



विद्या सर्वार्थ साधिका

ANANDALAYA
PRE-BOARD EXAMINATION
Class: XII

Subject : Accountancy (055)

Date : 15-12-2023

Marks : 80

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 the 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 as per the subject opted.
5. Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
6. Questions Nos. 17 to 20, 31 and 32 carries 3 marks each.
7. Questions Nos. from 21, 22 and 33 carries 4 marks each.
8. Questions Nos. 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.

1. Parnav and Rahim are partners sharing profits and losses in the ratio of 3: 2. Karan is admitted (1) as a partner with 1/4th share in profits. Karan was unable to bring his share of goodwill premium in cash. The Journal entry recorded for goodwill premium is given below:

Date	Particular	LF	Debit	Credit
	Karan's Current A/c Dr.		30,000	
	To Pranav's Capital A/c			20,000
	To Rahim/s Capital A/c			10,000
	(Adjustment of Goodwill made)			

New profit-sharing ratio of Parnav, Rahim and Karan will be _____.

- (A) 2:1:1 (B) 3:2:3 (C) 4:5:3 (D) 26:19:15
2. **Assertion (A):** In order to compensate a partner for contributing capital to the firm in excess of (1) the profit-sharing ratio, the firm pays such interest on Partners' Capital.
Reason (R): Interest on Capital is treated as a charge against profits.
Select the correct option:
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true and 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. For which one of the following, the balance in the Securities Premium Reserve Account cannot (1) be used?
(A) To write off the preliminary expenses of the company.
(B) To pay a premium on the redemption of preference shares of the company.
(C) To pay interest on the debentures of the company.
(D) To pay for buyback of its own shares.
4. Arjun, Ajay and Vijay are partners in the ratio of 5: 4: 3. Arjun has given to Vijay a guarantee (1) of minimum ₹10,000 profit. For the year ending 31st March, 2020, firm's profit is ₹ 28,800. Arjun's share in profit will be _____.
(A) ₹ 9,200 (B) ₹ 9,600 (C) ₹ 7,200 (D) ₹ 12,000

OR

Capital employed by a partnership firm is ₹ 5,00,000. Its average profit is ₹ 60,000. The normal rate of return for a similar type of business is 10%. The amount of super profit is _____.

- (A) ₹50,000 (B) ₹10,000 (C) ₹60,000 (D) ₹56,000

5. The Net Profit of the firm is ₹ 79,800. The Manager is entitled to a commission of 5% on Profits after charging such commission. Manager's commission will be: (1)
- (A) ₹ 4,200 (B) ₹ 380 (C) ₹ 3,990 (D) ₹ 3,800

6. Cadilla Ltd. allotted 2,000 8% Debentures of ₹ 100 each to their underwriters to pay their commission. Which of the following journal entry is correct, if 8% Debentures are allotted to underwriters? (1)

- (A) 8% Debentures A/c Dr
 To Underwriting Commission A/c
 (Commission due to them)
- (B) 8% Debentures A/c Dr
 To Underwriter's A/c
 (Commission due to them)
- (C) Underwriter's A/c Dr
 To Underwriting Commission A/c
 (Commission due to them)
- (D) Underwriter's A/c Dr
 To 8% Debentures A/c
 (Commission due to them)

OR

Which of the following statements is correct about debentures?

- (A) Interest on debentures is an appropriation of profits.
(B) Debenture holders are the creditors of a company.
(C) Debentures cannot be issued to vendors at discount.
(D) Interest is paid on Debentures issued as Collateral Security.

7. Amay, Bina and Chander are partners in a firm with capital balances of ₹ 50,000, ₹ 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. There existed a general reserve of ₹ 7,500 in the balance sheet on that date. The goodwill of the firm was valued at ₹ 30,000. Gain on revaluation was ₹ 24,000. (1)
- (A) ₹ 88,500 (B) ₹ 90,500 (C) ₹ 65,375 (D) ₹ 70,500

OR

A, B and C are partners. A's capital is ₹ 3,00,000 and B's capital is ₹ 1,00,000. C has not invested any amount as capital but he alone manages the whole business. C wants ₹ 30,000 p.a. as salary, though the deed is silent. Firm earned a profit of ₹1,50,000. How much will each partner receive as an appropriation of profits?

- (A) A ₹ 60,000; B ₹ 60,000; C ₹ 30,000 (B) A ₹ 90,000; B ₹ 30,000; C ₹ 30,000
(C) A ₹ 40,000; B ₹ 40,000 and C ₹ 70,000 (D) A ₹ 50,000; B ₹ 50,000 and C ₹ 50,000

8. **Assertion (A):** Issue and allotment of shares by the company to a selected group of persons in place of public issue is called private placement of shares. (1)
- Reason (R):** These allotments of shares are deprived from selling these shares for a period of 3 years from the date of allotment called lock in period.

- (A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true and R is not the correct explanation of A.
(C) A is true, but R is false.
(D) A is false, but R is true.

Read the following hypothetical situation, answer question no. 9 and 10

Arav and Bharat are partners in a firm sharing profits and losses. Their capitals on 1st April, 2021 were ₹ 4,80,000 and ₹ 5,40,000. On 1st October, 2021, they decided that the total capital of the firm should be ₹ 10,00,000 to be contributed equally by both of them. According to the Partnership Deed, interest on capital is allowed to the partners @6% p.a.

9. You are required to compute interest on capital for the year ending 31 March, 2022. (1)
(A) ₹ 29,400, ₹ 31,200 (B) ₹ 14,400, ₹ 16,200
(C) ₹ 15,000, ₹ 15,000 (D) ₹ 24,000, ₹ 27,000
10. What would be the profit sharing ratio of Arav and Bharat? (1)
(A) 8:9 (B) 2:3 (C) 1:1 (D) 3:2
11. A partnership firm earned divisible profit of Rs. 5,00,000, interest on capital is to be provided to partner is Rs. 3,00,000, interest on loan taken from partner is Rs. 50,000 and profit sharing ratio of partners is 5:3. Arrange the following in correct sequence. (1)
I. Distribute profits between partners
II. Charge interest on loan to Profit and Loss A/c
III. Calculate the net profit Transfer to Profit and Loss appropriation A/c
IV. Provide interest on capital
(A) II, III, IV, I (B) IV, II, III, I (C) III, II, IV, I (D) II, IV, III, I
12. AB Ltd purchased a Machinery from XY Ltd for ₹ 4,50,000. AB Ltd immediately paid ₹ 90,000 by Bank Draft and the balance by issue of preference share of ₹ 100 each at 20% premium for the purchase consideration of Machinery to XY Ltd. Shares issued by AB Ltd? (1)
(A) 30,000 preference shares (B) 3,000 preference shares
(C) 3,600 preference shares (D) 36,000 preference shares
13. Sincere Ltd, issued a prospectus inviting applications for 30,000 shares of ₹ 10 each payable ₹ 2 on application, ₹ 5 on allotment and balance on call. Public had applied for certain number of shares and application money was received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines? (1)
(A) ₹ 54,000 (B) ₹ 60,000 (C) ₹ 50,000 (D) ₹ 56,000
14. Yash and Manan are partners sharing profits in the ratio of 2:1. They admit Kushagra into partnership for 25% share of profit. Kushagra acquired the share from old partners in the ratio of 3:2. The new profit sharing ratio will be: (1)
(A) 14:31:15 (B) 3:2:1 (C) 31:14:15 (D) 2:3:1
15. A, B and C are partners sharing profits in ratio 4:3:2. B retires, selling his share of profit to A and C for ₹ 7,200 (₹ 4,000 paid by A and ₹ 3,200 paid by C). The new profit sharing ratio of A and C would be: (1)
(A) 17:10 (B) 15:12 (C) 19:8 (D) 4:2

OR

P and Q are equal partners with fixed capital of ₹ 3,00,000 and ₹ 2,00,000 respectively. After closing the account for the year 2020, they found that interest on capital was provided at 10% p.a. instead of 6% p.a. Which of the following is the correct adjustment entry?

- (A) Dr. P's Current A/c and Cr. Q's Current A/c by ₹ 12,000
(B) Dr. Q's Current A/c and Cr. P's Current A/c by ₹ 2,000
(C) Cr. P's Capital A/c and Cr. Q's Current A/c by ₹ 12,000
(D) Dr. P's Current A/c and Cr. Q's Current A/c by ₹ 2,000

16. In case of dissolution of partnership there was no workmen compensation fund and firm had to pay ₹ 3000 as compensation to workers where will be ₹ 3000 recorded in the books of accounts? (1)

- (A) debit side of realisation account (B) credit side of realisation account
 (C) debit side of partners capital account (D) credit side of partners capital account.

17. (3)

Date	Particulars	L.F	Dr. (₹)	Cr. (₹)
	Bank A/c Dr. To A/c To Premium for Goodwill A/c (Being Capital and share of goodwill brought in by C)		1,40,000	----- -----
	Premium for Goodwill A/c Dr. To A's Capital A/c To B's Capital A/c (Being C's share of goodwill credited to old partners in 3:2)		-----	----- 14,000
	A's Capital A/c Dr. B's Capital A/c Dr. To (Being 50% of the goodwill withdrawn by the old partners)		----- -----	-----

18. Pratap, Ravi and Shyam are partners in a firm sharing profits and losses in the ratio 5:3:2. Shyam is given a guaranteed profit of ₹ 30,000 irrespective of his actual share. Any deficiency due to this arrangement is borne by Pratap and Ravi equally. During the year 2021-22, the net profit of the firm was ₹ 1,40,000. Prepare Profit & Loss Appropriation A/c and Show the distribution of profit among the partners (3)

OR

Kashyap, Bharadwaj and Vishwamitra are partners in a firm sharing profits and losses in the ratio 3:3:2. On 1st April 2021 their capital balances stood at ₹ 90,000 ₹ 80,000 and ₹ 70,000 respectively. The partnership deed provides interest on capital at 12% p.a. During the year 2021-22, the Net Profit of the firm was ₹ 1,20,000 distributed equally among the partners without providing interest on capital. You are required to pass an adjustment journal entry to rectify the errors. Show your working clearly.

19. Anthony Ltd. issued 20,000, 9% Debentures of ₹ 100 each at 10% discount to Mithoo Ltd. from whom Assets of ₹ 23,50,000 and Liabilities of ₹ 6,00,000 were taken over. Pass entries in the books of Anthony Ltd. if these debentures were to be redeemed at 5% premium. (3)

OR

Random Ltd. took over running business of Mature Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 6,40,000 for a purchase consideration of ₹ 36,00,000. The amount was settled by bank draft of ₹ 1,50,000 and balance by issuing 12% preference shares of ₹ 100 each at 15% premium. Pass entries in the books of Random Ltd.

20. On 1st January, 2019, an existing firm had assets of ₹ 3,50,000 including cash of ₹ 7,000. Its creditors amounted ₹ 17,500 on that date. The partners' capital accounts showed a balance of ₹ 2,80,000 while the reserves amounted to ₹ 52,500. If the normal rate of return is 12% and goodwill is valued at ₹ 63,000 at 3 years' purchase of super profits, find the average profits of the firm. (3)

21. Jagaran Ltd. had an Authorised Capital of ₹ 2,00,000 divided into equity shares of ₹10 each. The company offered for subscription 10,000 shares. The issue was fully subscribed. The amount was payable on application ₹ 2 per share, on allotment ₹4 per share and on first and final call ₹4 per share. A shareholder holding 100 shares failed to pay the allotment money. His shares were forfeited. The Company did not make the final call. Show how Share Capital will be presented in the Company's Balance sheet? Also prepare notes to accounts for the same. (4)

22. Aman and Harsh were partners in a firm. They decided to dissolve their firm. Pass necessary Journal entries for the following after various assets (other than Cash and Bank) and third-party liabilities have been transferred to Realisation Account: (4)
- There was furniture worth ₹ 50,000. Aman took over 50% of the furniture at 10% discount and the remaining furniture was sold at 30% profit on book value.
 - The firm paid realisation expenses amounting to ₹ 5,000 on behalf of Harsh who had to bear these expenses.
 - There was an outstanding bill for repair for Rs 2,000 which were paid off.
 - Creditors, to whom the firm owed ₹ 6,000, accepted stock of ₹ 5,000 at a discount of 5% and the balance in cash.

23. Sunrise Company Limited offered for public subscription 10,000 shares of ₹10 each at ₹ 11 per share. Money was payable as follows: (6)
- ₹ 3 on application
 - ₹ 4 on allotment (including premium)
 - ₹ 4 on first and final call.

Applications were received for 12,000 shares and the directors made *prorate* allotment. Mr. Anish, an applicant for 120 shares, could not pay the allotment and call money, and Mr. Basu, a holder of 200 shares, failed to pay the call. All these shares were forfeited.

Out of the forfeited shares, 150 shares (the whole of Mr. Anish shares being included) were re issued at ₹ 8 per share fully paid up. Record journal entries for the above transactions.

OR

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

- Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid.
 - Ratan Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹ 10 per share as fully paid.
24. Arth and Brijesh are partners in a firm sharing profits in the ratio 2:1. Chirag is admitted into the firm with 1/4 share in profits. He will bring in ₹ 30,000 as capital and capitals of Arth and Brijesh are to be adjusted in the new profit-sharing ratio. The Balance Sheet of Arth and Brijesh as on March 31, 2021 is as follows:

Particulars	₹	Particulars	₹
Creditors	8,000	Cash in hand	2,000
Bills Payable	4,000	Cash at Bank	10,000
General Reserve	6,000	Sundry Debtors	8,000
Capital A/c		Stock	10,000
Arth 50,000		Furniture	5,000
Brijesh 32,000	82,000	Machine	25,000
		Building	40,000
	1,00,000		1,00,000

Other terms of agreement are as under:

- Chirag will bring in ₹ 12,000 as his share of goodwill.
- Building was valued at ₹ 45,000 and Machinery at ₹ 23,000.
- A provision for bad debts is to be created @ 6% on debtors.
- The capital accounts of Arth and Brijesh are to be adjusted by opening current accounts.

Prepare Revaluation Account and Partners Capital Account.

OR

Shyam, Gagan and Ram are partners sharing profit in the ratio of 2: 2: 1. Their Balance Sheet as on March 31, 2022 are as under:

Particulars	₹	Particulars	₹
Creditors	49,000	Cash in hand	8,000
Employees Provident Fund	4,000	Debtors	19,000
General Reserve	14,500	Stock	42,000
Capital A/c		Machine	85,000
Shyam	50,000	Building	1,22,000
Gagan	62,500	Patents	9,000
Ram	<u>75,000</u>		
	2,17,500		
	<u>2,85,000</u>		<u>2,85,000</u>

Gagan got a very good break at an MNC, so he decided to retire on that date and it was decided that Shyam and Ram would share the future profits in the ratio of 5: 3. Goodwill was valued at ₹ 70,000; Machinery at ₹ 78,000; Buildings at ₹ 1,52,000; stock at ₹ 30,000; and bad debts amounting to ₹ 1,550 were to be written off.

Record journal entries in the books of the firm.

25. Anil, Bhanu and Chandu were partners in a firm sharing profits in the ratio of 5:3:2. On March 31, 2021, their Balance Sheet was as under: (6)

Particulars	₹	Particulars	₹
Creditors	11,000	Building	20,000
Reserve Fund	6,000	Machine	30,000
Capital A/c		Stock	10,000
Anil	30,000	Patents	11,000
Bhanu	20,000	Debtors	8,000
Chandu	<u>15,000</u>	Cash	8,000
	70,000		
	<u>87,000</u>		<u>87,000</u>

Anil died on October 1, 2021. It was agreed between his executors and the remaining partners that:

- (a) Goodwill to be valued at 2 1/2 year's purchase of the average profits of the previous four years which were:
 Year 2017-18 – ₹ 13,000, Year 2018-19 – ₹ 12,000,
 Year 2019-20 – ₹ 20,000, Year 2020-21 – ₹ 15,000
- (b) Patents be valued at ₹ 8,000; Machinery at ₹ 28,000; and building at ₹ 25,000.
- (c) Profit for the year 2021-22 be taken as having accrued at the same rate as that of the previous year.
- (d) Interest on capital be provided at 10% p.a.
- (e) Half of the amount due to Anil be paid immediately.
 Prepare Anil's Capital Account and Anil's Executor's Account as on October 1st, 2021. Show working clearly.

26. Journalize the following transactions in the Books of Meher Ltd. (6)

- (a) Mehar Ltd. issued ₹1,00,000, 12% Debentures of ₹100 each at a premium of 5%, redeemable at a premium of 2%.
- (b) 12% Debentures were issued at discount of 10% to a Vendor of machinery for payment of ₹ 9,00,000.
- (c) Issue of 10000, 11% debenture of ₹100 each as collateral security in favour of SBI. Show how collateral security will be shown in Balance Sheet.

PART B- ANALYSIS OF FINANCIAL STATEMENTS

27. When an analyst analysis the financial statements of an enterprise over a number of years, the analysis is called _____ analysis. (1)
- (A) Static (B) External (C) Horizontal (D) Vertical

OR

_____ will result in increase in Liquid Ratio without affecting the Current Ratio.

- (A) Sale of Stock at cost price (B) Sale of stock at loss
(C) Sale of stock at profit (D) Sale of investment at cost

28. Opening Inventory ₹1,00,000; Closing Inventory ₹1,50,000; Purchases ₹6,00,000; Carriage ₹25,000; wages ₹2,00,000. Inventory Turnover Ratio will be: (1)
(A) 6.6 Times (B) 6.2 Times (C) 7.4 Times (D) 7 Times

29. Statement I: Increase in provision for doubtful debts should be added back for calculating cash from operations. (1)

Statement II: Dividend received is a Financing Activity.

- (A) Statement I is correct and Statement II is incorrect
(B) Statement I and II is correct
(C) Statement I and Statement II is incorrect
(D) Statement I is incorrect, and Statement II is correct

OR

Decrease in Bank Overdraft is shown under which heading in a Cash Flow Statement?

- (A) Financing Activities (B) Investing Activities
(C) Operating Activity (D) Cash and Cash Equivalent.

30. Issue of Debentures for consideration other than cash is shown as _____ in Cash Flow Statement. (1)

- (A) Inflow of Cash under Financing Activities
(B) Outflow of Cash under Financing Activities
(C) Neither Inflow nor Outflow of Cash
(D) Inflow of Cash under Operating Activities.

31. Classify the following items under Major heads and Sub heads (If any) in the balance sheet of a Company as per schedule III of the Companies Act 2013. (3)

- (i) Capital Reserve (ii) Bonds
(iii) Loan repayable on Demand (iv) Office Equipment
(v) Intellectual property (vi) Loose tools

32. From the following given information, calculate the gross profit ratio and working capital turnover ratio: (3)

Revenue from operation ₹30,00,000

Cost of revenue from operation ₹20,00,000

Current assets ₹6,00,000

Current liabilities ₹2,00,000

Paid-up Share Capital ₹5,00,000

33. From the following information obtained from the books of Shreeji Ltd, prepare a Common size Balance Sheet: (4)

Particulars	Note No.	31.3.2023 (₹)	31.3.2022 (₹)
I. Equity and Liabilities:			
1. Shareholders Funds			
a) Share Capital		10,00,000	5,00,000
b) Reserves & Surplus		2,00,000	3,00,000
2. Non-Current Liabilities		8,00,000	5,00,000
3. Current Liabilities		4,00,000	2,00,000
Total		<u>24,00,000</u>	<u>15,00,000</u>
II. Assets:			
1. Non-Current Assets		15,00,000	10,00,000
2. Current Assets		9,00,000	5,00,000
Total		<u>24,00,000</u>	<u>15,00,000</u>

OR

Prepare Comparative Statement of Profit and Loss of Gem Ltd. from the following:

Particulars	Note No.	2023	2022
Revenue from Operations		20,00,000	15,00,000
Other Income		10,00,000	4,00,000
Expenses		21,00,000	15,00,000
Rate of income tax		50%	50%

34. The following is the Balance Sheet of Prestige Ltd. as at 31st March, 2022, prepare a Cash Flow Statement: (6)

Particulars	Note No.	2021-22 (₹)	2020-21 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital		12,00,000	11,00,000
(b) Reserves and Surplus	1	3,00,000	2,00,000
(2) Non-Current Liabilities			
Long-term Borrowings		2,40,000	1,70,000
(3) Current Liabilities			
(a) Trade Payables		1,79,000	2,04,000
(b) Short Term-Provisions		50,000	77,000
Total		19,69,000	17,51,000
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2	10,70,000	8,50,000
(ii) Intangible Assets	3	40,000	1,12,000
(2) Current Assets			
(a) Current Investments (Marketable Securities)		2,40,000	1,50,000
(b) Inventories		1,29,000	1,21,000
(c) Trade Receivables		1,70,000	1,43,000
(d) Cash and Cash Equivalents		3,20,000	3,75,000
Total		19,69,000	17,51,000

Note to Accounts	2021-22 (₹)	2020-21 (₹)
(1) Reserves and Surplus:		
Surplus, i.e., Balance in Statement of Profit and loss	3,00,000	2,00,000
(2) Tangible Assets:		
Machinery	1270000	10,00,000
Less: Accumulated Depreciation	<u>(2,00,000)</u>	<u>(1,50,000)</u>
	1070000	8,50,000
(3) Intangible Assets:		
Goodwill	40,000	1,12,000

Additional information:

During the year a piece of machinery, costing ₹ 24,000 on which accumulated depreciation was ₹ 16,000, was sold for ₹ 6,000.