ANANDALAYA
PRE BOARD EXAMINATION
Class : XII

विद्या सवर्धि साधिका

Subject : Accountancy — M.M : 80
Date : 20-01-2023 — Time : 3 Hours

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, 31and 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 and B are partners sharing profits in the ratio of 3:2. They admitted C as a new partner for $1/5^{th}$ share in the future profits of the firm. The new profit sharing ratio of A, B and C will be _______. (1)
   (A) 12:8:5 (B) 10:7:4 (C) 12:10:4 (D) 14:10:6

2. **Assertion (A):** Profit or loss on revaluation of assets and reassessment of liabilities is transferred to the old partners' Capital account/Current account in old profit sharing ratio. (1)
   Reason (R): All the accumulated profits or losses and reserves are transferred to old partners' capital account/current account in the old profit sharing ratio.
   (A) Both A and R are true and R is the correct explanation of A.
   (B) Both A and R are true but R is not the correct explanation of A.
   (C) A is true but R is false.
   (D) A is false but R is true.

3. Aim Ltd wants to issue 10,000, 8% debentures of Rs 100 each at a discount. The maximum amount of discount that can be allowed on issue of debenture as per Companies Act 2013, will be _______. (1)
   (A) ₹80,000 (B) ₹10,000
   (C) ₹25,000 (D) ₹ 5,000

   OR

   X Ltd. Purchased business from Y Ltd. by paying ₹15 lakh for the assets worth ₹18 lakh and liabilities of ₹4 lakh. Then _______ will be debited by ₹1 lakh.
   (A) Capital Reserve A/c (B) Asset A/c
   (C) Goodwill A/c (D) Vendor A/c

4. Sun, Moon and Star are partners sharing profits in the ratio of 5:3:2. With effect from 1st July 2020, they agreed to share future profits 2:3:5. They decided to record the following with affecting the values. Profit & Loss A/c (Cr.) - ₹24,000 Advertisement Suspense A/c - ₹12,000 What will be the impact of the above adjustments on Moon? (1)
   (A) No effect on Moon (B) Moon debit by ₹ 3,600
   (C) Moon credit by ₹ 3,600 (D) Moon debit by ₹ 12,000

5. Gagan , a partner advanced a loan of ₹60,000 to the firm on 30^{th} November 2021. The firm incurred a loss of ₹15,000 during the year ended 31^{st} March,2022. In the absence of partnership deed interest on loan allowed to Gagan will be _________. (1)

6. Issued 10,000, 8% debentures of ₹ 100 each at a premium of 3%, redeemable at a premium of 5%. In such case : (1)
(A) Loss on Issue will be debited by ₹ 20,000
(B) Loss on Issue will be debited by ₹ 80,000
(C) Loss on Issue will be debited by ₹ 50,000
(D) Premium on Redemption will be credited by ₹ 20,000

7. A company issued 4,000 equity shares of ₹10 each at par payable as under: On application ₹3 , on allotment ₹2; on first call ₹4 and on final call ₹1 per share. Applicants were received for 16,000 shares. Application for 6,000 shares were rejected and pro-rata allotment was made to the applicants for 10,000 shares. How much amount will be received in cash on first call, when excess application money is adjusted towards amount due on allotments and calls? (1)
(A) ₹6000 (B) Nil (C) ₹16,000 (D) ₹10,000

8. A, B and C were partners in a firm sharing profit and losses in the ratio of 2:2:1. The capital balance are ₹. 50,000 for A, ₹. 70,000 for B, ₹ 35,000 for C. B decided to retire from the firm and balance in reserve on the date was ₹25000. If goodwill of the firm was valued at ₹ 30,000 and profit on revaluation was ₹ 7,500, then, what amount will be payable to B? (1)
(A) ₹70,820 (B) ₹76,000 (C) ₹75,000 (D) ₹95,000

OR

P, Q, and R are partners sharing profits in the ratio 6 : 4 : 2. R is guaranteed that his share of profit will not be less than ₹70,000. Any deficiency will be borne by P and Q in the ratio of 4 : 2. Firm's profit was ₹2,40,000. P's share of profit will be_______.
(A) ₹1,00,000 (B) ₹1,10,000 (C) ₹1,20,000 (D) ₹1,02,000

Kanika and Shalini were partners in a firm sharing profits in the ratios of their capital contributed on commencement of business which were ₹80,000 and ₹60,000 respectively. The firm started business on 1st April 2019, according to the partnership agreement interest on capital and drawings are 12% and 10 % per annum respectively. The profit for the year ended 31st march 2020 was ₹1,00,300. The drawings of Kanika and Shalini were ₹ 40,000 and ₹50,000 respectively.
Based on the given data answer the question 9 to 11.

9. Interest on drawings to be charged on Kanika's drawing will be________ (1)
(A) ₹2500 (B) ₹2000 (C) ₹3000 (D) ₹3500

10. Interest on capital to be allowed on Shalini's capital will be_______. (1)
(A) ₹14000 (B) ₹7200 (C) ₹6,000 (D) ₹8200

11. Profit/Loss amount to be transferred to Shalini's Capital Account will be____________. (1)
(A) ₹ 37970 (Profit) (B) ₹ 37970 (Loss) (C) ₹ 27970 (Profit) (D) ₹ 27970 (Loss)

12. Pragya Ltd. forfeited 8,000 equity shares of ₹100 each issued at a premium of 10% for non-payment of first and final call of ₹30 per share. The maximum amount of discount at which these shares can be reissued will be_______. (1)
(A) ₹2,40,000 (B) ₹3,20,000 (C) ₹5,60,000 (D) ₹80,000

13. As per provision of the Companies Act, 2013 the amount received as premium on securities cannot be utilised for____________. (1)
(A) Issuing fully paid bonus shares to its members (B) Purchase of fixed assets
(C) Writing off preliminary expenses (D) Buy back of shares

14. Disha and Abha were partners in a firm. Farad was admitted as a new partner for 1/5th share in the profits of the firm. Farad brought proportionate capital. Capitals of Disha and Abha after all adjustments were ₹ 64,000 and ₹ 46,000 respectively. Capital brought by Farad was _______. (1)
(A) ₹27,800. (B) ₹22,000 (C) ₹55,000 (D)₹28,000

15. A partner withdrew ₹4,000 per month from 1st July, 2020, in beginning of every month. Accounts are closed at 31st March, 2021. Calculate interest on drawings while rate of interest is 10% per annum. (1)

(A) ₹1,600 (B) ₹ 1,800
(C) ₹ 1,500 (D) ₹ 2,200

OR

Z, a partner withdrew ₹ 5,000 in the beginning of each quarter and interest on drawings was calculated as ₹ 1,500 at the end of the year 31st March 2022. What is the rate of interest on drawings charged?

(A) 6% (B) 8% (C) 10% (D)12%

16. On dissolution of a firm, its Balance Sheet revealed Total Creditors ₹ 50,000; Total Capital ₹48,000: Cash Balance ₹ 3,000. Its assets were realised at 12% less than the book value. Loss on Realisation will be_______. (1)

(A) ₹6,000 (B) ₹11,760 (C) 11,400 (D) 3,600

17. Vikas, Gagan and Momita were partners in firm sharing profits in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 30th September, 2014 Momita died. According to the provisions of Partnership Deed the legal representative of a deceased partner is entitled for the following in the event of his/her death: (3)

Capital as per the last Balance Sheet.

Interest on capital at 6% per annum till the date of her death.

Her share of profit to the date of death calculated on the basis of average profit of last four years.

Her share of goodwill to be determined on the basis of three years' purchase of the average profit of last four years.

The profits of last four years were:

Year	2010-11	2011-12	2012-13	2013-14
Profit(₹)	30,000	50,000	40,000	60,000

The balance in Momita's Capital Account on 31st March, 2014 was ₹ 60,000 and she had withdrawn ₹ 10,000 till date of her death. Interest on her drawings was ₹ 300. Prepare Momita's Capital Account to be presented to her executors.

18. P and Q were partners in a firm sharing profits in the ratio of 5:3. On 1-4-2021 they admitted R as a new partner for 1/8th share in the profits with a guaranteed profit of ₹ 75,000. The new profit-sharing ratio between P and Q will remain the same but they agreed to bear any deficiency on account of guarantee to R in the ratio 3:2. The profit of the firm for the year 3 ended 31-3-2015 was ₹4,00,000. Prepare Profit and Loss Appropriation Account of P, Q and R for the year ended 31-3-2022. (3)

OR

Azad and Benny are equal partners. Their capitals are ₹ 40,000 and ₹ 80,000 respectively. After the accounts for the year had been prepared, it was noticed that interest @ 5% p.a. as provided in the Partnership Deed was not credited to their Capital Accounts before distribution of profits. It is decided to pass an adjustment entry in the beginning of the next year. Record the necessary Journal entry.

19. Sundram Ltd purchased furniture for ₹ 3,00,000 from Ravindram Ltd, ₹ 1,00,000 were paid by drawing a promissory note in favour of Ravindram Ltd. The balance was paid by issue of equity shares of ₹10 each at a premium of 25%. Pass journal entries in the books of Sundram Ltd. (3)

OR

KTR Ltd., issued 365, 9% Debentures of ₹ 1,000 each. Pass necessary journal entries for the issue of debentures in the following situations :

(a) When debentures were issued at par redeemable at a premium of 10%.

(b) When debentures were issued at 6% discount redeemable at 5% premium

20. D, E and F are sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share profits and losses in the ratio of 2 :3 : 5 with effect from 1st April, 2019. They also decide to record the effect of the following without affecting their book values, by passing an adjustment entry: (3)

General Reserve	₹1,50,000
Contingency Reserve	₹25,000
Profit and Loss A/c (Cr.)	₹75,000
Advertisement Suspense A/c (Dr.)	₹1,00,000

21. 'India Auto Ltd' is registered with an authorised capital of ₹ 7,00,00,000 divided into 7,00,000 shares of ₹ 100 each. The company issued 50,000 shares to the vendor for building purchased and 2,00,000 shares were issued to the public. The amount was payable as follows (4)

On application and allotment : ₹ 20 per share

On first call : ₹ 50 per share

On second and final call : Balance

All calls were made and were duly received except on 100 shares held by Rajani, who failed to pay the second and final call. Her shares were forfeited.

Present the 'Share capital' in the balance sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare 'notes to accounts'.

22. A firm under dissolution has already transferred its assets (other than cash) and outside liabilities to Realisation Account. Firm has two partners *X* and *Y*. What entries will be passed for the following transactions: (4)

(a) There is furniture of ₹ 50,000. *X* took 50% of the furniture at 10% discount and the remaining furniture was sold at 30% profit on the book value.

(b) Firm had unrecorded investment (Nominal value ₹ 20,000), 70% of investment were sold at a loss of 20% and remaining were taken by *X*, a partner, at 90%.

(c) Y's loan of ₹ 6,000 was discharged at ₹ 6,400.

(d) One bill receivable for ₹ 5,000 under discount was dishonoured as the acceptor had become insolvent and was unable to pay hence the bill had to be met by the firm.

23. Khushboo Ltd. Issued for public subscription 50,000 equity shares of ₹10 each at a premium of 30% payable as under: (6)

On application	₹ 4
On allotment	₹5 (including premium)
On first and final call	₹ 4

Application were received for 1,00,000 shares. Allotment was made on pro-rata basis to the applicants of 80,000 shares, the remaining applications being refused. Money over paid on application was utilised towards sum due on allotment.

Chatterjee, to whom 1,000 shares were allotted, failed to pay the allotment and call money and his shares were subsequently forfeited. Half of the forfeited shares were re-issued as fully paid at a discount of 10%.

Pass necessary journal entries to record the above transactions.

OR

Pass entries for forfeiture and re-issue in both the following cases.

(a) L Ltd forfeited 470 equity shares of ₹10 each issued at premium of ₹5 per share for non-payment of allotment money ₹8 per share (including share premium ₹5 per share) and the first and final call of ₹5 per share. Out of these, 60 equity shares were subsequently re-issued @ ₹14 per shares.

(b) X Ltd forfeited 200 shares of ₹ 100 each, ₹ 70 called-up, on which the shareholders had paid application and allotment money of ₹ 50 per share. Out of these, 150 shares were re-issued to Naresh as ₹ 70 paid-up for ₹ 80 per share.

24. Mohan and Mahesh were partners sharing profits in the ratio of 3:2. On 1st April, 2021 they admitted Nisha as a partner in the firm. The Balance Sheet of Mohan and Mahesh on that date was as under: (6)

Liabilities		₹	Assets	₹
Creditors		2,10,000	Cash in hand	1,40,000
Workmen's Compensation Fund		2,50,000	Debtors	1,60,000
General Reserve		1,60,000	Stock	1,20,000
Capitals:			Machinery	1,00,000
Mohan	1,00,000		Building	2,80,000
Mahesh	80,000	1,80,000		
		8,00,000		8,00,000

It was agreed that:

(i) The value of Building is to be appreciated by ₹1,00,000.

(ii) Stock is undervalued by 25%.

(iii) The liabilities of Workmen's Compensation Fund was determined at ₹ 2,30,000.

(iv) Nisha bought in her share of goodwill ₹1,00,000 in cash.

(v) Nisha was to bring in capital equal to 20% of the combined Capital of Mohan and Mahesh after all adjustments.

Prepare Revaluation Account and Capital Account.

OR

Lokesh, Mansi and Nihal were partners in a firm sharing profits as 5:3:2 respectively. On 31st March,2021, their balance sheet was as follows:

Liabilities		₹	Assets		₹
Creditors		34,000	Cash		68,000
Provident Fund		10,000	Stock		38,000
Investment Fluctuation Fund		20,000	Debtors	94,000	
Capital A/cs:			- Provision	6,000	88,000
Lokesh	1,40,000		Investments		80,000
Mansi	80,000		Goodwill		40,000
Nihal	50,000	2,70,000	Profit & Loss A/c		20,000
		3,34,000			3,34,000

On the above date, Mansi retired and Lokesh and Nihal agreed to continue on the following terms:

i) Firm's goodwill was valued at ₹1,02,000 and it was decided to adjust Mansi's share of goodwill into the capital accounts of the continuing partners.

ii) There was a claim for Workmen's Compensation to the extent of ₹12,000 and investments were brought down to ₹30,000.

iii) Provision for bad debts was to be reduced by ₹2,000.

iv) Mansi was to be paid ₹20,600 in cash and the balance will be transferred to her loan account which was paid in two equal installments together with interest @ 10% per annum.

v) Lokesh's and Nihal's capitals were to be adjusted in their new profit sharing ratio by bringing in or paying off cash as the case may be.

Prepare revaluation account and partners' capital accounts.

25. A, B and C were partners sharing P&L in the ratio 5:3:2. A died on 30th June, 2019. Entry for treatment of goodwill after his death was passed as follows:- (6)

Date	Particulars		LF	Debit	Credit
	B's Capital A/c	Dr.		1,80,000	
	C's Capital A/c	Dr.		1,20,000	
	To A's Capital A/c				3,00,000

A's profit till date of death was estimated as ₹ 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as ₹ 8,40,000 out of which ₹ 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual installments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932.

Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.

26. (a) India Steel Ltd. purchased a running business from Hero Ltd. for ₹ 6,00,000 payable 10% by cheque and balance by the issue of fully paid 10% Debentures of ₹ 100 each at a premium of 20%. The assets and liabilities consisted of the following: (6)

Particulars	Book Value (₹)	Agreed Value (₹)
Building	2,00,000	2,60,000
Machinery	1,20,000	1,00,000
Stock	2,25,000	2,00,000
Trade Receivables	1,10,000	1,00,000
Trade payables	90,000	80,000

Pass the necessary Journal entries in the books of India Steel Ltd.

(b) On 1st April, 2019, Star Ltd. issued 5,000, 9% Debentures of ₹ 100 each at a discount of 5%, to be redeemable at a premium of 5%, after 5 years. The issue price was payable along with application. The issue was oversubscribed to the extent of 5,000 debentures and the allotment was made proportionately to all the applicants. It had a balance of ₹30,000 in Securities Premium Reserve and Profit for the year was ₹ 50,000.

Give Journal entries for the issue of debentures and writing off loss on issue of debentures.

Part B :- Analysis of Financial Statements

(Option – I)

27. Which ratio indicates the proportion of assets financed out of shareholder's funds? (1)

(A) Debt Equity Ratio (B) Fixed Asset Turnover Ratio
(C) Proprietary Ratio (D) Total Asset to Debt Ratio

28. From the following calculate the value of Closing Debtors : (1)
Credit Revenue from Operations ₹ 24,00,000; Trade Receivable Turnover Ratio 6 Times: Opening Debtors ₹ 3,20,000

(A) ₹4,00,000 (B) ₹4,80,000 (C) ₹80,000 (D) ₹7,20,000

29. Calculate Purchase on Investment. The information is Opening balance of Investment - ₹2,50,000, closing balance Investment - ₹5,00,000, Sale - ₹1,37,500, Profit on sale - ₹12,500. (1)

(A) ₹ 2,50,000 (B) ₹ 3,75,000 (D) ₹3,50,000 (D) ₹ 2,75,000

OR

Dividend paid by a Trading company is classified under which kind of activity while preparing cash flow statement?

(A) Cash flow from Operating activities (B) Cash Equivalent
(C) Cash flow from Financing activities (D) Cash flow from Investing activities

30. Share Capital of Akash Ltd. in the Balance Sheet has increased from ₹ 30,00,000 in the previous year to ₹ 47,50,000 in current year. Company had issued the bonus shares in the ratio of 3 : 1. What will be the cash inflow as a result of above? (1)

(A) ₹ 17,50,000 (B) ₹ 7,50,000 (C) ₹ 10,00,000 (D) ₹ 77,50,000

31. Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. (3)
(i) Current maturities of long term debts
(ii) Furniture and Fixtures
(iii) Provision for Warranties
(iv) Income received in advance
(v) Capital Advances
(vi) Advances recoverable in cash within the operation cycle.

32. Inventory in the beginning of the year ₹ 60,000; Inventory at the end of the year ₹ 1,00,000; Inventory Turnover Ratio 8 Times. Selling price 25% above cost. Compute the amount of Gross Profit and Revenue from Operations. (3)

33. Debt to Equity ratio of a company is 0.50, state whether the following transactions, will improve, decline or will have no change on the Debt to Equity ratio. Also give reasons for the same. (4)

(i) Purchase of fixed assets on a credit of 3 months.

(ii) Issue of new shares for cash

(iii) Purchased machinery and paid to the vendors by issue of equity shares.

(iv) Obtained 8% long-term loan

OR

From the following information related to Naveen Ltd. Calculate:

(i) Return on Investment (ii) Total Assets to Debt Ratio

Information :

Fixed Assets ₹ 75,00,000; Current Assets ₹ 40,00,000; Current Liabilities ₹ 27,00,000; 12% Debentures ₹ 80,00,000 and Net Profit before Interest, Tax and Dividend ₹ 14,50,000

34. Prepare a Cash Flow Statement on the basis of the information given in the Balance Sheet of Aradhana Ltd. As on 31.03.2021 and 2020: (6)

Particulars	Note No.	31.3.2021	31.3.2020
I EQUITY AND LIABILITIES:			
1. Shareholders' Funds			
(a) Share Capital		5,00,000	5,00,000
(b) Reserves and Surplus	1	2,25,000	90,000
2. Non-Current Liabilities			
Long –Term Borrowings (Loan)		25,000	-
3. Current Liabilities			
(a) Trade Payables		1,00,000	80,000
(b) Short term provisions	2	15,000	20,000
TOTAL		8,65,000	6,90,000
II ASSETS:			
1. Non -Current Assets			
Fixed Assets		3,10,000	3,00,000
2. Current Assets			
(a) Current Investments		16,000	20,000
(b) Inventories		3,20,000	1,50,000
(c) Trade Receivables		2,00,000	2,10,000
(d) Cash And Cash Equivalents		19,000	10,000
TOTAL		8,65,000	6,90,000

Note to Accounts

Particulars	Note No.	31.3.2021	31.3.2020
Reserves and Surplus:	1		
Surplus i.e. Balance in Statement of P & L A/c		75,000	(30,000)
General Reserve		1,50,000	1,20,000
		2,25,000	90,000
Short term provisions	2		
Provision for Taxation		15,000	20,000

Additional Information:

(i) Depreciation written off on fixed assets @ 10% p.a.

(ii) Interim dividend paid during the year @10% on share capital.

(iii) Mortgaged loan was taken on 1st July 2020 @10% p.a. Interest has been paid upto date.