consideration is to be decided by net asset value method. Total assets and liabilities which were taken over were ₹ 22,40,000 and ₹ 4,00,000 respectively. ₹ 4,00,000 was paid in cash and for the balance amount, 6% debentures of ₹ 100 each were issued at a premium of 20%. Identify the number of debentures issued

- (a) 4,000 debentures (b) 22,400 debentures
(c) 12,000 debentures (d) 20,000 debentures

3. If a partner withdraws consistently at the end of each quarter for a year, average period will be _____
(a) 6.5 (b) 7.5
(c) 4.5 (d) 5.5

or

On 1st April, 2020 P's capital was ₹ 10,000. On 1st October, 2020, he introduces additional capital of ₹ 5,000. Interest on capital @ 6% p.a. on 31st March, 2021 will be

- (a) ₹ 900 (b) ₹ 525
(c) ₹ 750 (d) ₹ 450

4. A company is having authorised capital of ₹ 50,00,000 which is divided into shares of ₹ 100 each. Company issued its 30,000 shares to the public @ 10% premium. All the shares are applied by the public and allotted by the company.
The amount of paid-up share capital will be _____
(a) ₹ 33,00,000 (b) ₹ 55,00,000

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- (c) ₹ 50,00,000 (d) ₹ 30,00,000

5. Rupa Publishing Co. purchased a running business from Unnati Publishing Co. for a sum of ₹ 60,00,000. Company received from vendor these assets and liabilities in this running business
Plant and machinery ₹ 40,00,000; furniture ₹ 5,00,000; debtors ₹ 8,00,000; land and building ₹ 20,00,000 and creditors ₹ 3,00,000. What will be the amount of goodwill or capital reserve, as per the given information?
(a) Goodwill ₹ 3,00,000 (b) Capital Reserve ₹ 3,00,000
(c) Goodwill ₹ 10,00,000 (d) Capital Reserve ₹ 10,00,000

6. On the admission of a new partner, increase in the value of assets is debited to
(a) assets account (b) old partners' capital account
(c) revaluation account (d) None of these

or

At the time of admission of a partner, undistributed profits appearing in the balance sheet of the old firm is transferred to the capital account of

- (a) all the partner in the new profit sharing ratio
(b) old partners in old profit sharing ratio
(c) old partners in new profit sharing ratio
(d) None of the above

7. Assertion (A): Gaining ratio is the ratio in which one or more partners gain some portion of other partners share of profit.

Reason (R): New ratio plus sacrificing ratio is gaining ratio.

Alternatives

- (a) Assertion (A) is false, but Reason (R) is true
(b) Assertion (A) is true, but Reason (R) is false
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

8. Issue and allotment of shares to a selected group of persons privately and not to public in general through public issue is known as _____ of shares.

- (a) private placement (b) right issue
(c) employees stock option plan (d) All of these

or

Which category of shares are redeemed after a specific given period according to the terms of issue?

- (a) Redeemable preference shares (b) Cumulative preference shares
(c) Irredeemable preference shares (d) Non-cumulative preference shares

9. Please see following :

Liabilities	Amount (₹)	Assets	Amount (₹)
		Debtors	8,00,000
		(-) Provision for Doubtful Debts	(40,000)
			7,60,000

Provision to be maintained @ 10% at the time of change in profit sharing ratio. What is the amount credited/debited in revaluation account?

- (a) Credit ₹ 80,000 (b) Credit ₹ 40,000
(c) Debit ₹ 40,000 (d) Debit ₹ 80,000

10. Aadil and Tahir are partners in a firm. They admit Zahir for 1/3 share. Zahir brought ₹ 2,00,000 as his

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capital and ₹ 60,000 for premium. Journalise the transaction.

(a) Zahir's Capital A/c	Dr.	2,00,000	
To Bank A/c			2,00,000
(b) Bank A/c	Dr.	2,00,000	
To Zahir's Capital A/c			2,00,000
(c) Bank A/c	Dr.	2,60,000	
To Zahir's Capital A/c			2,00,000
To Premium for Goodwill A/c			60,000
(d) Zahir's Capital A/c	Dr.	2,00,000	
Premium for Goodwill A/c	Dr.	60,000	
To Bank A/c			2,60,000

11. Mayur and Ankur are partners sharing profits in the ratio of 3 : 2. They admit Kuber as a new partner. After his admission, the profit sharing ratio becomes 5 : 5 : 3. On the date of Kuber's admission, goodwill of the firm is valued at ₹ 1,30,000. The amount of goodwill brought in by Kuber will be

- (a) ₹ 1,00,000 (b) ₹ 30,000
(c) ₹ 1,30,000 (d) ₹ 50,000

12. In a firm, 10% of net profit after deducting all adjustments, including reserve is transferred to general reserve. The net profit after all adjustments but before transfer to general reserve is ₹ 22,000. Calculate the amount which is to be transferred to reserve.

- (a) ₹ 2,000 (b) ₹ 1,250
(c) ₹ 1,100 (d) ₹ 2,200

13. Elena is a partner in a firm with a fixed capital of ₹ 80,000. She withdrew ₹ 5,000 during the financial year. Journal entry will be

(a) Elena's Current A/c	Dr	5,000	
To Drawings A/c			5,000
(b) Elena's Capital A/c	Dr	5,000	
To Drawings A/c			5,000
(c) Drawings A/c	Dr	5,000	
To Elena's Current A/c			5,000
(d) Drawings A/c	Dr	5,000	
To Elena's Capital A/c			5,000

14. Goodwill can be _____

- (a) self-generated (b) purchased
(c) Both (a) and (b) (d) None of these

or

_____ is also known as articles of partnership.

- (a) Partnership deed (b) Principles of partnership
(c) Partnership prospectus (d) None of these

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Aditi and Deepesh are partners in a firm. On 1st April, 2020, their capitals were ₹ 4,00,000 and ₹ 6,00,000. The profit for 2020-21 was ₹ 5,24,000. Partnership deed provided that interest on drawings/capital to be

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calculated @ 10%, Deepesh had drawings of ₹ 1,00,000. He had withdrew this amount 31st December, 2020. In addition to this, rent (in case of any partner providing his premises for business) for premises decided to be ₹ 8,000 per month. Due to lockdown during pandemic, the partners decided to shut down factory and shifted to Aditi's farmhouse on 1st August, 2020.

15. What is amount transferred to profit loss appropriation account?
 (a) ₹ 5,00,000 (b) ₹ 4,88,000
 (c) ₹ 5,24,000 (d) Can't say
16. What is interest on drawings of Deepesh?
 (a) ₹ 7,500 (b) ₹ 2,500
 (c) ₹ 10,000 (d) Can't say
17. Harish and Pratham were partners sharing profits and losses in the ratio of 3 : 1. Mukesh was admitted into partnership on 1st April, 2022 for 1/3rd share in profits. Mukesh brought in ₹ 45,000 as goodwill for her 1/3rd share in profits which was entirely credited to Harish's capital account. On the day of admission, Pratham also compensated ₹ 15,000 to Harish for a share of profit sacrificed by Harish in favour of Pratham. Following journal entries were passed:

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2022 April 1	Cash/Bank A/c To Premium for Goodwill A/c (Being Premium for Goodwill Brought in by Mukesh)	Dr.	45,000	45,000
2022 April 1	Premium for Goodwill A/c Pratham's Capital A/c To Harish's Capital A/c (Being entry for goodwill treatment passed)	Dr. Dr.	45,000 15,000	60,000

Find the new ratio of Harish, Pratham and Mukesh.

18. Amar, Bharat and Satish are partners of the firm Agrawal Sweets. Their capitals as on 1st April, 2021 were ₹ 90,000; ₹ 70,000 and ₹ 50,000 respectively. Partnership deed states that partners are entitled to:
 (a) Interest on Capital @ 10% p.a.
 (b) Each partner has a right to withdraw up to ₹ 6,000 p.a. for personal use. Drawings in excess of this limit will be charged interest @ 12% p.a.
 (c) Satish will get a commission of 5% of the net profit.
 During the year 2021-2022, firm earned a profit of ₹ 51,300. Amar, Bharat and Satish's total annual drawings were ₹ 12,000; ₹ 8,000 and ₹ 5,000 respectively. Prepare Profit and Loss Appropriation Account.
19. Calculate the value of goodwill valued at two years purchase of the average profit of the past four years. The profits for the past four years of the firm run by Rajkumar and Ashish are:

Year	Profit (₹)	Adjustment to be made
1.	57,000	Two items ignored to be accounted for: Outstanding expenses ₹ 3,000 Accrued Interest earned ₹ 2,000
2.	74,000	—
3.	92,000	After including an abnormal gain of ₹ 3,000
4.	1,16,000	Personal insurance premium ₹ 18,000 paid for partner wrongly debited to firm's account.

Pass journal entry for treatment of goodwill on Neel's admission into the firm for 1/4th share of profit, assuming he did not bring any premium for goodwill. Rajkumar and Ashish shared profits in ratio 3 : 2.

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or

Neel and Bhuvnesh are partners sharing profits in the ratio 2:1. They admit Pratham for 1/4th share of profit with a minimum guaranteed amount of ₹ 20,000. Any deficit will be borne equally. The profits earned by the firm at the end of the financial year amounted to ₹ 64,000.

Pass necessary journal entries for the above.

20. RK Machines Limited took over Plant and Machinery of Altech Machine Limited at an agreed price of ₹ 1,90,000 and payment was made by the issue of 9% Debentures of ₹ 100 each issued at a premium of 10%, fraction, if any, is paid in cash. Pass necessary journal entries for the above in the books of RK Machines Limited.

or

Pass journal entries at the time of issued of debentures.

- 1,300, 6% debentures of ₹ 100 each issued at a premium of ₹ 20 per debenture redeemable at a premium of ₹ 35 per debenture.
- 900, 6% debentures of ₹ 100 each issued at a discount of ₹ 10 per debenture redeemable at 120%.

21. Neel and Vimal are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Outstanding Expenses	12,000	Cash in hand	71,000
Bills Payable	60,000	Debtors	1,50,000
Creditors	96,000	Less : Provision for	
Employee Provident Fund	18,000	doubtful debts	(25,000)
Investment Fluctuation Fund	20,000	Stock	50,000
Reserve	40,000	Investments (Market value of investments ₹ 90,000)	1,20,000
Capital Accounts:		Machinery	
Neel	2,50,000	Building	60,000
Vimal	1,50,000	Profit & Loss A/c	2,00,000
			20,000
	6,46,000		6,46,000

On 1st April, 2022 they admitted Rajesh as a partner for 1/5th share in profits on the following terms:

- Rajesh will contribute proportionate capital and his share of goodwill in cash.
- The Goodwill of the firm is valued at ₹ 50,000.
- Provision on debtors was found to be in excess by ₹ 5,000.
- Outstanding expenses will be increased by ₹ 1,000.
- A liability of ₹ 6,000 included in Sundry Creditors is not likely to arise.

Prepare Revaluation A/c, Partners' Capital Accounts and the Balance Sheet of the newly constituted firm.

22. Toolnex Tool Limited issued 50,000; 11% debentures of ₹ 100 each payable ₹ 40 on Application and Allotment, ₹ 30 on First call and ₹ 30 on Second and Final call.

All debentures were subscribed for by the public and duly allotted.

When the first call was made one debentures holder holding 250 debentures failed to pay the call money whereas another debentures holder holding 1,200 debentures paid the entire balance along with the first call.

The company maintains Calls-in-Arrears and Calls-in-Advance A/c.

Pass necessary journal entries for both the calls.

23. Pass necessary Journal Entries on the dissolution of a partnership firm in the following cases:

- Dissolution expenses ₹ 800.
- Dissolution expenses ₹ 800 were paid by Prakash, a partner.
- Harish, a partner was appointed to look after the dissolution work, for which he was allowed a

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remuneration of ₹ 10,000. Harish agreed to bear the dissolution expenses. Actual dissolution expenses ₹ 9,500 were paid by Harish.

- (iv) Rajni, a partner, agreed to look after the dissolution work for a commission of ₹ 5,000. Rajni agreed to bear the dissolution expenses. Actual dissolution expenses ₹ 5,500 were paid by Mohan, another partner, on behalf of Rajni.
- (v) A partner, Kavita, agreed to look after the dissolution process for a commission of ₹ 9,000. She also agreed to bear the dissolution expenses. Kavita took over furniture of ₹ 9,000 for her commission. Furniture had already been transferred to Realisation Account.
- (vi) A debtor, Ramesh, for ₹ 19,000 agreed to pay the dissolution expenses which were ₹ 18,000 in full settlement of his debt.

24. Jagdamba Fabric Limited invited applications for 1,00,000 equity shares of ₹ 10 each issued at 20% premium per share. The amount were payable as follows:

On Application ₹ 4.

On Allotment ₹ 5 per share. (including premium)

On First & Final call ₹ 3 per share.

Applications for 2,30,000 shares were received. Allotment was made as under:

Application	Allotment
20,000	Nil
1,50,000	50,000
60,000	50,000

Excess application money to be adjusted against allotment and remaining excess money if any to be refunded. All money were duly received except:

- (a) Mahesh to whom 500 shares were allotted in the group applying for 1,50,000 shares did not pay any amount after application.
- (b) Kishore, who applied for 1,200 shares from the group applying for 60,000 shares failed to pay the first and final call.

All shares on which payments were overdue were forfeited after the final call was made.

50% of the forfeited shares were re-issued @ ₹ 9 per share fully paid.

Pass necessary Journal entries for the above transaction in the books of Rajesh Limited.

or

Rani Sati Cloths Limited issued a prospectus inviting applications for 50,000 equity shares of ₹ 10 each at a premium of

₹ 4 per share payable as follows:

On Application ₹ 5 (including premium ₹ 2)

On Allotment ₹ 5 (including premium ₹ 2)

On First and Final Call ₹ 4

Applications were received for 90,000 shares and prorata allotment was made to applicants of 75,000 shares, the remaining applications being rejected.

It was decided to utilise the excess application money towards sums due on allotment.

Varsha who applied for 1,800 shares, failed to pay the allotment money due and her shares were forfeited immediately after allotment.

Neha who was allotted 1,200 shares failed to pay the call money and subsequently her shares were forfeited. The Directors decided to reissue 50% of forfeited shares held by Varsha for ₹ 12 per share and 50% of forfeited shares held by Neha for ₹ 9 per share.

Pass necessary journal entries in the books of the Company for the above transactions.

25. Following is the Balance Sheet of Alakh, Tanuj and Saroj as on 31st March, 2022 who shared profits in the ratio 5:4:1.

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Machinery	2,50,000
Alakh	2,80,000	Investment	84,000
Tanuj	1,70,000	Stock	58,000
Saroj	90,000	Debtors	75,000

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Bills Payable	22,000	Bills Receivable	38,000
Sundry Creditors	25,000	Bank	48,000
Workmen's Compensation Fund	26,000	Goodwill	60,000
	6,13,000		6,13,000

Tanuj died on 31st August 2022. Under the terms of the deed the executor of the deceased partner was entitled to the following:

- Amount standing to the credit of the Partner's Capital Account.
- Interest on Capital at 12% p.a.
- Tanuj had withdrawn ₹ 23,000 during the current year.
- The deceased partner will be entitled to his share of profit up to the date of death based on the sales during that period which amounted to ₹ 2,40,000. The rate of profit during the last three years has been 10% on Sales.
- There was a claim on Workmen's Compensation of ₹ 9,000.
- Share of Goodwill was to be calculated by taking twice the amount of profit credited to his account in the last year less 20%. Profits for the year 2021-2022 ₹ 72,000.
- Tanuj's Executors agreed to take over Investment at its book value, 30% of the balance amount due to be paid immediately and the remaining amount to be transferred to Loan Account to be paid in two annual instalments with interest @ 10% p.a.

Prepare Tanuj's Capital A/c to be rendered to his Executor and Executor's Account as on August 31, 2022.

or

Neel, Rohan and Naman were in partnership sharing profits in the ratio 2:1:1. On 31st March, 2019 their Balance Sheet was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	15,000	Cash at bank	17,000
Employee Provident Fund	5,000	Book Debts	24,500
Profit & Loss A/c	15,000	Less: Provision for doubtful debts	(1,200)
Capital Accounts:		Stock	14,700
Neel	40,000	Machinery	35,000
Rohan	30,000	Land & Building	40,000
Naman	25,000		
	95,000		
	1,30,000		1,30,000

On the above date Rohan retired and the following was agreed:

- Goodwill of the firm was valued at 2 years' purchase of super profits. Average profits amounted to ₹ 21,500 and normal rate of return in the industry was 10%.
- Land and Building was to be appreciated by 20% and Machinery was to be reduced to 70%.
- Bad debts amounted to ₹ 600.
- Rohan was to be paid ₹ 9,250 on the date of retirement and balance amount to be paid in two equal instalments together with interest @ 10% p.a.
- Capital of the new firm is fixed at ₹ 90,000. Surplus/Deficit will be adjusted through Bank Accounts.
- There was an unrecorded liability for outstanding legal charges ₹ 500.
- Creditors worth ₹ 10,000 allowed a discount of 10% on immediate payment and partners decided to pay immediately.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm after Rohan's retirement.

26. Blume Foods Limited registered with capital of ₹ 90,00,000 divided into 90,000 equity shares of ₹ 100 each. The company issued prospectus inviting applications for 50,000 equity shares of ₹ 100 each payable as ₹ 20 on application, ₹ 30 on allotment, ₹ 20 on first call and balance on second call. Applications were received for 40,000 shares. Rohit to whom 1600 shares were allotted failed to pay final call money and these shares were forfeited. Of the forfeited shares, 600 shares were reissued to Daksh, credited as fully paid for ₹ 90 per share.

- Pass journal entries for forfeiture and reissue of shares.

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- (ii) What amount of shares forfeiture Account will be shown in the Balance Sheet?
 (iii) What amount will be shown under the head Shareholders' Funds in the Balance Sheet?

PART—B

Analysis of Financial Statements

27. Shiv Shakti Industries Limited redeemed ₹ 1,00,000, 9% debentures at 10% premium. What will be the amount of 'Cash flows from financing activities'?

- (a) ₹ 1,00,000 (b) ₹ 10,000
 (c) ₹ 1,10,000 (d) None of these

28. In balance sheet, 'Trade receivables' is the sub-head under _____

- (a) non-current liabilities
 (b) current liabilities
 (c) non-current assets
 (d) current assets

or

Which of the following statements are false?

- (i) When all the comparative figures in a balance sheet are stated as percentage of the total, it is termed as horizontal analysis.
 (ii) When financial statements of several years are analysed, it is termed as vertical analysis.
 (iii) Vertical analysis is also termed as time series analysis.

Codes

- (a) Both (i) and (iii)
 (b) Both (ii) and (iii)
 (c) Both (i) and (ii)
 (d) All three (i), (ii), (iii)

29. If gross profit ratio is 20% and gross profit is ₹ 1,00,000, what will be the value of Cost of Goods Sold (COGS)?

- (a) ₹ 3,00,000 (b) ₹ 3,50,000
 (c) ₹ 4,00,000 (d) ₹ 2,00,000

or

What is the value of current liabilities, when working capital is ₹ 4,00,000 and current assets are ₹ 8,00,000?

- (a) ₹ 4,00,000 (b) ₹ 12,00,000
 (c) ₹ 2,00,000 (d) ₹ 1,50,000

30.

Balance Sheet (Extract)

Particulars	Note No.	31st December, 2019 (₹)	31st December, 2018 (₹)
EQUITY AND LIABILITIES			
1. Shareholder's Funds			
Share Capital	1	16,00,000	15,50,000

Notes to Accounts

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Particulars	31st December, 2019 (₹)	31st December, 2018 (₹)
1. Share Capital		
Equity Share Capital	15,00,000	13,50,000
12% Preference Share Capital	1,00,000	2,00,000

Additional Information

- (i) Price per equity share is ₹ 10 and these were issued at par.
- (ii) Preference shares were redeemed at 10% premium.

How much amount based on the above information, will be shown in financing activity while preparing cash flow statement?

- (a) Inflow ₹ 50,000
- (b) Outflow ₹ 50,000
- (c) Inflow ₹ 40,000
- (d) Outflow ₹ 40,000

31. State the significance of Analysis of Financial Statements to the Lenders and Employees.

32. Current Ratio of GTS Food Private Limited is 3:1. State giving reasons, which of the following would improve, reduce or not change the ratio?

- (i) Issue of bonus shares out of profits;
- (ii) Redemption of Preference Shares out of proceeds from fresh issue of shares of equal amount;
- (iii) Revenue from Operations, i.e., Sale of goods for ₹ 80,000 on credit of 1 month. (Cost of goods ₹ 60,000).

33. Calculate ‘Return on Investment’ and ‘Debt to Equity Ratio’ from the undermentioned information:

Net Profit after Interest and Tax	₹ 12,00,000
10% Debentures	₹ 20,00,000
Tax Rate	40%
Capital Employed	₹ 1,60,00,000

or

Under what head and sub-head will the following items appear in the Balance Sheet of a company as per Schedule III Part I of the Companies Act, 2013?

- (a) Subsidy Reserve
- (b) Interest on Calls-in-advance
- (c) Mastheads and publishing titles
- (d) Stores and spares
- (e) Unpaid dividend
- (f) Provision for employee benefits
- (g) Bank Overdraft
- (h) Capital Reserve

34. From the following information of Jaipur Products Private Limited, prepare Cash Flow Statement.

Balance Sheet of Jaipur Products Private Limited as at 31.03.2022

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder’s Funds :			
(a) Share Capital		3,20,000	2,40,000
(b) Reserves and Surplus	1	1,36,000	1,24,000
2. Non-Current Liabilities			
Long Term Borrowing – 12% Debentures		2,00,000	1,20,000
3. Current Liabilities:			
(a) Trade Payables		88,000	68,000
(b) Other Current Liabilities			
(c) Short-term Provisions (Provisions for Taxation)		12,000	8,000

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		Total	7,56,000	5,60,000
II. ASSETS				
1. Non-Current Assets :				
(a) Property, Plant and Equipments and Intangible assets:				
(i) Property, Plant and Equipment - Machines				
			3,36,000	2,64,000
(ii) Intangible Assets – Goodwill				
			56,000	80,000
(b) Long-term Investments – 10% Govt.Bonds				
			64,000	24,000
2. Current Assets				
(a) Inventories				
			40,000	32,000
(b) Trade Receivables				
			1,56,000	64,000
(c) Cash & Cash Equivalent				
			1,04,000	96,000
		Total	7,56,000	5,60,000

Notes to Accounts:

Particulars	31 March 2022 (₹)	31 March 2021 (₹)
1. Reserves and Surplus		
Reserves	80,000	72,000
Balance in Statement of Profit and Loss	56,000	52,000
	1,36,000	1,24,000

Additional information:

- Investments costing ₹ 24,000 were sold for ₹ 16,000.
- Depreciation on Machinery ₹ 48,000
- Tax paid ₹ 4,800
- Debentures were issued and investments were purchased and sold on March 31st 2022.

□□□□□□

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Sample Paper 4
Accountancy
Class XII Session 2022-23

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Ganesh and Rakesh are partners sharing profits in the ratio of 2 : 3. Their balance sheet shows machinery at ₹ 1,00,000; stock at ₹ 40,000 and debtors at ₹ 80,000. Mukesh is admitted and new profit sharing ratio is agreed at 6 : 9 : 5. Machinery is revalued at ₹ 70,000 and a provision is made for doubtful debts @ 5%. Ganesh's share in loss on revaluation amount to ₹ 10,000. Revalued value of stock will be
(a) ₹ 30,000 (b) ₹ 49,000
(c) ₹ 31,000 (d) ₹ 50,000
2. When shares offered to public are subscribed completely, then it is referred to as
(a) undersubscription of shares (b) no subscription of shares
(c) full subscription of shares (d) None of these
or
Which one of the following items is not a part of subscribed capital?
(a) Forfeited shares (b) Bonus shares
(c) Equity shares (d) Preference shares
3. Find the closing balance of capital account from the given information. Opening balance of capital account as at 1st April, 2019 of Daniel and Nathen are ₹ 5,00,000 and ₹ 5,40,000 respectively. Daniel is entitled to take salary for ₹ 1,000 per month and Nathen is to take commission for ₹ 20,000.
(a) Daniel = ₹ 5,12,000, Nathen = ₹ 5,60,000 (b) Daniel = ₹ 5,60,000, Nathen = ₹ 5,12,000
(c) Daniel = ₹ 5,40,000, Nathen = ₹ 5,80,000 (d) Daniel = ₹ 5,00,000, Nathen = ₹ 5,40,000
4. Claim of the retiring partner is payable in which of the following form?
(a) Fully transferred to loan account to be paid later with some interest on it
(b) Partly in cash and partly as loan repayable later with agreed interest
(c) Fully in cash
(d) Any of the above method
or
At the time of admission, incoming partner become liable for the _____ of the firm and also acquires right on the _____
(a) goodwill, capital
(b) liabilities, assets
(c) assets, liabilities
(d) None of these

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5. A company issued 2,000 equity shares of ₹ 50 each at par payable as under. On application 20%, on allotment 40%, on first call 10%, on final call-balance. Applications were received for 5,000 shares. Allotment was made on pro-rata basis. How much amount will be received in cash on allotment?
- (a) ₹ 8,000 (b) ₹ 10,000
(c) ₹ 3,000 (d) Nil
6. Tanwar Medicare Private Limited issued 20,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable alongwith application. All the shares were applied and duly allotted. What will be the total amount at the time of application?
- (a) ₹ 2,00,000 (b) ₹ 2,40,000
(c) ₹ 2,20,000 (d) ₹ 2,60,00

or

Following amounts were payable on issue of shares by a company ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first call and ₹ 2 on final call. Jairaj holding 250 shares paid only application and allotment money whereas Viraj holding 200 shares did not pay final call. Amount of calls-in-arrear will be

- (a) ₹ 900
(b) ₹ 3,100
(c) ₹ 1,900
(d) ₹ 1,400

7. Assertion (A): A new partner should contribute towards goodwill on his admission.
Reason (R): A new partner gets his share of profits from old partners thus he must compensate the old partners for the share sacrificed by them.
Alternatives
- (a) Assertion (A) is true, but Reason (R) is false
(b) Assertion (A) is false, but Reason (R) is true
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
8. Ashok, Trilok and Aalok are partners in profit sharing ratio of 2 : 3 : 4 with effect from 1st April, 2021, they decided to share profits in 4 : 3 : 3. What is Trilok's gain/sacrifice?
- (a) Gain $\frac{3}{100}$ (b) Gain $\frac{1}{30}$
(c) No gain/sacrifice (d) Sacrifice $\frac{1}{30}$

or

Arjun, Harish and Keshav are partners sharing profits in ratio of 3 : 3 : 2. They agree to admit Raghav into the firm for $\frac{4}{7}$ profit. Raghav acquired his share $\frac{2}{7}$ from Arjun, $\frac{1}{7}$ from Harish and $\frac{1}{7}$ from Keshav. The share of profit of Harish will be

- (a) $\frac{6}{56}$ (b) $\frac{32}{56}$
(c) $\frac{5}{56}$ (d) $\frac{13}{56}$

9. Partners' current account is maintained under
- (a) fluctuating capital method (b) fixed capital method
(c) Both (a) and (b) (d) cumulative capital method

or

Neeraj and Pankaj are partners in a firm which develops software for industries. Neeraj's minor son Rajendra is a computer wizard. Can he be admitted in the partnership firm?

- (a) Yes, if Pankaj agrees (b) Yes, if Neeraj agrees
(c) Yes, if Neeraj and Pankaj both agree (d) No, he cannot be admitted

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10. Dhara, Zara, Nora 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, 2020. Their balance sheet as on that date showed a balance of ₹ 4,500 in advertisement suspense account for the amount to be debited respectively to the capital accounts of Dhara, Zara and Nora for writing-off the amount in advertisement suspense account, following journal entry is passed.

Dhara's Capital A/c	Dr	X	
Zara's Capital A/c	Dr	Y	
Nora's Capital A/c	Dr	Z	
To Advertisement Suspense A/c			45,000

Here X, Y, Z are

- (a) ₹ 1,500, ₹ 1,500 and ₹ 1,500
 (b) ₹ 1,800, ₹ 1,800 and ₹ 900
 (c) ₹ 2,250, ₹ 2,250 and Nil
 (d) ₹ 2,100, ₹ 1,500 and ₹ 900
11. On 28th February, 2020, the first call of ₹ 2 per share became due on 25,000 equity shares allotted by Mrinal Trading Private Limited Nakul, a holder of 500 shares did not pay the first call money. Mradul, a holder of 375 shares paid the second and final call of ₹ 4 per share along with the first call. Pass the necessary entry only for the amount received by opening calls-in-arrears and calls-in-advance account in the books of the company.

(a) Equity Share First Call A/c	Dr	50,000	
Call-in-arrears A/c	Dr	1,000	
To Bank A/c			49,500
To Calls-in-advance A/c			1,500
(b) Bank A/c	Dr	50,500	
Calls-in-arrears A/c	Dr	1,000	
To Equity Share First Call A/c			50,000
To Calls-in-advance A/c			1,500
(c) Bank A/c	Dr	50,500	
Calls-in-advance A/c	Dr	1,000	
To Equity Share First Call A/c			50,000
To Call-in-arrears A/c			1,500
(d) None of the above			

12. Jaswant Private Limited invited applications for issuing 1,000, 12% debentures of ₹ 100 each at a discount of 5%. These debentures were redeemable after three years at par. Applications for 1,200 debentures were received. Pro-rata allotment was made to all the applicants. Journalise.

(a) Bank A/c	Dr	1,00,000	
12% Debentures A/c	Dr	19,000	
To Debenture Application and Allotment A/c			1,14,000
To Discount on Issue of Debentures A/c			5,000
(b) Bank A/c	Dr	1,14,000	
To Debenture Application and Allotment A/c			1,14,000
(c) Debenture Application and Allotment A/c	Dr	1,14,000	
Discount on Issue of Debentures A/c	Dr	5,000	
To 12% Debentures A/c			1,00,000
To Bank A/c			19,000
(d) Both (b) and (c)			

13. A firm having the assets of ₹ 4,00,000 and liabilities of ₹ 1,68,000 earns the annual profit of ₹ 36,000. The rate of normal profit being 12%, the amount of goodwill by capitalisation of super profit method, will be _____
- (a) ₹ 27,840 (b) ₹ 8,160
(c) ₹ 97,920 (d) ₹ 68,000
14. A manager gets 5% commission on net profit after charging such commission, gross profit ₹ 29,000 and expenses of indirect nature other than manager's commission are ₹ 8,000. Amount of commission will be
- (a) ₹ 750 (b) ₹ 1,100
(c) ₹ 1,050 (d) ₹ 1,000

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Magan and Jagan entered into partnership on 1st April, 2019. They do not have partnership deed. They contributed capitals of ₹ 10,00,000 and ₹ 6,00,000 respectively. On 31st October, 2019, Magan advanced a loan of ₹ 4,00,000 to the firm without any agreement as to interest. Books are closed on 31st March every year.

Profit and Loss A/c			
Dr.		Cr.	
for the year ended 31st March, 2020			
Particulars	Amount (₹)	Particulars	Amount (₹)
To ...	.....	By Net Profit	.....
To Net Profit Transferred to Profit and Loss Appropriation A/c	8,50,000		

15. What will be interest on loan ?
- (a) ₹ 5,000 (b) ₹ 2,400
(c) ₹ 24,000 (d) ₹ 10,000
16. What will be net profit from profit and loss account ?
- (a) ₹ 8,40,000 (b) ₹ 8,60,000
(c) ₹ 8,70,000 (d) ₹ 8,50,000
17. Sachin, Rajveer and Mohsin were the partners sharing of 5:3:2. on 31st March, 2022 their Balance Sheet was as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals :		Leasehold Premises	1,25,000
Sachin	1,50,000	Patents	30,000
Rajveer	1,25,000	Machinery	1,50,000
Mohsin	75,000	Stock	1,90,000
Creditors	1,55,000	Cash at Bank	40,000
Workmen's Compensation Reserve	30,000		
	5,35,000		5,35,000

Rajveer died on 1st August, 2022. It was agreed that:

- (i) Goodwill of the firm is to be valued at ₹ 1,75,000.
(ii) For the purpose of calculating Rajveer's share in the profits of 2022-23, the profits should be taken to have accrued on the same scale as in 2021-22, which were ₹ 75,000.
(iii) Interest on capital @ 9% p.a.

Prepare Rajveer's Capital Account to show the amount due to his executors.

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18. Reena, Leena, and Neera are partners sharing profits equally. Reena died on 30th April 2022. The firm had workmen's compensation reserve of ₹ 20,000, against which there is claim of ₹ 2,000 on this date. The firm has investment of market value of ₹ 1,90,000 appearing in the books of ₹ 2,00,000. Investment fluctuation fund appear at ₹ 40,000. Pass journal entries for treatment of reserves.

19. Rashmi, Lavanya and Tania were partners in the firm sharing profits and losses equally. On 1st April, 2022, they mutually decided to give more profit to Rashmi as she was comparatively contributing more time to the business than other two partners, so they decided to give half the share to Rashmi and decided to share the remaining profit equally. Following balances appear on this date:

General reserve ₹ 1,00,000, Profit & Loss A/c (Dr. balance) ₹ 60,000, Revaluation loss ₹ 30,000 and Goodwill is to be valued at 10% more than twice the profit of last year which was ₹ 50,000. The partners do not want to show the effect of above changes in the books. Pass the single adjusting entry for the same.

or

Jaspreet and Balbir started their partnership firm sharing profits in the ratio of 3 : 2 on 1st April, 2022. Their cousin, Simran completed her course in legal studies. So, they requested her to join their firm to provide all legal advices to which Simran agreed with 1/5th share in profits of the firm. Simran contributed ₹ 2,00,000 for capital and premium for goodwill. Goodwill of the firm was valued at ₹ 3,50,000. Jaspreet and Balbir decided to share the remaining profit in the ratio of 4 : 3. Pass the necessary journal entries if half of the premium for goodwill credited to the partners is withdrawn by them.

20. Newbi Cloths Limited is registered with an authorised capital of ₹ 50,00,000 divided into 50,000 equity shares of ₹ 100 each. Out of these, the company issued 40,000 shares at a premium of 10%. The amount per share was payable as follows:

₹ 30 on application

₹ 30 (including premium) on allotment.

Balance on first and final call

Public applied for 39,000 shares. Only application and allotment money was called till 31st March, 2022. A shareholder holding 500 shares did not pay the allotment money. Show the share capital in the Balance Sheet of Newbi Cloths Limited as at 31st March, 2022 as per Schedule III of Companies Act.

or

Briefly explain the following terms:

(i) ESOP

(ii) Private placement of shares

(iii) Oversubscription of shares

21. Ferox Limited issued 20,000 10% Debentures of ₹ 100 each at a premium of ₹ 60 per debenture. The company received application for 35,000 debentures. 15,000 debentures were rejected and rest were allotted debentures. The whole money was payable on application. Pass necessary journal entries for the issue of debentures. Also present it in the balance sheet.

22. Teena and Veena were partners in a firm sharing profits equally. In spite of repeated reminders by the authorities, they kept evading the taxes. The court ordered for the dissolution of their partnership firm on 31st March, 2022. Teena was deputed to realise the assets and to pay the liabilities. She was paid ₹ 1,000 as commission for her services. They were having ₹ 8,000 (credit balance) in Profit and Loss A/c on the date of dissolution. From the information given below, complete Realisation A/c, Partners' Capital A/cs and Cash A/c.

Dr.		Realisation A/c		Cr.	
Particulars		Amount (₹)	Particulars		Amount (₹)
To	Building	1,52,000	By	Prov. for Doubtful Debts	4,000
	Investments	28,600	By	Creditors	80,000
	Debtors	24,000	By	Teena's Spouse Loan	40,000
	Bills Receivable	17,400	By	Investments Fluctuation Fund	8,000

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To Goodwill	20,000	By Cash A/c: (Assets realised)	
Teena's Capital A/c (Spouse Loan)	Debtors	24,000
Cash A/c:		Building	.....
To Creditors	.....	Bills Receivable	36,000
Realisation Expenses	2,500	By Veena's Capital A/c (Investments)	27,000
To Teena's Capital A/c (Commission)	.....	
To Profit transferred to:			
Teena's Capital A/c	.....	
Veena's Capital A/c	.....	
	3,71,000		3,71,000

Dr.		Partner's Capital A/cs		Cr.	
Particulars	Teena (₹)	Veena (₹)	Particulars	Teena (₹)	Veena (₹)
To Realisation A/c		By Balance b/d	42,000	42,000
To Cash A/c	By Realisation A/c (Profit)	.....	.....
			By Realisation A/c	.....	.....
			By Realisation A/c	.....	.....
			By Profit and Loss A/c	.....	.....

Dr.		Cash A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Balance b/d	6,000	By Veena's Loan A/c	24,000		
To Realisation A/c	.....	By Realisation A/c (Creditors & Expenses)	.....	
		By Teena's Capital A/c	.....	
		By Veena's Capital A/c	.....	
		

23. Soltex Chemicals Limited invited applications for 70,000 shares of ₹ 10 each payable as ₹ 3 on application, ₹ 3 on allotment, ₹ 2 on first call and ₹ 2 on final call. Public has applied for 1,05,000 shares. Pro-rata allotment was made to 90,000 shares and rest was rejected.

Rohan the holder of 700 shares failed to pay allotment money and his share were forfeited on further nonpayment of first call. After forfeiting the shares final call was made.

Sohan the holder of 800 shares failed to pay the final call and his shares were also forfeited. Out of forfeited shares 900 shares were re-issued for ₹ 8,000 as fully paid up (including 350 shares of Rohan and Balance of Sohan).

Prepare Cash Book and pass the journal entries to record the above transactions.

or

Writex Pen Limited invited applications for issuing 50,000 equity shares of ₹ 10 each. The amount was payable as follows:

On Application: ₹ 3 per share

On Allotment: ₹ 4 per share

On First and Final Call: ₹ 3 per share

Applications were received for 75,000 shares and pro-rata allotment was made as follows:

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Applicants for 40,000 shares were allotted 30,000 shares on pro-rata basis.

Applicants for 35,000 shares were allotted 20,000 shares on pro-rata basis.

It was decided to utilise excess application money towards the sums due on allotment.

Rohit, to whom 1,200 shares were allotted out of the group applying for 40,000 shares failed to pay allotment money. His shares were forfeited immediately after allotment.

Puneet, who had applied for 700 shares out of the group applying for 35,000 shares failed to pay the first and final call. His shares were also forfeited. Out of the forfeited shares 1,000 shares were re-issued @ ₹ 8 per share fully paid up. The re-issued shares included all the forfeited shares of Puneet.

Prepare Cash Book and pass the journal entries to record the above transactions.

24. The Balance Sheet of P, Q and R sharing profits and losses in the ratio of 5:3:2, as on 31st March, 2022 was as under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals :			Land and Building		30,000
P	46,000		Plant and Machinery		35,000
Q	34,000		Stock		12,800
R	25,000	1,05,000	Debtors	16,000	
Creditors		15,600	Less : Provision for doubtful debts	(800)	15,200
			Cash at Bank		27,600
		1,20,600			1,20,600

On the same date, Q retires from the firm. The following adjustments were agreed upon:

- That an amount of ₹ 1,100 included in Sundry Debtors be written off as no longer receivable.
- That a Provision for Doubtful debts be maintained at an existing rate.
- There is an unrecorded liability for outstanding expenses of ₹ 955.
- Plant and Machinery includes a machinery amounted to ₹ 5,000 which was completely damaged was sold for ₹ 1,000. Depreciation to be charged on remaining machinery @ 10%.
- Unrecorded furniture amounted to ₹ 1,000 was accepted by Q towards payment due to him and balance was transferred to his loan A/c.
- Goodwill of the firm was valued at ₹ 70,000.

You are required to prepare Revaluation A/c, Partners' Capital A/cs and Balance sheet of the new firm.

or

Romesh and Kiran were partners sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, Koyal was admitted for 1/5th share. Balance Sheet of Romesh and Kiran on 31st March, 2022 was as under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capitals :			Plant and Machinery		18,000
Romesh		40,000	Furniture		40,000
Kiran		20,000	Profit & Loss A/c		25,000
Employees Provident Fund		10,000	Sundry Debtors		9,000
Workmen Compensation Fund		16,000	Cash in Hand		1,500
Sundry Creditors		7,500			
		93,500			93,500

On the above date Koyal was admitted with the following terms:

- Koyal will bring ₹ 20,000 for her capital and ₹ 5,000 for her share of goodwill premium.
- Provision for doubtful debts is to be created @ 5%.
- There was a liability of ₹ 6,000 for workmen compensation.
- There was a unrecorded furniture for ₹ 5,000.

Prepare Revaluation A/c, Partners' Capital A/cs and Balance Sheet of the new firm.

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25. Jeet, Pant and Kumar were partners of an architect firm sharing profits in the ratio of 2 : 2 : 1. Their partnership deed provided the following:
- A monthly salary of ₹ 15,000 each to Jeet and Pant.
 - Kumar was guaranteed a profit of ₹ 5,00,000 and Jeet guaranteed that he will earn an annual fee of ₹ 2,00,000. Any deficiency arising because of guarantee to Kumar will be borne by Jeet and Pant in the ratio of 3 : 2.
- During the year ended 31st March, 2018 Jeet earned fee of ₹ 1,75,000 and the profits of the firm amounted to ₹ 15,00,000.
- Showing your workings clearly prepare Profit and Loss Appropriation Account and the Capital Account of Jeet, Pant and Kumar for the year ended 31st March, 2018.
26. Pentex Services Private Limited provides its services in South India. Seeing its growth and success, it decided to expand in other parts of India too, especially North India. This would involve huge expenditure for which the directors decided to issue ₹ 40,00,000, 12% Debentures of ₹ 100 each at par to be redeemed at 5% premium after 6 years. It has a balance of ₹ 60,000 in securities premium reserve. Answer the following questions on the basis of the above information.
- State the amount of application money received.
 - What amount will be debited to "Loss on Issue of Debentures Account"?
 - Pass necessary Journal entry for writing off "Loss on Issue of Debentures Account".

PART—B

Analysis of Financial Statements

27. Empire Innovations Private Limited paid ₹ 30,000 as installment for machinery purchased on credit which included interest of ₹ 5,000. How will this payment be presented while preparing cash flow statement?
- It will be shown as investing activity
 - It will be shown as financing activity
 - It will be shown as operating activity
 - Not to be present while preparing cash flow statement
28. What will be the value of shareholder's fund, if 12% debentures are ₹ 5,00,000 and debt-equity ratio is 2.5 : 1?
- | | |
|----------------|----------------|
| (a) ₹ 2,00,000 | (b) ₹ 4,00,000 |
| (c) ₹ 3,00,000 | (d) ₹ 5,00,000 |
29. A company issued capital. A shareholder paid all money on allotment while first call is not called by company. Where will you show this advance in balance sheet of the company?
- | | |
|-------------------------|-----------------------|
| (a) Long-term liability | (b) Current liability |
| (c) Current assets | (d) None of these |
- or
- Which of the following is not correct?
- Sale of fixed asset (book value ₹ 40,000) at a loss of ₹ 5,000 will increase debt-equity ratio.
 - Issue of new shares for cash will decrease debt-equity ratio.
 - Redemption of debentures for cash will decrease debt-equity ratio.
 - Declaration of final dividend will decrease debt-equity ratio.
- | | |
|------------------|---------------|
| (a) (i) and (ii) | (b) Only (i) |
| (c) (i) and (iv) | (d) Only (iv) |
30. If the net profits earned during the year are ₹ 50,000 and amount of debtors in the beginning and the end of the year are ₹ 10,000 and ₹ 20,000 respectively, then the cash from operating activities will be equal to _____
- | | |
|--------------|--------------|
| (a) ₹ 60,000 | (b) ₹ 50,000 |
| (c) ₹ 10,000 | (d) ₹ 40,000 |

or

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In the net profit is ₹ 35,000 after writing-off goodwill ₹ 6,000 and loss on sale of furniture ₹ 1,000, cash flow from operating activities will be

- (a) ₹ 42,000 (b) ₹ 35,000
(c) ₹ 28,000 (d) ₹ 29,000

31. The firm can make some year end changes to their financial statements, to improve their ratios. Then the ratios end up being nothing but window dressing.
Briefly explain the limitation of Ratio Analysis highlighted in the above situation. Also explain any two other limitations of Ratio Analysis apart from the identified above.

32. State any one importance and one limitation of financial statement analysis.

33. List two items each which are recorded under the following head in the Balance Sheet as per Schedule III of the Companies Act, 2013.

- (a) Short-term Provisions
(b) Other Current Liabilities
(c) Other Long-term Liabilities
(d) Long-term provisions

or

From the details given below, calculate Inventory Turnover Ratio and Operating Ratio:

	(₹)
Opening Inventory	28,000
Closing Inventory	22,000
Purchases	40,000
Revenue from Operations	80,000
Carriage Inwards	4,000
Employees' Benefit Expenses	4,000
Depreciation	2,000

34. From the following information of Bikanerwala Sweets, prepare a Cash Flow Statement:

Balance Sheet as at 31.03.2022

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital	1	1,35,000	1,30,000
(b) Reserves and Surplus	2	22,000	4,000
2. Non-Current Liabilities (10% Debentures)		25,000	21,000
3. Current Liabilities (Trade Payables)		12,500	8,500
Total		1,94,500	1,63,500
II. ASSETS			
1. Non-Current Assets :			
Property, Plant and Equipments and Intangible Assets:			
Property, Plant and Equipment : Tangible Fixed Assets (Net)		41,000	32,000
Intangible Assets (Goodwill)		8,000	10,500
Non-Current Investments		68,000	63,000
2. Current Assets :			
Current Investments		49,000	50,000

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Cash & Cash Equivalents		4,000	2,000
Other Current Assets		24,500	6,000
	Total	1,94,500	1,63,500

Notes to Accounts:

Particulars	31 March 2022 (₹)	31 March 2021 (₹)
1. Share Capital		
Equity shares of ₹ 10 each	1,35,000	1,30,000
2. Reserves and Surplus		
General Reserve	11,000	10,000
Surplus i.e. balance in Statement of Profit and Loss	11,000	(6,000)
	22,000	4,000

Additional information:

- (i) A machine costing ₹ 3,000 (depreciation provided thereon ₹ 400) was sold for ₹ 2,800. Depreciation charged, during the year was ₹ 4,400.
- (ii) Debentures were issued on 1st April, 2021.
- (iii) Interim dividend of ₹ 30,000 has been paid during the year.

□□□□□□

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Sample Paper 5
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Nisan Industries Limited issued 10,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable along with application. All the shares were applied and duly allotted. Amount at the time of application will be _____
(a) ₹ 1,00,000 (b) ₹ 1,20,000
(c) ₹ 1,10,000 (d) ₹ 1,30,000
2. Puneet and Lalit are partners in a firm. They share their profits and losses in the ratio of 3 : 2. They have decided that their new profits (losses) sharing ratio will be 1: 1. At that time their goodwill is valued at ₹ 30,000. Calculate amount of goodwill which will be given by Lalit to Puneet.
(a) ₹ 2,800 (b) ₹ 3,000
(c) ₹ 2,500 (d) ₹ 2,400
3. Assertion (A): Goodwill is treated as an intangible asset.
Reason (R): Goodwill cannot be seen or touched, it can only be felt.
Alternatives
(a) Assertion (A) is true, but Reason (R) is false
(b) Assertion (A) is false, but Reason (R) is true
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
4. (d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion
Pass journal entry for amount of ₹ 60,000 received on allotment of 14% debentures.
(a) 14% Debentures A/c Dr 60,000
To Bank A/c 60,000
(b) Bank A/c Dr 60,000
To Debentures Allotment A/c 60,000
(c) Debentures Allotment A/c Dr 60,000
To Bank A/c 60,000
(d) None of the above
(A)
5. _____ of a new partner results in reconstitution of the firm.
(a) Death (b) Change in Profit Sharing Ratio
(c) Admission (d) Retirement

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or

Decrease in liability at the time of retirement of partner is

- (a) credited to revaluation account (b) debited to goodwill account
(c) debited to revaluation account (d) Both (b) and (c)

6. Share of losses is transferred to _____ under fluctuating capital account method.

- (a) partners' current account (b) profit and loss account
(c) partners' capital account (d) None of these

or

Need of profit and loss adjustment account is for

- (a) charge against profits (b) rectification of errors or omissions
(c) appropriation of profits (d) None of these

7. A partner withdrew ₹ 2,000 at the beginning of each month from 1st June, 2019 till the end of the accounting year upto 31st March, 2020. Interest on drawings is 12% per annum. You are required to calculate the amount of interest.

- (a) ₹ 1,150 (b) ₹ 1,400
(c) ₹ 1,100 (d) ₹ 1,200

8. When debentures are issued at par and are redeemable at a premium, the loss on such an issues debited to

- (a) Debentures applications and allotment account (b) Loss on issue of debentures account
(c) Statement of profit and loss (d) All of the above

or

_____ days notice period is given to a defaulter on forfeiture.

- (a) 21 days (b) 28 days
(c) 7 days (d) 14 days

9. Jeet and Meet are partners sharing profits in the ratio of 3 : 1. They admit Abhijeet as a partner who pays ₹ 8,000 as goodwill, the new profit sharing ratio being 2 : 1 : 1 among Jeet, Meet and Abhijeet. The amount of goodwill will be credited to

- (a) Only Meet (b) Only Jeet
(c) Jeet and Meet as ₹ 1,500 and ₹ 2,000 (d) ₹ 4,000 each

10. Redox Software Limited purchased an asset of ₹ 7,00,000 from Amba Industries Limited on 1st April, 2020. ₹ 2,00,000 were paid immediately and the balance by issue of ₹ 5,25,000, 12% debentures. Pass the journal entry for payment made.

- | | | | |
|-------------------------------------|-----|----------|----------|
| (a) Amba Industries Limited | Dr. | 7,00,000 | |
| Discount on Issue of Debentures A/c | Dr. | 25,000 | |
| To 12% Debentures A/c | | | 5,25,000 |
| To Bank A/c | | | 2,00,000 |
| (b) Amba Industries Limited. A/c | Dr. | 7,25,000 | |
| To 12% Debentures A/c | | | 5,25,000 |
| To Bank A/c | | | 2,00,000 |
| (c) Amba Industries Limited | Dr. | 7,00,000 | |
| Discount on Issue of Debentures A/c | Dr. | 25,000 | |
| To 12% Debentures A/c | | | 7,25,000 |
| (d) None of the above | | | |

or

Birla Pipes & Fitting Limited forfeited 1,000 shares of ₹ 10 each, ₹ 7 called-up, issued at a premium of ₹

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14. A company forfeited 400 shares of ₹ 10 each on which application money of ₹ 3 has been paid. Out of these, 200 shares were reissued as fully paid up and ₹ 400 has been transferred to capital reserve. The rate at which these shares were reissued is _____
- (a) ₹ 11 per share (b) ₹ 8 per share
(c) ₹ 10 per share (d) ₹ 9 per share

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Ansh and Daksh are partners engaged in the business of running fast food corner, sharing profits equally. Apart from selling at their fast food point. They did home deliveries too. Their initial capital contribution was ₹ 1,50,000 and ₹ 1,00,000 respectively. Over the years, they have build a reputation by selling good quality products and maintaining the qualities all these years. During the financial year, their profit was ₹ 75,000. Normal rate of return on the business is 20%. Ansh and Daksh decided to calculate the goodwill of the firm for future purposes.

15. What is the capitalised value of business?
(a) ₹ 2,50,000 (b) ₹ 75,000
(c) ₹ 15,000 (d) ₹ 3,75,000
16. What is the normal profits of the business?
(a) ₹ 2,50,000 (b) ₹ 25,000
(c) ₹ 50,000 (d) ₹ 75,000
17. Anil, Sameer and Neeraj were partners in a firm sharing profits and losses in the ratio 5 : 3 : 2. They agreed to dissolve their partnership firm on 31st March 2021. Anil was deputed to realise the assets and pay the liabilities. He is entitled to a commission of ₹ 1,200 for his services. The Balance Sheet of the firm as on this date was:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/cs:		Plant and Machinery	30,000
Anil	37,550	Stock	5,500
Sameer	13,450	Investments	15,000
Investment Fluctuation Fund	4,500	Debtors	7,100
Bills Payable	3,700	Less: Provisions for Bad debts	(450)
Creditors	10,000	Cash	5,600
		Neeraj's Capital A/c	6,450
	69,200		69,200

Anil took over investments for ₹ 12,500. Stock and Debtors realised ₹ 11,500. Plant and machinery were sold to Vimal for ₹ 22,500 for cash. Unrecorded assets realised ₹ 1,500. Realisation Expenses paid amounted ₹ 800.

Pass necessary journal entries for the above transactions when all the assets (other than cash) and outsider's liabilities are transferred to Realisation A/c.

18. X, Y and Z are partners with their fixed capitals as ₹ 30,000, ₹ 20,000 and ₹ 10,000 respectively. According to the partnership deed, they are entitled to interest on capital @ 5% p.a.. Y is entitled to a salary of ₹ 800 per month. Z is entitled to a commission of 5% on the profits after charging interest on capital but before charging the salary payable to Y. The net profits for the year were ₹ 30,000 distributed in the ratio of capital without providing any of the above adjustments. The profits were to be shared in the ratio 5 : 3 : 2. Pass the necessary adjustment entry and show your working clearly.

or

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Nitin, Kabir and Suraj are partners sharing profits in the ratio of 3 : 2 : 1. Suraj decided to retire and after Suraj's retirement Nitin and Kabir decided to share profits and losses in the ratio of 1 : 3. At the time of Suraj's retirement, the goodwill of the firm is valued at ₹ 1,80,000. Pass necessary journal entries for the treatment of goodwill. General Reserve ₹ 21,000 and goodwill ₹ 24,000 appear in the balance sheet on Suraj's retirement.

19. Emkay Industries Limited took over assets of ₹ 16,00,000 and liabilities of ₹ 4,00,000 of Marudhar Packaging Limited for a purchase consideration of ₹ 13,00,000. The company issued 13,000, 8% debentures of ₹ 100 each at a discount of 4% in favour of Marudhar Packaging Limited and paid the balance amount by cheque for purchase consideration.
Pass necessary journal entries for the above transactions in the books of Emkay Industries Limited.

or

Solar Power Energies Limited decided to issue 10,00,000 equity shares of ₹ 10 each at a premium of 60% to finance the project. Applications were received for 17,00,000 shares. The company rejected 5,00,000 shares and made pro-rata allotment to the remaining applicants. The whole of share money payable on application. Pass necessary journal entries for recording the above transaction.

20. The average capital employed in a partnership business is ₹ 5,00,000 and the average net profit earned is ₹ 65,000. The normal rate of return on capital employed is 8% and employees remuneration of ₹ 20,000 is expected to be payable in the future. Compute the super profit of the firm and also compute the goodwill of the firm at 3 years' purchase of the super profits.
21. Pass necessary journal entries for issue of debentures for the following:
- SVF Services Limited issued 1,800, 9% debentures of ₹ 100 each at a discount of 10% redeemable at a premium of 5%.
 - Narayana Technologies Limited issued 20,000, 12% debentures of ₹ 10 each at a premium of 20% redeemable at a premium of 10%.
22. P, Q and R are partners in a firm sharing profits in the ratio 3 : 2 : 1. Their Balance Sheet as at 31st March 2022 stood at:

Liabilities		Amount (₹)	Assets	Amount (₹)
Creditors		2,80,000	Cash at Bank	1,45,000
General Reserve		30,000	Debtors	1,90,000
Workmen Compensation Reserve		60,000	Stock	1,75,000
Capital A/cs:			Investments	2,50,000
P	3,00,000		Buildings	3,10,000
Q	2,20,000			
R	1,80,000	7,00,000		
		10,70,000		10,70,000

Q died on 30th June 2022 and as per deed his executors are entitled to:

- Amount standing to the credit of his capital account and interest thereon @ 10% p.a.
- Share of profits for the intervening period will be based on the sales during that period and average of three year's profits earned in the past. Sales for the period were ₹ 12,00,000. The rate of profit during past three years had been 10% on sales.
- Share of goodwill and goodwill of the firm is valued at ₹ 4,32,000.

Pass necessary journal entries to transfer amount due to Q to his executor.

23. Alka Polymers Limited invited applications for issuing 1,00,000 equity shares of ₹ 10 each. The shares were issued at a premium of ₹ 20 per share and the amount was payable as follows:
- | | |
|------------------------------|--------------------------------------------|
| On Application and Allotment | ₹ 14 per share (including premium of ₹ 10) |
| On First call | ₹ 8 per share (including premium of ₹ 5) |
| On Final call | ₹ 8 per share (including premium of ₹ 5) |

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Applications were received for 96,000 shares. A shareholder holding 7,000 shares paid the full amount along with application and allotment. A Shareholder Ganesh holding 8,000 shares failed to pay both call money and Vikram holder of 5,000 shares failed to pay final call. The shares on which the dues were not paid were forfeited.

Pass the necessary journal entries for the above transactions by opening calls-in-advance and calls-in-arrears account.

or

Advance Technology Limited invited applications for 3,00,000 equity shares of ₹ 100 each. The amount was payable as follows:

On Application	₹ 30 per share
On Allotment	₹ 50 per share
On First Call	₹ 10 per share
On Final Call	₹ 10 per share

Applications were received for 6,00,000 shares and pro-rata allotment was made to the applicants of 5,00,000 shares in the following groups:

- Applicants of 2,00,000 shares were allotted 1,00,000 shares
- Applicants of 3,00,000 shares were allotted 2,00,000 shares

The excess amount received on application was adjusted towards amount due on allotment.

A shareholder holding 6,000 shares out of the group A failed to pay allotment and on his subsequent failure to pay first call his shares were forfeited. Another shareholder who applied for 18,000 shares from group B did not pay the first and final call. These shares were forfeited after final call.

Pass the necessary journal entries for the above transactions in the books of Advance Technology Limited.

24. Reena and Meena were partners sharing profits and losses in the ratio of 5:3. Their Balance Sheet as at 31st March, 2019 was as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	22,000	Cash in hand	12,000
Creditors	45,000	Cash at Bank	83,000
Workmen Compensation Fund	40,000	Debtors	82,000
General Reserve	70,000	Stock	66,000
Profit and Loss Account	20,000	Investments	60,000
Capital Account:		Furniture	75,000
Reena	3,20,000	Machinery	2,25,000
Meena	1,90,000	Goodwill	1,04,000
	7,07,000		7,07,000

On 1st April, 2019 they admitted Teena into the partnership firm for 1/4th share which she acquired from Reena and Meena in the ratio of 2:1 respectively. Other adjustments were as follows:

- The Goodwill of the firm is valued at ₹ 96,000 and Teena was unable to contribute her share of goodwill in cash.
- One customer who owed the firm ₹ 2,000 became insolvent and nothing could be realised from him.
- Create a provision of 5% for Doubtful Debts.
- 50% of the Investments were taken over by the old partners in their profit sharing ratio. Remaining Investments were valued at ₹ 35,000.
- Claim on Workmen Compensation was established at ₹ 16,000.
- One month salary of ₹ 16,000 was outstanding.
- Teena is to contribute ₹ 1,20,000 as capital.
- Capital accounts of the partners are to be re-adjusted on the basis of their profit sharing arrangement and any excess or deficiency is to be transferred to their Current Account.

Prepare Revaluation A/c, Partners' Capital Accounts and the Balance Sheet of the newly constituted firm.

or

Anjali, Sneha and Radha are partners sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as on 31st March, 2019 stood as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	20,000	Cash in hand	22,000
Bills Payable	10,000	Debtors	25,000
General Reserve	22,000	Less : Provision for doubtful debts	(3,000)
Capital A/c:		Stock	18,000
Anjali	70,000	Investments	30,000
Sneha	50,000	Furniture	20,000
Radha	40,000	Machinery	70,000
		Goodwill	30,000
	2,12,000		2,12,000

On the above date Sneha retired and the terms of retirement were:

- Sneha sells her share of goodwill to Anjali for ₹ 4,000 and to Radha ₹ 2,000.
- Stock to be appreciated by 20%.
- Provision for doubtful debts to be increased by 525.
- There is a liability for workmen's compensation for ₹ 1,500 and it was to be provided for.
- Investments were sold at a loss of 10%.
- Provision for a bill under discount of ₹ 2,000 was to be made.
- The continuing partners agreed to pay ₹ 20,000 in cash on retirement to Sneha to be contributed in their new profit sharing ratio. The balance to be treated as Loan.
- The total capital of the new firm is decided to be ₹ 1,50,000. Necessary adjustments to be made by opening Current Accounts.

Prepare Revaluation A/c, Partners' Capital Accounts and Balance Sheet of the new firm after Sneha's retirement.

25. Ronak, Arpit and Madhav are partners in a firm with capital contributions of ₹ 50,000, ₹ 40,000 and ₹ 30,000 respectively. Their partnership agreement provides for the following:

- Interest on capitals to be allowed @10% p.a.
- Interest on drawings to be charged @10% p.a.
- Arpit and Madhav are each to be paid salaries @ ₹ 500 per month.
- Ronak is to be paid a commission of 5% of the net profit.
- The remaining profits are to be divided as follows:

40% to Ronak, 30% to Arpit, 20% to Madhav and 10% carried to a Reserve Account. The net profit for the year ended 31.03.2022 was ₹ 50,000. Ronak withdrew ₹ 1,000 per month at the beginning of each month. Arpit withdrew ₹ 1,000 per month in the middle of each month and Madhav withdrew ₹ 1,000 per month at the end of each month. You are required to prepare the Profit & Loss Appropriation Account for the year ended 31.03.2022 only.

26. On 1st April, 2021, Wadia Industries Limited issued 40,000, 8% Debentures of ₹ 50 each at a discount of 6% redeemable at par after 4 year. The issue was fully subscribed. According to the term of issue, interest on the debentures is payable yearly on 31st March.

The company has a balance of ₹ 80,000 in Securities Premium Reserve Account.

On the basis of the above information, answer the following questions:

- What entry is passed for interest due on Debentures for the year ending 31st March 2022?
 - Dr. Debentureholders' A/c; Cr. Debenture Interest ₹ 1,60,000
 - Dr. Debenture Interest A/c; Cr. Debentureholders' A/c ₹ 1,60,000
 - Dr. Debenture Interest A/c; Cr. Debenture A/c ₹ 1,60,000
 - Dr. Debenture A/c; Cr. Debentureholders' A/c ₹ 1,60,000
- The entry passed for payment of interest on Debentures is:
 - Dr. Debentureholders' A/c; Cr. Debenture A/c ₹ 1,60,000
 - Dr. Debenture A/c; Cr. Bank A/c ₹ 1,60,000
 - Dr. Debentureholders' A/c; Cr. Debenture Interest A/c ₹ 1,60,000
 - Dr. Debentureholders' A/c; Cr. Bank A/c ₹ 1,60,000

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- III. What entry is passed for transferring debentures interest?
- (a) Dr. Securities Premium Reserve A/c; Cr. Debenture Interest A/c ₹ 1,60,000
 (b) Dr. Statement of Profit and Loss; Cr. Debenture Interest A/c ₹ 1,60,000
 (c) Dr. Debenture Interest A/c; Cr. Statement of Profit and Loss ₹ 1,60,000
 (d) Dr. Profit and Loss Appropriation A/c; Cr. Debenture Interest A/c ₹ 1,60,000
- IV. While preparing Discount on issue of Debenture A/c _____ amount will be debited.
- (a) ₹ 40,000 (b) ₹ 2,40,000
 (c) ₹ 80,000 (d) ₹ 1,20,000
- V. To write off discount on issue of debentures through Securities Premium Reserve A/c, following entry is passed.
- (a) Dr. Statement of Profit and Loss; Cr. Discount on Issue of Debenture A/c
 (b) Dr. Securities Premium Reserve A/c; Cr. Discount on Issue of Debenture A/c
 (c) Dr. Discount on Issue of Debenture A/c; Cr. Securities Premium Reserve A/c
 (d) Dr. Discount on Issue of Debenture A/c; Cr. Statement of Profit and Loss
- VI. The remaining amount of Discount on Issue of Debentures (₹40,000) will be written off through _____.
- (a) Debenture Redemption Reserve A/c (b) Statement of Profit and Loss
 (c) Capital Reserve (d) Profit on Sale of fixed Assets

PART—B

Analysis of Financial Statements

27. Non-cash transactions are ignored while preparing a cash flow statement because
- (a) cash is not involved in non-cash transactions
 (b) it shows flow of cash and cash equivalents
 (c) Both (a) and (b)
 (d) None of the above

or

Provision for tax is _____ to net profit in operating activities.

- (a) deducted (b) added
 (c) no treatment (d) None of these

28. Match the following activities of a manufacturing concern as under cash flow statement:

(i)	Purchase of software	(1)	Operating Activities
(ii)	Payment of interest on debentures	(2)	Financing Activities
(iii)	Purchase of stock-in-trade	(3)	Investing Activities

- (a) (i)-3, (ii)-4, (iii)-2 (b) (i)-3, (ii)-2, (iii)-1
 (c) (i)-2, (ii)-3, (iii)-1 (d) (i)-1, (ii)-2, (iii)-3

29. Which of the following transactions will improve the quick ratio?
- (a) Cash collected from debtors ₹ 15,000
 (b) Sale of goods (costing ₹ 10,000) for ₹ 30,000
 (c) Purchase of inventory for cash amounted to ₹ 20,000
 (d) None of the above

or

Calculate revenue from operations, if sales are ₹ 1,04,00,000; sales return is ₹ 4,00,000; sale of scrap for ₹ 50,000; dividend received ₹ 20,000 and interest on fixed deposit amounted to ₹ 60,000.

- (a) ₹ 1,00,80,000 (b) ₹ 1,00,50,000
 (c) ₹ 1,00,00,000 (d) ₹ 1,01,30,000

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30. A company reported the following information for the past year
- | | |
|---------------------------------|-------------|
| Net profit | ₹ 22,00,000 |
| Depreciation expenses | ₹ 30,000 |
| Gain on sale of truck | ₹ 5,000 |
| Proceeds from sale of truck | ₹ 8,000 |
| Decrease in accounts receivable | ₹ 10,000 |
- What amount will the company report as the cash provided by operating activities in the cash flow statement?
- (a) ₹ 2,30,000 (b) ₹ 2,20,000
(c) ₹ 2,35,000 (d) ₹ 2,25,000

31. Under which major headings and subheadings will the following items be shown in the Balance Sheet of a company as per Schedule III Part I of the Companies Act 2013?
- (a) Capital Reserve (b) Calls-in-arrears
(c) Accrued incomes (d) Calls-in-advance
(e) Trade Marks (f) Provision for Tax

32. (a) Distinguish between Intra-firm Analysis and Inter-firm Analysis.
(b) From the following information, determine opening inventory and closing inventory:
- Inventory Turnover Ratio = 5 times
Revenue from operations = ₹ 29,25,000
Gross Profit on cost = 30%
Closing Stock = ₹ 40,000 more than the opening inventory

or

- (a) Bright International Limited has Current Liabilities of ₹ 90,000. After purchasing stock-in-trade of ₹ 10,000 on credit, its current ratio become 2 : 1. Determine the size of current assets and working capital after and before the acquisition of inventories.
(b) Interpret a too high Trade Receivable Turnover ratio.

33. List two items each which are recorded under the following head in the Balance Sheet as per Schedule III of the Companies Act, 2013.
- (a) Short-term Provisions
(b) Other Current Liabilities
(c) Other Long-term Liabilities
(d) Long-term provisions

or

From the details given below, calculate Inventory Turnover Ratio and Operating Ratio:

	(₹)
Opening Inventory	28,000
Closing Inventory	22,000
Purchases	40,000
Revenue from Operations	80,000
Carriage Inwards	4,000
Employees' Benefit Expenses	4,000
Depreciation	2,000

34. From the following Balance Sheet of Dhanuka Industries Limited as at 31.03.2022 and 31.03.2021, prepare a Cash Flow Statement.

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital		6,50,000	5,00,000
(b) Reserves and Surplus	1	1,70,000	80,000

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2. Non-Current Liabilities:			
(a) Long-term Borrowing	2	4,50,000	3,00,000
3. Current Liabilities:			
(a) Trade Payables		1,00,000	1,20,000
(b) Short-term Provisions	3	2,20,000	1,80,000
	Total	15,90,000	11,80,000
II. ASSETS			
1. Non-current Assets:			
Property, Plant and Equipments and Intangible Assets:			
(i) Property, Plant and Equipments: Tangible Assets		5,45,000	3,75,000
(ii) Intangible Assets: Patents		2,20,000	1,80,000
2. Non-current Investments		5,00,000	4,00,000
3. Current Assets:			
(a) Current Investments		30,000	60,000
(b) Trade Receivables		60,000	40,000
(c) Inventories		65,000	25,000
(d) Cash & Cash Equivalents		1,70,000	1,00,000
	Total	15,90,000	11,80,000

Notes to Accounts:

Particulars	31 st March 2022 (₹)	31 st March 2021 (₹)
1. Reserves and Surplus:		
Surplus in Statement of Profit and Loss	1,70,000	80,000
	1,70,000	80,000
2. Long-term Borrowings:		
6% Debentures	4,50,000	3,00,000
	4,50,000	3,00,000
3. Short-term Provisions:		
Provision for Tax	2,20,000	1,80,000
	2,20,000	1,80,000

Additional Information:

- (a) During the year, equipment costing ₹ 5,00,000 was purchased. Loss on sale of equipment amounted to ₹ 60,000. Depreciation charged on them was ₹ 90,000.
- (b) Patents purchased during the year for ₹ 90,000.
- (c) Proposed Dividend as on 31st March 2021 and 2022 amounted to ₹ 26,000 and ₹ 30,000 respectively.

□□□□□□

Sample Paper 6
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

Part A
(Accounting for Partnership Firm and Companies)

1. Which of the following shares confer voting rights on its holders ?
(a) Redeemable preference (b) Participatory preference
(c) Equity (d) None of these

2. Krish, Laksh and Jay are partners with capitals' ₹ 1,00,000, ₹ 75,000 and ₹ 50,000 respectively. On Jay's retirement, his share is acquired by Krish and Laksh in ratio of 5 : 3. Gaining ratio will be
(a) 2 : 2 (b) 5 : 3
(c) 3 : 2 (d) None of these

3. Which of the following is not correct in relation to right of a partner?
(i) Right to inspect the books of the firm
(ii) Right to take part in the affairs of the company
(iii) Right to share the profits/losses of the firm
(iv) Right to receive salary at the end of each month
(a) Only (iv) (b) Only (i)
(c) (i) and (ii) (d) (i) and (iv)

4. Interest allowed by the company on the amount of calls-in-advance is _____.
(a) 6% p.a. (b) 8% p.a.
(c) 15% p.a. (d) 12% p.a.

5. Assertion (A): A charitable dispensary run by 10 members is deemed to be a partnership firm.
Reason (R): For a partnership business, there must be a business and there must be sharing of profits among the partners from such business.
Alternatives
(a) Assertion (A) is true, but Reason (R) is false
(b) Assertion (A) is false, but Reason (R) is true
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

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6. At the time of retirement of Kamlesh, value of stock is given ₹ 60,000 in the balance sheet of the firm. Pass a journal entry when found stock is undervalued by ₹ 15,000.
- (a) Stock A/c Dr 45,000
To Revaluation A/c 45,000
- (b) Revaluation A/c Dr 45,000
To Stock A/c 45,000
- (c) Revaluation A/c Dr 15,000
To Stock A/c 15,000
- (d) Stock A/c Dr 15,000
To Revaluation A/c 15,000

7. Naksh and Daksh are partners in a firm sharing profits in the ratio of 3 : 2. An extract of their Balance Sheet is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
		Investments	40,000

If half of the investments are taken over by Naksh and Daksh in their profit sharing ratio at book value, what amount of investments will be shown in revised balance sheet?

- (a) ₹ 10,000 (b) ₹ 80,000
(c) ₹ 40,000 (d) ₹ 20,000
8. Kiya RO Water Limited is registered with a capital of 1,00,000 equity shares of ₹ 10 each. 60,000 equity shares were offered for subscription to public. Applications were received for 60,000 shares. All calls were made and amount was duly received except final call of ₹ 2 on 8,000 shares. What will be the amount of share capital shown in the balance sheet?
- (a) ₹ 58,400 (b) ₹ 60,000
(c) ₹ 6,00,000 (d) ₹ 5,84,000

or

Future Group Limited has in its Memorandum of Association, capital clause stating that it is formed with 7,500 equity shares of ₹ 100 each. The company has issued the entire shares and the public has also subscribed and paid up for the full amount on application itself. What will be the subscribed capital?

- (a) ₹ 10,000 (b) ₹ 75,000
(c) ₹ 7,50,000 (d) ₹ 1,00,000
9. Joya, Liya and Tiya are partners sharing profits equally. Joya drew regularly ₹ 2,000 in the beginning of every month for the six months ended 30th September, 2020. Calculate interest on Joya's drawings @ 5% p.a.
- (a) ₹ 175 (b) ₹ 350
(c) ₹ 100 (d) ₹ 600

or

Neeraj, Dheeraj and Sourabh are partners sharing profits in the ratio of 5 : 3 : 2. They have admitted Nitin into the partnership for 1/6th share. Investment Fluctuation Fund appears in the balance at ₹ 13,500 and Investment (cost) at ₹ 1,50,000 . If the market value of investments is ₹ 1,45,000.

Investment Fluctuation Fund will be shown at _____.

- (a) ₹ 5,000 (b) ₹ 6,500
(c) ₹ 13,500 (d) ₹ 10,000
10. Ishan is a partner of Jiyan firm with a fixed capital of ₹ 9,00,000. He withdrew ₹ 60,000 during financial year 2021-22. What will be the journal entry?
- (a) Drawings A/c Dr 60,000
To Ishan's Capital A/c 60,000
- (b) Ishan's Current A/c Dr 60,000
To Drawings A/c 60,000

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(c) Ishan's Capital A/c	Dr 60,000	
To Drawings A/c		60,000
(d) Drawings A/c	Dr 60,000	
To Ishan's Current A/c		60,000

11. Somani Wheels Limited called first call money of ₹ 3 per share on its 50,000 shares. A shareholder holding 2,750 shares failed to pay the amount. How much amount will be due on first call?
- (a) ₹ 1,50,000 (b) ₹ 1,47,750
(c) ₹ 1,41,750 (d) ₹ 1,57,000

or

The following journal entry is appeared in Neelkamal Private Limited.

Bank A/c	Dr 2,00,000	
Loss on Issue of Debentures A/c	Dr 1,00,000	
To 12% Debentures		2,50,000
To Premium on Redemption		50,000

Debentures are issued at a discount of

- (a) 15% (b) 20%
(c) 5% (d) 10%

12. Tarun and Arun are partners sharing profits in the ratio of 10 : 2. Ankit is admitted and the new profit sharing ratio is now 10 : 6 : 4. At the date of admission, general reserve appears in the books at ₹ 48,000. Arun's share in the reserve will be
- (a) ₹ 40,000 (b) ₹ 14,400
(c) ₹ 8,000 (d) None of these

or

If a partner withdraws equal amount at the end of each quarter, then _____ months are to be considered for interest on total drawings.

- (a) 4.5 (b) 7.5
(c) 5.5 (d) 6

13. Rudra, Sachin and Sahil are partners in a firm sharing profits in the ratio of 5 : 3 : 2. As per partnership deed, Sahil is to get a minimum amount of ₹ 1,000 as profit. Net profit for the year is ₹ 4,000. Calculate deficiency (if any) to Sahil.
- (a) ₹ 200 (b) ₹ 150
(c) ₹ 75 (d) None of these

or

Shaan and Sajan are partners sharing profits in the ratio of 5 : 1. Riyan is admitted and the new profit sharing ratio is now 5 : 3 : 2. Upon admission, general reserve appears in the books at ₹ 48,000. Sajan's share in the reserve will be _____.

- (a) ₹ 40,000 (b) ₹ 14,400
(c) ₹ 8,000 (d) None of these

14. Hindustan Industries Limited purchased the assets from Bharat Electronics Limited for ₹ 16,20,000. Hindustan Industries Limited issued 10% debentures of ₹ 10 each at 10% discount against the payment. The number of debentures issued by Hindustan Industries Limited will be
- (a) 1,80,000 (b) 1,62,000
(c) 16,200 (d) 18,000

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Divya, Aanya and Jaya are partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. As per the terms of partnership deed, on the death of any partner, goodwill was to be valued at 50% of the net profits credited to that partner's capital account during the last three completed years before her death. Divya died on 28th February, 2022.

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The profits for the last five years were 2017 – ₹ 60,000, 2018 – ₹ 97,000, 2019 – ₹ 1,05,000, 2020 – ₹ 30,000 and 2021 – ₹ 84,000.

On the date of Divya's death, building was found undervalued by ₹ 80,000, which was to be considered. Calculate amount of Divya's share of goodwill in the firm and complete the following journal entries. The new profit sharing ratio between Aanya and Jaya will be equal.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Building A/c Dr.		.....
	To Revaluation A/c			.....
	(Being the increase in value of building brought into account)			
	Revaluation A/c Dr.		.....
	To Divya's Capital A/c			.....
	To Aanya's Capital A/c			.....
	To Jaya's Capital A/c			.....
	(Being the transfer of profit on revaluation to partners' capital account in their old profit sharing ratio)			
	Aanya's Capital A/c Dr.			
	Jaya's Capital A/c Dr.		.....
	To Divya's Capital A/c			.....
	(Being Divya's share of goodwill adjusted in the capital accounts of gaining partners in their gaining ratio. i.e. 1 : 3)			

15. Jaya's share in revaluation profit/loss will be _____.
- (a) ₹ 30,000 (b) ₹ 10,000
(c) ₹ 40,000 (d) Nil
16. Divya's share of goodwill will be _____.
- (a) ₹ 54,750 (b) ₹ 41,062
(c) ₹ 13,688 (d) Nil
17. Shree Paper Industries Limited issued 5,000 shares of ₹ 10 each credited as fully paid to the promoters for their services and issued 4,000 shares of ₹ 10 each credited as fully paid to the underwriters for their underwriting services. Journalise these transactions.
- or
- Monark Enterprises Limited issued 2,000, 10% debentures of ₹ 100 each, at a premium of ₹ 10 per debenture payable as follows: On application ₹ 50 ; on allotment ₹ 60. The debentures were fully subscribed and all money was duly received. Record the journal entries in the books of company.
18. Camila, Sophia and Ella are partners sharing profits and losses in the ratio of 5 : 3 : 2 respectively. On 31st March, 2021 their balance sheet was as under

Balance Sheet

as at 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	1,10,000	Goodwill	50,000
Reserve Fund	60,000	Buildings	2,00,000
Capital A/cs		Patents	60,000

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Camila	3,00,000		Machinery	3,00,000
Sophia	2,50,000		Stock	1,00,000
Ella	1,50,000	7,00,000	Debtors	80,000
			Cash	80,000
		8,70,000		8,70,000

Ella retires on the above date. Goodwill of the firm valued at ₹ 2,50,000.

Record the necessary journal entries on Ella's retirement, assuming that goodwill is to be adjusted through partner's capital accounts.

or

Dhavan and Bhuvan were partners sharing profits in 3 : 2 ratio. Their balance sheet on 31st March, 2021 was as follows

Balance Sheet
as at 31st March, 2021

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/cs			Cash		7,500
Dhavan	1,37,500		Sundry Debtors		30,000
Bhuvan	75,000	2,12,500	Stock		50,000
Creditors		37,500	Land and Building		1,00,000
			Plant and Machinery		62,500
		2,50,000			2,50,000

They admitted Tarun as partner on the following terms

- (i) Tarun is to bring ₹ 62,500 as capital.
- (ii) They will share future profits in 2 : 2 : 1 ratio.
- (iii) Assets and liabilities are revalued as

Land and building at ₹ 1,25,000, depreciate plant and machinery @10% per annum, provision for doubtful debts ₹ 2,500, stock at ₹ 45,000, ₹ 2,500 be reserved for bills discounted.

Show memorandum revaluation account.

19. Sunil, Aadil and Mona are partners having fixed capitals of ₹ 2,00,000, ₹ 1,60,000 and ₹ 1,20,000 respectively. They share profits in the ratio of 3 : 1 : 1. The partnership deed provided for the following which were not recorded in the books.

- (i) Interest on capital @ 5% per annum.
- (ii) Salary to Sunil ₹ 1,500 per month and to Mona ₹ 1,000 per month.
- (iii) Transfer of profit to general reserve ₹ 10,000. Net profit for the year ended 31st March, 2022 was ₹ 1,00,000.

Pass necessary rectifying entry for the above adjustments in the books of the firm. Also show your workings clearly.

20. Rajesh and Dinesh are two partners in a firm sharing profit and losses in the ratio of 3 : 2. At the time of distributing the net profit between the partners, interest on capital was credited @18% instead of 8% wrongly. Now, pass an adjusting journal entry to correct this error. Partners' capitals are given on 1st April, 2021 as ₹ 5,00,000 and ₹ 3,00,000 respectively. Profit on 31st March, 2022 is ₹ 2,00,000.

21. Hindustan Motor Limited issued 10,000 equity shares of ₹ 10 each payable at ₹ 2.50 on application, ₹ 3 on allotment, ₹ 2 on first call and the balance of ₹ 2.50 on the final call. All the shares were fully subscribed and paid except of a shareholder having 100 shares who could not pay for the final call. Give journal entries to record these transactions.

22. Lavina, Taniya and Soniya were partners in a firm sharing profits and losses in the ratio of 3 : 1 : 1. On 1st April, 2022, their balance sheet stood as under

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Balance Sheet
as at 1st April, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
General Reserve	25,000	Land and Building	1,50,000
Profit and Loss A/c	35,000	Machinery	50,000
Machinery Replacement Fund	17,000	Machinery Replacement Fund	17,000
Investments Fluctuation Reserve	20,000	Investments	10,000
Workmen's Compensation Reserve	23,000	Furniture	30,000
Employees's Provident Fund	30,000	Investments (Market value ₹ 28,000)	1,18,000
Creditors	1,00,000	Current Assets	25,000
Capital A/cs		Advertisement Expenditure (Deferred revenue)	
Lavina	1,00,000		
Taniya	30,000		
Soniya	20,000		
	1,50,000		
	4,00,000		4,00,000

They admitted Monika into partnership for 1/5th share of profits on the above date. A claim on account of workmen's compensation is estimated at ₹ 13,000 only. Give the necessary journal entries to adjust the accumulated profits and losses.

23. Ruchi Enterprises Limited issued 5,000, 9% debentures of ₹ 100 each at par for cash which are redeemable at 10% premium and also raised a loan of ₹ 80,000 from America Bank, for which the company placed with the bank ₹ 1,00,000, 9% debentures as collateral security.

As per the terms, the bank is obliged and bound to immediately release the debentures, as soon as the loan is repaid. How will you show the debentures in the balance sheet of the company assuming that the company has recorded the issue of debentures as collateral in the books?

Also pass the journal entries.

24. Tilak, Yogesh and Rahim were equal partners. Their balance sheet as at 31st March, 2021 was

Balance Sheet
as at 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	10,000	Bank	10,000
Sundry Creditors	20,000	Stock	10,000
General Reserve	15,000	Furniture and Fixtures	14,000
Profit and Loss A/c	3,000	Sundry Debtors	22,500
Capital A/cs		(-) Provision for Doubtful Debts	(2,500)
Tilak	30,000	Buildings	60,000
Yogesh	20,000		
Rahim	16,000		
	66,000		
	1,14,000		1,14,000

Yogesh retired on 1st April, 2021. Tilak and Rahim decided to continue the business as equal partners on the following terms

- (i) Goodwill of the firm was valued at ₹ 28,800.

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26. Aarav and Sourav were partners from 1st April, 2017 with capitals of ₹ 1,20,000 and ₹ 80,000 respectively. They shared profits in the ratio of 3 : 2. They carried on business for two years. In the first year ended 31st March, 2018, they earned a profit of ₹ 1,00,000 but in the second year ended 31st March, 2019, a loss of ₹ 40,000 was incurred. As the business was no longer profitable, they dissolved the firm on 31st March, 2019. Their balance sheet is as follows

Balance Sheet
as at 31st March, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	40,000	Sundry Assets	2,36,000
Capital A/cs			
Aarav	1,24,000		
Sourav	72,000		
	2,36,000		2,36,000

Sundry assets realised ₹ 2,00,000 and realisation expenses were ₹ 6,000.

You are required to prepare realisation account, partner's capital account and cash account.

Part B (Financial Statement Analysis)

27. Which of the following is not an financing cash flow?
- Dividend paid on equity shares amounting to ₹ 24,000
 - Purchase of investment for ₹ 40,000 cash
 - Issue of debentures for ₹ 75,000 cash
 - Both (a) and (b)
28. Which of the following is a non-operating income?
- Revenue from sale in a trading concern
 - Profit on the sale of used plant in manufacturing company
 - Dividend received by an investment company
 - Premium received by an insurance company
- or
- Which of the following is highly liquid investment?
- Cash equivalent
 - Short-term investment
 - Cash convertible investment
 - None of these
29. From the following information, you are required to calculate 'cost of material consumed. Opening inventory of materials ₹ 30,00,000; Opening stock-in-trade ₹ 8,00,000; Material purchased ₹ 1,00,00,000; Purchase of stock-in trade ₹ 60,00,000; Closing inventory of material ₹ 10,00,000 and Closing inventory of stock ₹ 6,00,000.
- ₹ 1,20,00,000
 - ₹ 90,00,000
 - ₹ 48,00,000
 - None of these
- or
- Gross profit of a firm is ₹ 9,00,000 and revenue from operations ₹ 27,00,000. What will be the gross profit ratio?
- 33.3%
 - 33%
 - 34%
 - 38%

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30.

Balance Sheet (Extract)

Liabilities	Amount (₹)	Assets	Amount (₹)
Borrowings: 10% Debentures	6,00,000	Inventories	4,80,000
Trade Payables	9,36,000	Trade Receivables	3,60,000
Short-term Provisions	24,000	Cash and Cash Equivalents	91,200

Additional Information

50% of the debentures are repaid by issuing shares amounting to ₹ 3,00,000.

Based on the above information, the liquid ratio for the company will be _____.

- (a) 2 : 1 (b) 1 : 2
(c) 1 : 1 (d) 0.47 : 1

31. Current ratio of a company is 2 : 1 and quick ratio is 1 : 1. If value of inventory is ₹ 10,000 and prepaid insurance is ₹ 5,000, then calculate the value of current assets, current liabilities and liquid assets.
32. Name any three items that can be disclosed under non-current investments.
33. Calculate value of opening stock and closing stock from the following information
Sales ₹ 5,00,000, Gross profit is 20% of net sales, Return inward is ₹ 20,000, Return outward is ₹ 50,000, Purchases ₹ 2,50,000 and Opening stock is 2 times of the closing stock.

or

From the following information, calculate debt to capital employed ratio

Particulars	Note No.	Amount (₹)
I. EQUITY AND LIABILITIES		
1. Shareholder's Funds :		
(i) Share Capital		4,00,000
(ii) Reserves and Surplus		1,00,000
2. Non-Current Liabilities		
Long Term Borrowing		1,50,000
3. Current Liabilities:		
		50,000
Total		7,00,000
II. ASSETS		
1. Non-Current Assets :		
(i) Fixed Assets		4,00,000
(ii) Non-current Investments		1,00,000
2. Current Assets		
		2,00,000
Total		7,00,000

34. From the following, calculate the net cash flow from operating activities

Particulars	Note No.	31 March 2021 (₹)	31 March 2020 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(i) Share Capital	1	1,87,500	1,87,500

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(ii) Reserves and Surplus	2	77,500	(5,000)
2. Non-Current Liabilities (8% Debentures)		65,000	37,500
3. Current Liabilities:			
(i) Short-term Borrowings		10,000	12,500
(ii) Trade Payables		30,000	27,500
(iii) Short-term Provisions		12,500	10,000
Total		3,82,500	2,70,000
II. ASSETS			
1. Non-Current Assets:			
(i) Tangible Fixed Assets (Net)		2,15,000	1,55,000
(ii) Intangible Assets		3,750	10,000
(iii) Non-current Investments		31,250	20,000
2. Current Assets			
(i) Current Investments		1,250	3,750
(ii) Inventories		48,750	25,000
(iii) Trade Receivables		50,000	50,000
(iv) Cash and Cash Equivalents		32,500	6,250
Total		3,82,500	2,70,000

Notes to Accounts:

Particulars	2021 (₹)	2020 (₹)
1. Share Capital		
Equity Share Capital	1,37,500	1,12,500
5% Preference Share Capital	50,000	75,000
	1,87,500	1,87,500
2. Reserves and Surplus		
General Reserve	37,500	30,000
Statement of Profit and Loss	37,500	(35,000)
Securities Premium Reserve	2,500	—
	77,500	(5,000)
3. Short-term Borrowings		
8% Bank Loan	10,000	12,500
4. Short-term Provisions		
Provision for Tax	12,500	10,000
5. Intangible Assets		
Goodwill	3,750	10,000

Additional Information

During the year, a piece of machinery costing ₹ 15,000 on which depreciation charged was ₹ 5,000 was sold for ₹ 5,000. Depreciation provided on fixed assets ₹ 15,000. Dividend on equity shares @ 8% was paid on opening balance.

Income tax ₹ 11,250 was provided. Additional debentures were issued at par on 1st October, 2019 and bank loan was repaid on the same date. At the end of the year, preference shares were redeemed at a premium of 5%.

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Sample Paper 7
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. A Debenture of ₹ 100 each, issued at ₹ 40 premium, to be redeemed at half of the premium received on issue, out of which ₹ 70 (including ₹ 10 premium) was called up and paid up. The uncalled Capital will be _____.
(a) ₹ 40
(b) ₹ 30
(c) ₹ 80
(d) ₹ 20

or

_____ can be issued at discount but _____ cannot be issued at discount except Sweat Equity Shares.
(a) Loan, Shares
(b) Debentures, Shares
(c) Debentures, Bonds
(d) Shares, Debentures
2. Asha and Nisha are partner's sharing profits in the ratio of 2:1. Kashish was admitted for 1/4 share of which 1/8 was gifted by Asha. The remaining was contributed by Nisha. Goodwill of the firm is valued at ₹ 40,000. How much amount for goodwill will be credited to Nisha's Capital account?
(a) ₹ 20,000
(b) ₹ 2,500
(c) ₹ 40,000
(d) ₹ 5,000

or

On reconstitution of a firm, any deferred revenue expenditure appearing in the Balance Sheet is:
(a) Realised in Cash
(b) Debited to Revaluation A/c
(c) Debited to Partners' Capital A/cs in old ratio
(d) Credited to Partners' Capital A/cs in new ratio
3. At the time of admission of Sunder, a new partner, Land appearing in the book at ₹ 2,70,000 which was found undervalued by 10%. Entry will be:
(a) Dr. Revaluation A/c and Cr. Land A/c by ₹ 27,000
(b) Dr. Land A/c and Cr. Revaluation A/c by ₹ 30,000
(c) Dr. Revaluation A/c and Cr. Land A/c by ₹ 30,000
(d) Dr. Land A/c and Cr. Revaluation A/c by ₹ 27,000

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4. Out of the following which one is not a mode of Dissolution by order of Court:
- A partner is found guilty of misconduct.
 - A partner becomes a person of unsound mind.
 - When business of the firm becomes unlawful.
 - The business of firm cannot be carried on except at a loss.
5. ABN India Private Limited decided to issue 50,000 Equity shares. It gave its directors and employees right to buy 10,000 of the above shares. The type of issue is:
- Private Placement
 - Rights Issue
 - Public Issue
 - ESOP
6. Rajesh and Ramesh are sharing profit and losses in the ratio 4:3. They agreed to share profits in the ratio 3:2 in future. Which statement is correct in this regard?
- A gained $\frac{2}{35}$ th share and B sacrificed $\frac{2}{35}$ th share of profit.
 - A sacrificed $\frac{1}{35}$ th share and B gained $\frac{1}{35}$ th share of profit.
 - A and B sacrificed $\frac{1}{35}$ th of their share of profit.
 - A gained $\frac{1}{35}$ th share and B sacrificed $\frac{1}{35}$ th share of profit.
7. Newskart Information Limited issued 40,000, 10% Debentures of ₹ 100 each at certain rate of discount and were to be redeemed at Par. Securities Premium of ₹ 1,50,000 and Current year profit of ₹ 50,000 were used to write off Discount on Issue of Debentures. What is the rate of issue per debenture ?
- 95%
 - 5%
 - 6%
 - 10%
- or
- Ecom Logistics Limited issued 40,000, 11% Debentures of ₹ 100 each at 10% premium and to be redeemed at a certain rate of premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹ 2,00,000. At what rate of premium, these debentures are redeemed?
- 5%
 - 15%
 - 11%
 - 10%
8. Assertion (A): When a new partner is admitted, partnership firm remains continuous. The old partnership comes to an end and a new partnership agreement comes into existence.
Reason (R): At the time of admission of a partner, the partnership firm dissolves.
- Both (A) and (R) are incorrect.
 - (A) is correct but (R) is wrong.
 - Both (A) and (R) are correct, and (R) is the correct explanation of (A).
 - Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
9. A, B and C are partners sharing profits in the ratio 5:3:2. As per the new agreement, A agreed to give $\frac{1}{2}$ of his share to B and C in the ratio 3:2. The new profit sharing ratio will be:
- 6 : 3 : 3
 - 5 : 9 : 6
 - 3 : 2 : 1
 - None of these

or

Anita and Aliya are partners in a firm. They admit Anandi as a new partner for $\frac{1}{4}$ th share. They have a General Reserve of ₹ 20,000 which they want to continue in the books. The journal entry on Anandi's admission will be:

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
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(a)	Anandi's Capital A/c	Dr.	5,000	
	To Anita's Capital A/c			2,500
	To Aliya's Capital A/c			2,500
(b)	Anita's Capital A/c	Dr.	2,500	
	Aliya's Capital A/c	Dr.	2,500	
	To Anandi's Capital A/c			5,000
(c)	General Reserve A/c	Dr.	20,000	
	To Anita's Capital A/c			10,000
	To Aliya's Capital A/c			10,000
(d)	General Reserve A/c	Dr.	20,000	
	To Anita's Capital A/c			7,500
	To Aliya's Capital A/c			7,500
	To Anandi's Capital A/c			5,000

10. Harish and Ritesh are equal partners in a firm with capitals of ₹ 3,00,000 and ₹ 2,00,000 respectively. As per the deed, interest on capital @ 10% p.a. is allowed to the partners. During the year firm earned a profit of ₹ 25,000.

The profit will be appropriated to the partners as:

- (a) ₹ 30,000 and ₹ 20,000
 (b) ₹ 15,000, and ₹ 10,000
 (c) ₹ 12,500 each
 (d) None of these

or

Which of the following is distributed among partners on reconstitution of partnership firm?

- (a) Taxation Reserve
 (b) Provident fund
 (c) Provision for doubtful debts
 (d) Employees
11. A and B are partners in a firm. The net divisible profit as per Profit and Loss Appropriation A/c is ₹ 2,50,000. The total interest on partner's drawings were ₹ 4,000. A is entitled to a salary of ₹ 4,000 per quarter and B ₹ 40,000 per annum. The net profit/loss earned during the year as:
- (a) ₹ 2,10,000
 (b) ₹ 2,90,000
 (c) ₹ 3,08,000
 (d) ₹ 3,02,000

12. Raman, Tapan and Naman are partners in a firm with profit sharing ratio 3 : 2 : 1 respectively. The extract of their Balance Sheet is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
Workmen Compensation Reserve	48,000		

At the time of retirement of Naman, if liability for workmen compensation to the extent of ₹ 24,000 is to be created, then at what amount will workmen compensation reserve be shown in new balance sheet?

- (a) ₹ 56,000
 (b) ₹ 24,000
 (c) ₹ 52,000
 (d) Not to be shown in new balance sheet

or

Mukesh and Rakesh are partners in a firm sharing profits and losses in the ratio of 5 : 1.

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An Extract of Balance Sheet

Liabilities	Amount (₹)	Assets	Amount (₹)
		Machinery	4,000

If value of machinery in the balance sheet is undervalued by 20%, then at what value will machinery be shown in new balance sheet?

- (a) ₹ 3,200
 (b) ₹ 5,000
 (c) ₹ 4,400
 (d) ₹ 4,800
13. Out of 8,000 shares of ₹ 10 each issued by X Ltd. to public, a holder of 300 shares did not pay the allotment money @ ₹ 5 each and another shareholder of 800 shares did not pay first and final call money of ₹ 2 each. The company forfeited shares of both these shareholders. The amount to be credited to share forfeiture is:
- (a) ₹ 7,300
 (b) ₹ 6,300
 (c) ₹ 7,200
 (d) ₹ 5,800
14. Paper and Pen are partners. Paper draws a fixed amount at the beginning of every month. Interest on drawings is charged @6 % p.a. At the end of the year 31 March 2022 interest on Paper's drawings amounts to ₹ 1,560. Monthly drawings of Paper were:
- (a) ₹ 7,000
 (b) ₹ 4,000
 (c) ₹ 8,000
 (d) ₹ 60,000

or

Vishu, a partner withdrew ₹ 4,000 at the end of each quarter and interest on drawings was calculated as ₹ 360 at the end of accounting year 31 March 2022. What is the rate of interest on drawings charged?

- (a) 10% p.a.
 (b) 12% p.a.
 (c) 6% p.a.
 (d) 8% p.a.

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Amex Export Limited was incorporated on 1st April, 2020 with registered office in Jaipur. The capital clause of memorandum of association reflected a registered capital of ₹ 2,00,000 equity shares of ₹ 10 each and 25,000 preference shares of ₹ 50 each.

Since some large investments were required for building and machinery, the company in consultation with vendors, M/s Sultan International Limited issued 25,000 equity shares and 5,000 preference shares at par to them in full consideration of assets acquired. Besides this the company issued 50,000 equity shares for cash at par payable as 3 on application, ₹ 2 on allotment, ₹ 3 on first call and ₹ 2 on second call.

Till date, second call has not yet been made and all the shareholders have paid except Rishant who did not pay allotment and calls on his 75 shares and Sonu who did not pay first call on his 50 shares. Shares of Rishant were then forfeited and out of them 25 shares were reissued at ₹ 12 per share.

15. How many equity shares of the company have been subscribed?
- (a) ₹ 71,475
 (b) ₹ 74,950
 (c) ₹ 78,340
 (d) None of these
16. The amount of security premium reflected in the balance sheet at the end of the year will be _____.
- (a) ₹ 100

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- (b) ₹ 250
(c) ₹ 50
(d) ₹ 150

17. Kiyansh, Ansh and Sriansh are partners in a firm. On 1st April, 2021 the balance in their capital accounts stood at ₹ 6,00,000, ₹ 5,00,000 and ₹ 4,00,000 respectively. They shared profits in proportion of 4:2:3. Partners are entitled to interest on capital at 7% p.a. and salary to Ansh and Sriansh at ₹ 10,000 per quarter and ₹ 2,000 per month respectively as per the provisions of the partnership deed. Ansh's share of profit excluding interest on capital and salary, is guaranteed at not less than ₹ 30,000 p.a. Sriansh's share of profit including interest on capital but excluding salary is guaranteed at a minimum of ₹ 60,000 p.a. Any deficiency arising on that account shall be met by Kiyansh. The profits of the firm for the year ended 31st March, 2022 amounted to ₹ 2,59,000.

Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2022.

18. The Balance Sheet of Farha and Safia who were sharing profits and losses in the ratio of 3:2 as at 31st March, 2022 was:

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	1,00,000	Cash at Bank	10,000
Profit and Loss A/c	85,000	Debtors	50,000
Farha's Capital A/c	48,000	Stock	70,000
Safia's Capital A/c	32,000	Furniture	20,000
		Plant and Machinery	1,00,000
		Advertisement Suspense	15,000
	2,65,000		2,65,000

They admit Razia as a partner from 1st April, 2022 with 1/5th share in the profits of the firm. Razia brings in ₹ 50,000 as her capital. Calculate the amount of goodwill and pass necessary journal entries on admission of new partner.

or

Banny and Daniel are partners in a firm sharing profits in the ratio of 2:1. Their capitals were ₹ 4,40,000 and ₹ 2,20,000 respectively. On 1st April, 2021 they admit Zubin as a new partner. The new profit sharing ratio of Banny, Daniel and Zubin is decided to be 4:2:1. Zubin brings ₹ 1,20,000 as his capital and ₹ 60,000 for his share of goodwill. Partners are allowed interest on capitals @ 10% p.a. and are charged interest on drawings @ 12% p.a. Profits for the year ending 31st March, 2022 before allowing or charging interest was ₹ 2,40,000. The drawings of the partners were Banny ₹ 5,000 per month in the beginning of each month, Daniel ₹ 15,000 at the end of each quarter and Zubin ₹ 60,000. Prepare Partners' Capital accounts for the year ending 31st March, 2022.

19. Jaswant Enterprises Limited took over assets of ₹ 7,00,000 and liabilities of ₹ 2,00,000 from Nexon Private Limited for a purchase consideration of ₹ 4,59,500. ₹ 8,500 were paid through a bank draft of three months and balance by the issue of equity shares of ₹ 10 each at a premium of 10%.

Pass necessary journal entries for the above transaction.

or

Flip Photo India Private Limited issued 7,500 11% Debentures of ₹ 100 each at a premium of 50%. The whole of the amount was payable on application. Applications for 20,000 Debentures were received. Applications for 5,000 Debentures were rejected and Debentures were allotted to the remaining applicants on prorata basis. Pass necessary journal entries for the above transactions.

20. Samson and Ted are partners in a firm sharing profits in the ratio of 3:1. On 1.4.2022 they admitted Patrick into partnership for 1/4th share in the profits of the firm. Patrick brought his share of goodwill (premium)

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in cash. Goodwill of the firm was valued on the basis of 2 years purchase of last three years average profits. The profits of last three years were:

2019-20	₹ 90,000
2020-21	₹ 1,30,000
2021-22	₹ 86,000

During the year 2021-22 there was a loss of ₹ 20,000 due to fire which was not accounted for while calculating the profit.

Calculate the value of goodwill and pass the necessary journal entries for the treatment of goodwill.

21. Complete the following journal entries for issue of Debentures in the following cases:

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(a)	Bank A/c	Dr.	...(1)...	
	To Debenture Application and Allotment A/c			...(2)...
	(Being money received on 200, 7% Debentures at ₹ 165 each including ₹ 15 premium)			
	Debenture Application and Allotment A/c	Dr.	...(3)...	
	.....(4).....A/c	Dr.	10,000	
	To 7% Debenture A/c			30,000
(b)	To .....(5).....A/c			...(6)...
	To Premium on Redemption of Debentures A/c			10,000
	(Being issue of 200 Debentures of ₹ 150 each at a premium of 10%, redeemable at a premium of ₹ 50)			
	Bank A/c	Dr.	...(7)...	
	To Debenture Application and Allotment A/c			...(8)...
	(Being application and allotment money received on 900 debentures @ ₹ 95 each)			
(c)	.....(9).....A/c	Dr.	...(10)...	
	.....(11).....A/c	Dr.	...(12)...	
	To 15% Debenture A/c			...(13)...
	To Premium on Redemption of Debenture A/c			9,000
	(Being issue of debentures at discount of 5%, redeemable at premium of 10%)			

22. Pass necessary journal entries for the following at the time of dissolution of partnership firm of Badri and Balraj who are sharing profits and losses in the ratio of 3 : 2.

- Machinery costing ₹ 40,000 were taken over by Balraj at 10% less than the book value.
- There were unrecorded investment costing ₹ 30,000 which were taken over by creditors of ₹ 75,000 in part payment, rest creditors were paid at 10% discount.
- Badri agreed to take ₹ 3,800 in full settlement of his loan of ₹ 4,000 given to the firm.
- Expenses of realisation ₹ 15,000 were paid by partner Balraj, of which ₹ 12,000 were borne by firm.

23. Mrinal Export Private Limited issued 10,000 equity shares of 100 each at a premium of 10 per share payable as follows: ₹ 20 on application, ₹ 40 on allotment, ₹ 20 on first call and ₹ 30 on second and final call. 10,000 shares were applied for and allotted. All money due was received with the exception of both calls on 300 shares held by Emily. These shares were forfeited. Give necessary journal entries by opening Calls in Arrears Account. Also state the minimum reissue price of forfeited shares.

or

Tanwar Private Limited issued 3,00,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share, payable as ₹ 3 on application, ₹ 5 on allotment (including premium) and the balance in two calls of equal amount.

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Applications were received for 4,00,000 shares and pro-rata allotment was made to all the applicants. The excess application money was adjusted towards allotment. Baldev who was allotted 800 shares failed to pay both the calls and his shares were forfeited after the second call. Record necessary journal entries in the books of Tanwar Private Limited by opening Calls in Arrears Account.

24. Robin, Tanish and Lakshit were partners sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as on 31st March, 2022 was as under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital Account :			Plant and Machinery		30,000
Robin	30,000		Premises		20,000
Tanish	30,000		Investment		10,000
Lakshit	20,000	80,000	Goodwill		5,000
Contingency Reserve		8,000	Patent		6,000
Employee Provident Fund		4,000	Stock		13,000
Sundry Creditors		10,000	Sundry Debtors		6,000
			Cash at Bank		10,000
			Advertisement Suspense A/c		2,000
		1,02,000			1,02,000

Lakshit died on 31-5-2022. The agreement between the executor of Lakshit and the partners stated that; Goodwill of the firm was to be valued at $2\frac{1}{2}$ times of the average profits of last four years. The profits of four years were: 2018-19 ₹ 13,000; 2019-20 ₹ 12,000, 2020-21 ₹ 16,000 and 2021-22 ₹ 15,000. The patents are to be valued at ₹ 8,000, Machinery at ₹ 25,000 and Premises ₹ 25,000. The share of profit of Lakshit should be calculated on the basis of the profit of last year.

Calculate Lakshit's share of:

- profit for the period till the time of his death.
- goodwill.
- profit or loss on revaluation of assets and liabilities.
- accumulated profits and losses

Also pass necessary journal entries for the above settlement along with amount payable to Lakshit's executor.

or

Lalit and Aditi were partners in a firm with capital of 1,20,000 and 1,60,000 respectively. On 1st April, 2022 they admitted Gurleen as a partner for $\frac{1}{4}$ th share in profits on his payment of 2,00,000 as his capital and ₹ 90,000 as his share of goodwill.

On that date the creditors of the firm were ₹ 60,000 and Bank overdraft was ₹ 15,000. Their assets apart from Cash included Stock ₹ 10,000, Debtors ₹ 40,000, Plant and Machinery ₹ 80,000, Land and Building ₹ 2,00,000. It was agreed that Stock should be depreciated to 8,000, Plant and Machinery by 20%, ₹ 5,000 should be written off as bad debts and Land and Building should be appreciated by 25%.

Prepare the Revaluation Account and Capital Accounts of Partners.

25. Ranbir and Vishal are partners sharing profits in the ratio of 2 : 1. Gopal is admitted into the firm for $\frac{1}{4}$ share of profits. Gopal brings in ₹ 20,000 in respect of his capital. The capitals of old partners Ranbir and Vishal, after all adjustments relating to goodwill, revaluation of assets and liabilities, etc., are ₹ 45,000 and ₹ 15,000 respectively. It is agreed that partners' capitals should be according to the new profit sharing ratio. Determine the new capitals of Ranbir and Vishal and record the necessary journal entries assuming that the partner whose capital falls short, brings in the amount of deficiency and the partner who has an excess, withdraws the excess amount.

26. Navratna Limited (pharmaceutical company) appointed marketing expert, Ms Ankita as the CEO of the company, with a target to penetrate their roots in the rural regions. Ms Ankita discussed the ways and

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means to achieve target of the company with financial, production and marketing departmental heads and asked the finance manager to prepare the budget.

After reviewing the suggestions given by all the departmental heads, the finance manager proposed requirement of an additional fund of 52,50,000.

Navratna Limited is a zero-debt company. To avail the benefits of financial leverage, the finance manager proposed to include debt in the capital structure. After deliberations, on April 1, 2021, the board of directors had decided to issue 6% Debentures of 100 each to the public at a premium of 5%, redeemable after 5 years at 110 per share.

You are required to answer the following questions:

- (i) Pass Journal entry for the allotment of debentures.
- (ii) Pass Journal entry to write off loss on issue of debentures.
- (iii) Prepare Loss on Issue of Debentures Account.

PART—B

Analysis of Financial Statements

27. What will be the effect of Issue of Bonus shares on Debt to Equity Ratio?
- (a) Decrease
 - (b) Increase
 - (c) Neither increase nor decrease
 - (d) Either increase or decrease

28. Which of the following ratios is not a solvency ratio?
- (a) Proprietary Ratio
 - (b) Total Assets to Debt Ratio
 - (c) Current Ratio
 - (d) Debt to Equity Ratio

or

What is the importance of financial statements analysis for creditors?

- (a) to know long-term solvency
- (b) to know profitability
- (c) to know short-term solvency
- (d) None of these

29. Nisaan Industries Limited is carrying on a mutual fund business. It invested ₹ 10,00,000 in shares of a company and received a dividend of 10%. Cash Flow from Investing Activities will be.
- (a) ₹ 1,00,000
 - (b) ₹ 10,00,000
 - (c) ₹ 2,000
 - (d) Nil

or

Issue of equity shares is shown under _____ in Cash Flow Statement.

- (a) operating activities
- (b) financing activities
- (c) investing activities
- (d) None of these

30. From the following information find out the amount of goodwill written off:

	31st March, 2022	31st March, 2021
Goodwill	₹ 2,00,000	₹ 3,00,000

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Additional Information:

Purchase of Goodwill during the year ₹ 30,000.

- (a) ₹ 3,30,000
 (b) ₹ 1,00,000
 (c) ₹ 1,30,000
 (d) ₹ 30,000

31. State the heads under which following items are depicted in Statement of Profit and Loss.

- (i) Interest paid
 (ii) Carriage inwards
 (iii) Audit fee

32. State any three objectives of financial statements analysis?

33. From the following information, Compute Debt Equity Ratio and Current ratio.

Long-term Borrowings	₹ 3,00,000
Current Liabilities	₹ 50,000
Inventory	₹ 6,000
Prepaid Expenses	₹ 4,000
Non-current Assets	₹ 3,60,000
Current Assets	₹ 90,000

or

Under which of the major heads will the following items be shown while preparing Balance Sheet of a company as per Schedule III of the Companies Act 2013:

- (a) Stores and spares
 (b) Unclaimed dividend
 (c) Interest accrued but not due on borrowings
 (d) Calls-in-advance
 (e) Loose tools
 (f) Provision for tax
 (g) Computer software
 (h) Current maturities of long-term borrowings

34. From the following Balance Sheets of Daksha Industries Limited as on 31st March, 2022 and 31st March, 2021, prepare Cash Flow Statement as per AS-3 (Revised).

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Equity Share Capital	1	12,00,000	8,00,000
(b) Reserves and Surplus		4,00,000	3,50,000
2. Non-Current Liabilities :			
(a) Long-term Borrowings		4,40,000	3,50,000
3. Current Liabilities :			
(a) Short-term Borrowings (Bank Overdraft)		30,000	45,000
(b) Trade Payables		60,000	50,000
(c) Short-term Provisions	2	84,000	60,000
Total		22,14,000	16,55,000
II. ASSETS			
1. Non-Current Assets :			
Property, Plant and Equipments and Intangible Assets			
Property, Plant and Equipments : Fixed Tangible Assets		12,00,000	9,00,000
2. Current Assets :			

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(a) Current Investments (Marketable)		84,000	60,000
(b) Inventories		2,00,000	1,00,000
(c) Trade Receivables		3,10,000	2,30,000
(d) Cash and Cash Equivalents		4,20,000	3,65,000
	Total	22,14,000	16,55,000

Additional Information:

- (a) Depreciation charged on tangible fixed assets was ₹ 1,20,000.
(b) During the year, company paid interest ₹ 36,000 on its long term borrowings.

□□□□□□

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Sample Paper 8
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Badal and Deepesh are partners sharing profits and losses in the ratio 4 : 1. Samay was manager who received the salary of ₹ 2,000 pm in addition to a commission of 5% on net profits after charging such commission. Profit for the year is ₹ 3,39,000 before charging salary. What will be the total remuneration of Samay ?
(a) ₹ 43,500 (b) ₹ 38,000
(c) ₹ 39,000 (d) ₹ 44,000

2. Calculate interest for the year, when 6% debentures are issued for ₹ 10,00,000 of ₹ 100 each.
(a) ₹ 80,000 (b) ₹ 6,00,000
(c) ₹ 6,000 (d) ₹ 60,000
or
A company can charge interest @ _____ % p.a. on calls-in-arrears and allow @ _____ % p.a. on calls-in-advance.
(a) 12, 10 (b) 5, 6
(c) 8, 10 (d) 10, 12

3. Workmen Compensation Reserve (WCR) appears in the balance sheet of Uday and Abhey who share profits in the ratio of 2 : 3 at ₹ 40,000. Vijay is admitted and the new profit sharing ratio is 1 : 1 : 1. If the claim on account of WCR is estimated at ₹ 50,000, then
(a) the difference of ₹ 10,000 will be debited to Uday's capital account
(b) the difference of ₹ 10,000 will be debited to Abhey's capital account
(c) the difference of ₹ 10,000 will be debited to revaluation account
(d) None of the above

4. Assertion (A): Goodwill is treated as an asset of the firm.
Reason (R): Goodwill helps a business to earn more profits and attract more customers.
Alternatives
(a) Assertion (A) is true, but Reason (R) is false
(b) Assertion (A) is false, but Reason (R) is true
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

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5. At the time of forfeiture of shares, share capital account will be debited with _____ value.
- (a) called-up (b) uncalled
(c) received (d) None of these

or

For writing-off loss on issue of debentures, first of all company use its _____ and deficiency is met from surplus balance of statement of profit and loss.

- (a) general reserves (b) securities premium reserves
(c) capital reserve (d) Either (a) or (b)

6. Ascertain the correct sequence of deductions of the following items from the profit of the partnership firm.

- (i) Interest on capital
(ii) Commission paid to a partner
(iii) Interest on loan from partner
- (a) (ii), (iii), (i) (b) (iii), (ii), (i)
(c) (i), (ii), (iii) (d) None of these

or

In the context of debit side of profit and loss appropriation account, pick odd one out.

- (a) Interest on Drawings (b) Partner's Commission
(c) Interest on Capital (d) Partners' Salaries

7. Rajesh Steel Limited issued 20,000, 9% debentures of ₹ 50 each at a discount of 8%, redeemable at par at any time after 9 years. Record journal entry in the books of Rajesh Steel Limited for transferring debentures application money to debenture account.

(a) Debenture Application A/c	Dr.	9,20,000	
To 9% Debentures A/c			9,20,000
(b) Debenture Application A/c	Dr.	9,20,000	
Loss on Issue of Debentures A/c	Dr.	1,80,000	
To 9% Debentures A/c			10,00,000
To Premium on Redemption of Debentures A/c			1,00,000
(c) Debenture Application and Allotment A/c	Dr.	9,20,000	
Discount on Issue of Debentures A/c	Dr.	80,000	
To 9% Debentures A/c			10,00,000

- (d) None of the above

8. Harsh Enterprises Limited purchased assets of ₹ 12,60,000 from Crown Sales Limited. Harsh Enterprises Limited paid this amount by issuing equity shares of ₹ 100 each at premium of 20%. You are required to find out the amount of premium.

- (a) ₹ 2,10,000 (b) ₹ 12,60,000
(c) ₹ 10,50,000 (d) None of these

9. Umesh and Suresh are partners sharing profits equally. They admit Yogesh into partnership for equal share. It was agreed that the firm's goodwill will be valued at two years' purchase of average normal profit of the last three years. Profits of the business for last three years ended on 31st March were
2018 — ₹ 80,000 (after charging an abnormal loss ₹ 20,000)
2019 — ₹ 1,50,000 (including an abnormal gain ₹ 50,000)
2020 — ₹ 1,00,000

The value of goodwill will be _____

- (a) ₹ 3,00,000 (b) ₹ 2,50,000
(c) ₹ 1,00,000 (d) ₹ 2,00,000

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10. Kings Marketing Private Limited is registered with 1,00,000 shares and invited public to apply for the complete registered capital. Per share value is ₹ 10 which is payable as ₹ 2 on application, ₹ 5 on allotment and rest on first and final call. What will be the amount that the company will receive till allotment?
- (a) ₹ 10,00,000 (b) ₹ 7,00,000
(c) ₹ 2,00,000 (d) ₹ 5,00,000

11. On 1st January, 2020, a partner advanced a loan of ₹ 20,000 to the firm. In the absence of agreement, interest on loan on 31st March, 2020 will be
- (a) Nil (b) ₹ 600
(c) ₹ 300 (d) ₹ 1,200

12. Net profit of a firm is ₹ 9,900. Manager is entitled to a commission of 10% on profit; before charging his commission. Manager's commission will be
- (a) ₹ 1,100 (b) ₹ 970
(c) ₹ 990 (d) ₹ 900

or

David is a partner in a firm. He withdraw regularly ₹ 4,000 every month for the six months ending 31st March, 2020. If interest on drawings is charged @ 8% p.a., the interest charged will be

- (a) ₹ 560 (b) ₹ 400
(c) ₹ 480 (d) ₹ 960

13. The firm of Virender and Mahender earned a profit of ₹ 3,25,000 during the year ending on 31st March, 2019. They have decided to donate 10% of this profit to an NGO working for senior citizens. Pass the journal entry.

(a) Virender's Capital A/c	Dr.	1,46,250	
Mahender's Capital A/c	Dr.	1,46,250	
To Profit and Loss Appropriation A/c			2,92,500
(b) Profit and Loss Appropriation A/c	Dr.	32,500	
To Mahender's Capital A/c			16,250
To Virender's Capital A/c			16,250
(c) Profit and Loss Appropriation A/c	Dr.	2,92,500	
To Virender's Capital A/c			1,46,250
To Mahender's Capital A/c			1,46,250
(d) None of the above			

14. At the time of change in profit sharing ratio, accumulated _____ are _____ in partners' capital account.
- (a) losses, credited (b) profits, debited
(c) Both (a) and (b) (d) None of these

or

'Profit and loss adjustment account' is _____ in nature.

- (a) personal (b) real
(c) nominal (d) Both (a) and (b)

DIRECTION : Direction Read the following hypothetical situation and answer Q. No. 15 and 16

Donald and Edmond are partners sharing profits in the ratio of 3 : 2. They admit Ziff into the firm for $\frac{3}{10}$ th profit, which he takes $\frac{2}{10}$ th from Donald and $\frac{1}{10}$ th from Edmond and brings a part of his share of premium for goodwill in cash.

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Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c Dr.		1,20,000	
	To Premium for Goodwill A/c			1,20,000
	(Being share of goodwill brought in by Ziff)			
	Premium for Goodwill A/c Dr.		.....
	Ziff's Current A/c Dr.		3,30,000	
	To Donald's Capital A/c			.....
	To Edmond's Capital A/c			.....
	(Being premium for goodwill credited to old partners)			

15. What will be the new profit sharing ratio of Donald, Edmond and Ziff ?
 (a) 3 : 3 : 4 (b) 3 : 4 : 3
 (c) 3 : 3 : 3 (d) 4 : 3 : 3
16. What will be the amount credited to Donald's capital account ?
 (a) ₹ 3,00,000 (b) ₹ 3,30,000
 (c) ₹ 1,20,000 (d) ₹ 1,50,000
17. Jack and Luke are partners in a firm sharing profit and losses in the ratio of 2 : 1. They decide to admit Ryan as a new partner for 1/3 share on 01.04.2022. For this purpose goodwill of the firm is to be valued on the basis of two years' purchase of the average profits/losses for the last 3 years. The profit/loss of the firm for the last three years were:
- | Year ending | Profit/(Loss) (₹) |
|-----------------|-------------------|
| 31st March 2020 | 3,00,000 |
| 31st March 2021 | (1,00,000) |
| 31st March 2022 | 2,50,000 |
- Additional Information:
 (a) There was an abnormal loss of ₹ 30,000 in the year ended 31st March, 2020.
 (b) Closing Stock as on 31st March, 2022 was overvalued by ₹ 30,000.
 Calculate the value of goodwill.
18. Devesh and Nitesh are partners in a firm sharing profits in the ratio 2:3. Their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Bank Overdraft	10,000	Cash	32,000
Salary Outstanding	5,000	Debtors	48,000
Creditors	13,000	Less : Provision for	
General Reserve	4,000	doubtful debts	(2,000)
Capital Account :		Stock	35,000
Devesh	80,000	Prepaid expenses	21,000
Nitesh	1,20,000	Investments	60,000
		Furniture	38,000
	2,32,000		2,32,000

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On the above date they admitted Sarvesh as a partner for 1/4th share in the business which he acquires equally from Devesh and Nitesh. Following are the required adjustments:

- Sarvesh will contribute ₹ 60,000 as his share of capital and ₹ 30,000 towards goodwill.
- Stock is overvalued by ₹ 5,000.
- Market value of investments is ₹ 54,000.
- Provision for doubtful debts to be maintained at 5% on debtors.

Pass necessary journal entries on Sarvesh's admission.

or

Sudesh, Bhavesh and Sarvesh are partners sharing profits in the ratio 5 : 3 : 2. Their Balance Sheet as at 31st March 2022 stood as follows.

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/cs:			Land and Building		4,25,000
Sudesh	2,50,000		Investments		70,000
Bhavesh	2,50,000		Computers		95,000
Sarvesh	2,00,000	7,00,000	Furniture and Fittings		40,000
General Reserve		3,000	Sundry Debtors		1,20,000
Investment Fluctuation Fund		10,000	Cash at Bank		80,000
Workmen Compensation Reserve		42,000			
Sundry Creditors		75,000			
		8,30,000			8,30,000

On this date, the partners decided to share profits equally. They, further, agreed upon the following terms:

- The goodwill of the firm is valued at ₹ 90,000.
- Market price of investments is ₹ 62,000.
- The liability against workmen compensation reserve was found to be ₹ 50,000.
- Land and building and furniture and fittings is to be reduced by 10%.
- Computers is to be reduced to 40%.

Pass necessary journal entries to give effect to the above transactions.

19. GER Electrical Limited 2,500, 9% Debentures of ₹ 100 each on 1st April, 2022 redeemable at a premium of 8% after 3 years. The issue was fully subscribed.

According to the terms of the prospectus ₹ 40 is payable on application and the balance on allotment of debentures, Record the necessary entries regarding issue of Debentures.

or

Baldev Enterprises Limited issued 30,000, 12% debentures of ₹ 100 each on 1st April 2021. The issue was subscribed by public for 25,000 debentures. Pass journal entries for interest due and paid for the full year as on 31st March 2022.

20. On 1-4-2020, Jaxon and Parker, entered into partnership for supplying laboratory equipments to government schools situated in remote and backward areas. They contributed capitals of ₹ 80,000 and ₹ 50,000 respectively and agreed to share the profits in the ratio of 3 : 2. The partnership deed provided that interest on capital shall be allowed at 9% per annum. During the year, the firm earned a profit of ₹ 7,800.

Showing your calculations clearly, prepare 'Profit and Loss Appropriation Account' of Jaxon and Parker for the year ended 31-3-2022.

21. Sivan Technologies Limited purchased assets of the book value of ₹ 4,00,000 and took over the liabilities of ₹ 50,000 from Juke Exports Private Limited It was agreed that the purchase consideration, settled at ₹ 3,80,000, be paid by issuing 9% debentures. What journal entries will be made if the debentures are issued:

- at par
- at discount of 10%,
- at premium of 10%.

It was agreed that any fraction of debentures will be paid in cash.

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22. Snehal, Suchita and Sindhu were partners sharing profits and losses in the ratio of 3:2:1. The firm was dissolved on 31st March 2022. After transfer of assets and liabilities to Realisation A/c the following transactions took place.
Give journal entries in the books on dissolution of the firm.
- Suchita's Loan to the firm ₹ 30,000 was settled at ₹ 28,500.
 - Workmen Compensation Reserve – ₹ 40,000. A liability equal to 60% of the reserve was settled.
 - Sindhu was to receive 5% of the value of assets realised as remuneration for completing the dissolution work and was to bear realisation expenses. Realisation expenses were ₹ 5,500 that was paid by Sindhu. Assets realised ₹ 60,000.
 - The Balance Sheet disclosed a footnote, contingent liability for ₹ 5,000 in respect of a bill discounted. The bill was received from Megha. On the date of dissolution, Megha was declared insolvent and was not able to pay the amount due. The bill had to be met by the firm.

23. Surya Industries Limited invited applications for 50,000 equity shares of ₹ 10 each at a premium of 10% payable along with allotment. The amounts were payable as follows:

On Application ₹ 4 per share.

On Allotment ₹ 4 per share (including premium)

On First & Final call - balance

Applications for 70,000 shares were received, of which 10,000 shares were rejected and the remaining applicants were given pro-rata allotment. Excess application money was applied towards sums due on allotment.

Nitin to whom 1,500 shares were allotted failed to pay the allotment money. His shares were forfeited immediately after allotment. The forfeited shares were reissued @ 8 per share as fully paid-up. Afterwards the final call was made. Deepti who had applied for 1800 shares failed to pay the final call. Her shares were also forfeited.

Journalise the above transactions.

or

Ocean Power Limited invited applications for 1,00,000 Equity shares of ₹ 10 each payable as under:

On Application ₹ 4 per share

On Allotment ₹ 3 per share

On First Call ₹ 2 per share

On Final Call ₹ 1 per share

All payments due on application, allotment and calls have been received with the following exceptions.

Rohit, a holder of 1,000 shares, failed to pay allotment and call money.

Mohit, a holder of 500 shares, failed to pay the amount due on first call and final call.

Luhit, a holder of 300 shares, failed to pay final call. The shares of all the above defaulters were forfeited.

Pass necessary journal entries in the books of the Company for the above transactions.

24. Tarun, Varun and Arun are partners in a firm sharing profits in the ratio 5:4:1. Their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities		Amount (₹)	Assets	
Capital Accounts:			Goodwill	27,000
Tarun	85,000		Land	64,000
Varun	54,000		Machinery	34,000
Arun	36,000	1,75,000	Patents	2,000
General Reserve		20,000	Stock	25,000
Outstanding Expenses		14,000	Debtors	50,000
Creditors		47,000	Bank	54,000
		2,56,000		2,56,000

It was agreed that Tarun will retire on the following terms:

- The Goodwill of the firm is valued at two years purchase of the average annual profits of the preceding three years. The profits for the last three years were ₹ 34,000, ₹ 42,000 and ₹ 50,000.
- Provision for doubtful debts at 10% on Debtors to be created.

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- (iii) Land revalued at ₹ 82,000 and Machinery at ₹ 24,000.
- (iv) Sundry Creditors have agreed to accept 5% less.
- (v) Patents were valueless.

Prepare Revaluation A/c and Partners' Capital Accounts

or

Following is the Balance Sheet of Luna, Nora and Elena as on 31st March, 2022 who shared profits in the ratio 3 : 2 : 1. They decided to dissolve their firm.

Liabilities	Amount (₹)	Assets		Amount (₹)
Capital Accounts:		Bank		69,500
Luna	1,70,000	Accrued Interest		3,500
Nora	1,40,000	Debtors	72,000	
Elena	1,20,000	Less : Provision for		
Investment Fluctuation Reserve	24,000	doubtful debts	(8000)	64,000
Loan	32,000	Stock		70,000
Employees Provident Fund	42,000	Investment		75,000
Bills Payable	18,000	Furniture		98,000
Sundry Creditors	26,000	Machinery		1,32,000
		Goodwill		60,000
	5,72,000			5,72,000

Agreed terms of dissolution were as follows:

- (i) Sundry Creditors agreed to take over an unrecorded asset as full and final payment.
- (ii) Nora took over half the stock at 10% discount and also agreed to settle the Bills Payable.
- (iii) Remaining stock realised 55% of the book value.
- (iv) ₹ 7,000 of Debtors proved bad.
- (v) Other assets realised:
 - Machinery : ₹ 1,15,050
 - Furniture : ₹ 76,000
 - Accrued Interest : Full amount
 - Goodwill ₹ 24,000.
- (vi) Investments were sold in the market at a loss of 10%.
- (vii) Firm had to pay ₹ 6,300 for outstanding rent which was not provided for in the books.
- (viii) Realisation expenses were ₹ 3,000 paid by Elena.

Prepare Realisation A/c and Partners' Capital Accounts.

25. Mayank, Aryan and Farhan were the partners sharing of 5:3:2. on 31st March, 2022 their Balance Sheet was as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals:		Leasehold Premises	1,25,000
Mayank	1,50,000	Patents	30,000
Aryan	1,25,000	Machinery	1,50,000
Farhan	75,000	Stock	1,90,000
Creditors		Cash at bank	40,000
Workmen's Compensation Reserve	30,000		
	5,35,000		5,35,000

Aryan died on 1st August, 2022. It was agreed that:

- (i) Goodwill of the firm is to be valued at ₹ 1,75,000.
- (ii) Machinery to be valued at ₹ 1,40,000; Patents at ₹ 40,000; Leasehold Premises at ₹ 1,00,000 on this date.

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(iii) For the purpose of calculating Aryan's share in the profits of 2022-23, the profits should be taken to have accrued on the same scale as in 2021-22, which were ₹ 75,000.

(iv) Interest on capital @ 9% p.a.

Prepare Aryan's Capital Account to show the amount due to his executors.

26. Virat Fabric Company dealing in manufacture ladies garments decided to manufacture masks, gloves and other precautionary kits for people for which it required more of additional funds. Since the company has already raised money through shares equal to its authorised capital, the company decided to raise the additional funds through issue of ₹ 40,00,000; 7% debentures of ₹ 100 each at a discount of 6%, redeemable at a premium of 5% after five years. The amount was payable as follows:

On Application – ₹ 30

On Allotment – The Balance amount

Answer the following questions on the basis of the above information:

(i) Pass journal entry for allotment of debentures.

(ii) Prepare 'Loss on Issue of Debentures Account.'

(iii) What entry will be passed for writing off the interest on debentures?

PART—B

Analysis of Financial Statements

27. The Liquidity ratio of a concern is 1.5:1, and it purchased goods of ₹ 50,000 for cash. What will be the ratio ?

(a) either increase or decrease

(b) increase

(c) decrease

(d) not change

28. Om Tools Private Limited had investment of ₹ 68,000 as on 31.3.2021 and investment of ₹ 56,000 as on 31.3.2022. During the year, Om Tools Private Limited sold 40% of its investments being held in the beginning of period at a profit of ₹ 16,800. Determine cash flow from investing activities.

(a) ₹ 28,800

(b) ₹ 72,800

(c) ₹ 59,200

(d) None of these

29. Thakkar Tools Private Limited sold its machinery used in business at a profit of ₹ 42,000. How will it be shown in the Statement of Profit and Loss?

(a) Other income

(b) Finance costs

(c) Revenue from operations

(d) None of these

or

Revenue from sale of scrap iron cutting of manufacturing will be shown under

(a) Other income

(b) Cost of materials consumed

(c) Revenue from operations

(d) None of these

30. Where will a manufacturing company record dividend/interest received while preparing Cash Flow Statement?

(a) Investing Activities

(b) Financing Activities

(c) Operating Activities

(d) None of these

or

Sale of Marketable Securities at par would result in

(a) outflow

(b) no flow

(c) inflow

(d) None of these

31. Explain any three importance of analysis of financial statements.

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32. Give major heading and sub-heading under which following items will be shown in a Company's Balance Sheet as per Schedule III, Part I of the Companies Act 2013:

- (a) Preliminary Expenses
- (b) Goodwill
- (c) Long-term Investments
- (d) Securities Premium
- (e) Bank overdraft
- (f) Encashment of Employees Earned Leave payable on retirement

33. The current ratio of a company is 2 : 1. State giving reasons which of the following would improve, reduce or not change the ratio:

- (i) Repayment of trade payables.
- (ii) Sale of Motor vehicles at a loss of 20%.
- (iii) Sale of goods at a profit of 10%.
- (iv) Purchase of Machinery for ₹ 10,000 on credit of 2 months.

or

From the following information calculate the Working Capital Turnover Ratio and Fixed Assets Turnover Ratio.

Cost of Revenue from Operations	₹ 5,00,000
Gross Profit Ratio	20%
Fixed Assets	₹ 5,00,000
Capital Employed	₹ 7,50,000

34. Following is the Balance Sheet of Vidhata Enterprises Private Limited as on 31st March, 2022 and 2021.

Balance Sheet of Vidhata Enterprises Private Limited
as on 31st March 2022 and 2021

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital		19,60,000	14,00,000
(b) Reserves and Surplus	1	7,00,000	5,60,000
2. Non-Current Liabilities :			
Long-term Borrowings		7,00,000	1,96,000
3. Current Liabilities :			
(a) Trade Payables		1,40,000	84,000
(b) Short-term Provisions	2	1,12,000	84,000
Total		36,12,000	23,24,000
II. ASSETS			
1. Property, Plant and Equipments and Intangible Assets			
(a) Fixed Assets			
(i) Tangible Assets	3	22,40,000	12,60,000
(ii) Intangible Assets	4	1,96,000	2,80,000
2. Current Assets :			
(a) Inventories		3,50,000	2,80,000
(b) Trade Receivables		7,00,000	4,20,000
(c) Cash and Cash Equivalents		1,26,000	84,000
Total		36,12,000	23,24,000

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Notes to Accounts :

Note No.	Particulars	31 March 2022 (₹)	31 March 2021 (₹)
1.	Reserves and Surplus Surplus i.e., Balance in Statement of Profit and Loss	7,00,000	5,60,000
2.	Short-term Provisions Provision for Tax	1,12,000	84,000
3.	Tangible Assets Machinery Less : Accumulated Depreciation	24,64,000 (2,24,000)	14,00,000 (1,40,000)
		22,40,000	12,60,000
4.	Intangible Assets Goodwill	1,96,000	2,80,000

Prepare Cash Flow Statement after taking into account the following adjustment:
Tax paid during the year amounted to ₹ 98,000.

□□□□□□

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Sample Paper 9
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

Part A
(Accounting for Partnership Firms and Companies)

1. A partner drew ₹ 8,000 at the end of every month. Interest on drawings is 15% per annum. Calculate interest on drawings for the year ending 31st March, 2019.
(a) ₹ 6,600 (b) ₹ 7,200
(c) ₹ 7,800 (d) ₹ 1,200
 2. What will be the journal entry for issue of 2,000, 12% debentures of ₹ 100 each at a premium of 10%?
(a) To Debentures Application and Allotment A/c Dr. 2,20,000
 To 12% Debentures A/c 2,00,000
 To Security Premium Reserve A/c 20,000
(b) Bank A/c Dr. 2,20,000
 To Debentures Application and Allotment A/c 2,20,000
(c) Debentures Application and Allotment A/c Dr. 2,20,000
 To Bank A/c 2,20,000
(d) Both (a) and (b)
 3. Vidhata Industries Limited invited applications for 8,000 shares of ₹ 10 each at the issue price of ₹ 10. Applications were received for 7,600 shares. What will be the amount received on application?
(a) ₹ 72,000 (b) ₹ 84,000
(c) ₹ 80,000 (d) ₹ 76,000
 4. If a fixed amount is withdrawn by a partner on the first day of every month, interest on the total amount is charged for _____ months.
(a) $5\frac{1}{2}$ (b) 12
(c) 6 (d) $6\frac{1}{2}$
 5. How many days notice period is given to a defaulter in forfeiture?
(a) 21 days (b) 28 days
(c) 7 days (d) 14 days
- or
- _____ interest is allowed by the company on the amount of calls-in-advance.
(a) 6% p.a. (b) 8% p.a.
(c) 12% p.a. (d) 15% p.a.

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6. Assertion (A): A private company restricts the right to transfer its shares.
Reason (R): A private company is allowed to make any invitation to the public to subscribe for any securities of the company.
Alternatives
(a) Assertion (A) is false, but Reason (R) is true
(b) Assertion (A) is true, but Reason (R) is false
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

7. Tannu and Annu are partners in a firm. They share their profits in 2 : 3 ratio. The accountant of the firm, finalised the profit and loss and capital account and presented the accounts to them. Tannu disagreed with accounts because Tannu's capital account showed negative balance. Tannu is in doubt, this cannot be happen. Give your opinion.
(a) Tannu is correct (b) Accountant is defaulter
(c) Tannu is wrong (d) None of these

or

Sleeping partners _____

- (a) take active part in the conduct of the business but provide no capital. However, share profits and losses in the agreed ratio
(b) do not take any part in the conduct of the business and contribute no capital. However, share profits and losses in the agreed ratio
(c) take active part in the conduct of the business but provide no capital. However, salary is paid to them
(d) do not take any part in the conduct of the business but provide capital and share profits and losses in the agreed ratio
8. Dalbir and Vivek are partners in a firm. They decided to dissolve the firm. Assets other than cash ₹ 1,60,000, cash ₹ 25,000, total liabilities ₹ 1,75,000. On dissolution, assets realised ₹ 1,25,000 and liabilities paid ₹ 1,40,000. Net profit or loss on realisation is
(a) loss ₹ 25,000 (b) loss ₹ 15,000
(c) profit ₹ 25,000 (d) No profit no loss

or

Naresh, Kamlesh and Rakesh were in partnership sharing profits and losses equally. Kamlesh retires. After adjustments, his capital account shows a credit balance of ₹ 1,20,000 as on 1st April, 2012. The balance due to Kamlesh is to be paid in three equal instalments together with interest @ 5% per annum. Amount to be paid to Kamlesh on 30th March, 2013 will be

- (a) ₹ 46,000 (b) ₹ 54,000
(c) ₹ 60,000 (d) ₹ 40,000

9. Ekta and Yukta were partners sharing profits and losses in the ratio of 3 : 2. On 31st December, 2019, the extract of their Balance Sheet is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
		Land and Building	1,00,000

At the time of admission of new partner Latika, if the value of land and building is to be appreciated by 10%, then what will be the amount of land and building which is to be shown in new balance sheet?

- (a) ₹ 10,000 (b) ₹ 1,10,000
(c) ₹ 90,000 (d) ₹ 1,00,000

10. Company can utilise premium received on issue of debentures for which purpose?
(a) For writing-off preliminary expenses (b) Writing-off discount allowed on issue
(c) Both (a) and (b) (d) None of these

or

Which of the following is correct with regard to usage of balance of share forfeiture account?

- (i) Provide for discount given at the time of reissue

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- (ii) Write-off preliminary expenses
 (iii) Write-off bad debts
 (a) Only (iii) (b) (i) and (ii)
 (c) (i) and (ii) (d) Only (i)

11. Arjun and Tarun are two partners sharing profits in the ratio of 2 : 1. Arun, a new partner is admitted for 1/4th share. At the time of admission, loss from revaluation is ₹ 4,500. Entry for distribution of loss is

Arjun's Capital A/c	Dr.	X	
Tarun's Capital A/c	Dr.	Y	
To Revaluation A/c			Z

Here X, Y, Z are

- (a) ₹ 3,500, ₹ 1,000, ₹ 4,500 respectively (b) ₹ 1,000, ₹ 3,500, ₹ 4,500 respectively
 (c) ₹ 3,000, ₹ 1,500, ₹ 4,500 respectively (d) ₹ 1,500, ₹ 3,000, ₹ 4,500 respectively

12. For which purpose, sacrificing ratio is used in case of admission of a partner?

- (a) To distribute revaluation profit (b) To distribute balance in profit and loss account
 (c) To distribute reserves (d) To distribute goodwill

or

At the time of death of a partner, the adjustment of goodwill is done in which ratio?

- (a) Gaining ratio (b) Sacrificing ratio
 (c) Old profit sharing ratio (d) None of these

13. Goodwill of firm is ₹ 53,750. Find the number of years' purchased if the average profits are ₹ 21,500.

- (a) 2 (b) 2.5
 (c) 1 (d) 1.5

14. Jack and Mack are partners with the profit sharing ratio of 1 : 2. They decided to change this ratio to 2 : 1 with effect from 1st April, 2021. In adjustment entry, Mack's account will be _____ by _____ assuming goodwill of firm is valued at ₹ 15,000.

- (a) credited, ₹ 10,000 (b) debited, ₹ 10,000
 (c) debited, ₹ 5,000 (d) credited, ₹ 5,000

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Sahil and Naveen are partners in a firm engaged in the sale of readymade garment. This capital contribution was ₹ 5,00,000 each with profit sharing ratio of 1 : 1. Kavya joined as a partner without capital for 1/3rd share in the profits of the firm. She is blind by birth but having good management qualities.

They decided to sell products at a discount of 15% on maximum retail price to the people living below poverty line. They also decided to open new retail shops in the naxal affected areas of the country. New jobs of sales persons will be reserved for the girls belonging to scheduled castes and scheduled tribes.

The new partnership agreement provides for the following

- (i) 10% of the trading profit will be donated to Prime Minister Relief Fund.
 (ii) 10% of the trading profit will be donated to National Blind Relief Fund.
 (iii) Sahil withdrew ₹ 2,500 per month at the beginning of every month and Naveen withdrew ₹ 2,500 per month at the end of every month. Interest is charged on Sahil's and Naveen's drawings @ 10% p.a.
 (iv) 10% of distributable profit will be transferred to Reserve Fund.

Trading profit for the year 31st March, 2021 was ₹ 5,00,000.

15. What will be the interest charged on Sahil's and Naveen's drawings ?

- (a) ₹ 1,500, ₹ 2,050 (b) ₹ 1,375, ₹ 1,625
 (c) ₹ 1,550, ₹ 1,500 (d) ₹ 1,625, ₹ 1,375

16. What will be the amount transferred to reserve fund ?

- (a) ₹ 48,400 (b) ₹ 42,800

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(c) ₹ 90,000

(d) ₹ 48,700

17. Badri and Aadya are partners in a firm. Their capitals are: Badri ₹ 30,000 and Aadya ₹ 20,000. During the year ended 31st March, 2020, the firm earned a profit of ₹ 15,000. Assuming that the normal rate of return is 20%, calculate the value of goodwill of the firm of Badri and Kornal.

- By capitalisation method; and
- By super profit method, if the goodwill is valued at 4 years' purchase of super profit.

18. Nakul and Rahul decided to start a partnership firm. They contributed capitals of ₹ 2,00,000 and ₹ 1,00,000 on 1st April, 2017. Nakul expressed his willingness to admit Varun as a partner without capital, Rahul agreed to this. On 1st October, 2017, Rahul granted a loan of ₹ 1,20,000 to the firm.

The terms of partnership were as follows

- Nakul, Rahul and Varun will share profits in the ratio of 2 : 2 : 1.
- Interest on capital @ 6% per annum. Interest on drawings @ 5%.
- Nakul to get a monthly salary of ₹ 6,000 and Rahul to get salary of ₹ 4,000 per quarter.
- 10% of the profits before charging interest on drawings but after making appropriations are to be transferred to general reserve.

Due to shortage of capital, Nakul contributed ₹ 50,000 on 30th September, 2017 and Rahul contributed ₹ 20,000 on 1st January, 2018 as additional capital. The profit of the firm for the year ended 31st March, 2018 was ₹ 3,37,800. Drawings of Nakul and Rahul were ₹ 50,000 and ₹ 40,000 respectively.

Prepare profit and loss appropriation account for the year ending 31st March, 2018.

19. Saket, Balbir and Vanraj are partners sharing profit in the ratio of 6 : 4 : 2. They have decided to share profits equally since 1st April, 2020 and following transactions should be recorded in the books

- Contingent liability worth ₹ 7,000 proved to be actual liability and was to be paid by the firm.
- Bill of ₹ 2,000 discounted with the bank has been dishonoured by the drawee.
- Contingent liability worth ₹ 25,000 was undertaken by Balbir for ₹ 15,000.
- The firm lost a litigation case and was ordered to pay a penalty of ₹ 16,000 which was paid.

or

Vasant, Daljit and Anant were partners in a firm sharing profits in the ratio of 2 : 2 : 1. Vasant died on 31st March, 2020. The balance sheet of the firm on that date was as under

Balance Sheet

as at 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	80,000	Cash at Bank	48,000
General Reserve	45,000	Debtors	52,000
Workmen's Compensation Fund	20,000	Furniture	2,40,000
Capital A/cs		Plant	3,50,000
Vasant	2,00,000	Profit and Loss A/c	55,000
Daljit	3,00,000		
Anant	1,00,000		
	6,00,000		
	7,45,000		7,45,000

On Vasant's death, a claim of ₹ 12,000 was accepted for workmen's compensation.

Pass necessary journal entries for general reserve, profit and loss account and workmen's compensation fund, in the books of the firm

20. Prince Industries Limited is authorised with a capital of ₹ 50,00,000 divided into 50,000 shares of ₹ 100 each. The company issued 30,000 shares to the public for subscription. The company received application for 25,000 shares. In 1st year, ₹ 80 is called by the company.

Bhupesh and Sandesh are two shareholders holding 2,000 and 4,000 shares respectively. Both the shareholders did not paid first call money of ₹ 20 per share. Sandesh's shares forfeited by the company after first call and later on 3,000 shares out of forfeited were re-issued at ₹ 60 per share as ₹ 80 called-up.

Show the following

- Share capital in the balance sheet of the company as per Schedule III, Part I of the Companies Act

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2013.

(ii) Also prepare notes to accounts for the same.

or

Amber Industries Limited issued 2,000, 10% debentures of ₹ 100 each, at a premium of ₹ 10 per debenture payable as follows On application ₹ 50 ; on allotment ₹ 60. The debentures were fully subscribed and all money was duly received. Record the journal entries.

21. Anupam Enterprises Limited decided to expand its business and for this purpose it opened a new unit in the remote areas of Assam. To finance the project, it issued 1,50,000 shares of ₹ 10 each, payable as ₹ 3 on application, ₹ 2 on allotment, ₹ 2 on first call and the balance ₹ 3 on second and final call. The shares were fully subscribed and all the amount due was received. Pass necessary journal entries.
22. Viraj, Ranbir and Yuvraj were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Goodwill appeared in their books at a value of ₹ 60,000 and general reserve at ₹ 20,000. Ranbir decided to retire from the firm. On the date of his retirement, goodwill of the firm was valued at ₹ 2,40,000. The new profit sharing ratio decided among Viraj and Yuvraj was 2 : 3. Record necessary journal entries on Ranbir's retirement.
23. Vikram and Akram are partners sharing profits and losses in the ratio of 1:1. Following is their balance sheet

Balance Sheet

as at ...

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,00,000	Cash	50,000
General Reserve	60,000	Debtors	60,000
Workmen Compensation Fund	40,000	Building	2,00,000
Employees Provident Fund	50,000	Machine	1,00,000
Bills Payable	50,000	Stock	80,000
Capital A/cs		Patents	20,000
Vikram	2,00,000	Investment	50,000
Akram	1,00,000	Goodwill	20,000
		Profit and Loss	20,000
	6,00,000		6,00,000

Additional Information

- (i) Kabir comes for 1/6th share and brings capital of ₹ 1,00,000 and proportionate share in goodwill.
(ii) Goodwill of the firm is valued at ₹ 1,20,000.
(iii) Half the premium is withdrawn by old partners.
(iv) ₹ 20,000 unrecorded typewriter brought into books.
(v) Make ₹ 5,000 provision for unforeseen liabilities.
(vi) Bills payable paid-off.
(vii) Building was found undervalued by ₹ 40,000.

Prepare revaluation account, partners' capital accounts, cash account and balance sheet of the new firm.

or

Tarun, Varun and Arun are partners with 2 : 2 : 1 ratio.

Balance Sheet

as at 31st December, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	60,000	Cash in Hand	30,000
General Reserve	20,000	Bank	20,000

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Lucas	10,000	1,60,000	
		3,20,000	3,20,000

Jaxon took over the assets at ₹ 1,30,000. Realisation expenses ₹ 10,000 were paid by Josaf. Creditors of ₹ 1,60,000 were paid by Josaf at ₹ 1,50,000. You are required to prepare realisation account, partner's capital account and cash account.

Part B (Financial Statement Analysis)

27. Superia Leasing and Finance Limited is a financial company which provides loan and invest into shares. At the year end, company received ₹ 50,000 interest on loan. Where will be the amount of interest presented?
- (a) Activity arising from interest will be shown in operating activity
 (b) Activity arising from interest will be shown in investing activity
 (c) Activity arising from interest will be shown in financing activity
 (d) None of the above
28. If operating ratio of a company is 80%, which of the following will increase the operating ratio?
- (i) Credit purchases of goods ₹ 5,000 (ii) Sales return ₹ 200
 (iii) Payment to creditors ₹ 1,000 (iv) Selling expenses ₹ 800
 (v) Cash sales ₹ 10,000 (vi) Purchase return ₹ 100
- (a) (ii), (iii) and (vi) (b) (i), (ii), (iii), (iv) and (v)
 (c) (i) and (ii) (d) (i), (ii) and (iv)

or

Which one of the following is not an item of securities premium reserve?

- (a) Securities premium reserve (b) Share options outstanding account
 (c) Revaluation reserve (d) None of these
29. A firm has inventory turnover of 3 and cost of revenue from operations is ₹ 1,35,000. If the inventory turnover is increased to 5, it would result in _____
- (a) increase in cost of goods sold by ₹ 10,000
 (b) decrease in inventory by ₹ 45,000
 (c) increase in inventory by ₹ 27,000
 (d) decrease in inventory by ₹ 18,000
30. Century Textiles Limited made an operating profit of ₹ 1,85,500 after charging depreciation of ₹ 31,200. During that year, trade payables increased by ₹ 26,600 and inventory increased by ₹ 40,300. There was no change to trade receivables. Assuming that no other factors affected it, what would be the cash generated from operations?
- (a) ₹ 2,25,800 (b) ₹ 2,43,300
 (c) ₹ 2,03,000 (d) ₹ 2,30,400

or

Following is the extract from the balance sheet of Avantika Equipments Limited.

Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)
Surplus i.e. Balance in Statement of Profit and Loss	9,00,000	6,00,000

Additional Information

Proposed dividend for the year 2019 ₹ 3,00,000 and 2020 ₹ 3,50,000

Calculate net profit before tax and extraordinary items.

- (a) ₹ 2,50,000 (b) ₹ 3,50,000
 (c) ₹ 6,50,000 (d) ₹ 6,00,000
31. (i) How the earning capacity of a business is assessed by financial statement analysis?
 (ii) How does subjectivity become a limitation of financial statement analysis?

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32. Draw notes to accounts for change in inventories of Pravesh Infotech Private Limited for the year ended 31st March, 2020 from the following information and determine the amount that will be shown in the statement of profit and loss against change in inventories of finished goods, work-in-progress

Particulars	Opening Inventory (₹)	Closing Inventory (₹)
Finished Goods	5,00,000	4,00,000
Work-in-progress	9,00,000	10,00,000
Stock-in-trade	15,00,000	14,00,000

33. From the following information, calculate any two of the following ratios

(i) Debt to equity ratio (ii) Working capital turnover ratio (iii) Return on investment

Additional Information

Equity share capital ₹ 25,000, general reserve ₹ 2,500, balance of statement of profit and loss after interest and tax ₹ 7,500, 9% debentures ₹ 10,000, creditors ₹ 7,500, land and building ₹ 32,500, equipments ₹ 7,500, debtors ₹ 7,250, cash ₹ 2,750, revenue from operations, i.e. sales for the year ended 31st March, 2020 was ₹ 50,000, tax rate is 50%.

or

Assuming that debt to equity ratio is 2 : 1. State giving reasons, whether this ratio will increase or decrease or will have no change in each one of the following cases

- Sale of fixed asset (book value ₹ 40,000) at a loss of ₹ 5,000.
- Issue of new shares for cash.
- Redemption of debentures for cash.
- Declaration of final dividend.

34. From the balance sheet and information given below, prepare cash flow statement

Balance Sheet
as at 31st March, 2020

Particulars	31st March 2020 (₹)	31st March 2019 (₹)
I. EQUITY AND LIABILITIES		
Creditors	35,200	32,000
Tanvir's Loan	—	20,000
Loan from Bank	40,000	32,000
Capital	1,22,400	1,00,000
Total	1,97,600	1,84,000
II. ASSETS		
Cash	5,600	8,000
Debtors	40,000	24,000
Stock	20,000	28,000
Land	40,000	32,000
Machinery	44,000	64,000
Building	48,000	28,000
Total	1,97,600	1,84,000

During the year, machine costing ₹ 8,000 (Accumulated Depreciation ₹ 2,400) was sold for ₹ 4,000. The provisions for depreciation against machinery as on 31st March, 2019 and 31st March, 2020 were ₹ 20,000 and ₹ 32,000 respectively. Net profit for the year amounting to ₹ 36,000.

□□□□□□

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Sample Paper 10
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. _____ is prepared on dissolution of a partnership firm to determine profit/loss on realisation of assets and settlement of liabilities of the firm.
(a) Realisation A/c
(b) Profit and Loss A/c
(c) Revaluation A/c
(d) Profit and Loss Appropriation A/c

or

Arvind and Chetak are partners sharing profits in the ratio 3 : 2. Piyush is admitted. Arvind surrenders $\frac{1}{6}$ from his share and Chetak surrendered $\frac{1}{4}$ th of his share. Piyush's share of profit will be:

- | | |
|--------------------|--------------------|
| (a) $\frac{7}{12}$ | (b) $\frac{4}{15}$ |
| (c) $\frac{5}{9}$ | (d) $\frac{2}{13}$ |

2. Royal Enterprises Limited forfeited 160 shares of ₹ 10 each, on which only application money of ₹ 2 was paid. These shares were reissued for ₹ 9 per share. The amount transferred to capital reserve will be:
(a) ₹ 320
(b) ₹ 180
(c) ₹ 160
(d) None of these

or

Maximum discount allowed on reissue of shares can be _____ the amount forfeited on such shares.

- (a) less than
- (b) equal to
- (c) more than
- (d) None of these

3. Which is not related to 'Dissolution of Partnership Firm'?
(a) Calculation of gaining ratio
(b) Payment of realisation expenses
(c) Court's intervention
(d) Settlement of Assets and Liabilities
4. In the absence of partnership deed, a partner is entitled to get interest on his capital in firm at:
(a) 6% p.a.
(b) 12% p.a.
(c) 10% p.a.
(d) None of these

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5. Shristi Housing Limited offered ₹ 20,00,000 Equity Shares of ₹ 10 each, of these ₹ 19,80,000 shares were subscribed. The amount was payable as ₹ 3 on application, ₹ 4 an allotment and balance on first call. If a shareholder holding 3,000 shares has defaulted on first call, what is the amount of money received on first call?
- (a) ₹ 5,91,000 (b) ₹ 6,09,000
(c) ₹ 9,000 (d) ₹ 5,85,000
6. On admission of a new partner, the general reserve appearing in the books will be distributed among:
- (a) All partners in new ratio.
(b) Old partners in old ratio.
(c) Old partners in sacrificing ratio.
(d) Gaining partners in gaining ratio.
7. Ankit had been allotted for 600 shares by a Jagjeet and Co. on pro rata basis which had issued two shares for every three applied. He had paid application money of ₹ 3 per share and could not pay allotment money of ₹ 5 per share. First and final call of ₹ 2 per share was not yet made by the company. His shares 'were forfeited. The following entry will be passed:
- | | | |
|-------------------------------|----|-----|
| Equity Share Capital A/c | Dr | ₹ X |
| To Share Forfeited A/c | | ₹ Y |
| To Equity Share Allotment A/c | | ₹ Z |
- Here X, Y and Z are:
- (a) ₹ 4,800; ₹ 2,700; ₹ 2,100 respectively
(b) ₹ 6,000; ₹ 2,700; ₹ 3,000 respectively
(c) ₹ 7,200; ₹ 2,700; ₹ 4,500 respectively
(d) ₹ 9,000; ₹ 2,700; ₹ 4,500 respectively
8. A share of ₹ 100 issued at a premium of 20% is forfeited due to non-payment of final call of ₹ 30. The amount transferred to Share forfeiture A/c on forfeiture of shares is:
- (a) ₹ 30 (b) ₹ 70
(c) ₹ 90 (d) ₹ 50
- or
- Debentures cannot be issued at
- (a) Par (b) Discount
(c) Premium (d) None of these
9. Assertion (A): Company has to pay interest on calls in advance @12% p.a. for amount adjusted towards calls (if any).
Reason (R): In case of shares issued on pro-rata basis, excess money received at the time of application can be utilised till allotment only.
- (a) Both (A) and (R) are incorrect.
(b) (A) is correct but (R) is wrong.
(c) Both (A) and (R) are correct, and (R) is the correct explanation of (A).
(d) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
10. During Dissolution of a Partnership Firm, there exists a Machinery worth ₹ 50,000, Furniture worth ₹ 20,000 and creditors ₹ 15,000 and Patents ₹ 5,000 in the books of the firm. Machinery realized 80% and the realization expenses amounted to ₹ 3,000. The profit or loss on realization will be:
- (a) ₹ 18,000 Loss
(b) ₹ 38,000 Profit
(c) ₹ 23,000 Profit
(d) ₹ 23,000 Loss

11. The goodwill of a Raj Electricals is ₹ 54,000 valued at 4 years purchase of super profit. The capital employed of firm is ₹ 2,00,000 and normal rate of return is 10%. The average profit of firm is:
- (a) ₹ 33,500 (b) ₹ 20,000
(c) ₹ 24,500 (d) ₹ 23,500

12. Nakul, one of the partner has drawn ₹ 500 per month in the middle of each month during the year. Interest on drawings is to be calculated @ 8% p.a. Interest on his drawings will be:
- (a) ₹ 260 (b) ₹ 240
(c) ₹ 275 (d) ₹ 270

or

Neeraj, Suraj and Raj sharing profits in the ratio 3 : 2 : 1. Raj retired from the firm. Goodwill of the firm is valued at ₹ 60,000. Raj's share of goodwill will be contributed by Neeraj and Suraj as:

- (a) ₹ 2,000 and ₹ 8,000
(b) ₹ 5,000 each
(c) ₹ 6,000 and ₹ 4,000
(d) None of these

13. At the time of admission of new partner Pooja, Old partners Kiran and Shalu had debtors of ₹ 6,20,000 and a provision for doubtful debts of ₹ 20,000 in their books. As per terms of admission, assets were revalued, and it was found that debtors worth ₹ 15,000 had turned bad and hence should be written off. Which journal entry reflects the correct accounting treatment of the above situation.

(a) Revaluation A/c	Dr. 15,000	
To Sundry Debtors A/c		15,000
(b) Bad Debt A/c	Dr. 15,000	
To Revaluation A/c		15,000
(c) Bad Debts A/c	Dr. 15,000	
To Sundry Debtors		15,000
Provision for Doubtful Debts A/c	Dr. 15,000	
To Bad Debts A/c		15,000
(d) Bad Debt A/c	Dr. 15,000	
To Sundry Debtors		15,000
Revaluation A/c	Dr. 15,000	
To Provision for Doubtful Debts A/c		15,000

14. Vikas, Aakash and Prakash are partners, their partnership deed provides for interest on drawings at 8% per annum. Aakash withdrew a fixed amount in the middle of every month and his interest on drawings amounted to ₹ 4,800 at the end of the year. What was the amount of his monthly drawings?

- (a) ₹ 1,20,000
(b) ₹ 10,000
(c) ₹ 48,000
(d) ₹ 5,000

or

Abhishek and Sachin are partners sharing profit in the ratio 3 : 1. On 31st March 2021, firm's net profit is ₹ 1,25,000. The partnership deed provided interest on capital to Abhishek and Sachin ₹ 15,000 and 10,000 respectively and Interest on drawings for the year amounted to ₹ 6000 from Abhishek and ₹ 4000 from Sachin. Abhishek is also entitled to commission @10% on net divisible profits. Calculate profit to be transferred to Partners' Capital A/cs.

- (a) ₹ 1,10,000
(b) ₹ 1,07,000
(c) ₹ 90,000
(d) ₹ 1,00,000

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DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Sagar and Daman were in partnership sharing profits and losses in the ratio 2 : 1. They admitted Aalia as a new partner. Aalia brought ₹ 1,20,000 as her share of goodwill premium, which was entirely credited to Sagar's Capital Account. On the date of admission, goodwill of the firm was valued at ₹ 3,60,000 and there was a debit balance of ₹ 30,000 in the Profit and Loss A/c.

15. Which of the following is the entry for distribution of premium?
- Dr. Sagar's Capital A/c ₹ 1,20,000, Cr. Premium for Goodwill A/c ₹ 1,20,000
 - Dr. Premium for Goodwill ₹ 1,20,000; Cr. Daman's Capital A/c ₹ 1,20,000
 - Dr. Premium of Goodwill ₹ 1,20,000; Cr. Sagar's Capital A/c ₹ 80,000, Cr. Daman's Capital A/c ₹ 40,000
 - Dr. Premium for Goodwill ₹ 1,20,000, Cr. Sagar's Capital A/c ₹ 1,20,000
16. The new partner brings premium for goodwill to acquire her share in _____.
- liabilities of the firm
 - profits of the firm
 - expenses of the firm
 - assets of the firm
17. Arjun and Virat are partners in a firm sharing profits in the ratio 2:1 Their combined capital on 1st April 2021 was ₹ 3,84,000. Interest on capital is agreed @ 5% p.a. The profits of the year prior to interest on capital but after charging Virat's salary amounted ₹ 45,000. Fill in the missing figures in the following accounts as on 31st March 2022.

Profit and Loss Appropriation A/c			
Dr.		Cr.	
for the year ending 31 st March 2022			
Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital :		By Net Profit	57,000
Arjun	12,000		
Virat	7,200		
To Salary (Virat)			
To Divisible Profit :			
Arjun	.....	
Virat	.....	

Partners' Capital A/cs					
Dr.			Cr.		
Particulars	Arjun (₹)	Virat (₹)	Particulars	Arjun (₹)	Virat (₹)
To Balance c/d	By Balance b/d	.....	.....
			By Interest on Capital A/c	.....	.....
			By Profit and Loss Appropriation A/c	.....	.....
			By Salary A/c	.....	.....

18. Following is the Balance Sheet of Vivek, Hitesh and Abir as on 31st March, 2022.

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Machinery	1,16,000
Vivek	1,50,000	Stock	64,000

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Hitesh	80,000	Debtors	73,000
Abir	70,000	Bank	78,000
Sundry Creditors	25,000	Goodwill	30,000
Workmen's Compensation Fund	36,000		
	3,61,000		3,61,000

Hitesh died on 30th June 2022. Under the terms of the deed the executor of the deceased partner was entitled to the following:

- Amount standing to the credit of the Partner's Capital Account.
- Interest on Capital at 12% p.a.
- Share of goodwill. Goodwill is valued at ₹ 1,80,000.
- There was a claim on Workmen's Compensation of ₹ 18,000.
- Share of profit from the closing of the last financial year to the date of death based on last year's profits, which was ₹ 93,000.

Pass the necessary Journal entries for the above settlement.

or

Divya, Monika and Devika were partners sharing profits and losses in the ratio of 2:3:2. On 1st April, 2022 they decided to change their profit sharing ratio as 2:1:1. On this date their Balance sheet showed the following balances: General Reserve ₹ 40,000; Workmen Compensation Reserve ₹ 13,000; (Liability against this was ₹ 4,000) Profit and Loss A/c (Dr. balance) ₹ 4,200 The assets of the firm were revalued and they resulted in a gain of ₹ 8,400. The partners had decided to distribute all the Reserves and Profit and Loss A/c but to leave the assets at their original amount. Show the effect of the above adjustments in the books of the partnership firm by passing journal entries.

19. Gupta Trading Company has an Authorised Capital of ₹ 20,00,000 divided into Equity Shares of ₹ 10 each. The Company invited applications for 1,00,000 shares. Applications for 95,000 shares were received. All calls were made and all amounts were duly received except the final call of ₹ 4 per share on 2,000 shares. 1,000 of the shares on which the final call was not received were forfeited. Show how the Share Capital will appear 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.

or

Jagdish & Sons. has Securities Premium Reserve ₹ 36,00,000 appearing in its Balance Sheet. You are required to suggest ways in which the Company can utilise the Securities Premium amount.

20. Lucky, Jacky and Micky were partners in a firm having capitals of ₹ 50,000; ₹ 50,000; and ₹ 1,00,000 respectively. Their current account balances were Lucky : ₹ 10,000 (Cr.); Jacky : ₹ 5,000 (Cr.) and Micky : ₹ 2,000 (Dr.). Drawings made during the year were ₹ 2,000, ₹ 3,000 and ₹ 1,500 respectively. According to the partnership deed, the partners were entitled to an interest on capital 5% p.a. Micky, being the working partner, was also entitled to a salary of ₹ 6,000 p.a. The profits were to be divided as follows:
- The first ₹ 20,000 in proportion to their capitals.
 - Next ₹ 30,000 in the ratio of 5:3:2.
 - Remaining profits to be shared equally.

The firm made a profit of ₹ 1,56,000 for the year ended 31st March 2019 before charging any of the above items. Prepare the Profit and Loss Appropriation A/c.

21. On 1st April 2021, Krishna Group of Limited issued 8,000 9% Debentures of ₹ 100 each at a discount of 6% redeemable at a premium of 5% after five years. Pass journal entries for the issue and payment of interest on debentures for the year ended 31st March 2022.

22. Bhakti, Pari and Tripti were partners sharing profits and losses in the ratio of 3:2:1. The firm was dissolved on 31st March 2022. After transfer of assets and liabilities to Realisation A/c the following transactions took place.

Give journal entries in the books on dissolution of the firm.

- Pari's Loan to the firm ₹ 30,000 was settled at ₹ 28,500.
- Workmen Compensation Reserve – ₹ 40,000. A liability equal to 60% of the reserve was settled.

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- (c) Tripti was to receive 5% of the value of assets realised as remuneration for completing the dissolution work and was to bear realisation expenses. Realisation expenses were ₹ 5,500 that was paid by Tripti. Assets realised ₹ 60,000.
- (d) The Balance Sheet disclosed a footnote, contingent liability for ₹ 5,000 in respect of a bill discounted. The bill was received from Khushi. On the date of dissolution, Khushi was declared insolvent and was not able to pay the amount due. The bill had to be met by the firm.

23. Raman Pharmaceutical Co. Limited invited applications for 30,000 equity shares of ₹ 100 each issued at a premium of ₹ 20 per share. The amount were payable as follows:

On Application ₹ 40 (including ₹ 10 as premium).

On Allotment ₹ 40 (including ₹ 10 as premium).

On First call ₹ 20.

On Second and Final call ₹ 20.

Applications for 40,000 shares were received and pro-rata allotment was made on the applications for 35,000 shares. Excess application money is to be utilised towards allotment.

Ajay to whom 600 shares were allotted failed to pay the allotment money and his shares were forfeited after allotment.

Aman who applied for 1,050 shares failed to pay the first call and his shares were forfeited after the first call. The Second and Final call was not yet made.

Of the shares forfeited 1,000 shares were reissued as fully paid for ₹ 80 per share which included the whole of Ajay's shares.

Journalise the above transaction.

or

- (a) Insta Education Private Limited purchased Land costing ₹ 27,00,000 from Akash Ltd. Insta Education Private Limited paid 30% of the amount by cheque and the balance was paid by issue of Equity shares of ₹ 100 each at a premium of 20%. Pass necessary journal entries.
- (b) Techno Enterprises Limited forfeited 500 equity shares of ₹ 100 each for non-payment of first call of ₹ 20 and final call of ₹ 10 per share. State:
- Can these shares be reissued?
 - If yes, state the minimum amount at which these shares can be reissued.
 - If these shares were reissued at ₹ 50 per share fully paid-up, what will be the amount of Capital Reserve?

24. James and Thomas are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Outstanding Expenses	20,000	Cash	8,000
Bills Payable	76,000	Debtors	1,20,000
Creditors	70,000	Less : Provision for	
Workmen Compensation Fund	70,000	doubtful debts	(20,000)
Investment Fluctuation Fund	20,000	Stock	80,000
General Reserve	40,000	Investments	1,00,000
Capital Accounts:		Furniture	60,000
James	2,00,000	Machinery	3,08,000
Thomas	1,60,000		
	6,56,000		6,56,000

On 1st April, 2022 they admitted Cooper as a partner for 1/10th share in profits which he acquired equally from James and Thomas on the following terms:

- Cooper is to bring ₹ 50,000 as Capital and it was decided that the capital of all partners shall be in proportion to their profit sharing ratio on the basis of Cooper's Capital. Any deficiency or excess of capital will be adjusted through opening Current Accounts.

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- (ii) The Goodwill of the firm is valued at ₹ 60,000 and Cooper will contribute his share of goodwill in cash.
- (iii) Provision on debtors was found to be in excess by ₹ 4,000.
- (iv) Outstanding expenses will be reduced to ₹ 6,000.
- (v) Depreciate stock by 5%.
- (vi) Market value of investments was ₹ 70,000.

Prepare Revaluation A/c and Partners' Capital Accounts of the newly constituted firm.

or

Sohail, Hafiz and Bashir are partners sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31st March, 2022 stood as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	90,000	Cash	44,000
Creditors	36,000	Debtors	70,000
General Reserve	18,000	Less : Provision for	
Investment Fluctuation Fund	4,000	doubtful debts	(10,000)
Capital A/cs:		Stock	80,000
Sohail	1,40,000	Investments	44,000
Hafiz	1,60,000	Furniture	48,000
Bashir	1,00,000	Machinery	2,48,000
		Goodwill	24,000
	5,48,000		5,48,000

On the above date Hafiz retired. It is agreed that:

- (i) Goodwill of the firm will be valued at ₹ 90,000.
- (ii) Value of Machinery and Furniture to be depreciated by 5%.
- (iii) Provision for doubtful debts to be maintained at 20% on Sundry Debtors.
- (iv) Out of total insurance paid, premium amounting to the extent of ₹ 1,000 to be treated as prepaid insurance. This was earlier debited to the Profit and Loss Account.
- (v) The total capital of the new firm is decided to be ₹ 2,40,000. Necessary adjustments to be made in cash.
- (vi) Hafiz will be paid 20% of the total amount due to him in cash and the balance will be transferred to his Loan Account.

Prepare Revaluation A/c and Partners' Capital Accounts of the reconstituted firm.

25. Shivam, Jeevan and Naveen are partners sharing profits in the ratio of 3:2:1. On 1st April, 2022 Shivam gave a notice to retire from the firm. Jeevan and Naveen decided to share future profits, in the ratio of 2:3. The capital accounts of Jeevan and Naveen after all adjustments showed a balance of ₹ 64,000 and ₹ 1,00,000 respectively. The total amount to be paid to Shivam was ₹ 1,23,000. This amount was to be paid by Jeevan and Naveen in such a way that their capitals become proportionate to their new profit sharing ratio. Pass necessary Journal entries for the above transactions in the books of the firm. Show your working clearly.

26. Ojas Films Private Limited dealing in manufacture ladies garments decided to manufacture masks, gloves and other precautionary kits for people for which it required more of additional funds. Since the company has already raised money through shares equal to its authorised capital, the company decided to raise the additional funds through issue of ₹ 40,00,000; 7% debentures of ₹ 100 each at a discount of 6%, redeemable at a premium of 5% after five years. The amount was payable as follows:

On Application – ₹ 30

On Allotment – The Balance amount

Answer the following questions on the basis of the above information:

- (i) Pass journal entry for allotment of debentures.
- (ii) Prepare 'Loss on Issue of Debentures Account.'
- (iii) What entry will be passed for writing off the interest on debentures?

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PART—B

Analysis of Financial Statements

27. Match the following

A.	Sale of Patents	(1)	Operating Activity
B.	Profit on sale of Investments	(2)	Investing Activity
		(3)	Financing Activity
		(4)	Cash and Cash Equivalents

- (a) A-4; B-4
 (b) A-4; B-1
 (c) A-3; B-1
 (d) A-2; B-2

28. If fixed tangible assets whose original cost is ₹ 40,000 having accumulated depreciation ₹ 12,000 were sold for ₹ 34,000 then while preparing cash flow statement its effect on cash flow will be:

- (a) Cash flow from financing activities ₹ 6,000
 (b) Cash flow from investing activities ₹ 34,000
 (c) Cash flow from investing activities ₹ 6,000
 (d) Cash flow from financing activities ₹ 34,000

or

While preparing cash flow statement by indirect method, which of the following items are added back to profit during the year to arrive at operating profit:

- (a) Increase in inventory
 (b) Decrease in outstanding expenses
 (c) Transfer to general reserve
 (d) Increase in creditors

29. Gross Profit Ratio of a Company is 25%. Cost of revenue from operations are $\frac{3}{4}$ th of revenue from operations. If revenue from operations is ₹ 60,00,000, the Gross Profit of the company will be:

- (a) ₹ 15,00,000
 (b) ₹ 25,00,000
 (c) ₹ 11,25,000
 (d) ₹ 45,00,000

30. Calls-in-advance appears in a company's Balance sheet under:

- (a) Reserves and surplus
 (b) Current liabilities
 (c) Share capital
 (d) Long-term Provision

or

Determine Operating Ratio, if Operating Expenses is ₹ 60,000, Revenue from Operations is ₹ 9,00,000 and Cost of Revenue from operations is ₹ 6,60,000.

- (a) 20% (b) 80%
 (c) 11% (d) 15%

31. (a) Calculate Interest Coverage Ratio from the following information.

Net Profit after Interest and Tax ₹ 9,60,000

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12% Debentures	₹ 20,00,000
10% Loan from IDBI	₹ 12,00,000
Tax Rate 40%	

- (b) Gross Profit ratio of a company was 25%. Its credit revenue from operations were ₹ 18,00,000 and its cash revenue from operations were 10% of the total revenue from operations. If the indirect expenses of the company were ₹ 50,000 calculate its net profit ratio.

32. Distinguish between Horizontal Analysis and Vertical Analysis.

33. How are the following items represented in a Company's Balance Sheet?

- Debit balance in Statement of Profit and Loss
- Interest accrued and due on Debentures
- Capital Advances
- Computer Software under development
- Bank overdraft
- Interest accrued on Investment
- Prepaid Rent
- Outstanding Salary

or

- What is meant by Financial Statement Analysis?
- The Quick Ratio of a company is 2 : 1. State with reason, whether the following transaction will increase, decrease or not change in the quick ratio.
 - Insurance Premium paid in advance ₹ 2,000.
 - Purchase of loose tools of ₹ 5,100.

34. Following is the Balance Sheet of Sundram Packaging Private Limited as at March 31, 2021 and 2022.

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital		24,00,000	20,00,000
(b) Reserves and Surplus	1	9,00,000	7,00,000
2. Non-Current Liabilities :			
Long-term Borrowings		4,00,000	3,00,000
3. Current Liabilities :			
(a) Short-term Borrowing (Bank Overdraft)		40,000	20,000
(b) Trade Payables		70,000	30,000
(b) Provisions for Taxation		2,50,000	1,50,000
Total		40,60,000	32,00,000
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipments and Intangible Assets:			
(i) Property, Plant and Equipments: Machinery	2	21,40,000	16,20,000
(ii) Intangible Assets	3	3,20,000	4,00,000
2. Current Assets :			
(a) Inventories		5,60,000	3,50,000
(b) Trade Receivables		6,50,000	5,30,000
(c) Cash and Cash Equivalents		3,90,000	3,00,000

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Total	40,60,000	32,00,000
-------	-----------	-----------

Notes to Accounts:

Particulars	31 March 2022 (₹)	31 March 2021 (₹)
1. Reserves and Surplus		
Surplus i.e. Balance in Statement of Profit and Loss	9,00,000	7,00,000
2. Property, Plant and Equipments		
Machinery	23,30,000	17,70,000
Less: Accumulated Depreciation	(1,90,000)	(1,50,000)
	21,40,000	16,20,000
3. Intangible Assets		
Goodwill	3,20,000	4,00,000

Prepare a Cash Flow Statement after taking into account the following adjustment:

Proposed dividend as on 31st March 2021 and 2022 are ₹ 2,10,000 and ₹ 2,50,000 respectively.

□□□□□□

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- (c) neither profit nor loss (d) None of these

or

Need for valuation of goodwill arises for a partnership firm in which of the following situation(s)?

- (i) At the time of change in profit sharing ratio
 (ii) At the time of death/retirement of a partner
 (iii) At the time of admission of a partner

- (a) (i) and (ii) (b) (ii) and (iii)
 (c) Only (i) (d) All of these

6. On an equity share of ₹ 50, the company has called-up ₹ 40 but only ₹ 30 have been received by the company and the share is forfeited. In this case, share capital account should be debited by

- (a) ₹ 30 (b) ₹ 10
 (c) ₹ 50 (d) ₹ 40

7. Ramesh and Jagesh are sharing profits and losses in the ratio of 3 : 2. Aklesh is admitted with 1/5th share in profits of the firm which he gets entirely from Ramesh. Find out the new profit sharing ratio.

- (a) 8 : 12 : 5 (b) 2 : 2 : 1
 (c) 2 : 2 : 2 (d) 12 : 8 : 5

or

Sunil and Kapil are partners sharing profits and losses in the ratio of 5 : 3. On admission, Anil brings ₹ 35,000 as cash and ₹ 21,500 against goodwill. New profit ratio between Sunil, Kapil, Anil is 7 : 5 : 4. The sacrificing ratio of Sunil and Kapil will be

- (a) 1 : 3 (b) 4 : 5
 (c) 5 : 9 (d) 3 : 1

8. What will be the journal entry for shares re-issued at discount?

- (a) Share Capital A/c Dr.
 To Bank A/c
 To Share Forfeiture A/c
- (b) Share Capital A/c Dr.
 Securities Premium Reserve A/c Dr.
 To Bank A/c
- (c) Bank A/c Dr.
 To Share Capital A/c
 To Securities Premium Reserve A/c
- (d) Bank A/c Dr.
 Share Forfeiture A/c Dr.
 To Share Capital A/c

9. Gautam and Padam contribute ₹ 50,000 and ₹ 30,000 respectively in a partnership firm by way of capital on which they agree to allow interest @ 8% p.a. Their profit or loss sharing ratio is 3 : 2. The profit at the end of the year was ₹ 1,400 before allowing interest on capital. If there is a clear agreement that interest on capital will be paid even in case of loss, then Padam's share of profit or loss will be

- (a) loss ₹ 3,000 (b) loss ₹ 2,000
 (c) profit ₹ 3,000 (d) profit ₹ 2,000

10. State the order of share capitals of the following types according to the Schedule III, Part I of the companies balance sheet.

- (i) Subscribed share capital

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DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Rakhi, Sakhi and Pakhi were partners in a firm trading in electrical appliances. They were sharing profits in the ratio of 5 : 3 : 2. Their fixed capitals on 1st April, 2020 were ₹ 6,00,000, ₹ 8,00,000 and ₹ 16,00,000 respectively. After the flood in Uttarakhand, all partners decided to help the flood victims personally. For this, Rakhi withdrew ₹ 40,000 from the firm on 15th September, 2020. On the same date, Sakhi instead of withdrawing cash from the firm, took some appliances amounting to ₹ 48,000 from the firm and distributed those to the flood victims. On the other hand, Pakhi withdrew ₹ 4,00,000 from her capital on 1st January, 2021 and provided a mobile medical van in the flood affected area. The partnership deed provides for charging interest on drawings @ 6% per annum. Interest on capital was allowed @ 10%.

15. Interest on Rakhi's capital will be

- (a) ₹ 1,00,000 (b) ₹ 1,60,000
(c) ₹ 60,000 (d) ₹ 80,000

16. Interest on Sakhi's drawings will be

- (a) ₹ 1,560 (b) ₹ 2,880
(c) ₹ 1,300 (d) ₹ 1,440

17. Vijay, Bhavesh and Anoop are partners sharing profits in the ratio 6:3:1 and they decided to share future profits and losses in the ratio 5:3:2 with the effect from 1st April 2020. Following items appear in the Balance Sheet as at 31st March 2020.

	₹
General Reserve	45,000
Workmen Compensation Reserve	30,000
Profit and Loss Account (Dr.)	12,000
Advertisement Suspense A/c	18,000

Pass necessary journal entries to give effect to the change in profit sharing ratio.

18. Arun, Daksh and Ishan are partners in a firm sharing profits in their capital ratio. On 1st April, 2019 their capital stood at ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Partners are entitled to interest on capital @ 5% p.a.; Salary to Daksh @ ₹ 1,000 per month and a commission of ₹ 5,000 to Ishan as per the provisions of partnership deed. Daksh's share of profit, including interest on capital but excluding salary is guaranteed by Arun at not less than ₹ 60,000 p.a. The profits of the firm for the year was ₹ 2,00,000. Prepare Profit and Loss Appropriation A/c for the year ended 31st March 2020.

or

Sneha, Preeti and Rakesh are partners in a firm sharing profits in the ratio 2:2:1. Following adjustments of revaluation of assets and liabilities and goodwill is agreed upon Rakesh's retirement:

- (a) To write off Bad Debts amounting to ₹ 5,000. In the books of accounts, Debtors appear at ₹ 80,000 and Provision for Doubtful debts at ₹ 2,000.
- (b) A bills receivable amounting to ₹ 8,000 discounted from the bank is dishonoured.
- (c) Insurance premium amounting to ₹ 16,000 was debited to Profit and Loss Account, of which ₹ 4,000 is related to the next year.
- (d) Goodwill of the firm is valued at ₹ 60,000.

Pass the necessary journal entries for the above adjustments.

19. On 1st April, 2021, Future Industries Limited issued 10,000, 9% debentures of ₹ 100 each at a discount of 10% redeemable at par after six years:

Interest is paid annually on 31st March every year.

Pass necessary journal entries for issue and interest for the year ended 31st March 2022.

or

What are the options for a company to deal with over subscription of share applications?

20. Veena, Renu and Sonam were partners in a firm sharing profits and losses in the ratio of 2 : 3 : 1. With effect from 1st April, 2018 they decided to share future profits and losses in the ratio of 3 : 2 : 1. On that date their Balance Sheet showed a debit balance of ₹ 24,000 in Profit and Loss Account and a balance of ₹

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1,44,000 in General Reserve. It was also agreed that:

- The goodwill of the firm be valued at ₹ 1,80,000.
- The land (having book value of ₹ 3,00,000) will be valued at ₹ 4,80,000.

Pass the necessary journal entries for the above changes.

21. Max Services Limited has an authorised capital of 11,000 equity shares of ₹ 100 each. It issued 5,000 equity shares to public for subscription payable ₹ 30 on application, ₹ 30 on allotment and ₹ 20 on first call and balance on final call. The whole of the issue was called for by the company and all the money was duly received except first and final call money on 500 shares and these shares were forfeited. Out of the forfeited shares, 300 shares were reissued for ₹ 110 each fully paid up. Show Share Capital and Reserves and Surplus in the Balance Sheet of the company as per Schedule III of Companies Act, 2013 as at 31st March, 2022.

22. John, Johnny and Janardhan are partners in a firm sharing profits in the ratio 3 : 2 : 1. Their Balance Sheet as at 31st March 2022 stood at:

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		2,80,000	Cash at Bank		1,45,000
General Reserve		30,000	Debtors		1,90,000
Workmen Compensation Reserve		60,000	Stock		1,75,000
Capital A/cs:			Investments		2,50,000
John	3,00,000		Buildings		3,10,000
Johnny	2,20,000				
Janardhan	1,80,000	7,00,000			
		10,70,000			10,70,000

Johnny died on 30th June 2022 and as per deed his executors are entitled to:

- Amount standing to the credit of his capital account and interest thereon @ 10% p.a.
- Share of profits for the intervening period will be based on the sales during that period and average of three year's profits earned in the past. Sales for the period were ₹ 12,00,000. The rate of profit during past three years had been 10% on sales.
- Share of goodwill and goodwill of the firm is valued at ₹ 4,32,000.

Pass necessary journal entries to transfer amount due to Johnny to his executor.

23. Sangam Handicrafts Limited invited application for issuing 80,000 equity shares of ₹ 10 each at a premium of ₹ 2.50 each. The amount was payable as follows:

On Application ₹ 3 per share.

On Allotment ₹ 4.50 per share (including premium).

On First and Final Call balance amount.

Applications for 1,70,000 shares were received. Applications for 10,000 shares were rejected and money received from them was refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received with applications was adjusted towards sum due on allotment. Anju who had applied for 2,400 shares failed to pay the allotment and call money and Manju who was allotted 2,000 shares failed to pay the money due on call. All the shares on which money was due were forfeited. 2,400 forfeited shares were reissued @ ₹ 8 per share fully paid up, including all shares of Anju.

Pass the necessary journal entries in the books of the company for the above transactions.

or

Platina Limited invited applications for issuing 60,000 shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as follows:

On Application: ₹ 3 per share

On Allotment: ₹ 5 per share (including premium)

On First and Final Call: Balance

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Applications were received for 92,000 shares. Allotment was made on the following basis:

- To applicants for 40,000 shares – Full
- To applicants for 50,000 shares – 40%
- To applicants for 2,000 shares – Nil

₹ 1,90,000 was realised on account of allotment (excluding the amount carried from application money) and ₹ 2,12,000 on account of call. The directors decided to forfeit shares of those applicants to whom full allotment was made and on which both allotment and call money was overdue. 50% of the forfeited shares were reissued as fully paid up at ₹ 8 per share.

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

24. Pankaj and Sanjay were partners in a firm. They decided to dissolve the firm. Pankaj was deputed to realise the assets and to pay the liabilities and bear the realisation expenses. He was paid ₹ 1,000 as commission for his services. Actual expenses of dissolution paid by Pankaj were ₹ 1,500.

Further, following was agreed upon:

- Stock is overvalued by ₹ 1,000. Pankaj took away stock at the market value and agreed to pay Mrs. Pankaj's loan.
- Sanjay took away half of the investments at 10% discount and an old typewriter which had been written off completely from the books for ₹ 300.
- Creditors and bills payable were due on an average basis of two month after 31st March, but they were paid immediately on 31st March, at a discount of 3% p.a.
- Plant was undervalued by 20% and realised at actual value, other assets realised-Building ₹ 40,000, Debtors ₹ 19,000, Goodwill ₹ 6,000 and remaining investment ₹ 4,500.

Complete the given accounts of the firm.

Dr.		Realisation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Stock A/c	6,000	By Provision for Doubtful Debts	2,000		
To Investments A/c	10,000	By Sundry Creditors A/c	30,000		
To Debtors A/c	20,000	By Bills Payable A/c	8,000		
To Plant A/c	20,000	By Mrs. Sanjay's Loan A/c	10,000		
To Building A/c	15,000	By Mrs. Pankaj's Loan	5,000		
To Goodwill A/c	4,000	By Investment Fluctuation Reserve A/c	1,000		
To Pankaj's Capital A/c:		By Pankaj Capital A/c (stock)	.....	
Mrs Pankaj's Loan	.....	By Sanjay's Capital A/c:			
Commission	1,000	Investments	.....	
To Bank A/c:		Typewriter	.....	
Creditors	.....	By Bank A/c:			
.....	.....	Debtors	.....	
Mrs Sanjay's Loan	10,000	Plant	.....	
To Profit t/f to:		Building	.....	
Pankaj's Capital A/c	.....	Goodwill	.....	
Sanjay's Capital A/c	.....	Investments	.....	
		

Dr. Partners' Capital A/cs

Particulars	Pankaj (₹)	Sanjay (₹)	Particulars	Pankaj (₹)	Sanjay (₹)
.....	By Balance b/d	10,000	10,000

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To Advertisement			By General Reserve A/c	5,000
Suspense A/c	1,250	1,250	
.....
	36,745	30,745		36,745	30,745

Dr.		Bank A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Balance b/d	8,500	By Realisation A/c	47,810		
To Realisation A/c	.....	.....	.....
			
	1,03,000		1,03,000		

or

Nisha, Mahak and Shilpa are partners sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as on 31st March, 2019 stood as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	20,000	Cash in hand	22,000
Bills Payable	10,000	Debtors	25,000
General Reserve	22,000	Less : Provision for doubtful debts	(3,000)
Capital A/c:		Stock	18,000
Nisha	70,000	Investments	30,000
Mahak	50,000	Furniture	20,000
Shilpa	40,000	Machinery	70,000
		Goodwill	30,000
	2,12,000		2,12,000

On the above date Mahak retired and the terms of retirement were:

- Mahak sells her share of goodwill to Nisha for ₹ 4,000 and to Shilpa ₹ 2,000.
- Stock to be appreciated by 20%.
- Provision for doubtful debts to be increased by 525.
- There is a liability for workmen's compensation for ₹ 1,500 and it was to be provided for.
- Investments were sold at a loss of 10%.
- Provision for a bill under discount of ₹ 2,000 was to be made.
- The continuing partners agreed to pay ₹ 20,000 in cash on retirement to Mahak to be contributed in their new profit sharing ratio. The balance to be treated as Loan.
- The total capital of the new firm is decided to be ₹ 1,50,000. Necessary adjustments to be made by opening Current Accounts.

Prepare Revaluation A/c, Partners' Capital Accounts and Balance Sheet of the new firm after Mahak's retirement.

25. Akhil, Vijay and Vipin were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022 their Balance Sheet was as follows:

Balance Sheet of Akhil, Vijay and Vipin as on 31.03.2022

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	3,00,000	Fixed Assets	4,50,000
General Reserve	1,50,000	Stock	1,50,000
Capitals:		Debtors	2,00,000

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Akhil	2,00,000		Bank	1,50,000
Vijay	2,00,000			
Vipin	1,00,000	5,00,000		
		9,50,000		9,50,000

Vijay died on 12.6.2022. According to the partnership deed, the legal representatives of the deceased partner were entitled to the following:

- (i) Balance in his Capital Account.
- (ii) Interest on Capital @ 12% p.a.
- (iii) Share of goodwill. Goodwill of the firm on Vijay's death was valued at ₹ 60,000.
- (iv) Share in the profits of the firm till the date of his death, calculated on the basis of last year's profit.

The profit of the firm for the year ended 31.3.2022 was ₹ 5,00,000.

Prepare Vijay's Capital Account to be presented to his representatives.

26. Oracle Systems Limited issued ₹ 10,00,000 8% debentures as follows:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|
| (i) Sundry Subscribers for cash at 90% | ₹ 5,50,000 |
| (ii) Vendor of Machinery for ₹ 2,00,000 in satisfaction of his claim | ₹ 2,00,000 |
| (iii) Bankers as collateral security for a bank loan worth ₹ 20,00,000
for which principal security is Business Premises worth ₹ 22,50,000 | ₹ 2,50,000 |

The issue (i) and (ii) are redeemable after 5 years at 10% premium. Pass necessary journal entries in the above cases.

PART—B

Analysis of Financial Statements

27. Securities premium reserve is shown on the liabilities side in the balance sheet under the head.

- | | |
|-------------------------|-------------------------|
| (a) Share Capital | (b) Current Liabilities |
| (c) Reserve and Surplus | (d) General Reserve |

or

Which of the following does not indicate long-term financial solvency?

- | | |
|------------------|-----------------------|
| (a) Debt ratio | (b) Liquidity ratio |
| (c) Equity ratio | (d) Debt-equity ratio |

28. Calculate operating ratio, if Cost of revenue from operations ₹ 50,000, Revenue from operations ₹ 1,50,000 and Operating expenses ₹ 20,000.

- | | |
|-----------|-----------|
| (a) 46.7% | (b) 48.1% |
| (c) 42.2% | (d) 45% |

29. Which of the following is not an investing cash flow?

- (a) Sale of 2,500 shares (held as investment) for ₹ 15 each
- (b) Purchase of equipment for ₹ 500 cash
- (c) Purchase of marketable securities for ₹ 25,000 cash
- (d) Sale of land for ₹ 28,000 cash

or

Paid ₹ 4,00,000 to acquire shares in Vasundhara Enterprises Limited and received a dividend of ₹ 40,000 after acquisition. These transactions will result in

- (a) Cash generated from financing activities ₹ 4,40,000
- (b) Cash used in investing activities ₹ 3,60,000
- (c) Cash generated from financing activities ₹ 3,60,000
- (d) Cash used in investing activities ₹ 4,00,000

30. From the following information, calculate the amount of cash flow from financing activities.

Particulars	31st March, 2019 (₹)	31st March, 2018 (₹)
Equity Share Capital	20,00,000	18,00,000
Securities Premium Reserve	5,20,000	5,00,000
12% Debentures	2,00,000	3,00,000

Additional Information

Interest paid on debentures ₹ 36,000.

(a) ₹ 2,20,000

(b) ₹ 84,000

(c) ₹ 1,36,000

(d) ₹ 36,000

31. Under which major heads the following items will appear in the Statement of Profit and Loss of a Company?

(i) Sale of scrap material

(ii) Income from interest on investment

(iii) Gratuity paid

(iv) Interest paid on Debentures

(v) Goodwill written off

(vi) Selling and Distribution Expenses

32. On the basis of the given information, calculate Operating Ratio.

	₹
Cash Revenue from Operations	4,00,000
Credit Revenue from Operations	2,00,000
Cost of Revenue from Operations	3,90,000
Depreciation	3,000
Employees' Benefit Expenses	27,000
Purchase of stock-in-trade	40,000

33. The proprietary ratio of Essel Industries Limited is 0.80: 1.

State with reasons whether the following transactions will increase, decrease or not change the proprietary ratio:

(i) Obtained a loan from bank ₹ 2,00,000 payable after five years.

(ii) Purchased machinery for cash ₹ 75,000.

(iii) Redeemed 5% redeemable preference shares ₹ 1,00,000.

(iv) Issued equity shares to the vendors of machinery purchased for ₹ 4,00,000.

or

From the given information calculate the following:

(i) Cost of revenue from operations

(ii) Opening and closing inventory

(iii) Quick Assets

(iv) Current Assets

Information:

Inventory turnover ratio 6 times, Inventory at the end is ₹ 6,000 more than the inventory in the beginning, Revenue from operations (all credits) ₹ 2,40,000, Gross profit 25% on cost, Current liabilities ₹ 80,000, Quick ratio 0.80 : 1.

34. From the following Balance Sheets of Time Technoplast Limited as at 31st March 2021 and 31st March 2022, prepare Cash Flow Statement.

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital		5,50,000	4,20,000

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(b) Reserves and Surplus	1	75,000	60,000
2. Non-Current Liabilities			
Long-term Borrowings	2	3,20,000	4,00,000
3. Current Liabilities			
(a) Short term Borrowings	3	50,000	20,000
(b) Trade Payables		80,000	1,05,000
(c) Short-term Provisions		25,000	18,000
Total		11,00,000	10,23,000
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipments and Intangible Assets			
Property, Plant and Equipment – Fixed Assets	5	3,70,000	2,81,000
(b) Non-Current Investments		1,50,000	1,90,000
2. Current Assets:			
(a) Inventories		80,000	60,000
(b) Trade Receivables		3,20,000	4,20,000
(c) Cash and Cash Equivalents		1,80,000	72,000
Total		11,00,000	10,23,000

Notes to Accounts:

Particulars	31 st March 2022 (₹)	31 st March 2021 (₹)
1. Reserves and Surplus		
Surplus i.e. Balance in Statement of Profit and Loss	75,000	60,000
2. Long-term Borrowings:		
Bank Loan	3,20,000	4,00,000
3. Short-term Borrowings:		
Bank overdraft	50,000	20,000
4. Short-term Provisions:		
Provision for Taxation	25,000	18,000
5. Property, Plant and Equipments – Fixed Assets:		
Building	1,50,000	1,80,000
Machinery	2,20,000	1,01,000
	3,70,000	2,81,000

Additional Information:

- During the year, tax paid ₹ 24,000.
- Depreciation provided on Building and Machinery amounted to ₹ 30,000 and ₹ 32,000 respectively.
- A machine of book value ₹ 30,000 was sold for ₹ 9,000.
- Proposed dividend of current year and previous year were ₹ 12,000 and ₹ 18,000 respectively.

□□□□□□

Sample Paper 12
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Gopal, Tushar and Mohit are partners sharing profits and losses in the ratio of $\frac{4}{10}$, $\frac{4}{10}$ and $\frac{1}{5}$. Tushar retires from the firm, Gopal and Mohit decided to share future profits and losses in the ratio of 3 : 2. Calculate gaining ratio.
(a) 3 : 2 (b) 2 : 1
(c) 1 : 2 (d) 1 : 1
2. Golu and Sonu are partners sharing profits and losses in the ratio of 3 : 2. Chanu is admitted for $\frac{1}{5}$ th share in profits of the firm which he gets entirely from Golu. Find out the new profit sharing ratio.
(a) 8 : 12 : 5
(b) 2 : 2 : 1
(c) 2 : 2 : 2
(d) 12 : 8 : 5
3. Dalajit and Manjeet are partners sharing profits equally. Interest on Dalajit's drawings is ₹ 3,250 and Manjeet's drawings is ₹ 2,750. 10% of distributable profit is transferred to reserve fund. Profit for the year is ₹ 10,00,000. Amount transferred to reserve fund will be
(a) ₹ 1,00,300 (b) ₹ 99,400
(c) ₹ 1,00,000 (d) ₹ 1,00,600
4. With context to debit side of partners' current account, pick the odd one out.
(a) Interest on Drawings
(b) Salary
(c) Drawings
(d) None of these

or

At the time of change in profit sharing ratio, workmen compensation reserve existing in the balance sheet against which no liabilities exist, is transferred to capital account of partners in their _____.

- (a) sacrificing ratio
- (b) gaining ratio
- (c) old profit sharing ratio
- (d) new profit sharing ratio

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5. Net profit is always taken after _____ in the profit and loss appropriation account.
- manager's commission
 - interest on partner's loan
 - Both (a) and (b)
 - None of these

or

When partners' capital accounts are fixed, which one of the following items will be written in the partner's capital account?

- Partner's drawings
 - Additional capital introduced by the partner in the firm
 - Loan taken by partner from the firm
 - Loan advanced by partner to the firm
- Only (ii)
 - (i) and (iii)
 - (i) and (ii)
 - (iii) and (iv)
6. Diwakar, a director of the company proposed in a board meeting that to inculcate the habit of savings among people, he wanted to bring a special issue of shares. His proposal was accepted by the company. The company issued 35,000 shares of ₹ 100 each, payable ₹ 30 on application, ₹ 50 on allotment and ₹ 20 on call. Prabhakar, a shareholder holding 25 shares could not pay his call money and Sudhakar another shareholder holding 30 shares paid the call money with allotment. Prabhakar, paid the amount due to him after four months explaining the reason for this delay, the company did not charge any interest from him. Calculate the amount received by the company on allotment.
- | | |
|-----------------|-----------------|
| (a) ₹ 17,50,600 | (b) ₹ 24,50,000 |
| (c) ₹ 17,50,000 | (d) ₹ 10,50,000 |
7. Sagar, Javed and Happy are partners sharing profits in the ratio of 3 : 2 : 1. They agree to admit Sahil into the firm. Sagar, Javed and Happy agreed to give $\frac{1}{3}$ rd, $\frac{1}{6}$ th and $\frac{1}{9}$ th share of their profit. The share of profit of Sahil will be
- $\frac{1}{10}$
 - $\frac{12}{54}$
 - $\frac{11}{54}$
 - $\frac{13}{54}$
8. Assertion (A): Partnership agreement in writing is considered as desirable.
Reason (R): Written partnership agreement serves as a evidence in the court of law.
Alternatives
- Assertion (A) is true, but Reason (R) is false
 - Assertion (A) is false, but Reason (R) is true
 - Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 - Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
9. Total capital specified in capital clause is ₹ 50,00,000 which is divided in 35,000 equity shares of ₹ 100 each and 15,000, 10% preference shares of ₹ 100 each. The company issued 10,000 equity shares and 5,000 preference shares. The public subscribed for 9,000 equity shares and 4,500 preference shares out of the issued shares. What will be the subscribed capital amount?
- ₹ 9,00,000
 - ₹ 50,00,000
 - ₹ 13,50,000
 - ₹ 50,000

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10. Issued 10,000 shares of ₹ 100 each to the Ghanshyam Food Limited @10% premium and paid ₹ 2,00,000 in cash for a consideration of running business purchased. Journalise this transaction.

(a)	Ghanshyam Food Limited	Dr.	13,00,000	
	To Cash A/c			13,00,000
(b)	Share Capital A/c	Dr.	10,00,000	
	Securities Premium Reserve A/c	Dr.	1,00,000	
	Cash A/c	Dr.	2,00,000	
	To Ghanshyam Food Limited			13,00,000
(c)	Ghanshyam Food Limited	Dr.	13,00,000	
	To Share Capital A/c			10,00,000
	To Securities Premium Reserve A/c			1,00,000
	To Cash A/c			2,00,000
(d)	Ghanshyam Food Limited	Dr.	13,00,000	
	To Share Capital A/c			13,00,000

11. Vandana Cconsumer Products Limited has purchased an asset costing ₹ 22,00,000. Vendor issued 10% debentures of ₹ 100 each at 10% premium as consideration against asset purchased. Calculate number of debentures to be issued.

(a) 20,000 debentures	(b) 26,000 debentures
(c) 22,000 debentures	(d) 24,000 debentures

or

Shree Electronics Limited called first call money of ₹ 3 per share on its 50,000 shares. A shareholder holding 2,750 shares failed to pay the amount. How much amount will be due on first call?

(a) ₹ 1,50,000	(b) ₹ 1,47,750
(c) ₹ 1,41,750	(d) ₹ 1,57,000

12. Total capital employed in the firm is ₹ 4,00,000, reasonable rate of return is 15% and profit for the year is ₹ 6,00,000. The value of goodwill of the firm as per capitalisation method would be

(a) ₹ 36,00,000	(b) ₹ 41,00,000
(c) ₹ 21,00,000	(d) ₹ 6,00,000

13. During the year 2019-20, Vidhata Industries Limited issued 12% debentures of ₹ 100 each as per the details given. A machine was purchased for ₹ 2,18,500. The Vendor was paid by the issue of 1,900 debentures at a premium of 15%, to be redeemed at par. The entry for the payment will be

(a)	Vendor's A/c	Dr.	2,18,500	
	To 20% Debentures A/c			1,90,000
	To Securities Premium Reserve A/c			28,500
(b)	Vendor A/c	Dr.	2,18,500	
	To Machinery A/c			2,18,500
(c)	12% Debentures A/c	Dr.	1,90,000	
	Securities Premium Reserve A/c	Dr.	28,500	
	To Vendor's A/c			2,18,500
(d)	Machinery A/c	Dr.	2,18,500	
	To Vendor's A/c			2,18,500

or

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On 28th February, 2020, the first call of ₹ 2 per share became due on 25,000 equity shares allotted by Zerox Enterprises Limited. Jack, a holder of 500 shares did not pay the first call money. Mack, a holder of 375 shares paid the second and final call of ₹ 4 per share along with the first call.

Journal entry for the amount received will be _____

(a)	Bank A/c	Dr.	50,500	
	Calls-in-advance A/c	Dr.	1,000	
	To Equity Share First Call A/c			50,000
	To Calls-in-arrear A/c			1,500
(b)	Equity Share First Call A/c	Dr.	50,000	
	Calls-in-arrear A/c	Dr.	1,000	
	To Bank A/c			49,500
	To Calls-in-advance A/c			1,500
(c)	Bank A/c	Dr.	50,500	
	Calls-in-arrear A/c	Dr.	1,000	
	To Equity Share First Call A/c			50,000
	To Calls-in-advance A/c			1,500
(d)	None of the above			

14. Peter and Daneal are partners in a firm sharing profits and losses in the ratio of 5 : 7 respectively. Their balance sheet shows creditors at ₹ 1,00,000. If creditors amounting to ₹ 12,000 are to be written-off as they are not likely to be claimed, what will be the new value of creditors to be shown in new balance sheet?
- (a) ₹ 1,12,000 (b) ₹ 88,000
(c) ₹ 12,000 (d) None of these

or

Atif and Latif are partners sharing profits and losses as 2 : 1. Aabid is admitted and profit sharing ratio becomes 4 : 3 : 2. Goodwill is valued at ₹ 94,500. Aabid brings required goodwill in cash. Goodwill amount will be credited to

- (a) Atif ₹ 21,000
(b) Atif ₹ 94,500
(c) Atif ₹ 14,000 and Latif ₹ 7,000
(d) Atif ₹ 12,000 and Latif ₹ 9,000

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Harry and Terry are partners in a firm. Harry gets commission of 10% on the net profits before charging any commission and Harry gets are commission of 10% on the net profits after charging all commission.

Profit and Loss Appropriation A/c

Dr.		Cr.	
for the year ended 31st March, 2020			
Particulars	Amount (₹)	Particulars	Amount (₹)
To Harry's Commission A/c	1,65,000	By Profit and Loss A/c (Net profits)	.....
To Terry's Commission A/c		
To Profit Transferred to			
Harry's Capital A/c		
Terry's Capital A/c		

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15. What will be the net profit before charging commission?
(a) ₹ 16,50,000 (b) ₹ 12,65,000
(c) ₹ 18,00,000 (d) ₹ 13,50,000
16. What will be Terry's Commission ?
(a) ₹ 1,48,500
(b) ₹ 1,50,000
(c) ₹ 1,65,000
(d) ₹ 1,35,000
17. Jack, Rony and Danny are partners. Their capitals as on 1st April, 2021 were Jack ₹ 1,00,000, Rony ₹ 2,00,000 and Danny ₹ 3,00,000. Profits for the year 2020-2021 amounting to ₹ 1,20,000 were distributed in the ratio of capitals without providing for the following
(i) Interest on capitals Jack ₹ 10,000, Rony ₹ 20,000, Danny ₹ 30,000.
(ii) Interest on drawings Jack ₹ 6,000, Rony ₹ 10,000, Danny ₹ 16,000.
(iii) Jack's salary of ₹ 2,000 per month and Rony's commission of ₹ 8,000.
The partnership deed was silent as to the sharing of profits and losses. Pass the necessary single adjusting entry.
18. Naresh Exports Limited issued 60,000, 15% debentures of ₹ 10 each credited as fully paid to the promoters for their services and issued 15,000, 15% debentures of ₹ 10 each credited as fully paid to the underwriters for the underwriting services. Journalise these transactions.
or
City Corporation Limited issued 40,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable alongwith the application. All the shares were applied and duly allotted. Pass necessary journal entries.
19. The partnership agreement between Girraj and Neeraj provides that.
(i) Profits will be shared equally.
(ii) Girraj will be allowed a salary of ₹ 400 per month.
(iii) Neeraj who manages the sales department will be allowed a commission equal to 10% of the net profits, after allowing Girraj's salary.
(iv) 7% interest will be allowed on partners' fixed capital.
(v) 5% interest will be charged on partners' annual drawings.
(vi) The fixed capitals of Girraj and Neeraj are ₹ 1,00,000 and ₹ 80,000 respectively. Their annual drawings were ₹ 16,000 and ₹ 14,000 respectively. The net profit for the year ending 31st March, 2006 amounted to ₹ 40,000.
Prepare firm's profit and loss appropriation account.
20. Kavita, Sunita, Vinita and Nikita are partners in a firm sharing profits in 2:1:2:1 ratio. On the retirement of Vinita, the goodwill was valued at ₹ 2,16,000. Kavita, Sunita and Nikita decided to share future profits equally. Pass the necessary journal entry for the treatment of goodwill without opening goodwill account.
or
Tommy, Jerry and Harry are partners sharing profits in the ratio of 4 : 3 : 2. On 1st April, 2021, Jerry gave a notice to retire from the firm. Tommy and Harry decided to share future profits in the ratio of 1 : 1. The capital accounts of Tommy and Harry after all adjustments showed a balance of ₹ 21,500 and ₹ 40,250 respectively.
The total amount to be paid to Jerry was ₹ 47,750. This amount was to be paid by Tommy ₹ 33,250 and by Harry ₹ 14,500. Pass necessary journal entries in the books of the firm for the above transactions. Show your working clearly.
21. Sheetal Industries Limited purchased assets of ₹ 6,30,000 from Mahanagar Gas Limited. Sheetal Industries Limited issued equity shares of ₹ 100 each fully paid in consideration. What journal entries will be made, if the shares are issued (i) at par and (ii) at premium of 20%.

22. Pass the necessary journal entries for the following transactions on the dissolution of firm of Ruby, Lily and Robin (who were sharing profits in the ratio of 2 : 2 : 1) after the transfer of all assets (other than cash) and external liabilities to realisation account.
- Debtors were of ₹ 62,100. Ruby takes over debtors amounted to ₹ 60,000 at ₹ 58,600 and the remaining debtors were sold to a debt collecting agency at 50% of the value.
 - Sundry assets were of ₹ 58,500. Lily is to take over some sundry assets at ₹ 36,000 (being 10% less than the book value). Robin is to take over remaining sundry assets at 80% of the book value.
 - Robin assumes the responsibility of discharge of Mrs. Robin's loan of ₹ 5,750 together with accrued interest of ₹ 1,150.
23. Rekha and Surekha are partners sharing profits and losses in the ratio of 2 : 1. On 31st December, 2019, the partners decided to dissolve the firm. Their Balance Sheet is as follows

Balance Sheet
as at 31st December, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Rekha's Capital A/c	50,000	Debtors	26,000
Investment Fluctuation Fund	20,000	(-) Provision for D. Debts	(2,000)
Bank Overdraft	30,000	Investments	40,000
General Reserve	56,000	Inventory	10,000
Rekha's Loan A/c	34,000	Plant	10,000
		Buildings	60,000
		Surekha's Capital A/c	30,000
		Cash in Hand	6,000
		Cash at bank	10,000
	1,90,000		1,90,000

The assets were realised as follows

Debtors ₹ 26,000, Inventory ₹ 8,500, Plant ₹ 10,000, Buildings ₹ 1,00,000. Investment were taken over by Rekha at ₹ 35,000. Compensation was paid to employees ₹ 10,000.

Prepare realisation account, partners' capital account and bank account.

24. Sangam Limited invited applications for 1,00,000 equity shares of ₹ 10 each. The shares were issued at a premium of ₹ 5 per share. The amount was payable as follows
On application and allotment 8 per share (including premium 3).
The balance including premium on the first and final call.
Applications for 1,50,000 shares were received. Applications for 10,000 shares were rejected and pro-rata allotment was made to the remaining applicants on the following basis
- Applicants for 80,000 shares were allotted 60,000 shares.
 - Applicants for 60,000 shares were allotted 40,000 shares.
- Raju, who belonged to the first category and was allotted 300 shares, failed to pay the first call money. Anuj, who belonged to the second category and was allotted 200 shares, also failed to pay the first call money. Their shares were forfeited. The forfeited shares were re-issued @ ₹ 12 per share fully paid-up. Pass necessary journal entries and prepare cash book.

or

On 1st June, 2019, Kisan Polypipe Limited offered for subscription 50,000 equity shares of ₹ 100 each at a premium of ₹ 20 per share payable as given below

On application ₹ 20 per share, on allotment (including premium) ₹ 50 per share and two months after allotment ₹ 50 per share.

Applications were received for 84,000 shares. On 1st July, 2019, the Directors proceeded to allot shares proportionately. Of these, application for 4,500 shares were accompanied with full amount and hence, were accepted in full and the balance allotment was made on pro-rata basis. Excess amount paid by applicants was utilised towards allotment and call money due from them. One of the applicants to whom 300 shares were allotted proportionately, failed to pay the call money. His shares were forfeited on 30th November,

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2019 and subsequently issued @ ₹ 130 per share. Record entries relating to these transactions in the journal of the company.

25. The balance sheet of Tanish, Danish and Satish, who were sharing profits in the ratio of 5 : 3 : 2 as at 31st March, 2020 was as follows

Balance Sheet
as at 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,10,000	Bank	88,000
Employees Provident Fund	22,000	Debtors	2,20,000
Profit and Loss A/c	1,87,000	Stock	1,76,000
Capital A/cs		Fixed Assets	1,32,000
Tanish	88,000		
Danish	1,36,400		
Satish	72,600		
	2,97,000		
	6,16,000		6,16,000

Tanish retired on 31st March, 2020. It was agreed that

- (i) Goodwill of the firm was valued ₹ 1,76,000.
- (ii) Fixed assets are to be depreciated by ₹ 5,500.
- (iii) Make a provision for doubtful debts at 5% on debtors.
- (iv) New profit sharing ratio of Danish and Satish will be 2 : 3.
- (v) A liability for claim, included in creditors for ₹ 22,000 is settled at ₹ 17,600.

The amount to be paid to Tanish ₹ 2,63,450 and to Danish ₹ 4,510 and cash brought in by Satish ₹ 2,12,960 by leaving a balance of ₹ 33,000 in the bank.

Prepare revaluation account and partners' capital account.

or

Anant and Jayant were partners in a firm sharing profits in the ratio of 3 : 2. On 1st April, 2020, they admitted Hemant as a partner in the firm. The balance sheet of Anant and Jayant on that date was as under

Balance Sheet
as at 1st April, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	1,05,000	Cash in Hand	70,000
Workmen's Compensation Fund	1,25,000	Debtors	80,000
General Reserve	80,000	Stock	60,000
Capital A/cs		Machinery	50,000
Anant	50,000	Building	1,40,000
Jayant	40,000		
	90,000		
	4,00,000		4,00,000

It was agreed that

- (i) The value of building and stock be appreciated to ₹ 1,90,000 and ₹ 80,000 respectively.
- (ii) The liabilities of workmen's compensation fund was determined at ₹ 1,15,000.
- (iii) Hemant brought in her share of goodwill ₹ 50,000 in cash.
- (iv) Hemant was to bring cash ₹ 60,000 as his capital.
- (v) The future profit sharing ratio will be Anant 2/5th, Jayant 2/5th and Hemant 1/5th.

Prepare revaluation account, partners' capital accounts and balance sheet of the new firm.

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26. Aahuja Private Limited issued 20,000, 9% debentures of ₹ 100 each to the public at 10% discount on 1st April, 2018. These debentures are redeemable after 6 years at a premium of 10%.
Pass the necessary journal entries for issue of debentures and writing-off 'loss on issue of debentures' in same year of issue, if company has a balance of ₹ 1,60,000 in its securities premium reserve account and also prepare loss on issue of debentures account.

Part B (Financial Statement Analysis)

27. Suvidha Construction Private Limited is a financial company which provides loan and invest into shares. At the year end, company received ₹ 80,000 interest on loan. Where will be the amount of interest presented?
- Activity arising from interest will be shown in financing activity
 - Activity arising from interest will be shown in operating activity
 - Activity arising from interest will be shown in investing activity
 - None of the above
28. Gross profit is 20% of the net sales. Calculate the value of net sales, if cost of goods sold is ₹ 50, 000.
- ₹ 62, 500
 - ₹ 65, 000
 - ₹ 60, 000
 - ₹ 50,000

29. Liquid ratio is calculated as

- $\frac{\text{Current Assets} - \text{Liquid Assets}}{\text{Current Liabilities}}$
- $\frac{\text{Current Assets} - \text{Inventories} - \text{Prepaid Expenses}}{\text{Current Liabilities}}$
- $\frac{\text{Current Assets} - \text{Fictitious Assets}}{\text{Current Liabilities}}$
- $\frac{\text{Current Assets} - \text{Current Liabilities}}{\text{Current Assets}}$

or

Livestock is shown under which sub-head?

- Trade receivables
 - Tangible fixed assets
 - Intangible fixed assets
 - Inventories
30. Which of the following is not an investing cash flow?
- Sale of 2,500 shares (held as investment) for ₹ 15 each
 - Purchase of equipment for ₹ 500 cash
 - Purchase of marketable securities for ₹ 25,000 cash
 - Sale of land for ₹ 28,000 cash

or

Vivek Consultancy Private Limited purchased furniture for ₹ 20,00,000 paying 60% by issue of equity shares of ₹ 10 each and the balance by a cheque. This transaction will result in

- Increase in cash and cash equivalents ₹ 8,00,000.
- Cash used in investing activities ₹ 8,00,000.
- Cash used in investing activities ₹ 20,00,000.
- Cash generated from financing activities ₹ 12,00,000.

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31. What is meant by analysis of financial statements? State any two advantages of analysis of financial statements.
32. Freedom Resourcing Private Limited is in the process of preparing its balance sheet as per Schedule III, Part I of the Companies Act, 2013 and provides its true and fair view of the financial position.
- Under what head and sub-head will the company show stores and spares and loose tools in its balance sheet?
 - What is the accounting treatment of stores and spares and loose tools, when the company will calculate its inventory turnover ratio?
 - What is the objective of this analysis?
33. Calculate the amount of opening trade receivables and closing trade receivables from the following figures
Trade Receivables Turnover Ratio = 5 times; Gross Profit Ratio = 20%
Opening Trade Receivables were $\frac{1}{3}$ rd of Closing Trade Receivables.
Cash Revenue from Operations being $\frac{1}{4}$ th of Credit Revenue from Operations.
Cost of Revenue from Operations is ₹ 10,00,000.
- or
- From the following information, calculate Inventory Turnover Ratio : Net Sales ₹ 40,000; Average Inventory ₹ 5,500; Gross Loss on Sales is 10%.
 - From the following information, calculate Inventory Turnover Ratio : Total Sales ₹ 22,000; Sales Return ₹ 2,000; Gross Profit ₹ 5,000; Closing Inventory ₹ 6,000; Excess of Closing Inventory over Opening Inventory ₹ 2,000.
34. From the following balance sheet of Unique Projects Private Limited as on 31st March, 2022 and 2021, prepare a cash flow statement

Balance Sheet
as at 31st March, 2021 and 2022

Particulars	Note no.	31st March 2022 (₹)	31st March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(i) Share Capital		1,30,000	90,000
(ii) Reserves and Surplus	1	84,000	48,000
2. Current Liabilities			
Trade Payables		22,000	17,400
Total		2,36,000	1,55,400
II. ASSETS			
1. Non-Current Assets :			
Fixed Assets		1,66,000	93,400
2. Current Assets			
(i) Inventories		26,000	22,000
(ii) Trade Receivables		39,000	36,000
(iii) Cash and Cash Equivalents		5,000	4,000
Total		2,36,000	1,55,400

Notes to Accounts

Particulars	2022 (₹)	2021 (₹)
1. Reserves and Surplus		
General Reserve	55,000	30,000
Balance of Statement of Profit and Loss	30,000	20,000
Preliminary Expenses	(1,000)	(2,000)
	84,000	48,000

Additional Information

- (i) Depreciation charged on fixed assets for the year 2021-22 was ₹ 20,000.
(ii) Income tax ₹ 5,000 has been paid during the year.

□□□□□□

4. What will be the correct sequence of events?
 (i) Forfeiture of shares
 (ii) Default on calls
 (iii) Reissue of shares
 (iv) Amount transferred to capital reserve
 (a) (ii), (i), (iii), (iv)
 (b) (i), (iv), (ii), (iii)
 (c) (iii), (iv), (i) (ii)
 (d) (ii), (iv), (i), (iii)
5. Assertion (A): Interest on loan is recorded in profit and loss account.
 Reason (R): Interest on loan is a charge against profit.
 Alternatives
 (a) Assertion (A) is true, but Reason (R) is false
 (b) Assertion (A) is false, but Reason (R) is true
 (c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 (d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
6. In a firm, 10% of net profit after deducting all adjustments, including reserve is transferred to general reserve. The net profit after all adjustments but before transfer to general reserve is ₹ 88,000. Calculate the amount which is to be transferred to reserve.
 (a) ₹ 8,800 (b) ₹ 4,400
 (c) ₹ 5,000 (d) ₹ 8,000
7. If a share of ₹ 10 on which ₹ 8 has been paid up is forfeited, it can be reissued at the minimum price of _____
 (a) ₹ 5 per share (b) ₹ 2 per share
 (c) ₹ 10 per share (d) ₹ 8 per share
8. What will be the entry for writing-off goodwill at the time of retirement?
 (a) Goodwill A/c (Appeared goodwill) Dr
 To Old. Partner's Capital/Current A/c (In old ratio)
 (b) Goodwill A/c Dr
 To Old Partner's Capital A/c (In new ratio)
 (c) Old Partner's Capital/Current A/c (In old ratio) Dr
 To Goodwill A/c
 (d) None of the above
9. Nora, Liza and Luna are partners sharing profits in the ratio of 5 : 3 : 2. They have admitted Elena into the partnership for $\frac{1}{6}$ th share. An extract of their balance sheet on 1st April, 2020 is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
Investment Fluctuation Fund	27,000	Investments (cost)	3,00,000

If the market value of investments is ₹ 2,90,000, then the Investment Flucuation Fund will be shown in the balance sheet of the firm at

- (a) ₹ 10,000 (b) ₹ 13,000
 (c) ₹ 27,000 (d) ₹ 20,000

10. Pass the necessary entry for the following transaction.

A furniture of ₹ 6,000 (book value) is taken by Jeet, who is a partner of Royals.

(a) Furniture A/c	Dr 6,000	
To Jeet's Capital A/c		6,000
(b) Furniture A/c	Dr 6,000	
To Cash A/c		6,000
(c) Jeet's Capital A/c	Dr 6,000	
To Furniture		6,000
(d) Cash A/c	Dr 6,000	
To Furniture A/c		6,000

11. Karan and Manan were in partnership sharing profits and losses in the ratio of 2 : 1. They admitted Rehaan as a new partner. Rehaan brought ₹ 10,000 as her share of goodwill premium, which was entirely credited to Karan's capital account. On the date of admission, goodwill of the firm was valued at ₹ 30,000. Calculate the new profit sharing ratio.

(a) 1:1:1	(b) 3:2:1
(c) 1:2:1	(d) 2:1:1

12. Samar and Jigar were partners in a firm sharing profits and losses in the ratio of 2 : 1. With effect from 1st January, 2020, they decided to share profits and losses equally. Individual partner's gain or sacrifice due to change in the ratio will be

(a) Gain by Samar $\frac{1}{2}$, Sacrifice by Jigar $\frac{1}{2}$
(b) Sacrifice by Samar $\frac{1}{2}$ Gain by Jigar $\frac{1}{2}$
(c) Gain by Samar $\frac{1}{6}$, Sacrifice by Jigar $\frac{1}{6}$
(d) Sacrifice by Samar $\frac{1}{6}$, Gain by Jigar $\frac{1}{6}$

13. Supreme Technologies Limited invited applications for issuing 600, shares of ₹ 100 each at a premium of ₹ 50 per share. The full amount was payable on application. Applications were received for 800 shares. Applications for 200 shares were rejected and application money was refunded. Shares were allotted to the remaining applicants. Journal entry for adjusting the application money received in the books of Supreme Technologies Limited is as follows

Share Application and Allotment A/c	Dr	A
To Share Capital A/c		B
To Securities Premium Reserve A/c		C
To Bank A/c		D

Here A, B, C, D are

- | |
|-----------------------------------------------------------|
| (a) ₹ 60,000, ₹ 30,000, ₹ 15,000, ₹ 15,000 respectively |
| (b) ₹ 60,000, ₹ 15,000, ₹ 15,000, ₹ 30,000 respectively |
| (c) ₹ 1,20,000, ₹ 30,000, ₹ 30,000, ₹ 60,000 respectively |
| (d) ₹ 1,20,000, ₹ 60,000, ₹ 30,000, ₹ 30,000 respectively |

or

Jagan Finance and Leasing Limited has in its Memorandum of Association, capital clause stating that it is formed with 75,000 equity shares of ₹ 100 each. The company has issued the entire shares and the public has also subscribed and paid-up for the full amount on application itself. What will be the subscribed capital?

(a) ₹ 1,00,000	(b) ₹ 7,50,000
(c) ₹ 75,00,000	(d) ₹ 10,00,000

14. Rachit, Suchit and Ajit are partners in the ratio of 5:3:2. Before Suchit's salary of ₹ 3,400 firm's profit is ₹ 19,400. How much in total, Suchit will receive from the firm?

(a) ₹ 4,800	(b) ₹ 3,400
(c) ₹ 8,200	(d) ₹ 8,000

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or

Ghanshyam is a partner in a firm. He withdraws regularly ₹ 6,000 at the end of every month for the six months ending 31st March, 2021. If interest on drawings is charged @ 10% p.a., the interest charged will be

- (a) ₹ 1,050 (b) ₹ 750
(c) ₹ 1,800 (d) ₹ 900

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Surya and Nakul are partners engaged in the business of manufacturing and selling electrical appliances. They share profits and losses in 3 : 2 ratio. Their initial fixed capital contribution was ₹ 6,00,000 and ₹ 4,00,000 respectively. At the end of first year their profit was ₹ 6,00,000 before allowing the remuneration of ₹ 15,000, per quarter to Surya and ₹ 10,000 per half year to Nakul. The performance for first year was providing and encouraging, therefore, they decided to expand the area of operations. For this purpose, they needed additional machinery and a person to support. After six months of the accounting year they decided to admit Pranav as a new partner and offered him 20% as a share of profits along with monthly remuneration of ₹ 12,500, Pranav was bought ₹ 6,50,000 for capital and ₹ 3,50,000 for premium for goodwill. Besides this Pranav extended ₹ 5,00,000 as loan for two years.

15. Upon the admission of Pranav, the sacrifice for providing his share of profits would be done by
(a) Surya and Nakul equally (b) Surya and Nakul in the ratio of 3 : 2
(c) Only Surya (d) Only Nakul
16. Pranav will be entitled to a remuneration of _____ at the end of the year.
(a) ₹ 75,000 (b) ₹ 70,000
(c) ₹ 55,000 (d) ₹ 65,000
17. Camila and Andrew are partners in a firm sharing profit and loss in the ratio of 3 : 2. The balances in their capital and current accounts as on 1st April, 2021 were as under

Items	Camila (₹)	Andrew (₹)
Capital accounts	3,00,000	2,00,000
Current accounts (Cr)	1,00,000	80,000

The partnership deed provides that Camila is to be paid salary @ ₹ 500 per month whereas, Andrew is to get a commission of ₹ 40,000 for the year. Interest on capital is to be credited at 6% per annum. The drawings of Camila and Andrew for the year were ₹ 30,000 and ₹ 10,000, respectively. The net profit of the firm before making these adjustments was ₹ 2,49,000. Interest on Camila's drawings was ₹ 750 and Andrew's drawings was ₹ 250. Prepare profit and loss appropriation account.

18. Kabra Minerals Limited issued 20,000, 9% debentures of ₹ 100 each at a discount of 4% payable ₹ 30 on application and the balance on allotment. The debentures are redeemable after 5 years. Give necessary journal entries for the issue of debentures.

or

Macro Power Limited purchased the assets of Damodar Industries Limited for ₹ 1,00,000 payable in fully paid equity shares of ₹ 10 each. What entries will be passed in the books of Macro Power Limited if such issue is

- (i) at par (ii) at a premium of 25%

19. Dhruv, Gaurav and Sourav are partners sharing profits and losses in the ratio of 2 : 2 : 1. Gaurav retires from the firm on 31st March, 2020. On the date of Gaurav's retirement, the following balances appeared in the books of the firm
- | | |
|--------------------------------|----------|
| Advertisement suspense account | ₹ 25,000 |
| Contingency reserve | ₹ 15,000 |
| Workmen's compensation reserve | ₹ 20,000 |
| Loss in business account | ₹ 15,000 |

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Pass the necessary journal entries for the adjustment of these items on Gaurav's retirement.

or

Tanay and Sanay are partners sharing profits and losses in the ratio of 5 : 1. They agreed to admit Uday as a partner. Profits will be shared equally in future. Uday brought in ₹ 60,000 as a premium for his share in profits. Pass necessary journal entries in the books of the firm.

20. Saagar and Balveer are partners in the ratio of 3 : 2. The firm maintains fluctuating capital accounts and the balance of the same as on 31st March, 2020 amounted to ₹ 1,60,000 and ₹ 1,40,000 for Saagar and Balveer respectively. Their drawings during the year were ₹ 30,000 each.
As per partnership deed, interest on capital @10% p.a. on opening capitals had been provided to them. Calculate opening capitals of partners given that their profits were ₹ 90,000.

21. Radiant Impex Limited with a registered capital of ₹ 50,00,000 in shares of ₹ 10 each issued 2,00,000 of such shares, payable ₹ 3 per share on application, ₹ 2 per share on allotment and ₹ 3 per share on first call. All the amounts payable on allotment were duly received. On the first call being made, one shareholder paid the entire balance in his holding of 6,000 shares. Give journal entries to record the transactions.

22. Henry, Jaxon and Mathew were partners in a firm sharing profits in 2 : 2 : 1 ratio. Henry died on 1st July, 2019. On that date, the goodwill of the firm was valued at ₹ 22,500. On the death of a partner, his share of profit in the year of death was to be calculated on the basis of the average profits of the last four years. The profit for the last four years were

2015-16	80,000
2016-17	72,000
2017-18	84,000
2018-19	56,000 (Loss)

Pass necessary journal entries

23. On 1st April, 2020, Radix Films and Media Limited made an issue of 3,00,000 equity shares of ₹ 10 each at a premium of ₹ 4 per share, payable as follows
₹ 6 on application (including ₹ 1 premium)
₹ 2 on allotment (including ₹ 1 premium)
₹ 3 on first call (including ₹ 1 premium)
₹ 3 on second and final call (including ₹ 1 premium)

Applications were received for 4,50,000 shares, of which applications for 90,000 shares were rejected and their money was refunded. Rest of the applicants were issued shares on pro-rata basis and their excess money was adjusted towards allotment.

Thomas, to whom 6,000 shares were allotted, failed to pay the allotment money and his shares were forfeited after allotment. Emily, who applied for 10,800 shares failed to pay the two calls and on her such failure, her shares were forfeited.

12,000 forfeited shares were re-issued as fully paid on receipt of ₹ 9 per share, the whole of Emily's shares being included.

Prepare the cash book and pass the necessary journal entries.

or

Vaibhav Nutrition Limited issued 40,000 equity shares of ₹ 10 each at a premium of ₹ 2.50 per share. The amount was payable as follows

On application ₹ 2 per share, on allotment ₹ 4.50 per share (including premium) and on call ₹ 6 per share. Owing to heavy subscription, the allotment was made on pro-rata basis as follows

- Applicants for 20,000 shares were allotted 10,000 shares.
- Applicants for 56,000 shares were allotted 14,000 shares.
- Applicants for 48,000 shares were allotted 16,000 shares.

It was decided that the excess amount received on applications would be utilised on allotment and the surplus would be refunded.

Aditi, to whom 1,000 shares were allotted and who belongs to category (i), failed to pay allotment money. Her shares were forfeited after the call. Pass the necessary journal entries in the books of Vaibhav Nutrition Limited for the above transactions.

24. Sahas and Lakshay were partners in a firm sharing profits and losses in the ratio of 4 : 3. The following is the balance sheet of the firm as on 31st December, 2020.

Balance Sheet
as at 31st December, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	20,000	Cash	14,800
Bills Payable	3,000	Debtors	20,500
Bank Overdraft	17,000	(-) Provision for Doubtful Debts	(300)
Capital A/cs		Stock	20,000
Sahas	70,000	Plant	40,000
Lakshay	60,000	Building	75,000
	1,30,000		1,70,000
	1,70,000		1,70,000

They agreed to admit Hardik as a partner with effect from 1st January, 2020 for 1/4th share in profits on the following terms

- (i) Hardik will bring in ₹ 47,183 as his capital.
- (ii) Building is to be appreciated by ₹ 14,000 and plant to be depreciated by ₹ 7,000.
- (iii) The provision on debtors is to be raised to ₹ 1,000.
- (iv) The goodwill of the firm has been valued at ₹ 21,000.

Prepare revaluation account, partners' capital account and balance sheet of the firm immediately after Hardik's admission.

or

Girish, Satish and Manish are partners with profit sharing ratio 5 : 3 : 2. Their balance sheet is as follows

Balance Sheet
as at ...

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	80,000	Bank	40,000
Bills Payable	60,000	Debtors	60,000
General Reserve	30,000	Furniture	40,000
Reserve for Contingency	20,000	Investment	30,000
Workmen Compensation Fund	40,000	Building	1,00,000
Provident Fund	40,000	Prepaid Insurance	10,000
Capital A/cs		Goodwill	20,000
Girish	40,000	Patents	30,000
Satish	30,000	Profit and Loss	40,000
Manish	30,000		
	1,00,000		
	3,70,000		3,70,000

Additional Information

- (i) Manish takes retirement, new ratio of Girish and Satish is 3:2.
- (ii) ₹ 10,000 given to Manish in cash and balance transferred to Manish's loan account.
- (iii) Prepaid insurance is no more required.
- (iv) ₹ 10,000 unrecorded typewriter has to be shown in the balance sheet.
- (v) Investment is valued at ₹ 20,000 and is taken over by Girish at this value.
- (vi) Make 5% provision for discount on creditors.
- (vii) Outstanding repair bills due ₹ 10,000.
- (viii) Provident fund decreased by 10,000.
- (ix) Accrued commission ₹ 5,000.

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- (x) Building increased by 20%.
 (xi) Goodwill of the firm valued at ₹ 40,000.
 Prepare necessary ledgers.

25. The balance sheet of Hitesh, Nitesh and Chandresh on the date of dissolution was as follows

Balance Sheet

as at ...

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	52,000	Bank	6,500
Employees Provident Fund	26,000	Debtors	41,600
Outstanding Expenses	13,000	Stock	54,600
Capital A/cs		Prepaid Expenses	2,600
Hitesh	1,05,950	Furniture	13,000
Surjeet	76,050	Machinery	1,09,200
	1,82,000	Profit and Loss A/c	19,500
		Nitesh's Capital A/c	26,000
	2,73,000		2,73,000

Chandresh was appointed to realise the assets and pay the liabilities. He was entitled to receive 5% commission on the amounts realised from sale of assets. He was also to bear the expenses of realisation. Assets realised as follows

Machinery – ₹ 91,000; Debtors – ₹ 26,000; Furniture – ₹ 9,750; Stock at 60% of its book value. Expenses of realisation amounted to ₹ 1,950. An office typewriter realised ₹ 3,250 which was not shown in the books of accounts. There was a contingent liability of ₹ 6,500 for bills discounted for which ₹ 2,600 had to be paid. Prepare realisation account.

26. (i) Galaxy Industries Limited bought the business of Balaji Industries Limited on 1st April, 2015 consisting of sundry assets of ₹ 11,20,000 and creditors of ₹ 2,00,000. ₹ 2,00,000 was paid in cash on 3rd April, 2015 and for the balance, 6% debentures were issued at a premium of 20% on 5th April, 2015. Pass necessary journal entries in the books of Galaxy Industries Limited for the above mentioned transactions.
 (ii) Narayan Enterprises Limited has 20,000, 9% debentures of ₹ 100 each outstanding in the books of accounts as on 31st March, 2017, to be redeemed on 31st March, 2022. Show how will you disclose debentures in the balance sheet.

Part B

(Financial Statement Analysis)

27. The net amount of source or use of cash when a fixed asset (having book value ₹ 1,20,000) is sold at a loss of ₹ 40,000 in term of cash flow will be _____
 (a) ₹ 80,000 (b) ₹ 1,60,000
 (c) ₹ 1,20,000 (d) ₹ 40,000
28. If debt equity ratio is 2 : 1, which of the following will have no effect on it?
 (i) Purchase on fixed assets by taking loan of ₹ 10,00,000
 (ii) Sale of fixed assets at a loss of ₹ 30,000
 (iii) Issue of bonus shares
 (iv) Declaration of final dividend
 (a) Only (iii)
 (b) (i), (ii) and (iv)
 (c) (i) and (ii)
 (d) (iii) and (iv)

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or

Which of the following is not an item of sub-head other current liabilities in balance sheet?

- (a) Outstanding expenses
- (b) Advance income
- (c) Creditors
- (d) Both (b) and (c)

29. Assuming that debt to equity ratio is 2 : 1, which of the following transaction will have no effect on it?

- (a) Issue of bonus shares
- (b) Declaration of final dividend
- (c) Purchase on fixed assets by taking loan of ₹ 10,00,000
- (d) Sale of fixed assets at a loss of ₹ 30,000

or

Financial statement analysis includes _____ and _____ of financial statements.

- (a) preparation, analysis
- (b) analysis, preparation
- (c) analysis, interpretation
- (d) preparation, interpretation

30.

Balance Sheet (Extract)

Particulars	31st March 2019 (₹)	31st March 2020 (₹)
EQUITY AND LIABILITIES		
12% Debentures	2,00,000	1,60,000

Additional Information

Interest on debentures is paid on half yearly basis on 30th September and 31st March each year. Debentures were redeemed on 30th September, 2019. How much amount (related to above information) will be shown in financing activity for cash flow statement prepared on 31st March, 2020?

- (a) Outflow ₹ 61,600
- (b) Outflow ₹ 64,000
- (c) Outflow ₹ 40,000
- (d) Inflow ₹ 42,600

31. Explain any three items of reserves that are shown under the heading 'reserves and surplus' in the balance sheet of a company as per Schedule III of the Companies Act, 2013.

32. State, giving reason, which of the following transactions would increase, decrease or not change the stock turnover ratio.

- (i) Sale of goods for ₹ 25,000 (costing ₹ 20,000).
- (ii) Increase in the value of closing stock by ₹ 12,000.
- (iii) Goods purchased for ₹ 50,000.

33. From the following information, calculate any two of the following ratios

- (i) Debt to equity ratio (ii) Working capital turnover ratio (iii) Return on investment

Additional Information

Equity share capital ₹ 25,000, general reserve ₹ 2,500, balance of statement of profit and loss after interest and tax ₹ 7,500, 9% debentures ₹ 10,000, creditors ₹ 7,500, land and building ₹ 32,500, equipments ₹ 7,500, debtors ₹ 7,250, cash ₹ 2,750, revenue from operations, i.e. sales for the year ended 31st March, 2019 was ₹ 25,000, tax rate is 50%.

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From the following data, calculate Gross Profit Ratio, Current Ratio, Quick Ratio and Debt to Equity Ratio.

Revenue from Operations ₹ 30,000, Cost of Revenue from Operations (Cost of Goods Sold) ₹ 20,000; Net Profit ₹ 3,000; Current Assets ₹ 6,000; Inventory ₹ 1,000; Current Liabilities ₹ 2,000; Share Capital ₹ 5,000 and Debentures ₹ 2,500.

34. From the following summarised balance sheets of Sunteck Finance Limited as on 31st March, 2021 and 2022, you are required to prepare the cash flow statement

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
Share Capital		35,00,000	30,00,000
Reserves and Surplus	1	23,00,000	15,00,000
2. Non-Current Liabilities			
Long-term Borrowings: 15% Debentures		10,00,000	15,00,000
3. Current Liabilities			
Trade Payables		12,50,000	8,00,000
Short-term Provisions	2	3,80,000	3,50,000
Other Current Liabilities	3	60,000	50,000
	Total	84,90,000	72,00,000
II. ASSETS			
1. Non-Current Assets:			
Fixed Assets	4	47,50,000	40,00,000
Long-term Investments (At cost)		9,00,000	9,00,000
2. Current Assets			
Inventories		13,50,000	10,00,000
Trade Receivables		12,25,000	11,25,000
Cash and Cash Equivalents		2,65,000	1,75,000
	Total	84,90,000	72,00,000

Notes to Accounts:

Note No.	Particulars	31 st March 2022 (₹)	31 st March 2021 (₹)
1.	Reserves and Surplus		
	Balance in Statement of Profit and Loss	22,50,000	15,00,000
	Capital Reserve (Profit on sale of investments)	50,000	—
		23,00,000	15,00,000
2.	Short-term Provisions		
	Provision for Tax	3,80,000	3,50,000
3.	Other Current Liabilities		
	Outstanding Expenses	60,000	50,000
		60,000	50,000
4.	Fixed Assets		
	Fixed Assets (at cost)	60,00,000	50,00,000

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	(-) Accumulated Depreciation	(12,50,000)	(10,00,000)
		47,50,000	40,00,000

Additional Information

- (i) During the year ended 31st March, 2022, fixed assets with a net book value of ₹ 50,000 (accumulated depreciation ₹ 1,50,000) were sold for ₹ 40,000.
- (ii) During the year ended 31st March, 2022, investments costing ₹ 4,00,000 were sold.
- (iii) Debentures were redeemed at a premium of 10%.
- (iv) Tax of ₹ 3,75,000 was paid.
- (v) Debenture interest paid during the year ended 31st March, 2022 was ₹ 1,50,000.
- (vi) Proposed dividend for the year 2021 ₹ 1,50,000 and 2022 ₹ 1,70,000

□□□□□□

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Sample Paper 14
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Madhav, Girish and Jatin are partners sharing profits in the ratio of $\frac{1}{2}$, $\frac{2}{5}$ and $\frac{1}{10}$. If Jatin retires and his share is taken up by Madhav, then the new ratio of remaining partners will be _____
(a) 3 : 2 (b) 5 : 4
(c) 2 : 3 (d) 1 : 1
2. Sunrise Corporate Private Limited issued 20,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable along with application. All the shares were applied and duly allotted. What will be the total amount at the time of application?
(a) ₹ 2,40,000 (b) ₹ 2,60,000
(c) ₹ 2,00,000 (d) ₹ 2,20,000
3. Which account is debited, when some amount of any installment of share capital is not received from any shareholder by the company?
(a) Cash
(b) Share Allotment
(c) Calls-in-advance
(d) Calls-in-arrears

or

One of the conditions, in addition to others, for allotment of shares is

- (a) full subscription by public
 - (b) full payment on application
 - (c) resolution in general meeting
 - (d) receiving minimum subscription
-
4. Girish, Shrish and Manish are partners in a firm without any agreement. They have contributed ₹ 2,500, ₹ 1,500 and ₹ 1,000 by way of capital in the firm. Girish was unable to work for six months in a year due to illness. At the end of year, firm earned a profit of ₹ 750. Girish's share in the profit will be
(a) ₹ 188
(b) ₹ 250
(c) ₹ 125
(d) ₹ 375

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5. A company Aaditya Developers Private Limited has 9% debentures of ₹ 10,00,000 and share capital of ₹ 7,50,000. For the year ended 31st March, 2020, the company suffered a loss of ₹ 5,00,000. The directors of the company requested the debenture holders to forego their interest, but they disagreed. What should the directors do?
- Do not pay, it is not compulsory
 - If debenture holders agree, then do not pay
 - Pay interest whether they earn profits or occur losses
 - None of the above

or

Securities premium reserve account cannot be utilised for which of the following purpose?

- Amortisation of preliminary expenses
 - Distribution of dividend
 - Issue of fully paid bonus shares
 - Buy-back of own shares
- (ii) and (iii)
 - (iii) and (iv)
 - (i) and (ii)
 - Only (ii)
6. Half yearly interest payable on 4,000, 12% debentures of ₹ 100 each on 30th September, 2019. Company paid due interest on this date. Journalise it.

- | | | | |
|--------------------------------|----|--------|--------|
| (a) Interest on Debentures A/c | Dr | 40,000 | |
| To Bank A/c | | | 40,000 |
| (b) Interest on Debentures A/c | Dr | 24,000 | |
| To Debentureholders' A/c | | | 24,000 |
| (c) Debentureholders' A/c | Dr | 24,000 | |
| To Bank A/c | | | 24,000 |
- Both (b) and (c)

7. In the profit and loss appropriation account, net profit is always taken after
- Manager's Commission
 - Interest on Partner's Loan
 - Both (a) and (b)
 - None of these

or

Profit and loss adjustment account is needed for _____

- charge against profits
 - rectification of errors or omissions
 - appropriation of profits
 - None of these
8. Gajanand, Anand and Devanand are partners sharing profits and losses in the ratio of 2 : 2 : 1. The extract of their Balance Sheet is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
		Stock	2,40,000

If the value of stock is to be reduced by ₹ 40,000, then what will be the amount of stock at which it will be shown in reconstituted balance sheet?

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- (a) ₹ 40,000
- (b) ₹ 2,00,000
- (c) ₹ 2,40,000
- (d) ₹ 2,80,000

or

Ravi and Yuvi are partners in a firm sharing profits equally. Their capitals were ₹ 45,000 and ₹ 50,000 respectively. Hari was admitted for $\frac{1}{3}$ rd share in profits/losses and brought ₹ 85,000 as capital. Calculate the amount of goodwill.

- (a) ₹ 1,60,000
- (b) ₹ 75,000
- (c) ₹ 2,55,000
- (d) Can't be determined

9. Gopal draws ₹ 20,000 each in 1st April, 2020, 1st July, 2020, 1st October, 2020 and 1st January, 2021. For the year ended 31st March, 2021 interest on drawings @ 8% per annum will be
- (a) ₹ 9,600
 - (b) ₹ 4,000
 - (c) ₹ 5,400
 - (d) ₹ 3,200

10. Pass journal for issue of 10,000, 15% debentures of ₹ 100 each at a premium of 5% which are redeemable after 3 years of issue @ 10% premium.

(a) 15% Debentures A/c	Dr.	10,000	
Securities Premium Reserve A/c	Dr.	500	
Premium on Redemption of Debentures A/c	Dr.	1,000	
To Debentures Application and Allotment A/c			10,500
To Loss on Issue of Debentures A/c			1,000
(b) Debenture Application and Allotment A/c	Dr.	11,500	
To 15% Debentures A/c			10,000
To Securities Premium Reserve A/c			500
To Premium on Redemption of Debentures A/c			1,000
(c) Debenture Application and Allotment A/c	Dr.	10,500	
Loss on Issue of Debentures A/c	Dr.	1,000	
To 15% Debentures A/c			10,000
To Securities Premium Reserve A/c			500
To Premium on Redemption of Debentures A/c			1,000
(d) None of the above			

11. Calvin, Justin and Devin are partners in a firm sharing profits equally. With effect from 1st April, 2021, they decided to share profits in the ratio 3 : 2 : 1. In adjustment entry, what will be the treatment and amount for Justin if goodwill of firm is ₹ 5,000?

- (a) Credit ₹ 5,000
- (b) Debit ₹ 10,000
- (c) Debit ₹ 5,000
- (d) No treatment

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12. Aadesh and Sudesh are partners sharing profits and losses in the ratio of 7 : 5. They agree to admit Devesh their manager, into partnership who is to get $\frac{1}{6}$ th share in the profits. He acquires this share as $\frac{1}{24}$ th from Aadesh and $\frac{1}{8}$ th from Sudesh. The new profit sharing ratio will be
- 7 : 13 : 4
 - 7 : 5 : 6
 - 5 : 7 : 6
 - 13 : 7 : 4
13. Assertion (A): Interest on partner's capital may be shown in profit and loss account.
Reason (R): If partners treat interest on capital as a charge, it is to be paid compulsorily.
Alternatives
- Assertion (A) is false, but Reason (R) is true
 - Assertion (A) is true, but Reason (R) is false
 - Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
 - Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
14. Lucky and Jacky are partners sharing profit or loss in ratio of 2 : 1. Lucky surrenders $\frac{1}{4}$ th of his share and Jacky surrenders $\frac{1}{3}$ rd of his share in favour of Nicky a new partner. What will be Nicky's share?
- $\frac{13}{36}$
 - $\frac{5}{18}$
 - $\frac{7}{12}$
 - $\frac{5}{12}$

or

Riyaz and Fiyaz are sharing profits and losses in the ratio of 3 : 2. Siraz is admitted with $\frac{1}{5}$ th share in profits of the firm which he gets entirely from Zehaan. Find out the new profit sharing ratio.

- 2 : 2 : 1
- 2 : 2 : 2
- 12 : 8 : 5
- 8 : 12 : 5

DIRECTION : Read the following hypothetical situation and answer Q.No. 15 and 16

Zoya, Riya and Priya decided to start a partnership to manufacture toys. Zoya contributed ₹ 10,000 and Riya contributed ₹ 5,000 as their capital. Priya is specially abled but is very creative and intelligent. She did not contribute any capital.

The terms of partnership were as follows

- Zoya, Riya, Priya will share profit in 2 : 2 : 1 ratio.
- Interest on capital will be provided to Zoya, Riya @ 6% p.a.

Due to shortage of capital, Zoya contributed ₹ 2,500 Riya on 30th September, 2020 and contributed ₹ 1,000 on 1st January, 2021 as additional capital.

Dr.	Profit and Loss Appropriation A/c		Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Interest on Capital			
Zoya		
Riya		
To Salary (Zoya)	1,200		
To Profit Transferred to Capital A/cs			

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Zoya	
Riya	
Priya	

15. Interest on capital allowed to Zoya and Riya will amount to
- Zoya ₹ 150, Riya ₹ 60
 - Zoya ₹ 750, Riya ₹ 360
 - Zoya ₹ 600, Riya ₹ 300
 - Zoya ₹ 675, Riya ₹ 315
16. Show the distribution of profit between Zoya, Riya, Priya.
- Zoya = ₹ 5,868, Riya = ₹ 5,868, Priya = ₹ 2,934
 - Zoya = ₹ 5,700, Riya = ₹ 5,750, Priya = ₹ 5,000
 - Zoya = ₹ 5,000, Riya = ₹ 6,000, Priya = ₹ 5,500
 - None of the above
17. Rashmi, Lavina and Shekhar were partners in a firm manufacturing denim jeans situated in Noida. They were sharing profits and losses in the ratio of 5:3:2. They were doing good business and were interested in its expansion in Agra. For this Lavina took the responsibility and visit to Agra by his own car. While returning, her car met with an accident. After one month of treatment, on 1-07-22 she died. It was agreed between Lavina's Executor and the remaining partners
- Goodwill of the firm be valued at $2\frac{1}{2}$ year purchase of average profit for the last three years. The profit of the last three years was 2019-20 ₹ 40,000; 2020-21 ₹ 60,000; 2021-22 ₹ 74,000 respectively.
 - Profit of deceased partner upto the date of death will be calculated on the basis of profit of the last year.
- Rashmi and Shekhar also decided to pay the entire amount immediately to the executors of Lavina. Based on the above information you are required to answer the following questions.
- Calculate Lavina's share of goodwill.
 - In which ratio the Amount of goodwill will be compensated by remaining partners?
 - Find Lavina's share of Profit till the date of death.
18. Pawan, Jeevan and Madan are partners in a firm. Their capital accounts on 1st April, 2022, stood at ₹ 2,00,000, ₹ 1,20,000 and ₹ 1,60,000 respectively. Each partner withdrew ₹ 15,000 during the financial year 2021-22.
- As per the provisions of their partnership deed:
- Interest on capital was to be allowed @ 5% per annum.
 - Interest on drawings was to be charged @ 4% per annum.
 - Profits and losses were to be shared in the ratio 5:4:1.
- The net profit of ₹ 72,000 for the year ended 31st March 2022, was divided equally amongst the partners without providing for the terms of the deed.
- You are required to pass a single adjustment entry to rectify the error (Show workings clearly).
- or**
- Aman and Bunty are partners in a firm. The firm maintains fluctuating capital accounts and the balance of the same as on 31-03-2022 amounted to ₹ 1,60,000 and ₹ 1,40,000 for Aman and Bunty respectively. Their drawings during the year were ₹ 30,000 each.
- As per partnership deed interest on capital @25% p.a. on opening capitals had been provided to them. Calculate opening capitals of partners given that their profits were ₹ 90,000. Show your workings clearly. Also pass journal entries for providing interest on partners' capitals.
19. Earth Limited purchased a machinery from Moon Limited and the purchase consideration was paid as follows:
- By issuing 5,000, 11% Debentures of ₹ 100 each at a discount of 10%.
 - Balance by giving a promissory note of ₹ 1,82,000 after 3 months.

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Pass necessary journal entries for the purchase of machinery and payment to Moon Limited in the books of Earth Limited.

or

Complete the following journal entries:

Journal Entries

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Equity Share Capital A/c Securities Premium A/c To Calls-in-Arrears A/c To _____ (For 13,000 equity shares of ₹ 50 each issued at a premium of ₹ 8 per share forfeited for the non-payment of allotment money (including premium) of ₹ 23 and first and final call of ₹ 20 per share were not made)	Dr. Dr.	..... .....	..... .....
	_____ Dr. To _____ To _____ (For the forfeited shares reissued at ₹ 55 per share fully paid up)		.....	..... .....
	Share Forfeited A/c To Capital Reserve A/c (For profit on forfeited shares transferred to capital reserve)	Dr.	.....	.....

20. Disha, Laxmi and Archana 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 2 years which were as follows:

Year ending on 31st March, 2021 ₹ 1,90,000 (Profit)

Year ending on 31st March, 2022 ₹ 70,000 (Loss)

On 1st April, 2021 a Laptop costing ₹ 50,000 was purchased and debited to internet expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method.

Journalise the transaction along with the working notes.

21. From the following information fill empty spaces.

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c Securities Premium A/c To Share Forfeiture A/c To Call in Arrears A/c Being _____ shares forfeited for non-payment of ₹ _____ including premium of ₹ 2 per share)	Dr. Dr.	..... 1,000	..... 3,500
	Bank A/c Share Forfeiture A/c To Share Capital A/c (Being _____ shares reissued at ₹ 9 per share as fully paid)	Dr. Dr.
	Share forfeiture A/c	Dr.	600	

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To Capital Reserve A/c (Being forfeiture money transferred to capital reserve)			600
-----------------------------------------------------------------------------------	--	--	-----

Dr.		Share Forfeiture A/c		Cr.	
Receipts	Amount (₹)	Payments	Amount (₹)		
To Share Capital A/c	.....	By Share Capital A/c	1,500		
To Capital reserve A/c	600				
To Balance c/d	600				
	1,500			1,500	

(Face value of share is ₹ 10 each)

22. Pass necessary journal entries in the following cases on the dissolution of a partnership firm of partners Rakesh, Gopal, Sudhir and Manish:
- Realization expenses of ₹ 5,000 were to borne by Rakesh, a partner. However, it was paid by Gopal.
 - Investments costing ₹ 25,000 (comprising 1000 shares), had been written off from the books completely. These shares are valued at ₹ 20 each and were divided amongst the partners.
 - Gopal's loan of ₹ 50,000 settled at ₹ 48,000.
 - Machinery (book value ₹ 6,00,000) was given to creditor at a discount of 20%.

23. Bandhan Group Limited issued a prospectus inviting applications for 5,00,000 equity shares of ₹ 10 each issued at a premium of 10% payable as:

₹ 3 on Application

₹ 5 on Allotment (including premium) and ₹ 3 on call.

Applications were received for 6,60,000 shares.

Allotment was made as follows:

- Applicants of 4,00,000 shares were allotted in full.
- Applicants of 2,00,000 shares were allotted 50% on pro rata basis.
- Applicants of 60,000 shares were issued letters of regret.

A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money. Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited. These shares were then reissued at ₹ 14 per share as ₹ 7 paid up. Call has not yet been made.

Journalise.

or

Kamal Footworks Limited has offered 50,000 equity shares of ₹ 100 each at a premium of ₹ 20, payable as follows:

Application ₹ 50

Allotment ₹ 40 (including premium) and balance on first and final call.

The bank account of the company has received ₹ 35,00,000 on account of share application money.

Kamal Footworks Limited decided to allot shares to all the applicants on pro rata basis. The balance in calls in arrears account at the time of allotment and first and final call amounted to ₹ 1,00,000 and ₹ 1,50,000 respectively. These shares were forfeited and re-issued at ₹ 90 per share as fully paid up. Journalize.

24. Isha and Disha are partners in a firm sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2022 stood as follows:

Balance Sheet			
Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Account:		Plant and Machinery	1,20,000

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Isha	60,000		Land and Building		1,40,000
Disha	80,000	1,40,000	Debtors	1,90,000	
Current Accounts:			Less: Provision for		
Isha	10,000		Doubtful debts	(40,000)	1,50,000
Disha	30,000	40,000	Stock		40,000
General Reserve		1,20,000	Cash		30,000
Workmen's Compensation Reserve		50,000	Goodwill		20,000
Creditors		1,50,000			
		5,00,000			5,00,000

They agreed to admit Manoj into partnership for 1/5th share of profits on 1st April, 2022, on the following terms:

- All Debtors are good.
- Value of land and building to be increased to ₹ 1,80,000.
- Value of plant and machinery to be reduced by ₹ 20,000.
- The liability against Workmen's Compensation Fund is determined at ₹ 20,000 which is to be paid later in the year.
- Mr. Sunil, to whom ₹ 40,000 were payable (already included in above creditors), drew a bill of exchange for 3 months which was duly accepted.
- Manoj to bring in capital of ₹ 1,00,000 and ₹ 10,000 as premium for goodwill in cash. Journalize.

or

Aayush, Dhruv and Ishan are partners sharing profits in the ratio of 3:2:1. Dhruv retired from the firm. On that date the Balance Sheet of the firm was as follows:

Balance Sheet as on March 31, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	15,000	Bank	7,600
General Reserve	12,000	Furniture	41,000
Bills Payable	12,000	Stock	9,000
Outstanding Salary	2,200	Premises	80,000
Provision for Legal Damages	6,000	Debtors	6,000
Capitals		Less: Provision for Doubtful debts	(400)
Aayush	46,000		5,600
Dhruv	30,000		
Ishan	20,000		
	1,43,200		1,43,200

Additional Information:

- Premises to be appreciated by 20%, Stock to be depreciated by 10% and Provision for doubtful debts was to be maintained @5% on Debtors. Further, provision for legal damages is to be increased by ₹ 1,200 and furniture to be brought up to ₹ 45,000.
- Goodwill of the firm is valued at ₹ 42,000.
- ₹ 26,000 from Dhruv's Capital account be transferred to his loan account and balance to be paid through bank; if required, necessary loan may be obtained from bank.
- New profit sharing ratio of Aayush and Ishan is decided to be 5:1.

Prepare Revaluation Account and Partners Capital Accounts.

25. Jatin, Nimit and Vaman entered into partnership on 1st April 2021 with a capital of ₹ 3,00,000, ₹ 2,00,000 and ₹ 1,00,000 respectively. In addition to capital Vaman has advanced a loan of ₹ 1,00,000. Since they had

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no agreement to guide them, they faced following issues during and at the end of the year.

- Jatin and Nimit demanded to share profits in the ratio of their capital contribution, Vaman is not in agreement with this proposal.
- Nimit, being working partner, demands a lump sum payment of ₹ 40,000 as remuneration for which other others partners are not in agreement.
- Jatin wanted interest on capital to be provided @8% pa but Nimit and Vaman did not agree.
- Vaman wanted that interest on loan be paid to him @ 10% pa but Jatin and Nimit wanted to pay @ 5% p.a.

You are required to suggest and help them resolve these issues.

26. (a) Naresh Exports Limited took over business of Life Care Enterprises on 1-04-2022. The details of the agreement regarding the assets and liabilities to be taken over are:

Particulars	Book Value (₹)	Agreed Value (₹)
Building	20,00,000	35,00,000
Plant and Machinery	12,00,000	8,00,000
Stock	4,00,000	4,00,000
Trade receivables	5,00,000	4,00,000
Creditors	2,00,000	3,00,000
Outstanding Expenses	50,000	1,00,000

It was decided to pay for purchase consideration as ₹ 7,00,000 through cheque and balance by issue of 2,00,000, 9% Debentures of ₹ 20 each at a premium of 25%. Journalize.

- (b) On April 1, 2019 Dox Limited issued, 10,000, 8% Debentures of ₹ 100 each at premium of 5%, to be redeemable at a premium of 10%, after 5 years. The entire amount was payable on application. The issue was oversubscribed to the extent of 10,000 debentures and the allotment was made proportionately to all the applicants. The securities premium amount has not been utilized for any other purpose during the year. Give journal entries for the issue of debentures and writing off loss on issue of debentures. Also state any other 2 uses of securities premium apart from writing off Discount or Loss on issue of Debentures.

PART—B

Analysis of Financial Statements

27. What are the principle revenue producing activities for an insurance company?

- Payment of Claims
- Receipt of Premium
- Both (a) and (b)
- None of these

28. Which of the following transactions will result into flow of cash?

- Received ₹ 19,000 from debtors
- Deposited cheques of ₹ 10,000 into bank
- Cash withdrawn from bank ₹ 20,000
- Issued 20,000, 9% debentures to the vendor of machinery

or

Which of the following transactions will not result into flow of cash?

- Issue of equity shares of ₹ 1,00,000
 - Purchase of machinery of ₹ 1,75,000
 - Redemption of 9% debentures of ₹ 3,50,000
 - Cash deposited into bank ₹ 15,000
- II and III
 - I and III
 - Only IV
 - I and II

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29. $\frac{\text{Total Assets}}{\text{Debt}}$ is used for calculating
- Debt-turnover Ratio
 - Total Assets of Debt Ratio
 - Debtors Turnover Ratio
 - Debt-equity Ratio
30. A company's revenue from operations is ₹ 20,00,000, cost of revenue from operations is ₹ 14,00,000 and indirect expenses are ₹ 2,00,000, then what is the amount of the gross profit?
- ₹ 5,00,000
 - ₹ 6,00,000
 - ₹ 16,00,000
 - ₹ 3,00,000

or

Which one of the following is correct?

- A ratio is an arithmetical relationship of one number to another number.
- Liquid ratio is also known as acid test ratio.
- Ideally-accepted current ratio is 1 : 1.
- Debt-equity ratio is the relationship between outsider's funds and shareholder's funds.

In the context of the above statements, which of the following options is correct?

- Only (ii), (iii) and (iv) are correct
 - Only (ii) and (iv) are correct
 - All (i), (ii), (iii) and (iv) are correct
 - Only (i), (ii) and (iv) are correct
31. State any three limitations of analysis of financial statements.
32. Current ratio of Supreme India Private Limited is 3:2. Accountant wants to maintain it at 2:1. Following options are available to him. State the impact of each option and also state which option will fulfil the objective.
- He can repay bills payable
 - He can purchase goods on credit
 - He can take short-term loan
33. Calculate proprietary ratio, if Total assets to Debt ratio is 2:1. Debt is ₹ 5,00,000. Equity shares capital is 0.5 times of debt. Preference Shares capital is 25% of equity share capital. Net profit before tax is ₹ 10,00,000 and rate of tax is 40%.

or

From the following information, calculate Interest Coverage Ratio.

Profit after interest and tax and dividend	₹ 7,50,000
Rate of income tax	25%
10% Preference Shares	₹ 4,00,000
9% Debentures	₹ 8,00,000
Equity Shares	₹ 10,00,000
Dividend allowed at the rate of 20% on equity shares	

34. Read the following hypothetical text and answer the given questions on the basis of the same:
Atal Financed Company started to provide finance training in online and offline mode in 2019. The main objective was to improve financial literacy in India. It has acquired funding through equity and borrowing from banks Balance sheets for year ending 31st March 2021 and 2022 are as follows:

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Particulars	Note No.	31 March 2021 (₹)	31 March 2022 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital		2,00,000	2,50,000
(b) Reserves and Surplus	1	50,000	70,000
2. Non-Current Liabilities:			
Long-term Borrowings	2	1,00,000	80,000
3. Current Liabilities:			
(a) Trade Payables	3	60,000	1,60,000
(b) Other Current Liabilities	4	25,000	20,000
Total		4,35,000	5,80,000
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipments and Intangible Assets	5	1,50,000	2,00,000
(i) Property, Plant and Equipment : Tangible Assets	6	10,000	2,000
(ii) Intangible Assets		1,00,000	1,30,000
(b) Long-term Loans and Advances			
2. Current Assets:			
(a) Inventories		70,000	90,000
(b) Trade Receivables		40,000	60,000
(c) Cash and Cash Equivalents		65,000	98,000
Total		4,35,000	5,80,000

Notes to Accounts:

Particulars	31 st March 2021 (₹)	31 st March 2022 (₹)
1. Reserves and Surplus		
General Reserve	50,000	70,000
2. Long-term Borrowings:		
12% Debentures	1,00,000	80,000
3. Trade Payables		
Creditors	40,000	60,000
Bills Payable	20,000	1,00,000
	60,000	1,60,000
4. Other Current Liabilities		
Outstanding Expenses	25,000	20,000
5. Property, Plant and Equipments		
Machinery	2,00,000	2,60,000
Less: Provision for Depreciation	(50,000)	(60,000)
	1,50,000	2,00,000
6. Intangible Fixed Assets		
Goodwill	10,000	2,000

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- (a) During the year a piece of machinery with a book value of ₹ 30,000; provision for depreciation on it ₹ 10,000 was sold at a loss of 50% on book value.
- (b) Debentures were redeemed on 31st March 2022.
- You are required to calculate
- Operating profit before working capital changes
 - Cash flow from operating activities
 - Cash flow from investing activities
 - Cash flow from financing activities
 - Closing cash and cash equivalents

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Sample Paper 15
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Assertion (A): New profit sharing ratio is calculated even for old partners, at the time of admission of a partner.
Reason (R): A new partner acquires his share in profits from old partners which reduced old partners's share in profits.
Alternatives
(a) Assertion (A) is false, but Reason (R) is true
(b) Assertion (A) is true, but Reason (R) is false
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

 2. The capital balance of a partner at the end of the year (after adjusting for his drawings ₹ 1,750 and his share in the profit ₹ 1,150) is ₹ 6,000. Interest on capital is payable to him at 5% per annum. What will be the amount of interest on capital?
(a) ₹ 300
(b) ₹ 270
(c) ₹ 330
(d) None of these

 3. To compensate the deceased partner's executor, deceased partner's share of goodwill is _____ to his capital account.
(a) debited
(b) credited
(c) not recorded
(d) None of these
- or
- A new partner is admitted in the firm
- (a) for acquiring additional managerial skills
 - (b) to benefit from the goodwill of the admitted partner
 - (c) for procuring additional capital
 - (d) All of the above
-
4. Santosh Industries Limited forfeited 200 shares of ₹ 10 each (which were issued at par) held by Zen for non-payment of allotment money of ₹ 4 per share. The called-up value per share was ₹ 9. On forfeiture, the amount debited to share capital account will be
(a) ₹ 200
(b) ₹ 1,800

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- (c) ₹ 1,000 (d) ₹ 800

5. A company issued 5,000 equity shares of ₹ 10 each. Amount is payable as ₹ 2 on application, ₹ 5 on allotment and ₹ 3 on first and final call. A shareholder who had 500 shares failed to pay allotment and first call amount on due date. What will be the amount received by company against issue of shares?
 (a) ₹ 50,000 (b) ₹ 30,000
 (c) ₹ 10,000 (d) ₹ 46,000
6. Navrang Textiles Private Limited called first call money of ₹ 3 per share on its 50,000 shares. A shareholder holding 2,750 shares failed to pay the amount. How much amount will be due on first call?
 (a) ₹ 1,50,000 (b) ₹ 1,47,750
 (c) ₹ 1,41,750 (d) ₹ 1,57,000
7. Interest on drawings is charged @ 6% p.a. on total drawings of each partner and Surya a partner withdrew ₹ 10,000 during a year. Interest on drawings will be _____
 (a) ₹ 50 (b) ₹ 300
 (c) ₹ 100 (d) ₹ 600

or

- Tanish is a partner in a firm. His drawings during the year ended 31st March, 2021 were ₹ 36,000. If interest on drawings is charged @ 9% p.a. the interest charged will be
 (a) ₹ 1,620 (b) ₹ 324
 (c) ₹ 162 (d) ₹ 3,240

8. Kanchan Investment Limited purchased a machinery of ₹ 5,00,000 from Sanyog Finance Private Limited. Kanchan Investment Limited issued equity shares of ₹ 1,000 each fully paid in consideration. Pass the necessary journal entry for purchase of machinery only.
- (a) Sanyog Finance Private Limited Dr 5,00,000
 To Machinery A/c 5,00,000
- (b) Machinery A/c Dr 5,00,000
 To Cash A/c 5,00,000
- (c) Machinery A/c Dr 5,00,000
 To Sanyog Finance Private Limited 5,00,000
- (d) None of the above

or

700 shares of ₹ 10 each were reissued as ₹ 9 paid up for ₹ 7 per share. Journalise

- (a) Bank A/c Dr 4,900
 Share Forfeiture A/c Dr 1,400
 To Share Capital A/c 6,300
- (b) Bank A/c Dr 4,900
 Share Forfeiture A/c Dr 2,100
 To Share Capital A/c 7,000
- (c) Bank A/c Dr 4,900
 Share Discount A/c Dr 1,400
 To Share Capital A/c 6,300
- (d) Bank A/c Dr 4,900

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To Share Capital A/c

4,900

9. Krish, Bhavish and Satish are partners in a firm sharing profits in ratio of 2 : 1 : 3. They decided to share profits in ratio of 4 : 5 : 3. What was Krish's gain/sacrifice?

- (a) Gain 2/12 (b) Gain 2/6
(c) No gain/sacrifice (d) Sacrifice 2/6

10. Jatin and Yatin are partners in a firm sharing profits and losses in the ratio of 7 : 5 respectively. The extract of their Balance Sheet is as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
		Fixed Assets	16,50,000

If value of fixed assets in the balance sheet is undervalued by 20%, then at what value will fixed assets be shown in reconstituted balance sheet?

- (a) ₹ 14,85,000 (b) ₹ 1,65,000
(c) ₹ 3,30,000 (d) ₹ 20,62,500

11. Sohan and Rohan gave a guarantee of ₹ 50,000 as profit to Mohan. Sohan at the end, deficiency of ₹ 10,000 occurred in Mohan's profit. Journalise.

- (a) Sohan's Capital A/c Dr 5,000
Rohan's Capital A/c Dr 5,000
To Mohan's Capital A/c 10,000
- (b) Sohan's Capital A/c Dr 10,000
To Rohan's Capital A/c 10,000
- (c) Mohan's Capital A/c Dr 10,000
To Sohan's Capital A/c 5,000
To Rohan's Capital A/c 5,000
- (d) Mohan's Capital A/c Dr 10,000
To Rohan's Capital A/c 10,000

12. Average profit of a business over the last five years was ₹ 30,000. The normal yield on capital invested in such a business is estimated at 10% p.a. The net capital invested in the business is ₹ 2,50,000. Amount of goodwill, if it is based on 3 years' purchase of last 5 years super profits will be

- (a) ₹ 90,000 (b) ₹ 15,000
(c) ₹ 75,000 (d) ₹ 50,000

13. Retiring partner's share of goodwill is debited to remaining partners capital/current account in their _____

- (a) new ratio (b) old ratio
(c) sacrificing ratio (d) gaining ratio

or

For which purpose, sacrificing ratio is used in case of admission of a partner?

- (a) To distribute goodwill (b) To distribute revaluation profit
(c) To distribute reserves (d) To distribute balance in profit and loss account

14. Which alternative(s) is/are available to the company in case of over-subscription?

- (a) Some excess shares are rejected and some shares are adjusted on pro-rata basis.

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- (b) Excess shares are full rejected.
 (c) Excess shares are fully adjusted on pro-rata basis.
 (d) All of the above

or

As per Table F, the company is required to pay _____ interest on the amount of calls-in-arrears.

- (a) 5% p.a. (b) 10% p.a.
 (c) 6% p.a. (d) 12% p.a.

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Rishi, Tarak and Nakul were partners engaged in the business of manufacturing and selling low cost medicines. They shared profits in the ratio of 1 : 2 : 3. Their initial fixed capital contribution on 1st April, 2020 were A ₹ 60,000; B ₹ 90,000 and C ₹ 2,00,000. Rishi provides her personal office to the firm for business use charging yearly rent of ₹ 30,000. Rishi was also allowed a salary of ₹ 2,000 per month.

Interest on capital is provided @ 8% p.a. Rishi withdraws ₹ 1,000 in the beginning of each month, Tarak withdraws ₹ 1,000 at the end of each month and Nakul withdraws ₹ 4,800 in the beginning of each quarter. Interest is charged on their drawings @ 10% p.a. Tarak was allowed a commission of 10% of net profit as shown in profit and loss account, after charging such commission. Nakul was guaranteed a profit of ₹ 60,000 after making all adjustments. The net profit for the year ended 31st March, 2021 was ₹ 2,06,000 before making above adjustments.

15. What is the net profit of the year ?

- (a) ₹ 2,36,000 (b) ₹ 1,46,000
 (c) ₹ 1,76,000 (d) ₹ 2,06,000

16. What will be the total interest on drawings?

- (a) ₹ 2,400 (b) ₹ 7,200
 (c) ₹ 9,600 (d) ₹ 4,800

17. Raman, Sohan and Jagan are partners sharing profits in the ratio 5 : 4 : 1. Jagan died on 30th November 2022. While settling his account, the assets and liabilities were reassessed as follows:

	Book Value (₹)	Revalued at (₹)
Land and Building	5,00,000	6,50,000
Debtors	70,000	55,000
Creditors	80,000	1,20,000

Pass journal entries to give effect to this revaluation of assets and liabilities and market value of investment was decreased by ₹ 10,000.

18. Calculate the goodwill of a firm on the basis of two years purchases of the average profit of last four years. Profits for the last four years ended 31st March were:

	(₹)
31.3.2019	30,600
31.3.2020	48,400
31.3.2021	46,600
31.3.2022	34,400

Additional Information :

- (a) The closing stock for the year ended 31st March, 2021 was undervalued by ₹ 2,600.
 (b) The cost of management expenses per annum ₹ 2,000 should be made for the purpose of goodwill valuation.

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or

Tarun and Varun started a business on 1st April, 2021 and contribute the capital of ₹ 2,00,000 and ₹ 1,50,000 respectively. On 1st July, 2021, Tarun gave a loan of ₹ 40,000 and Varun introduced a fresh capital of ₹ 60,000. Profit for the year ended 31st March, 2022 was ₹ 75,800. There is no partnership deed. Both Tarun and Varun expected interest @ 12% per annum on loan and additional capital advanced by them. Varun also asked for a monthly salary of ₹ 2,000 as he spent additional over time on regular basis. Show the distribution of profit and prepare Profit and Loss Appropriation A/c. Justify your answer.

19. Deepak Fitness Limited took over Assets of ₹ 25,00,000 and liabilities of ₹ 6,00,000 of Blue Wellness Limited. Deepak Fitness Limited paid the purchase consideration by issuing 10,000 equity shares of ₹ 100 each at a premium of 10% and ₹ 11,00,000 by bank draft. Calculate purchase consideration and pass necessary Journal entries in the books of Deepak Fitness Limited.

or

Balram India Limited invited applications for issuing 10,000, 8% debentures of ₹ 100 each. The amount was payable as follows:

₹ 30 on application and ₹ 70 on allotment. The public applied for 12,000 debentures. Applications for 8,000 debentures were accepted in full; applications for 3,000 debentures were allotted 2,000 debentures and the remaining applications were rejected. All money were duly received.

Pass the necessary journal entries in the books of the company for the above transactions.

20. Divakar, Sudhakar and Prabhakar are partners sharing profits in the ratio of 3: 2:1. Goodwill is appearing in the books at a value of ₹ 1,80,000. Laxman retires and at the time of his retirement, goodwill is valued at ₹ 2,52,000. Divakar and Prabhakar decided to share future profits in the ratio of 2:1. The Profit for the first year after Sudhakar's retirement amounts to ₹ 1,20,000. Give the necessary Journal entries to record goodwill and to distribute the profit. Show your calculations clearly.
21. On 1st April 2021, Laxman Organic Limited issued 2,000, 9% debentures of ₹ 150 each at a discount of 10% redeemable after 5 years at a premium of 5%. All the debentures were subscribed for. The company has a balance of Securities Premium Reserve ₹ 40,000 and surplus, i.e. balance in Statement of Profit and Loss ₹ 15,000. Pass the journal entries for issue of debentures and writing off the loss on issue of debentures. Also prepare extract of Balance Sheet as at 31st March 2022.
22. Aalok, Sudhir and Kabir were partners in a firm sharing profits in the ratio of 2 : 2 : 1. Their Balance Sheet as at March 31, 2022 was as follows:

Balance Sheet
as at March 31, 2022

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	30,000	Land	80,000
Bills Payable	40,000	Building	55,000
Outstanding Expenses	25,000	Plant	1,00,000
General Reserve	30,000	Stock	40,000
Capital:		Debtors	25,000
Aalok	50,000	Cash	5,000
Sudhir	60,000		
Kabir	70,000		
	<u>1,80,000</u>		
	3,05,000		<u>3,05,000</u>

From 1st April, 2022 they decided to share profit in the ratio 1 : 2 : 3. For this purpose, it was agreed that:

- (i) The goodwill of the firm should be valued at ₹ 45,000.

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(ii) Land was undervalued by ₹ 20,000. Building was overvalued by 10%.

(iii) Creditors amounting to ₹ 3,000 were not to be paid.

Partners decided to record the revised values in the books. However, they do not want to disturb the reserve. You are required to record necessary journal entries for the above adjustment.

23. A company was registered with nominal capital of ₹ 50,00,000 in equity shares of ₹ 100 each. 20,000 shares were issued to the public at a premium of ₹ 10 per share, payable as:

₹ 30 on application

₹ 35 on allotment (including ₹ 5 premium)

₹ 25 on First call (including ₹ 5 premium)

The balance on Second and final call.

Applicants were received for 35,000 shares and Allotment was made as follows:

List I. Applications for 5,000 shares were allotted in full.

List II. Applications for 15,000 shares were allotted 5,000 shares on pro-rata basis.

List III. Applications for 15,000 shares were allotted 10,000 shares on pro-rata basis.

Money overpaid on application was employed on account of sums due on allotment only. Any money in excess to allotment was refunded.

Kailash (belonging to List III), holding 200 shares, failed to pay the allotment and first call. The company forfeited his shares after the first call.

Sagar (belonging to List II) who applied 300 shares, failed to pay two calls and company forfeited his share after the final call.

Of the shares forfeited 200 shares (including all of Sagar) were reissued to Pooja as ₹ 90 per share.

Prepare the cash book and pass necessary journal entries in the books of the company.

or

(i) Gujarat India Limited forfeited 400 shares of ₹ 100 each, issued at 10% premium (to be paid at the time of allotment) for non-payment of allotment money of ₹ 30 (including premium) and first call of ₹ 30 per share. The second and final call of ₹ 20 has not yet been called. Out of these, 160 shares were re-issued as ₹ 80 paid-up for ₹ 70 per share. Journalise.

(ii) Global Farm Limited issued 60,000 shares of ₹ 10 each at a premium of 10% payable as, ₹ 2 per share on application, on allotment ₹ 5 (including premium) and ₹ 2 each on first and final call. Applications were received for 90,000 shares. It was decided to:

(a) Refuse allotment to the applications for 10,000 shares.

(b) Allot 10,000 shares to R who had applied for similar number.

(c) Allot the remaining shares on pro-rata basis.

R failed to pay the allotment money. T who belonged to the category 'c' and had applied for 4,200 shares paid both the calls with allotment. Calculate the amount received on allotment.

24. Jagan and Magan are partners in a firm sharing profits in the ratio of 4 : 1. On 31st March, 2022, their Balance Sheet was as follows:

Balance Sheet of Jagan and Magan as on 31-03-2022

Liabilities		Amount (₹)	Assets		Amount (₹)
Sundry Creditors		40,000	Bank		14,500
Provision for Bad Debts		4,000	Debtors		43,000
Outstanding Salary		6,000	Stock		40,000
Investment Fluctuation Reserve		10,000	Investment		80,000
Employee Provident Funds		15,000	Furniture		60,000
General Reserve		12,000	Building		36,000
Capital:			Goodwill		6,000
Jagan	1,20,000		Advertisement Suspense A/c		7,500
Magan	80,000				
		2,00,000			

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	2,87,000	2,87,000
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On the above date, Dhavan was admitted for 1/4th share in the profits on the following terms:

- (i) Dhavan brought ₹ 1,00,000 as his capital and ₹ 20,000 for his share of premium, half of which is withdrawn by Jagan and Magan.
 - (ii) Stock will be reduced to ₹ 35,000 furniture will be depreciated by ₹ 7,000 and 30% appreciation will be recorded in building.
 - (iii) Debtors ₹ 3,000 will be written off as bad debts and a provision of 5% will be created on debtors for bad and doubtful debts.
 - (iv) Investments will be recorded at its market value of ₹ 65,000.
 - (v) Revaluation expenses of ₹ 3,500 will be paid by Jagan on behalf of the firm.
- Prepare Revaluation Account and Partners' Capital Accounts of the new firm.

or

Mahendra, Surendar and Rajendar were partners in a firm sharing profits in the ratio of 2 : 3 : 5. On 31.3.2022 their Balance Sheet was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	46,000	Furniture and Fixtures	55,000
Investment Fluctuation Reserve	15,000	Equipments	15,000
Workmen Compensation Reserve	10,000	Investments	25,000
Capitals:		Machinery	18,000
Mahendra	50,000	Stock	12,000
Surendar	40,000	Debtors	30,000
Rajendar	20,000	Less: Provision for Doubtful Debts	(3,000)
	1,10,000	Bank	29,000
	1,81,000		1,81,000

On the above date, Mahendra retired and Surendar and Rajendar agreed to continue the business on the following terms:

- (i) Goodwill of the firm was valued at ₹ 48,000.
- (ii) There was a claim of ₹ 4,000 for workmen's compensation.
- (iii) Market value of investment was ₹ 22,000.

Mahendra will be paid ₹ 3,200 through cheque and the balance will be transferred in his loan account. The new profit sharing ratio between Surendar and Rajendar will be 3 : 2.

Prepare Partners' Capital A/cs and Balance Sheet of the new firm.

25. Rohit, Mohit and Shobhit commenced business on 1st April, 2020 with capitals of:

Rohit – ₹ 2,00,000; Mohit – ₹ 2,00,000 and Shobhit – ₹ 1,00,000.

Profits are shared in the ratio of 4 : 3 : 3. Capital carried interest @ 5% p.a. During the year 2020-21, the firm suffered a loss of ₹ 1,50,000 before allowing interest on capital. Drawings of each partner during the year were ₹ 20,000.

On 31st March, 2021, the partners agreed to dissolve the firm as it was no longer profitable. The creditors on that date were ₹ 40,000. The assets realised a net value of ₹ 3,20,000 and the expenses of realisation were ₹ 7,000.

Prepare Realisation Account, Partners' Capital Accounts and Cash Account along with necessary working to close the books of the firm.

26. KGN Group Limited issued 10,000, 8% debentures of ₹ 100 each on 1st April 2022 redeemable at a premium of 10% after 4 years. The issue was subscribed by 95%.

According to the terms of issue, interest on the debentures is payable half-yearly on 30th September and 31st March.

- I. What is nature of interest on debentures?

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- II. What journal entry will be passed for writing off the interest on debentures at the end of the year?
 III. At the time of issue of debentures what amount will be credited to premium on redemption of debenture A/c?
 IV. What is the ownership status of Debentureholders in a company?

PART—B

Analysis of Financial Statements

27. Chitra Enterprises Limited has prepared cash flow statement which represent cash inflow and outflow for the company. Which of the following is an example of cash from investing activities of Chitra Enterprises Limited?
- (a) Advances made by financial enterprise
 (b) Cash advances and loans made to third party
 (c) Cash advances and loans made by financial firms
 (d) None of the above
28. Outstanding salaries are recorded as an item of sub-head _____ in balance sheet.
- (a) Trade Payables (b) Short-term Borrowings
 (c) Short-term Provisions (d) Other Current Liabilities

or

Which of the following liabilities are taken into account for acid test ratio?

- (i) Redeemable Debentures (ii) Outstanding Expenses
 (iii) Bills Payable (iv) Bank Overdraft
 (v) Trade Creditors
- (a) (i), (ii), (iii), (iv) and (v) (b) (v), (iv), (iii) and (ii)
 (c) (v), (iii) and (ii) (d) (i), (iii), (iv) and (v)

29. 12% debentures of ₹ 6,00,000, current assets ₹ 3,00,000 and shareholder's fund is ₹ 10,00,000. What is the value of debt-equity ratio?
- (a) 0.7 : 1 (b) 0.6 : 1
 (c) 0.8 : 1 (d) 0.5 : 1
30. Finox Infotech Private Limited purchased machinery of ₹ 10,00,000 issuing a cheque of ₹ 2,50,000 and 10% debentures of ₹ 7,50,000. In the cash flow statement, the transaction will be shown as
- (a) outflow under investing activity ₹ 2,50,000
 (b) inflow of ₹ 7,50,000 as financing activity
 (c) outflow under investing activity ₹ 10,00,000, inflow under financing activity as receipt for debentures ₹ 7,50,000
 (d) None of the above

or

Paid ₹ 4,00,000 to acquire shares in Divya Technologies Limited and received a dividend of ₹ 40,000 after acquisition. These transactions will result in

- (a) cash used in investing activities ₹ 3,60,000
 (b) cash generated from financing activities ₹ 3,60,000
 (c) cash used in investing activities ₹ 4,00,000
 (d) cash generated from financing activities ₹ 4,40,000

31. Name the 'Major head' and 'Sub-head' in which the following items will be presented in the balance sheet of a company as per Schedule III, part-I of the Companies Act, 2013.
- (i) Public Deposits

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- (ii) Interest accrued but not due
- (iii) Goodwill
- (iv) Stores and spares
- (v) Debentures maturing current financial year
- (vi) Securities Premium

32. From the following information, calculate Return on Investment.

Equity Share Capital ₹ 10,00,000; Profit after Interest and Tax ₹ 2,60,000; 12% Debentures ₹ 4,00,000; General Reserve ₹ 75,000; Creditors ₹ 75,000; Land and Building ₹ 12,50,000; Debtors ₹ 1,20,000; Plant and Machinery ₹ 3,50,000; Bank ₹ 90,000.

Revenue from Operations for the year was ₹ 25,00,000 and Tax paid 35%.

33. Briefly explain the significance of analysis of financial statement to (i) the Finance Manager and (ii) Trade Payables.

or

(a) From the following information calculate inventory turnover ratio:

Revenue from operations ₹ 16,00,000; Average Inventory ₹ 2,20,000; Gross Loss Ratio 5%.

(b) Rate of Gross profit on cost of a company is 25%. Its Gross profit is ₹ 5,00,000 Its shareholders' Funds are ₹ 12,00,000; Current liabilities are ₹ 3,00,000 and current Assets are ₹ 10,00,000.

Calculate its Working Capital Turnover ratio.

34. Prepare a Cash Flow Statement from the following Balance Sheet of City India Limited

Balance Sheet of City India Limited

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital	1	10,00,000	8,00,000
(b) Reserves and Surplus	2	7,50,000	50,000
2. Non-Current Liabilities			
Long-term Borrowings	3	5,00,000	1,00,000
3. Current Liabilities			
(a) Short term Borrowings	4	50,000	40,000
(b) Trade Payables		2,50,000	3,80,000
(c) Short-term Provisions (Provision for Tax)		80,000	65,000
(d) Other Current Liabilities		1,50,000	1,60,000
Total		27,80,000	15,95,000
II. ASSETS			
1. Non-Current Assets:			
Property, Plant and Equipments and Intangible Assets:			
(a) Property, Plant and Equipments: Tangible Assets	5	12,80,000	8,20,000
(b) Intangible Assets (Goodwill)		1,60,000	—
2. Current Assets:			
(a) Short-term Investment (Marketable Securities)		2,90,000	1,60,000
(b) Inventories		4,10,000	2,80,000
(c) Trade Receivables		3,80,000	2,30,000

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(d) Cash and Cash Equivalents	6	2,60,000	1,05,000
Total		27,80,000	15,95,000

Notes to Accounts:

Note No.	Particulars	31 st March 2022 (₹)	31 st March 2021 (₹)
1.	Share Capital:		
	Equity Share Capital	7,00,000	4,00,000
	10% Preference Share Capital	3,00,000	4,00,000
		10,00,000	8,00,000
2.	Reserves and Surplus:		
	General Reserve	3,00,000	1,00,000
	Balance in Statement of Profit and Loss	4,50,000	(50,000)
		7,50,000	50,000
3.	Long-term Borrowings:		
	9% Debentures	5,00,000	1,00,000
4.	Short-term Borrowings:		
	Bank Overdraft	50,000	40,000
5.	Property, Plant and Equipments (Tangible Assets):		
	Plant and Machine	2,30,000	1,20,000
	Building	10,50,000	7,00,000
		12,80,000	8,20,000
6.	Cash and Cash Equivalents:		
	Cash in hand	80,000	40,000
	Cash at Bank	1,80,000	65,000
		2,60,000	1,05,000

Note: Dividend proposed for the year 2020-21 and for 2021-22 are ₹ 40,000 and ₹ 60,000 respectively.

Additional Information:

- Depreciation of ₹ 60,000 was provided on plant and machinery during the year.
- A machine costing ₹ 40,000 (accumulated depreciation provided thereon ₹ 24,000) was sold for ₹ 8,000 during the year.
- New debentures were issued on 1st October, 2021
- Tax ₹ 60,000 was paid during the year.

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Sample Paper 16
Accountancy
Class XII Session 2022-23

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

Part A
(Accounting for Partnership Firms and Companies)

1. Cathal, Mikel and Pavel are partners sharing profits in the ratio of 3 : 2 : 1. They agree to admit Rasul into the firm. Cathal, Mikel and Pavel agreed to give $\frac{1}{3}$ rd, $\frac{1}{6}$ th and $\frac{1}{9}$ th share of their profit. The share of profit of Rasul will be

- (a) $\frac{11}{54}$ (b) $\frac{13}{54}$
(c) $\frac{1}{10}$ (d) $\frac{12}{54}$

or

What will be the amount of interest, if a partner withdrew ₹ 1,000 at the end of each month from 1st June, 2019 till the end of the accounting year upto 31st March, 2020? Interest on drawings is 12% per annum.

- (a) ₹ 550 (b) ₹ 600
(c) ₹ 575 (d) ₹ 700

2. In a firm, 10% of net profit after deducting all adjustments, including reserve is transferred to general reserve. Net profit after all adjustments but before transfer to general reserve is ₹ 44,000. Amount to be transferred to reserve is _____.

- (a) ₹ 2,500 (b) ₹ 4,000
(c) ₹ 4,400 (d) ₹ 2,200

3. State the right order of deductions for presenting correct view of the profit and loss appropriation account.

- (i) Interest on the partner's loan.
(ii) Manager's commission on net profit.
(iii) Interest on partner's capital.
- (a) (i) → (ii) → (iii) (b) (ii) → (iii) → (i)
(c) (iii) → (i) → (ii) (d) (i) → (iii) → (ii)

4. Truth Technologies Limited purchased a Machinery from Krishna Polypipes Limited for ₹ 2,25,000. Truth Technologies Limited, immediately paid ₹ 45,000 by bank draft and the balance by issue of preference shares of ₹ 100 each at 20% premium for the purchase consideration of machinery. Number of preference shares issued will be _____.

- (a) 1,500 (b) 15,000
(c) 1,800 (d) 18,000

5. Saahas, Tanwar and Jagat are partners in a firm sharing profits in the ratio of 5 : 3 : 2. As per partnership

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deed, Jagat is to get a minimum amount of ₹ 10,000 as profit. Net profit for the year is ₹ 40,000. Calculate deficiency (if any) to Jagat.

- (a) ₹ 950 (b) ₹ 2,000
(c) ₹ 1,200 (d) None of these

6. Assertion (A): Change in profit sharing ratio among existing partners results in reconstitution of partnership firm.

Reason (R): The relationship among partner changes at the time of change in profit sharing ratio.

Alternatives

- (a) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(b) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
(c) Assertion (A) is true, but Reason (R) is false
(d) Assertion (A) is false, but Reason (R) is true

7. Amount payable on shares can be received in installments by the company. What is the first installment called?

- (a) Application money (b) Allotment money
(c) First call money (d) Second call money

or

A company wants to issue debentures in the upcoming month. For the issue, the company has to create debenture trust deed. But the accountant of the company does not know its meaning. Tell the meaning of debenture trust deed.

- (a) It shows the list of debenture holders
(b) It protects the interest of debenture holders
(c) It is created after public subscription
(d) It tells that in case of losses, there will be no interest

8. Galaxy Technologies Limited issued 10,000, 8% debentures of ₹ 10 each, payable on application and redeemable at par at any time after 6 years. Record the entries for the application money received in the books of Galaxy Technologies Limited.

- | | | | |
|---------------------------------------------|-----|----------|----------|
| (a) Bank A/c | Dr. | 80,000 | |
| To Debenture Application and Allotment A/c | | | 80,000 |
| (b) Bank A/c | Dr. | 1,00,000 | |
| To Debenture Application and Allotment A/c | | | 1,00,000 |
| (c) Debenture Application and Allotment A/c | Dr. | 1,00,000 | |
| To 8% Debentures A/c | | | 1,00,000 |
| (d) None of the above | | | |

9. Finrise Management Solutions Private Limited invited applications for issuing 6,000, 12% debentures of ₹ 100 each at a premium of ₹ 50 per debenture. The full amount was payable on application. Applications were received for 8,000 debentures.

Applications for 2,000 debentures were rejected and application money was refunded.

Debentures were allotted to the remaining applicants. Based on the information, pass the journal entry for adjusting the application money received in the books of Finrise Management Solutions Private Limited.

- | | | | |
|---------------------------------------------|-----|-----------|-----------|
| (a) Bank A/c | Dr. | 12,00,000 | |
| To Debenture Application and Allotment A/c | | | 12,00,000 |
| (b) Debenture Application and Allotment A/c | Dr. | 9,00,000 | |
| To 12% Debentures A/c | | | 9,00,000 |

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- (a) (i), (ii), (iii) (b) (ii), (iii), (i)
 (c) (iii), (ii), (i) (d) Only (i)

or

Other than minors, _____ categories of individuals cannot be admitted in a partnership firm.

- (a) person of unsound mind (b) person disqualified by the law
 (c) Both (a) and (b) (d) None of these

DIRECTION : Read the following hypothetical situation and answer Q. No. 15 and 16.

Aman and Naman are partners with capitals of ₹ 6,50,000 and ₹ 5,50,000 respectively. They admit Tarun as a partner with 1/4th share in the profit of the firm. Following journal entries are passed.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c Dr. To Tarun's Capital Ltd (Being amount of capital brought in by Tarun)		6,50,000	6,50,000
	Tarun's Current A/c Dr. To Aman's Capital A/c To Naman's Capital A/c (Being Tarun's share of goodwill credited to sacrificing partners in their sacrificing ratio)		.....	..... .....

15. What will be the total capital of the firm ?
 (a) ₹ 18,50,000 (b) ₹ 22,50,000
 (c) ₹ 26,00,000 (d) ₹ 24,50,000
16. What will be the Tarun's share of goodwill ?
 (a) ₹ 2,50,000 (b) ₹ 1,87,500
 (c) ₹ 1,67,500 (d) ₹ 1,62,500
17. Tanish and Manish are partners sharing the profits and losses in the ratio of 3 : 2 with capitals of ₹ 24,000 and ₹ 12,000. On 1st July, 2019, Tanish and Manish granted loans of ₹ 48,000 and ₹ 18,000, respectively to the firm. Show the distribution of profits/losses for the year 2019, if the profits before any interest for the year amounted to ₹ 1,800.
18. On 1st April, 2019, Aahuja Private Limited was formed with an authorised capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each. The company issued prospectus inviting applications for 45,000 equity shares. The company received applications for 42,500 equity shares. During the first year, ₹ 8 per share were called. Shaan holding 500 shares and Rihaan holding 1,000 shares did not pay the first call of ₹ 2 per share. Rihaan's shares were forfeited after the first call and later on 750 of the forfeited shares were re-issued at ₹ 6 per share, ₹ 8 called-up. Show the following
 (i) Share capital in the balance sheet of the company as per Schedule III, Part I of the Companies Act, 2013.
 (ii) Also prepare notes to accounts for the same.

or

Vanraj Poly Pipes Limited invited applications for issuing 3,000, 12% debentures of ₹ 100 each at a premium of ₹ 50 per debenture. The full amount was payable on application. Applications were received for 4,000 debentures. Applications for 1,000 debentures were rejected and application money was refunded. Debentures were allotted to the remaining applicants. Pass necessary journal entries for the above transactions in the books of Vanraj Poly Pipes Limited.

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19. Khush, Devika, Monika and Luv are partners. Their capital accounts on 1st April, 2019 were ₹ 60,000, ₹ 1,00,000, ₹ 1,60,000 and ₹ 2,00,000 respectively. After the accounts for the year ended 31st March, 2020 have been prepared, it is discovered that interest @ 5% as provided in the partnership agreement has not been credited to partners' capital accounts before distributing profits. So, it is decided to make adjusting entry at the beginning of the next year.

Give the necessary journal entry along with working notes.

20. Following is the balance sheet of Naksh, Uplaksh and Laksh as at 31st December, 2019.

Balance Sheet
as at 31st December, 2019

Liabilities		Amount (₹)	Assets		Amount (₹)
Sundry Creditors		3,000	Tools		1,000
Reserve Fund		3,200	Furniture		8,000
Capital A/cs			Stock		6,000
Naksh	10,000		Debtors		6,000
Uplaksh	5,000		Cash at Bank		5,000
Laksh	5,000	20,000	Cash in Hand		200
		26,200			26,200

Uplaksh died on 31st March, 2020. Under the partnership agreement, he was entitled to the following amounts

- (i) Amount standing to the credit of his capital account.
- (ii) Interest on capital, which amounted to ₹ 62.50.
- (iii) His share of goodwill ₹ 3,500.

Draw up Uplaksh's account

or

Taahir, Zahir and Sabir are partners sharing profits in the ratio of 1 : 2 : 3. Sabir retires and her capital, after making adjustments for reserves and profits on revaluation stands at ₹ 2,20,000. Taahir and Zahir agreed to pay her ₹ 2,50,000 in full settlement of her claim.

Record necessary journal entry for the treatment of goodwill, if the new profit sharing ratio is decided at 1 : 3. Also, calculate gaining ratio of Taahir and Zahir and hidden goodwill of the firm.

21. Given below is the balance sheet of Ayush and Girish who are partners in a firm sharing profits in the ratio of 3:2.

Balance Sheet
as at 1st April, 2019

Liabilities		Amount (₹)	Assets		Amount (₹)
Sundry Creditors		3,00,000	Land and Building		4,00,000
Profit and Loss A/c		1,00,000	Plant and Machinery		3,00,000
Capital A/cs			Stock		70,000
Ayush	4,00,000		Debtors		1,80,000
Girish	2,00,000	6,00,000	Bank		50,000
		10,00,000			10,00,000

On the same date, Karan is admitted as a partner on the following terms

- (i) Ayush gives 1/3rd of his share, while Girish gives 1/10th from his share to Karan.
- (ii) Goodwill is valued at 2 years' purchase of the average profits of the last 5 years, which were ₹ 50,000 (loss); ₹ 1,20,000; ₹ 10,000 (loss); ₹ 3,00,000 and ₹ 3,40,000 respectively. Karan does not bring his share of goodwill in cash.

Pass necessary journal entries.

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22. Johnson India Limited forfeited 1,200 equity shares of ₹ 10 each issued at a premium of 20% to Jonny who had applied for 1,440 equity shares, for non-payment of allotment money of ₹ 5 per equity share (including premium) and the first and final call of ₹ 5 per equity share. Out of these, 400 equity shares were re-issued to Tony credited as fully paid for ₹ 9 per equity share.

Give journal entries to record forfeiture and re-issue of shares assuming that Johnson India Limited follows the policy of adjusting excess application money towards other sums due on equity shares.

23. Orient Food Products Limited offered for public subscription 20,000 equity shares of ₹ 10 each at a premium of 10% payable as ₹ 2 on application, ₹ 4 on allotment (including premium), ₹ 3 on first call and ₹ 2 on second and final call.

Applications for 26,000 shares were received. Applications for 4,000 shares were rejected. Pro-rata allotment was made to the remaining applicants. Both the calls were made and all the money was received except the final call on 500 shares which were forfeited. 300 of the forfeited shares were later on re-issued as fully paid up at ₹ 9 per share. Give journal entries.

or

Disha India Plastics Limited issued a prospectus inviting applications for 20,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows

On application ₹ 2, on allotment ₹ 5 (including premium), on first call ₹ 3, on second and final call ₹ 2. Applications were received for 30,000 shares and pro-rata allotment was made on the applications for 24,000 shares. Money overpaid on application was employed on account of sum due on allotment.

Jagat, to whom 400 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited. Lakshay, the holder of 600 shares, failed to pay the two calls and his shares were forfeited after the second call. Of the shares forfeited, 800 shares were sold to Pranay credited as fully paid for ₹ 9 per share, the whole of Jagat's shares being included. Show the journal entries.

24. Neel and Veer are two partners sharing profits and losses in the ratio of 3 : 2. Their balance sheet as at 31st March, 2020 is as follows

Balance Sheet

as at 31st March, 2020

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/cs			Land and Building		3,00,000
Neel	3,00,000		Furniture		1,60,000
Veer	2,00,000	5,00,000	Bills Receivable		40,000
General Reserve		2,00,000	Sundry Debtors		55,000
Sundry Creditors		60,000	Cash at Bank		85,000
Bills Payable		40,000	Stock		2,00,000
Workmen Compensation Fund		40,000			
		8,40,000			8,40,000

Balveer is to be admitted as a partner with effect from 1st April, 2020 on the following terms

- Balveer will bring in ₹ 2,00,000 as capital and ₹ 1,20,000 as premium for goodwill for 1/5th share of profit.
- Half premium withdrawn by old partners.
- The assets will be revalued as, land and building ₹ 4,50,000; furniture ₹ 1,20,000; stock ₹ 1,50,000.
- The claim of a creditor for ₹ 40,000 is settled at ₹ 35,000.
- Bills payable paid-off by raising bank loan.

You are required to show the revaluation account, partners capital accounts and the balance sheet of the new firm.

or

Girish, Harish and Satish were carrying out a business as partners and sharing profits in the ratio of 2 : 1 : 1. Their balance sheet as at 31st December, 2019 is as follows

Balance Sheet
as at 31st December, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	10,600	Buildings	70,000
Sundry Creditors	11,000	Plant and Machinery	78,000
Capital A/cs		Stock	16,000
Girish	75,000	Debtors	22,000
Harish	50,000	(-) Provision for Doubtful Debts	(400)
Satish	55,000	Bank	7,500
Profit and Loss A/c	1,400	Cash	9,900
	2,03,000		2,03,000

Girish decided to retire on that date because of health problems. In this regard, following adjustments were agreed upon

- (i) The value of buildings to be increased to ₹ 96,000.
- (ii) The provision for bad and doubtful debts on debtors to be maintained at 3%.
- (iii) Plant and machinery should be valued at 20% less.
- (iv) Goodwill of the firm is valued at ₹ 36,000 and Girish's share is to be adjusted in the remaining partners' accounts.

You are required to prepare revaluation account, partners' capital accounts and balance sheet.

25. What journal entries would be passed for the following transactions on the dissolution of a firm of partners Utkarsh and Varsha, after various assets and third party liabilities have been transferred to realisation account?
- (i) Workmen compensation reserve stood at ₹ 6,000 and liability in respect of it was ascertained at ₹ 6,000.
 - (ii) There was no workmen compensation reserve and firm had to pay ₹ 1,500 as compensation to the workers.
 - (iii) Building (Book value ₹ 50,000) sold for ₹ 80,000 through a broker who charged 2% commission.
 - (iv) Investments (Book value ₹ 4,000) realised 150%.
26. (i) On 1st April, 2020, Diwakar Housing Private Limited issued 50,00,000, 10% debentures of ₹ 100 each at a discount of 10%. These debentures were redeemable at a premium of 5% after four years. Pass necessary journal entries for issue of debentures.
- (ii) Fortune Health Private Limited issued 6,000, 12% debentures of ₹ 100 each to its vendor Dhruv and Sons. These debentures are issued @ 15% premium for the consideration of plant purchased. A cheque of ₹ 3,50,000 also issued to that vendor. Pass the necessary journal entries of the above given information.

Part B (Financial Statement Analysis)

27. If the value of current assets is twice the current liabilities and working capital is ₹ 80,000, what will be the value of current liabilities?
- (a) ₹ 90,000
 - (b) ₹ 70,000
 - (c) ₹ 80,000
 - (d) ₹ 40,000

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28. Which of the following is correct?

- (i) Forfeited shares account is shown under the head shareholders' funds.
 - (ii) Interest accrued and due on debentures is shown under the head other current liabilities.
 - (iii) Loose tools are shown under the head current liabilities.
- (a) Only (ii) (b) (i) and (iii)
(c) (i) and (ii) (d) All are correct

or

According to you, purchase of inventory on credit will cause the quick ratio to

- (a) increase (b) vitiate results
(c) decrease (d) remain unchanged

29. Anjali Education Limited made an operating profit of ₹ 2,00,000 after charging depreciation of ₹ 22,000. During that year, trade payables increased by ₹ 27,200 and inventory increased by ₹ 75,000. There was no change in trade receivables. Assuming that no other factors affected it, what would be the cash generated from operations?

- (a) ₹ 2,49,200 (b) ₹ 2,22,000
(c) ₹ 1,74,200 (d) ₹ 1,47,000

or

Moonlight Technologies Limited redeemed ₹ 1,00,000, 9% debentures at 10% premium. What will be the amount of 'Cash flows from financing activities'?

- (a) ₹ 1,00,000 (b) ₹ 10,000
(c) ₹ 1,10,000 (d) None of these

30. Calculate the amount of tax paid, from the following information, for the purpose of preparation of cash flow statement.

Balance Sheet (Extract)

Particulars	31st March, 2019 (₹)	31st March, 2020 (₹)
Provision for Income Tax	3,00,000	4,20,000

Additional Information

Provision for Income tax made during the year 2019-20 was ₹ 4,27,000.

- (a) ₹ 4,20,000 (b) ₹ 4,70,000
(c) ₹ 3,00,000 (d) ₹ 3,50,000

31. Under which head and sub-head will the following items appear in the balance sheet of a company

- (i) Computer software under development
- (ii) Unclaimed dividends
- (iii) Provision for tax

32. From the following balance sheet, calculate the given ratios.

- (i) Debt-equity ratio
- (ii) Proprietary ratio

Balance Sheet

as at 31st March, 2020

Particulars	31st March 2020 (₹)
I. EQUITY AND LIABILITIES	
1. Shareholder's Funds	
(i) Equity Share Capital	45,00,000
(ii) Reserves and Surplus	9,00,000
2. Non-current Liabilities	

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Long-term Borrowings		27,00,000
3. Current Liabilities		
(i) Short-term Borrowings		6,00,000
(ii) Trade Payables		33,00,000
	Total	1,20,00,000
II. ASSETS		
1. Non-current Assets		
(i) Fixed Assets: Tangible Assets		49,50,000
(ii) Long-term Investments		4,80,000
2. Current Assets		
(i) Inventories		27,30,000
(ii) Trade Receivables		37,20,000
(iii) Cash and Cash Equivalents		1,20,000
	Total	1,20,00,000

33. Inventory turnover ratio is 3 times. Sales are ₹ 18,000, opening inventory is ₹ 200 more than the closing inventory. Calculate opening and closing inventory when goods are sold at 20% profit on cost.

or

A company had a liquid ratio of 1.5 and current ratio of 2 and inventory turnover ratio 6 times. It has total current assets of ₹ 80,000 in the year 2020. Find out revenue from operations (Net Sales), if goods are sold at 25% profit on cost.

34. The summarised balance sheet of Sanskar Enterprises Limited as at 31st March, 2019 and 2020 were as under

Balance Sheet
as at 31st March, 2019 and 2020

Particulars	Note No.	31st March 2020 (₹)	31st March 2019 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds		2,25,000	2,25,000
(i) Share Capital		1,89,000	1,78,000
(ii) Reserves and Surplus	1		
2. Non-current Liabilities			
Mortgage Loan		1,35,000	—
3. Current Liabilities			
(i) Trade Payables		67,000	84,000
(ii) Short-term Provisions : Provision for Taxation		5,000	37,500
Total		6,21,000	5,24,500
II. ASSETS			
1. Non-current Assets			
(i) Fixed Assets		1,60,000	2,00,000
(ii) Non-current Investments		30,000	25,000
2. Current Assets			

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(i) Inventories		1,05,000	1,20,000
(ii) Trade Receivables		2,27,500	1,05,000
(iii) Cash and Cash Equivalents		98,500	74,500
Total		6,21,000	5,24,500

Notes to Accounts:

Note No.	Particulars	2020 (₹)	2019 (₹)
1.	Reserves and Surplus		
	General Reserve	1,55,000	1,50,000
	Statement of Profit and Loss	34,000	28,000
		1,89,000	1,78,000
2.	Short-term Provisions		
	Provision for Taxation	5,000	37,500

Additional Information

- (i) Investments costing ₹ 4,000 were sold during the year 2019-20 for ₹ 4,250.
- (ii) Provision for taxation made during the year was ₹ 4,500.
- (iii) During the year, part of the fixed assets costing ₹ 5,000 was sold for ₹ 6,000 and the profit was included in the statement of profit and loss.
- (iv) Dividend paid during the year amounted to ₹ 20,000.

You are required to prepare the cash flow statement.

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Sample Paper 17
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

General Instructions:

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PART—A

Accounting for Partnership Firms and Companies

1. If partners' capitals are fixed, drawings will be recorded in
(a) partners' current account (b) partners' capital account
(c) profit and loss appropriation account (d) None of these

or

_____ goodwill is the excess of desired total capital of firm over the actual combined capital of all partners.
(a) Hidden (b) Old
(c) Premium (d) Share
2. The share of retiring partner after all adjustments is ₹ 50,000. He is paid ₹ 75,000. His share of goodwill is
(a) ₹ 75,000 (b) ₹ 25,000
(c) ₹ 50,000 (d) None of these

or

Samar and Amar were partners in a firm sharing profits and losses in the ratio of 3 : 1. They admitted Babar as a new partner. Samar sacrificed 1/4th of his share and Amar sacrificed 1/4th of her share in favour of Babar. Babar's share in the profits of the firm will be
(a) 1/8 (b) 1/4
(c) 7/16 (d) 5/8
3. If Dalajit pays ₹ 75,000 as his share of goodwill privately to Manjit, an existing partner, the treatment will be
(a) goodwill account will be debited by ₹ 3,00,000
(b) goodwill account will be credited by ₹ 75,000
(c) goodwill account will be debited by ₹ 75,000
(d) no entry will be passed
4. In case of guarantee to a partner by firm, sacrifice for the guarantee will be made by _____
(a) only that partner who has maximum profit (b) all partners in profit or loss sharing ratio
(c) all partners equally (d) All of these

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5. Assertion (A): Manager's commission is transferred to the debit of profit and loss account.
Reason (R): Managers commission is a charge against profit
Alternatives
(a) Assertion (A) is false, but Reason (R) is true
(b) Assertion (A) is true, but Reason (R) is false
(c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
(d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
6. A company has issued debentures as collateral security for securing loan from HFPC bank. The company fails to repay the loan alongwith interest. What is/are the option(s) available for the bank?
(a) It has to use primary security first
(b) If primary security is insufficient, then it can use debentures
(c) It can use debentures
(d) Both (a) and (b)

or

Share application account is a _____ in nature.

- (a) personal account (b) nominal account
(c) real account (d) None of these

7. Param Enterprises Limited issued 2,50,000 shares of ₹ 10 each at a premium of ₹ 2 payable as

On application	₹ 3
On allotment	₹ 4 (including premium)
On first call	₹ 3
On second and final call	₹ 2

Mr. Ishwar who holds 1,000 shares failed to pay the first call money. The company has forfeited the 1,000 shares after the first call. On forfeiture, the amount debited to share capital account will be _____

- (a) ₹ 3,000 (b) ₹ 12,000
(c) ₹ 8,000 (d) ₹ 10,000

8. Charan and Harish are partners, sharing profits/losses in the ratio of 3 : 2. Mrs. Charan has given a loan of ₹ 4,00,000 to the firm and the firm also obtained a loan of ₹ 2,00,000 from Harish. The firm was dissolved and its assets were realised for ₹ 5,00,000. State the order of payment of Mrs. Charan's loan and Harish's loan with reason, if there were no other creditors of the firm.
(a) Both will be paid proportionately (b) Firm is not entitled to pay at dissolution
(c) Firstly, Mrs. Charan's loan will be paid (d) Firstly, Harish's loan will be paid

or

Which of the following is correct?

- (i) A minor cannot be admitted as a partner.
(ii) A minor can be admitted as a partner, only into the benefits of the partnership.
(iii) A minor can be admitted as a partner but his rights and liabilities are same of adult partner.
(a) Only (iii) (b) Only (ii)
(c) Only (i) (d) (i) and (iv)

9. The subscribed share capital of Satvik Development Private Limited is ₹ 80,00,000 divided in shares of ₹ 100 each. There were no calls-in-arrears till the final call was made. The final call was paid on 77,500 shares. The calls-in-arrears amounted to ₹ 62,500. Calculate the final call per share.
(a) ₹ 25 (b) ₹ 35
(c) ₹ 20 (d) ₹ 30

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or

Authorised capital of a company is ₹ 2,50,000 which is divided in 1,750 equity shares of ₹ 100 each and 750, 10% preference shares of ₹ 100 each. The company issued 1,000 equity shares and 5,00 preference shares. The public subscribed for 450 equity shares and 225 preference shares out of the issued shares. Subscribed share capital will be _____

- (a) ₹ 45,000 (b) ₹ 67,500
(c) ₹ 2,50,000. (d) ₹ 2,500

10. According to profit and loss account, the net profit for the year is ₹ 1,500. The total interest on partners capital is ₹ 180 and interest on partner's drawings is ₹ 20. The net profit as per profit and loss appropriation account will amount to

- (a) ₹ 1,700 (b) ₹ 1,300
(c) ₹ 1,340 (d) ₹ 1,960

11. Daksh and Naksh are partners in the ratio of 3 : 2. Their capitals are ₹ 1,00,000 and ₹ 50,000 respectively. Interest on capitals is allowed @ 8% p.a. Firm earned a profit of ₹ 7,500 for the year ended 31st March, 2021.

- As per partnership agreement, interest on capital is treated a charge on profits. Interest on capital will be
(a) Daksh ₹ 4,500; Naksh ₹ 3,000 (b) Daksh ₹ 5,000; Aakash ₹ 2,500
(c) Daksh ₹ 8,000; Aakash ₹ 4,000 (d) No interest will be allowed

12. What will be the entry for receiving application and allotment money on 1,200, 10% debentures of ₹ 100 each issued at a premium of 10% and redeemable at a premium of 5%.

- (a) 10% Debentures A/c Dr. 1,32,000
To Bank A/c 1,32,000
(b) Bank A/c Dr. 1,32,000
To Debenture Application and Allotment A/c 1,32,000
(c) Debenture Application and Allotment A/c Dr. 1,32,000
To Bank A/c 1,32,000
(d) None of the above

13. Karan, Manan and Naveen are partners sharing profits and losses in the ratio of 5 : 3 : 2. Naveen retired and his capital balance after adjustments regarding reserves, accumulated profits/losses and gain/loss on revaluation was ₹ 5,00,000. Naveen was paid ₹ 6,00,000 in full settlement. Afterwards, Sravan was admitted for 1/4th share. The amount of goodwill premium brought by Sravan will be _____

- (a) ₹ 1,00,000 (b) ₹ 5,00,000
(c) ₹ 2,00,000 (d) ₹ 1,25,000

14. Pass the journal entry for amount of first call, ₹ 90,000 received after deducting calls-in-arrears of ₹ 6,000.

- (a) Bank A/c Dr. 96,000
To Share First Call A/c 96,000
(b) Bank A/c Dr. 90,000
Calls-in-arrears A/c Dr. 6,000
To Share First Call A/c 96,000
(c) Share First Call A/c Dr. 96,000
To Bank A/c 90,000
To Calls-in-arrears A/c 6,000
(d) None of the above

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DIRECTION : Read the following hypothetical situation and answer Q.No. 15 and 16

Gothic Pharma Limited is a partnership business with Parul, Kiara and Anika as partners engaged in production and sales of readymade garments. Their capital contributions were ₹ 5,00,000, ₹ 5,00,000, ₹ 8,00,000 respectively with the profit sharing ratio of 5 : 5 : 8. As they are now looking forward to expanding their business, it was decided that they would bring in sufficient cash to double their respective capitals. This was duly followed by Parul and Kiara, but due to unavoidable reasons, Anika could not do so and ultimately it was agreed that a new partner, Khushi should be admitted who would bring in the amount that Anika could not bring and whose share of profits will be the half of Anika's share which would be sacrificed by Anika only. Consequent to this agreement, Khushi was admitted and she brought in the required capital and ₹ 30,000 as premium for goodwill.

15. What will be the new profit sharing ratio of the partners?
 (a) 5 : 5 : 8 : 8 (b) 5 : 5 : 4 : 4
 (c) 1 : 1 : 1 : 1 (d) None of these
16. What is the amount of capital brought in by the new partner Khushi?
 (a) ₹ 8,00,000 (b) ₹ 4,00,000
 (c) ₹ 5,00,000 (d) ₹ 3,00,000
17. Rahul, Deepak and Hemant are partners in a firm. Total capital employed is ₹ 5,40,000 contributed by them in their profit sharing ratio. Deepak retires from the firm. On the day of retirement the firm had a balance of ₹ 90,000 in the General Reserve Account. Deepak took one of the unrecorded assets of the firm valued at ₹ 54,000 in part payment and balance amount was paid in cash.
 Pass necessary entries on Deepak's retirement.
18. Renu, Madhu and Usha are partners sharing profits in the ratio of 5 : 4 : 1. Usha is given a guarantee that her share of profit, in any year will not be less than ₹ 5,000. The profits for the year ending March 31, 2022 amounts to ₹ 35,000. Shortfall if any, in the profits guaranteed to Usha is to be borne by Renu and Madhu in the ratio of 3 : 2. Record necessary journal entry to show distribution of profit among partner.

or

X, Y and Z were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. The partnership deed provides for charging interest on drawings @10% p.a. The drawings of X, Y and Z during the year ending 31st March, 2020 amounted to ₹ 20,000, ₹ 30,000 and ₹ 50,000 respectively. After the final accounts have been prepared, it was discovered that interest on drawings had not been charged. Pass the necessary adjustment entry to rectify the omission of interest on drawings. Also show your working notes clearly.

19. Amber Fertilizers Limited issued 3,000, 10% Debentures of ₹ 100 each as fully paid to the underwriters for underwriting commission. Journalise the above in the books of Amber Fertilizers Limited.

or

KGN Industries Limited purchased business of M/s Gurukripa Breweries for a purchase consideration of ₹ 4,80,000. The following assets and liabilities were taken over:

	₹
Plant and Machinery	4,50,000
Furniture	80,000
Inventories	1,70,000
Sundry Liabilities	1,90,000

The purchase consideration was paid partly by accepting a bill of ₹ 30,000 and partly by the issue of 9% debentures of ₹ 100 each at a discount of 10%.

Pass necessary journal entries for the above transactions in the books of KGN Industries Limited.

20. Following is the Balance Sheet of Naman, Ankush and Harshad as on 31st March, 2020. Their profit sharing ratio is 2:2:1.

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Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		24,000	Bank		36,000
Bills Payable		16,000	Stock		28,000
General Reserve		12,000	Debtors		16,000
Capital Accounts:			Land and Building		2,00,000
Naman	1,20,000		Profit and Loss A/c		64,000
Ankush	1,20,000				
Harshad	52,000	2,92,000			
		3,44,000			3,44,000

Ankush died on 30th June 2022. The Partnership Deed provided for the following on the death of a partner:

- Goodwill of the firm was valued at 2 years' purchase of the average profit of the last 5 years. The profit for the year ended 31st March 2021; 31st March 2020; 31st March 2019 and 31st March 2018 were ₹ 20,000; ₹ 32,000; ₹ 44,000 and ₹ 88,000 respectively.
- Ankush's share of profit or loss till the date of his death was to be calculated on the basis of profit or loss for the year ended 31st March, 2022.

Pass Journal entries to transfer net amount to executor's A/c

- Aries Agro Limited has an authorised capital of ₹ 50,00,000 divided into equity shares of ₹ 100 each. The company invited applications for 40,000 shares, applications for 36,000 shares were received. All calls were made and duly received except for 500 shares on which the final call of ₹ 20 was not received. The company forfeited 200 shares on which final call was not received. Show how share capital will appear in the balance sheet of the company. Also prepare 'Notes to Accounts' for the same.
- Arti and Preeti were partners sharing profits and losses in the ratio of 3:2. The court ordered for the dissolution of their partnership firm. Preeti took the responsibility of realisation. She was paid ₹ 1,000 as commission for this service. Their Balance Sheet as on that date stood as follows:

Balance Sheet
as at 31st March 2022

Liabilities		Amount (₹)	Assets		Amount (₹)
Outstanding expenses		12,000	Cash at Bank		29,000
Creditors		34,000	Debtors		38,000
Employee's Provident Fund		12,000	Stock		52,000
Bank Loan		70,000	Furniture		20,000
Capital Accounts:			Machinery		33,000
Arti	50,000		Profit and Loss account		36,000
Preeti	30,000				
		2,08,000			2,08,000

Following was agreed upon:

- Arti agreed to take over furniture at 90% of the book value.
- ₹ 5,000 of debtors proved bad.
- Preeti took over ₹ 30,000 worth of the stock at ₹ 22,800. The remaining stock was sold at a loss of 10%.
- Machinery was taken over by creditors in full settlement of their claim.
- The Bank Loan was paid along with interest of ₹ 3,000.
- Other liabilities were paid in full.
- The expenses on realisation amounted to ₹ 800.

Prepare Realisation account.

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23. Fill in the missing information in the journal entries given below:

In the books of Max Steel Limited

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c Dr. To .....		.....	.....
	(Being application money received on 1,00,000 shares @ ₹ 5 per application including ₹ 2 for premium)			
	Equity Share Application A/c Dr. To Equity Share Capital A/c To To To .....		.....	..... ..... 1,25,000
	(Being application money adjusted. 25,000 applications were rejected and pro-rotta allotment was made in the ratio of 3:2 to the remaining applicants. Excess of application money was adjusted towards Share Allotment a/c)			
	..... Dr. To Equity Share Capital A/c To .....		.....	..........
	(Being money due on allotment @ ₹ 5 per share including ₹ 2 for premium)			
	Bank A/c Dr. To Equity Share Allotment A/c		.....	.....
	(Being amount received on allotment except on 500 shares allotted to Amit)			
	..... Dr. To Equity Share Capital A/c To .....		.....	..........
	(Being First & final call amount due @ ₹ 5 per share including ₹ 1 for premium)			
	Bank A/c Dr. To Equity Share First & Final Call A/c		.....	.....
	(Being First & final call amount received except shares held by Amit and Sumit who applied for 1,500 shares)			
	Share Capital A/c Dr. Dr. To To Share First & Final Call A/c To .....		..........	...............
	(Being shares of Amit and Sumit forfeited for non-payment of amount due)			
 Dr. To Equity Share Capital A/c		11,000

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To
(Being re-issue of 1,000 forfeited shares @ ₹ 11 per share fully paid. These shares included all shares held by Amit)				
Share forfeited A/c	Dr.		.....
To Capital Reserve A/c				.....
(Being Profit made on forfeited shares transferred to capital reserve)				

or

Fill in the missing information in the Journal entries given below:

(a)

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.	.....
	Dr.	.....
	To Share Allotment A/c			.....

			2,500
(Being forfeiture of 500 equity shares of ₹ 50 (₹ 30 called up) for non-payment of allotment money of ₹ 20 per share (including ₹ 5 per share premium and first call of ₹ 10 share)				
	Dr.	.....
	Dr.	.....

(Being 200 shares reissued as ₹ 30 called up for ₹ 25 per share)				
	Dr.	.....

(Being gain on reissue of forfeited shares if any, transferred to capital reserve)				

(b)

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c	Dr.	.....
	.....	Dr.	.....

	.....			15,000
(Being forfeiture of 4,000 shares of Kamlesh who had applied for 5,000 shares on account of non-payment of allotment money ₹ 5 (including ₹ 2 premium) and First Call ₹ 2. Only ₹ 3 per share was received with application)				
	Bank A/c	Dr.	24,000	
	.....	Dr.	.....
	To Share Capital A/c		
(3000 shares reissued as fully paid shares for ₹ 8 per share)				

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..... Dr.
..... (Being gain on reissue of forfeited shares transferred to capital reserve)		

24. Anita and Sunita were partners sharing profits and losses in the ratio of 5:3. Their Balance Sheet as at 31st March, 2022 was as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	22,000	Cash in hand	12,000
Creditors	45,000	Cash at Bank	83,000
Workmen Compensation Fund	40,000	Debtors	82,000
General Reserve	70,000	Stock	66,000
Profit and Loss Account	20,000	Investments	60,000
Capital Accounts:		Furniture	75,000
Anita	3,20,000	Machinery	2,25,000
Sunita	1,90,000	Goodwill	1,04,000
	7,07,000		7,07,000

On 1st April, 2022 they admitted Swati into the partnership firm for 1/4th share which she acquired from Anita and Sunita in the ratio of 2:1 respectively. Other adjustments were as follows:

- (i) The Goodwill of the firm is valued at ₹ 96,000 and Swati was unable to contribute her share of goodwill in cash.
- (ii) One customer who owed the firm ₹ 2,000 became insolvent and nothing could be realised from him.
- (iii) Create a provision of 5% for Doubtful Debts.
- (iv) 50% of the Investments were taken over by the old partners in their profit sharing ratio. Remaining Investments were valued at ₹ 35,000.
- (v) Claim on Workmen Compensation was established at ₹ 16,000.
- (vi) One month salary of ₹ 16,000 was outstanding.
- (vii) Swati is to contribute ₹ 1,20,000 as capital.

Prepare Revaluation A/c, Partners' Capital Accounts and the Balance Sheet of the newly constituted firm.

or

Kanak, Mahima and Sudha are partners sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet as on 31st March, 2022 stood as under:

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	20,000	Cash in hand	22,000
Bills Payable	10,000	Debtors	25,000
General Reserve	22,000	Less: Provision for doubtful debts	(3,000)
Capital A/c:		Stock	18,000
Kanak	70,000	Investments	30,000
Mahima	50,000	Furniture	20,000
Sudha	40,000	Machinery	70,000
		Goodwill	30,000
	2,12,000		2,12,000

On the above date Mahima retired and the terms of retirement were:

- (i) Mahima sells her share of goodwill to Kanak for ₹ 4,000 and to Sudha ₹ 2,000.
- (ii) Stock to be appreciated by 20%.
- (iii) Provision for doubtful debts to be increased by ₹ 525.

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or

In balance sheet, 'Bank overdraft' is an item of sub-head

- (a) Short-term Borrowings
- (b) Other Current Liabilities
- (c) Short-term Provisions
- (d) Trade Payables

29. Buland Securities Private Limited has the opening balance of furniture ₹ 4,00,000 and closing balance ₹ 4,20,000 and depreciation opening and closing balance ₹ 1,00,000 and ₹ 1,10,000. During the year, a furniture costing ₹ 40,000 with its accumulated depreciation of ₹ 24,000 was sold for ₹ 20,000. Calculate purchase value of furniture.

- (a) ₹ 60,000
- (b) ₹ 66,000
- (c) ₹ 52,000
- (d) ₹ 68,000

or

Vikas Engineering Limited has the machinery opening balance of ₹ 35,00,000 and closing balance of ₹ 47,60,000.

Depreciation for the year was ₹ 4,00,000. Calculate purchase value of machinery.

- (a) ₹ 32,60,000
- (b) ₹ 22,40,000
- (c) ₹ 38,00,000
- (d) ₹ 16,60,000

30.

Balance Sheet (Extract)		
Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)
6% Debentures	—	6,00,000
5% Debentures	10,00,000	—

Additional Information

6% debentures were redeemed on 1st July, 2019 and new 5% debentures were issued on the same date at a discount of 5%.

You are required to calculate the amount of interest on debentures to be mentioned under financing activity.

- (a) ₹ 46,500
- (b) ₹ 9,000
- (c) ₹ 50,000
- (d) ₹ 37,500

31. Under which heads will the following items will appear in the Balance Sheet of a Company?

- (a) Shares Option Outstanding Account
- (b) Unclaimed Dividend
- (c) Advances recoverable in cash
- (d) Share Forfeiture A/c
- (e) Calls-in-arrears
- (f) Machinery (under construction)

32. The following information of Virat Industries Limited has been provided.

Gross Profit Ratio 15%

Inventory velocity = 2 times

Trade Receivables velocity = 3 months

Gross Profit = ₹ 60,000

Closing inventory is equal to Opening inventory

Determine:

- (i) Revenue from Operations
- (ii) Closing inventory

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33. (a) From the following information, compute Debt to Capital Employed Ratio.

	₹
Capital Employed	43,50,000
Investment	2,40,000
Plant	7,00,000
Trade Receivables	4,00,000
Cash and Cash Equivalents	3,60,000
Equity Share Capital	22,50,000
8% Debentures	18,00,000
Capital Reserve	3,40,000

Surplus (Balance in Statement of Profit and Loss) (50,000)

(b) From the following information related to 2021-22, compute Fixed Assets Turnover Ratio.

	₹
Equity share capital	6,00,000
General reserve	1,50,000
Balance in Statement of Profit and Loss (Dr.)	2,50,000
12% Debenture	4,50,000
Creditors	1,40,000

Revenue from Operations for the year 2021-22 were ₹ 30,00,000.

or

(a) From the following information calculate operating ratio:

Revenue from Operations ₹ 6,80,000; Rate of Gross Profit on cost 25%; Selling expenses ₹ 1,44,000; Administrative expenses ₹ 73,000.

(b) With the help of the following information, calculate return on Investment; Net Profit after interest and Tax ₹ 9,00,000; 10% Debentures ₹ 12,00,000; Tax @ 40%; Capital Employed ₹ 82,20,000.

34. Prepare a Cash Flow Statement from the following Balance Sheet of Mayur Textiles Limited.

Particulars	Note No.	31 March 2022 (₹)	31 March 2021 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds :			
(a) Share Capital		32,00,000	27,20,000
(b) Reserves and Surplus	1	4,80,000	6,40,000
2. Non-Current Liabilities			
Long-term Borrowings	2	3,20,000	1,60,000
3. Current Liabilities			
(a) Short term Borrowings (Cash Credit)		32,000	40,000
(b) Trade Payables		80,000	1,60,000
(c) Other Current Liabilities	3	80,000	64,000
Total		41,92,000	37,84,000
II. ASSETS			
1. Non-Current Assets			

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(a) Property, Plant and Equipments and Intangible Assets			
(i) Property, Plant and Equipments: Tangible Assets		12,80,000	14,40,000
(ii) Intangible Assets	4	9,60,000	8,00,000
(b) Non-Current Investments		4,80,000	4,00,000
2. Current Assets:			
(a) Inventories		1,60,000	—
(b) Trade Receivables		5,12,000	4,40,000
(c) Cash and Cash Equivalents		8,00,000	7,04,000
Total		41,92,000	37,84,000

Notes to Accounts:

Particulars	31 st March 2022 (₹)	31 st March 2021 (₹)
1. Reserves and Surplus		
Surplus i.e. Balance in Statement of Profit and Loss	4,80,000	6,40,000
2. Long-term Borrowings		
9% Debentures	3,20,000	1,60,000
3. Other Current Liabilities		
Outstanding Expenses	80,000	64,000
4. Intangible Assets		
Goodwill	9,60,000	8,00,000

Additional information:

- (a) Depreciation of ₹ 1,60,000 was provided on Tangible Assets during the year.
- (b) A Machine costing ₹ 40,000 (accumulated depreciation provided thereon ₹ 24,000) was sold for ₹ 8,000 during the year.
- (c) Debentures has been issued on April 1, 2021.

□□□□□□

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Sample Paper 18
Accountancy
Class XII Session 2023-24

Time: 3 Hours

Max. Marks: 80

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 compulsory for all candidates.
4. Part - B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART—A

Accounting for Partnership Firms and Companies

1. Debentures that do not carry any charge or security on assets of the company are known as _____.
(a) Registered Debentures
(b) Convertible Debentures
(c) Unsecured Debentures
(d) Secured Debentures

2. What will be the correct sequence of events?
(i) Forfeiture of shares
(ii) Default on Calls
(iii) Re-issue of shares
(iv) Amount transferred to capital reserve
Options:
(a) (iii), (iv), (i), (ii) (b) (ii), (i), (iii), (iv)
(c) (ii), (iv), (i), (iii) (d) (i), (iv), (ii), (iii)
or
At the time of Issue of Debentures for consideration other than cash, Net Assets minus Capital Reserve is:
(a) Goodwill (b) Purchase Consideration
(c) Liquid Assets (d) Total Assets

3. In a partnership firm, a partner withdrew ₹ 5,000 per month on the first day of every month during the year for personal expenses. If interest on drawings is charged @ 6% p.a., the interest charged will be:
(a) ₹ 1,650 (b) ₹ 1,800
(c) ₹ 1,950 (d) ₹ 3,600

4. Radico Corporation Limited took over machinery costing ₹ 1,80,000 of Blue Enterprises Limited at an agreed price of ₹ 1,62,000 and payment made to Blue Enterprises Limited by the issue of _____ 6% debentures of ₹ 100 each at premium of 20%. The number of debentures issued in favour of Blue Enterprises Limited will be:
(a) 1800 (b) 1350
(c) 1300 (d) None of the above
or
_____ is the maximum amount of share capital that a company can raise in its life time.
(a) Issued Capital (b) Authorised capital
(c) Subscribed Capital (d) None of these

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5. At the time of Dissolution of a Partnership Firm, there exists an office equipment worth ₹ 68,000 in the books of the firm and its realized value is not given.
In this situation the realized value of office equipment will be :
- Market Value
 - Fair Value
 - Nil
 - 68,000
6. As per Section 52 of Companies Act 2013, Securities Premium cannot be utilised for:
- Writing off discount on issue of securities
 - Writing off preliminary expenses
 - Writing off capital losses
 - Issue of fully paid bonus shares
7. Koshik and Arvind are the partners in a firm sharing profits and losses in the ratio of 5:3. Zahir is admitted who acquires $\frac{1}{3}$ rd of Arvind's share. The new ratio among partners will be:
- 5 : 2 : 1
 - 1 : 4 : 5
 - 4 : 5 : 1
 - 5 : 4 : 1

or

In the absence of agreement to contrary, the profit sharing ratio will be:

- equal
 - in ratio of work done
 - in ratio of capital
 - none of these
8. Assertion (A): At the time of change in profit sharing ratio among the existing partners, the adjustment entry to be passed in all situations is :
- | | | |
|-----------------------------------------------|-----|--|
| Gaining Partners' Capital/Current A/cs | Dr. | |
| To Sacrificing Partners' Capital/Current A/cs | | |
- Reason(R): The above adjustment entry is passed only when profit exists on the day of change in profit sharing ratio. In case of loss the reverse entry is passed.
- Both (A) and (R) are incorrect.
 - (A) is correct but (R) is wrong.
 - Both (A) and (R) are correct, and (R) is the correct explanation of (A).
 - Both (A) and (R) are correct, but (R) is not the correct explanation of (A).
9. Harish, Girish and Satish were three partners sharing profits in the ratio of 3:2:1. At the end of the year, they distributed the profits equally. The profit for the year was ₹ 1,20,000. The adjustment entry to rectify the error will be:
- | | | |
|--------------------------------------|------------|----------|
| (a) Satish's Capital A/c | Dr. 20,000 | |
| To Harish's Capital A/c | | 20,000 |
| (b) Harish's Capital A/c | Dr. 60,000 | |
| Girish's Capital A/c | Dr. 40,000 | |
| Satish's Capital A/c | Dr. 20,000 | |
| To Profit and Loss Appropriation A/c | | 1,20,000 |
| (c) Harish's Capital A/c | Dr. 20,000 | |
| To Satish's Capital A/c | | 20,000 |
- None of these

or

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If loan from a partner Chetan ₹ 65,000 appears in balance sheet and his capital balance is ₹ 15,000 (Dr.) then amount payable to him is:

- (a) ₹ 50,000 (b) ₹ 80,000
(c) ₹ 15,000 (d) ₹ 65,000

10. Balraj and Devraj are partners in a firm sharing profits in the ratio of 5 : 3. They admitted Hemraj as a new partner. The new profit sharing ratio will be 4 : 3 : 2. The firm's goodwill on Hemraj's admission was valued at ₹ 1,26,000. But Hemraj could not bring any amount of goodwill in cash. Credit will be given to:
(a) Balraj ₹ 1,02,375; Devraj ₹ 23,625 (b) Balraj ₹ 22,750; Devraj ₹ 5,250
(c) Balraj ₹ 16,000; Devraj ₹ 12,000 (d) Balraj ₹ 17,500; Devraj ₹ 10,500

11. The subscribed share capital of Info Edge India Limited is ₹ 1,00,00,000 of ₹ 100 each. There were no calls in arrears till the final call was made. The final call made and it was paid on 97,500 shares. The calls in arrears amounted to ₹ 75,000. The per share final call was:
(a) ₹ 30 (b) ₹ 45
(c) ₹ 20 (d) ₹ 35

12. If total assets are ₹ 2,00,000; total liabilities are ₹ 40,000; amount realised on sale of assets is ₹ 1,75,000 and realisation expenses are ₹ 3,000, the profit or loss on realisation will be:
(a) Loss ₹ 25,000 (b) Loss ₹ 28,000
(c) Loss ₹ 68,000 (d) Profit ₹ 12,000

13. At the time of reconstitution of a partnership firm, recording of an unrecorded liability will lead to:
(a) Loss to the existing partners
(b) Gain to the existing partners
(c) Neither gain nor loss to the existing partners
(d) None of the above

or

Vikas, Yogesh and Kunal are partners in the ratio of 5:3:2. If Yogesh's share of profit at the end of the year amounted to ₹ 1,50,000, what will be Vikas's share of profits?

- (a) ₹ 2,50,000
(b) ₹ 5,00,000
(c) ₹ 3,00,000
(d) ₹ 1,50,000

14. On dissolution of a firm, its Balance Sheet revealed Total Creditors ₹ 65,000, Total capital ₹ 50,000, Cash Balance ₹ 8,000. Its assets were realized at 12% less than the Book Value. Loss on realization will be:
(a) ₹ 3,600
(b) ₹ 11,400
(c) ₹ 12,840
(d) ₹ 11,000

DIRECTION : Read the following hypothetical situation, Answer Question No. 15 and 16.

Uday and Abhey are partners with capitals of 2,00,000 and 1,00,000 respectively. The distribution of profit is according to following provisions of the deed.

- (a) Partners are entitled to interest on capital @ 5% p.a.
(b) Abhey being a working partner was also allowed a yearly salary of ₹ 20,000.
(c) Profits were to be divided as follows:
(i) First ₹ 30,000 in proportion to their capitals
(ii) Next ₹ 20,000 in the ratio of 3:2
(iii) Remaining profits to be shared equally.

Uday's share in divisible profit is ₹ 39,500.

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SOLUTIONS

15. What is the total appropriations to Abhey for interest on capital and salary ?
 (a) ₹ 29,500 (b) ₹ 18,000
 (c) ₹ 25,000 (d) ₹ 25,500
16. What is the share of divisible profit going to Abhey ?
 (a) ₹ 32,500
 (b) ₹ 25,500
 (c) ₹ 28,500
 (d) ₹ 25,000
17. Gaurav, Sourav and Karan are partners in a firm. Total capital employed is ₹ 5,40,000 contributed by them in their profit sharing ratio. Sourav retires from the firm. On the day of retirement the firm had a balance of ₹ 90,000 in the General Reserve Account. Sourav took one of the unrecorded assets of the firm valued at ₹ 54,000 in part payment and balance amount was paid in cash.
 Pass necessary entries on Sourav's retirement.
18. From the following Balance Sheet of Carlos and Justin, calculate interest on capital and interest on drawings @ 5% per annum for the year ended 31st March, 2022.

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts :		Sundry Assets	1,84,000
Carlos	90,000		
Justin	70,000		
Profit and Loss Appropriation A/c (2021-2020)	24,000		
	1,84,000		1,84,000

During the year, Carlos withdrew ₹ 2,000 at the beginning of every month and Justin withdrew ₹ 15,000 during the year. The profits for the year ended 31st March, 2022 were ₹ 84,000.

or

Mathew, Henry and Jaxon are partners sharing profits and losses in the ratio of 3:2:1. From 31st March 2022, they decided to share profits and losses equally.

The partnership deed provides that in the event of any change in the profit sharing ratio, the goodwill should be valued at two years' purchase of the average profits of the preceding five years. The profits and losses for the preceding years are 2017-18 profit ₹ 90,000, 2018-19 profit ₹ 70,000, 2019-20 loss ₹ 30,000, 2020-21 profit ₹ 50,000 and 2021-22 profit ₹ 70,000.

It was realised that the following omission was made.

A computer purchased on October 1st 2021 for ₹ 25,000 was wrongly considered as revenue expenditure and debited to Profit and Loss Account, on which depreciation is to be charged @ 20% p.a.

Calculate value of goodwill after the above adjustment and give journal entry for treatment of goodwill on change in profit sharing ratio.

19. Dhruv Industries Limited acquired assets of ₹ 25,00,000 and took over creditors of ₹ 5,00,000 from Simon Enterprises for a purchase consideration of ₹ 24,00,000. The consideration was paid by the issue of 9% Debentures of ₹ 100 each at a premium of 20%, to be redeemed at par after 5 years.
 Pass the necessary Journal entries for the above transactions.

or

Kabra Minerals Limited has an authorised capital of ₹ 10,00,000 divided into Equity Shares of ₹ 10 each. The company invited applications for 50,000 shares. Applications for 48,000 shares were received. All calls were made and duly received except the final call of ₹ 3 per share on 1,000 shares. These shares on which the final call was not received were forfeited. Show how the Share Capital will appear 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.

20. Neel, Nihal and Nimit were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022 their Balance Sheet was as follows:

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		3,00,000	Fixed Assets		4,50,000
General Reserve		1,50,000	Stock		1,50,000
Capitals:			Debtors		2,00,000
Neel	2,00,000		Bank		1,50,000
Nihal	2,00,000				
Nimit	1,00,000	5,00,000			
		9,50,000			9,50,000

Nihal died on 12.6.2022. According to the partnership deed, the legal representatives of the deceased partner were entitled to the following:

- Balance in his Capital Account.
- Interest on Capital @ 12% p.a.
- Share of goodwill. Goodwill of the firm on Nihal's death was valued at ₹ 60,000.
- Share in the profits of the firm till the date of his death, calculated on the basis of last year's profit.

The profit of the firm for the year ended 31.3.2022 was ₹ 5,00,000.

Prepare Nihal's Capital Account to be presented to his representatives.

21. A company issued 5,000 equity shares of ₹ 10 each at a premium of ₹ 2 payable ₹ 2 on application, ₹ 5 on allotment and ₹ 5 on call. All money was duly received except for the following:

Kushal a holder of 200 shares paid only the application money.

Praveen a holder of 300 shares paid the application and allotment money.

All the above shares were forfeited by the company after the call was made and later 400 shares including all shares of Kushal were reissued at ₹ 90 per share.

Pass journal entries for forfeiture and reissue of shares.

22. Navya, Divya and Somya were partners sharing profits and losses in the ratio of their capitals. Their Balance Sheet as on 31st as March, 2022 stood under:

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		30,000	Cash in hand		32,000
Bills Payable		12,000	Debtors	20,000	
General Reserve		18,000	Less : Provision for Bad debts	(1,000)	19,000
Capital A/c :			Stock		28,000
Navya	90,000		Investments		46,000
Divya	60,000		Furniture		25,000
Somya	30,000		Machinery		90,000
		2,40,000			2,40,000

On the above date Navya retired.

Goodwill of the firm is valued at ₹ 30,000 and is to be adjusted in the Capital accounts of Divya and Somya who decide to be equal partners in future.

Fill in the missing information in the Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the new firm after Navya's retirement.

Dr.		Revaluation A/c		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Provision for debtors A/c	By Investments A/c		5,000	
To Machinery A/c	

.....	2,000	By Loss transferred to :	
		Navya's Capital A/c	.....
		Divya's Capital A/c	.....
		Somya's Capital A/c	.....

Dr.

Partners' Capital A/cs

Cr.

Particulars	Navya (₹)	Divya (₹)	Somya (₹)	Particulars	Navya (₹)	Divya (₹)	Somya (₹)
By Navya's Capital A/c		.....	.....	By Balance b/d	.....	.....	.....
.....
By Cash	15,000			By Divya's Capital A/c	.....	
By Navya's Loan A/c	.....			By Somya's Capital A/c			
To Balance c/d		.....	.....		.....

Balance Sheet of the new firm

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	30,000	Cash in hand	.....
Bills Payable	12,000	Debtors	20,000
Claim for damages	2,000	Less : Provision	(1,500)
Navya's Loan A/c	.....	Stock	28,000
Capital A/cs		Investments	.....
Divya	.....	Furniture	25,000
Somya	.....	Machinery	81,000
		Prepaid Insurance	2,000

23. Vibha Nutrition Limited with an Authorised Capital of ₹ 6,00,000 invited applications for 40,000 equity shares of ₹ 10 each payable ₹ 3 on Application ₹ 4 on allotment (including premium of ₹ 1) and ₹ 4 on First and Final Call. The issue was oversubscribed by 20,000 shares.

Allotment was made as under:

To applicants of 30,000 shares – 30,000 shares

To applicants of 5,000 shares – Nil

To balance applicants – 10,000 shares

Excess money received on application was adjusted against sums due on allotment and call. All money was duly received. Give journal entries to record the above transactions and show Share Capital in the Balance Sheet of the Company.

or

Jain Industries Limited offered for public subscription 20,000 Equity shares of ₹ 100 each at ₹ 110 per share.

The amount were payable as follows:

On Application ₹ 30 per share.

On Allotment ₹ 40 per share (including ₹ 10 as premium).

On First & Final call ₹ 40.

Applications for 24,000 shares were received and pro-rata allotment was made.

Zafar, an applicant for 240 shares, failed to pay the allotment and call money.

Riyaz, a holder of 400 shares, failed to pay the first and final call.

All these shares on which amount was unpaid, were forfeited.

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Out of the forfeited shares 300 (the whole of Zafar's share being included) were reissued @ ₹ 80 per share fully paid up. Journalise the above transactions and prepare share forfeited A/c.

24. Omkaar and Samarth are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Outstanding Expenses	20,000	Cash in hand	8,000
Bills Payable	76,000	Debtors	1,20,000
Creditors	70,000	Less : Provision for	
Workmen Compensation Fund	70,000	doubtful debts	(20,000)
Investment Fluctuation Fund	20,000	Stock	80,000
General Reserve	40,000	Investments	1,00,000
Capital Accounts :		Furniture	60,000
Omkaar	2,00,000	Machinery	3,08,000
Samarth	1,60,000		
	6,56,000		6,56,000

On 1st April, 2022 they admitted Charan as a partner for 1/10th share in profits which he acquired equally from Omkaar and Samarth on the following terms:

- Charan is to bring ₹ 50,000 as Capital and it was decided that the capital of all partners shall be in proportion to their profit sharing ratio on the basis of Charan's Capital. Any deficiency or excess of capital will be adjusted through opening Current Accounts.
- The Goodwill of the firm is valued at ₹ 60,000 and Charan will contribute his share of goodwill in cash.
- Provision on debtors was found to be in excess by ₹ 4,000.
- Outstanding expenses will be reduced to ₹ 6,000.
- Depreciate stock by 5%.
- Market value of investments was ₹ 70,000.

Prepare Revaluation A/c, Partners' Capital Accounts and the Balance Sheet of the newly constituted firm.
or

Manoj, Vicky and Darshit are partners sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31st March, 2022 stood as under :

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	90,000	Cash in hand	44,000
Creditors	36,000	Debtors	70,000
General Reserve	18,000	Less : Provision for doubtful	
Investment Fluctuation Fund	4,000	debts	(10,000)
Capital A/cs :	1,40,000	Stock	80,000
Manoj	1,60,000	Investments	44,000
Vicky	1,00,000	Furniture	48,000
Darshit		Machinery	2,48,000
		Goodwill	24,000
	5,48,000		5,48,000

On the above date Vicky retired. It is agreed that:

- Goodwill of the firm will be valued at ₹ 90,000.
- Value of Machinery and Furniture to be depreciated by 5%.
- Provision for doubtful debts to be maintained at 20% on Sundry Debtors.
- Out of total insurance paid, premium amounting to the extent of ₹ 1,000 to be treated as prepaid insurance. This was earlier debited to the Profit and Loss Account.

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- (v) The total capital of the new firm is decided to be ₹ 2,40,000. Necessary adjustments to be made in cash.
- (vi) Vicky will be paid 20% of the total amount due to him in cash and the balance will be transferred to his Loan Account.

Prepare Revaluation A/c, Partners' Capital Accounts and Balance Sheet of Manoj and Darshit after Vicky's retirement.

25. Dhruv, Harshil and Kabir are partners sharing profits in the ratio 3 : 2 : 1. On 1st April, 2022 their Balance Sheet stood as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals:		Goodwill	30,000
Dhruv	43,000	Machinery	42,000
Harshil	30,000	Investments	24,000
Kabir	40,000	Furniture	8,000
Investment Fluctuation Fund	10,000	Debtors	33,000
Workmen Compensation Reserve	20,000	Stock	20,000
Sundry Creditors	42,000	Bank	28,000
	1,85,000		1,85,000

On the above data, they decided to share the future profits in the ratio 5 : 3 : 2. For this purpose, the goodwill of the firm was valued at ₹ 1,80,000. The partners also agreed for the following terms:

- (a) Claim against workmen compensation reserve was valued at ₹ 15,800.
- (b) A debtor of ₹ 3,000 turned bad. A provision of 5% on debtors is to be created.
- (c) Assets were revalued as follows: Machinery ₹ 50,000; Investments ₹ 20,000; Furniture ₹ 5,000 and Stock ₹ 15,000. Prepare Revaluation A/c and Partners' Capital A/cs.

26. Sampann Education Private Limited, an educational company was incorporated on 1st April 2005 with registered office in New Delhi. The company raised the funds by issue of shares specified under capital clause of Memorandum of Association. The company is in need to purchase a building worth ₹ 22,00,000 to open a new branch. Since the company is a zero-debt company, the directors decided to avail the benefits of financial leverage by issuing 12% debentures of ₹ 100 each at 10% premium against the purchase of building from the vendor (Surya). These debentures are to be redeemed at 5% premium after 5 years.

You are required to answer the following questions:

- (i) State the amount credited to securities premium account while issuing debentures.
- (ii) Pass journal entry for issue of debentures to Surya.
- (iii) Pass journal entry to write off 'Loss on Issue of Debentures Account'.

PART—B

Analysis of Financial Statements

27. Empire Innovations Private Limited paid ₹ 30,000 as installment for machinery purchased on credit which included interest of ₹ 5,000. How will this payment be presented while preparing cash flow statement?
- (a) It will be shown as investing activity
- (b) It will be shown as financing activity
- (c) It will be shown as operating activity
- (d) Not to be present while preparing cash flow statement
28. A company issued capital. A shareholder paid all money on allotment while first call is not called by company. Where will you show this advance in balance sheet of the company?
- (a) Long-term liability
- (b) Current liability
- (c) Current assets
- (d) None of these

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or

Which of the following is not correct?

- (i) Sale of fixed asset (book value ₹ 40,000) at a loss of ₹ 5,000 will increase debt-equity ratio.
 - (ii) Issue of new shares for cash will decrease debt-equity ratio.
 - (iii) Redemption of debentures for cash will decrease debt-equity ratio.
 - (iv) Declaration of final dividend will decrease debt-equity ratio.
- (a) (i) and (ii) (b) Only (i)
 (c) (i) and (iv) (d) Only (iv)

29. What will be the value of shareholder's fund, if 12% debentures are ₹ 5,00,000 and debt-equity ratio is 2.5 : 1 ?
- (a) ₹ 2,00,000
 (b) ₹ 4,00,000
 (c) ₹ 3,00,000
 (d) ₹ 5,00,000

30. If the net profits earned during the year are ₹ 50,000 and amount of debtors in the beginning and the end of the year are ₹ 10,000 and ₹ 20,000 respectively, then the cash from operating activities will be equal to _____
- (a) ₹ 60,000 (b) ₹ 50,000
 (c) ₹ 10,000 (d) ₹ 40,000

or

In the net profit is ₹ 35,000 after writing-off goodwill ₹ 6,000 and loss on sale of furniture ₹ 1,000, cash flow from operating activities will be

- (a) ₹ 42,000 (b) ₹ 35,000
 (c) ₹ 28,000 (d) ₹ 29,000

31. Under which main heads and sub-heads of Equity and Liabilities are the following items shown in the Balance Sheet of a company as per Schedule III:
- (i) Unclaimed Dividend
 - (ii) Calls-in-Arrears
 - (iii) Interest Accrued but not due on Debentures
 - (iv) Arrears of Fixed Cumulative Preference Dividends
 - (v) Employees provident fund
 - (vi) Debentures due for redemption in the current financial year

32. "The limitation of financial statements also form the limitations of the Ratio Analysis" Explain the statement and also explain any two other limitations of Ratio Analysis apart from the identified above.

33. (a) From the following information calculate the Inventory Turnover Ratio.
 Revenue from Operations – ₹ 2,00,000
 Gross Profit 25% on cost
 Opening Inventory is 1/3rd of the value of the Closing Inventory Closing inventory is 30% of Revenue from Operations.
- (b) Net Profit ratio of a company was 10%. Its indirect expenses were ₹ 40,000 and its cash revenue from operations were ₹ 1,50,000. The credit revenue from operations was 60% of the total revenue from operations. Calculate the Gross profit ratio of the company.

or

- (a) Net Profit after Interest and Tax was ₹ 4,00,000, Rate of Tax is 20%. The company has 12% debentures of ₹ 8,00,000. Equity Share Capital amount to ₹ 12,00,000. Calculate interest coverage ratio.
- (b) The Gross Profit Ratio of a company is 60%. Its gross profit is ₹ 9,60,000. Total Assets are ₹ 12,00,000, Current Assets ₹ 8,00,000 and Current Liabilities ₹ 5,60,000. Calculate Working Capital Turnover Ratio.

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34. From the following information, calculate Net Cash from Operating Activities and Investing Activities:

Particulars	31 March 2021 (₹)	31 March 2022 (₹)
Surplus, i.e. Balance in Statement of Profit and Loss	2,50,000	10,00,000
Provision for Tax	75,000	75,000
Trade Payables	1,00,000	3,75,000
Current Assets (Trade Receivables and Inventories)	11,50,000	13,00,000
Property, Plant & Equipment: Tangible Assets (Machinery)	21,25,000	23,30,000
Accumulated Depreciation	10,62,500	11,00,000

Additional information:

- (i) A Machinery having a net book value of ₹ 1,00,000 (Depreciation provided thereon ₹ 1,62,500) was sold at a loss of ₹ 20,000.
- (ii) Tax paid during the year ₹ 75,000.

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