



विद्या सर्वार्थ साधिका

ANANDALAYA
PERIODIC TEST-2
Class : XII

Subject : Accountancy
Date : 03-10-2023

M.M : 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.

1. Annu, Banu and Chanu are partners. Chanu has been given a guarantee of minimum profit of ₹8,000 by the firm. Firm suffered a loss of ₹ 5,000 during the year. Capital account of Banu will be _____ by ₹ _____.
(A) Credited, ₹6,500. (B) Debited, ₹6,500.
(C) Credited, ₹1,500. (D) Debited, ₹1,500
2. **Assertion (A):** On the admission of a new partner, increase in the value of assets is debited to revaluation account (1)
Reason (R): Revaluation account is used to transfer the revalued amount of assets and liabilities. In the context of the above two statements, which of the following is correct:
(A) Both A and R are correct, and R is the correct explanation of A.
(B) Both A and R are correct, but R is not the correct explanation of A.
(C) A is correct but R is incorrect.
(D) A is incorrect but R is correct.
3. Guddu and Bablu are partners sharing profits equally. Guddu withdrew ₹ 1,000 p.m regularly on the first day of every month for personal expenses. Interest on drawings is charged @5%. Calculate Interest on drawings of Guddu: (1)
(A) ₹325 (B) ₹ 600 (C) ₹500 (D) ₹275
4. A and B are in partnership sharing profits in the ratio of 3 : 2. They take C as a new partner. Goodwill of the firm is valued at ₹3,00,000 and C brings ₹30,000 as his share of goodwill in cash which is entirely credited to the Capital Account of A. New profit sharing ratio will be : (1)
(A) 3 : 2 : 1 (B) 6 : 3 : 1 (C) 5 : 4 : 1 (D) 4 : 5 : 1
5. P, Q and R were partners sharing profit and losses in the ratio of 2:2:1. Books are closed on 31st March every year. R dies on 1th November, 2021. Under the partnership deed, the executors of the deceased partner are entitled to his share of profit to the date of death, calculate on the basis of last year's profit. Profit for the year ended 31st March, 2022 was ₹ 2,40,000. R's share of profit will be: (1)
(A) ₹28,000 (B) ₹32,000 (C) ₹28,800 (D) ₹48,000

6. If Preliminary expenses are given on the Asset side of the Balance sheet. What treatment will be done? (1)
- (A) Debited to all partners in equal ratio.
 (B) Debited to old partners in gaining ratio.
 (C) Debited to all partners Capital A/c in the old ratio.
 (D) Credited to all partners Capital account.

7. **Assertion (A):** Gobind, Hari and Pratap are partners. On retirement of Gobind, the goodwill already appears in the Balance Sheet at ₹ 24,000. The goodwill will be written-off by debiting all partners' capital accounts in their old profit-sharing ratio (1)

Reason (R): Goodwill has been earned by the efforts of all partners.

In the context of the above two statements, which of the following is correct:

- (A) Both A and R are correct, and R is the correct explanation of A.
 (B) Both A and R are correct, but R is not the correct explanation of A.
 (C) A is correct but R is incorrect.
 (D) A is incorrect but R is correct.
8. Nita, Suman and Harita are partners in a firm sharing profits in the ratio 3:2:1. Suman retired from the firm. On the date of her retirement, ₹3,00,000 was due to her. The remaining partners decided to pay her in three yearly installments. ₹3,00,000 will be transferred to which of the following Account. (1)
- (A) Suman's Loan A/c (B) Suman's Executor's A/c
 (D) Suman's Bank A/c (D) Suman's Current A/c

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

Mohan and Sohan, two college friends started a restaurant business in partnership sharing profit and loss in the ratio of 3:2 in the year 2019. Mohan also had a family business of garments, which he took over after his father's death. As a result, he devoted less time to the restaurant. Sohan, being his best friend understood this and supported him fully.

However, in the year 2020, due to Covid-19, the restaurant business slowed down Sohan approached Mohan and suggested that they share profits equally. Mohan readily agreed to it.

The Goodwill of the firm was valued at ₹30,000. Also, there is a Workmen Compensation Reserve and General Reserve of ₹ 90,000 and ₹12,000 respectively.

9. What single adjusting entry will be passed for goodwill adjustment? (1)
- (A) Debit Sohan and Credit Mohan by ₹3,000
 (B) Debit Mohan and Credit Sohan by ₹ 3,000
 (C) Debit Mohan and Credit Sohan with ₹ 300
 (D) Debit Sohan and Credit Mohan with ₹300

10. What journal entry will be passed in case there is a claim on Workmen Compensation Reserve of ₹ 45,000? (1)

(A)	Workmen Compensation Reserve A/c	Dr.	90,000	
	To Mohan's Capital A/c			54,000
	To Sohan's Capital A/c			36,000
(B)	Workmen Compensation Reserve A/c	Dr.	45,000	
	To Workmen Compensation Claim A/c			45,000
(C)	Workmen Compensation Reserve A/c	Dr.	90,000	
	To Workmen Compensation Claim A/c			45,000
	To Mohan's Capital A/c			27,000
	To Sohan's Capital A/c			18,000
(D)	Sohan's capital A/c	Dr.	9,000	
	To Mohan's capital A/c			9,000

11. Sun and Star were partners in a firm sharing profit in the ratio of 2: 1. Moon is admitted as a new partner in the firm. New profit sharing ratio was 3 : 3 : 2. Moon brought the following assets towards his share of Goodwill and Capital:
Machinery ₹2,00,000; Furniture ₹1,20,000; Stock ₹80,000 ; Cash ₹50,000
If his capital is considered as Rs. 3,80,000 the Goodwill of the firm will be:
(A) ₹70,000 (B) ₹2,80,000 (C) ₹4,50,000 (D) ₹1,40,000 (1)
12. In the absence of an express agreement as to who will contribute to new partners' share of profit, it is implied that the old partners will contribute_____.
(A) Equally (B) In the ratio of their Capital
(C) In their gaining ratio (D) In their old profit-sharing ratio (1)
13. Capital employed by a partnership firm is ₹5,00,000. Its average profit is ₹60,000. The normal rate of return for is 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 (1)
14. Which one of the following is not a right of a partner? (1)
(A) Right to inspect the books of the firm
(B) Right to take part in the affairs of the company
(C) Right to share the profits/losses of the firm
(D) Right to receive salary at the end of each month.
15. P and Q are partners sharing profits and losses in the ratio of 2:1 with capitals ₹1,00,000 and ₹80,000 respectively. The interest on capital has been provided to them @ 8% instead of 10%. In the rectifying adjustment entry, Q will be:
(A) Debited by ₹400 (B) Credited by ₹400 (C) Debited by ₹1600 (D) Credited by ₹1600. (1)
16. In which of the following case, revaluation account is debited? (1)
(A) Increase in value of asset (B) Decrease in value of asset
(C) Decrease in value of liability (D) No change in value of assets
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. (3)
18. Cheese and Slice are equal partners. Their capitals as on April 01, 2022 were ₹50,000 and ₹1,00,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 6% per annum and salary to Cheese @ ₹5,000 per annum, as provided in the partnership deed has not been credited to the partners' capital accounts before distribution of profits.
You are required to give necessary rectifying entries using P&L adjustment account. (3)

19. X, Y and Z are partner sharing profits and losses in the ratio of 2:2:1. Their fixed capitals on April 01, 2020 were; X ₹ 5,00,000, Y ₹3,00,000 and Z ₹ 2,00,000. As per the partnership deed, partner are entitled to interest on capital @ 10% p.a. and interest on drawing 10%p.a. the drawing of X,Y and Z was ₹ 40,000, ₹20,000; ₹20,000 respectively. Net profit before any appropriation was ₹3,00,000. Prepare profit and loss appropriation account for the year ending March 31, 2021. (3)
20. Nirmala, Divisha and Sara were partners in a firm sharing profits and losses in the ratio of 3:4:3. Books were closed on 31st March every year. Sara died on 1st February, 2022. As per the partnership deed Sara's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2021 was ₹10,00,000 and profit for the same year was ₹120000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%. Calculate Sara's share of profit and also pass the necessary journal entry. (3)
21. Anupam and Abhishek are partners sharing profits and losses in the ratio of 3: 2. Their capital accounts showed balances of ₹1,50,000 and ₹2,00,000 respectively on 1st January, 2021. Show the calculation of interest on capital for the year ending 31st December,2021 in each of the following alternatives: (4)
- If the partnership deed is silent as to the payment of interest on capital and the profit for the year is ₹50,000;
 - If partnership deed provides for interest on capital @ 8% p.a. and the firm incurred a loss of ₹10,000 during the year;
 - If partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ₹50,000 during the year;
 - If the partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ₹14,000 during the year.
22. 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. (4)
23. Seema, Trisha and Jaya are partners in a firm sharing profits and losses equally as at 31st March, 2021. (6)

Particulars	Amount	Particulars	Amount
Capital A/c		Building	2,00,000
Seema 2,50,000		Plant & Machinery	1,00,000
Trisha 2,00,000		Patents & copyrights	1,50,000
Jaya <u>1,50,000</u>	6,00,000	Stock	1,25,000
Creditors	1,40,000	Debtors	1,50,000
General Reserve	60,000	Bank	75,000
	<u>8,00,000</u>		<u>8,00,000</u>

From April 1st 2021, the partners decide to share profits and losses in the ratio 3 : 2 : 1 and for that purpose the following revised value of assets were agreed upon:

Building ₹ 2,75,000; Plant and Machinery ₹ 90,000; Patents and Copyrights ₹ 1,32,500; Stock ₹ 2,00,000; Prepaid Insurance ₹ 5,000 and Debtors ₹ 1,42,500.

Goodwill of the firm was valued at ₹ 60,000.

Pass necessary Journal Entries for the above transactions in the books of the firm.

24. X, Y and Z are partners in a firm sharing profits in proportion of 1/2, 1/6 and 1/3 respectively. (6)
The Balance Sheet as on April 1, 2020 was as follows:

Liabilities		Amount	Assets		Amount
Employee Provident fund		12,000	Freehold Premises		40,000
Sundry Creditors		18,000	Machinery		30,000
General Reserve		12,000	Furniture		12,000
Capitals:			Stock		22,000
X	30,000		Debtors	20,000	
Y	30,000		Less: Provision		
Z	<u>28,000</u>	88,000	for Bad Debts	<u>1,000</u>	19,000
			Cash		7,000
		1,30,000			1,30,000

Z retires from the business and the partners agree that:

- (a) Machinery is to be depreciated by 10%.
 (b) Provision for bad debts is to be increased to ₹ 1,500.
 (c) Furniture was taken over by Y for ₹ 14,000 against cash payment
 (d) Goodwill is valued at ₹ 21,000 on Z's retirement.
 (e) The retiring partner was paid half of his amount due in cash.
 Prepare Revaluation Account and Partners Capital Accounts .
25. A, B and C were partners in a firm sharing profits in the ratio of 5:3:2 respectively. On March 31st 2022 their balance sheet was as under: (6)

Liabilities		Amount	Assets		Amount
Capitals			Building		2,00,000
A	3,00,000		Machinery		3,00,000
B	2,50,000		Patents		1,10,000
C	<u>1,50,000</u>	7,00,000	Goodwill		1,00,000
Reserves fund		60,000	Debtors		80,000
Creditors		1,10,000	Cash		80,000
		8,70,000			8,70,000

A died on October 1, 2022. It was agreed between his executors and the remaining partners that:

- (a) Goodwill of the firm is valued at 2 ½ years purchase of average profits for last three years. The average profit were ₹1,50,000.
 (b) Interest on capital to be provided at 10% p.a.
 (c) Profit for the year 2022-23 be taken as having accrued at the same rate as that of the previous year which was ₹50,000.
 (d) A sum of ₹ 4,00,000 is given to his executor through bank draft immediately and balance amount is transferred to his executor account.

Prepare A's capital account to be presented to his executors as on 1.10.2022.

26. Bharat and Chinmay are partners sharing profits in the ratio of 3:2. Following is the Balance sheet as on 31/03/2022. (6)

Liabilities		Amount	Assets		Amount
Capital A/c			Land & Building		80,000
Bharat	60,000		Furniture		10,000
Chinmay	<u>40,000</u>	1,00,000	Machinery		20,000
Creditors		60,000	Debtors	25,000	
			Less:	<u>1,000</u>	24,000
			Cash		16,000
			Profit & Loss A/c		10,000
		1,60,000			1,60,000

Dhruv was admitted as a partner for 1/5th share on the following terms-

- The new ratio of the partners is 2:2:1.
 - Dhruv brings ₹ 30,000 as her capital and ₹15000 as his share of goodwill.
 - Half of the goodwill is withdrawn by the old partners.
 - A provision of 5% is to be maintained for doubtful debts.
 - An item of ₹ 500 included in sundry creditors is not likely to arise.
 - A provision of ₹ 800 was to be made for damages against the firm.
- After making the above adjustments the capital accounts of Bharat and Chinmay to be adjusted on the basis of Dhruv's capital brought in the firm. Actual cash to be brought in or paid in cash. Prepare Revaluation Account and Partners Capital Account.

PART B- ANALYSIS OF FINANCIAL STATEMENTS

- Which of the following is not a part of Finance Cost (in statement of profit and loss)? (1)
 - Loss on Issue of Debentures
 - Interest Paid on Debentures
 - Interest Paid on Public Deposits
 - Bank Charges
- Cost of Goods Sold ₹ 1,50,000; Closing Stock ₹ 60,000; Excess of Closing Stock over Opening Stock ₹ 20,000. What is the Inventory Turnover Ratio? (1)
 - 4 times
 - 3 times
 - 2.14 times
 - 1.5 times
- Statement I:- Sale of Marketable Securities will result in no flow of Cash. (1)
Statement II:- Debentures issued as collateral security will result in inflow of cash.
 - Both Statements are correct.
 - Both Statements are incorrect.
 - Statement I is correct and Statement II is incorrect.
 - Statement I is incorrect and Statement II is correct.
- 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. (1)
 - ₹ 28,800
 - ₹ 72,800
 - ₹ 59,200
 - ₹ 44,000
- 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)
 - Loose Tools
 - Loan repayable on demand
 - Provision for Retirement benefits
 - Pre-paid Insurance
 - Capital advances
 - Shares in Listed Companies
- Determine Return on Investment and Net Assets Turnover ratio from the following information:- (3)

Profits after Tax were ₹6,00,000; Tax rate was 40%; 15% Debentures were of ₹20,00,000; 10% Bank Loan was ₹20,00,000; 12% Preference Share Capital ₹ 30,00,000; Equity Share Capital ₹40,00,000 ; Reserves and Surplus were ₹ 10,00,000; Sales ₹3,75,00,000 and Sales Return ₹15,00,000.
- From the following information, prepare a Comparative Statement of Profit and Loss of R.K. Ltd. for the year ended 31st March, 2020: (4)

Particulars	31-03-2020	31-03-2019
Revenue from Operations	₹ 20,00,000	₹ 10,00,000
Cost of Materials Consumed (% of Revenue from Operations)	75%	60%
Other Expenses	₹ 6,00,000	₹ 5,50,000
Tax Rate	40%	30%

OR

From the following information obtained from the books of Raj Silk Mills, prepare a Common size Balance Sheet: (4)

Particulars	Note No.	31.3.2022 (₹)	31.3.2021 (₹)
I. Equity and Liabilities:			
1. Shareholders Funds		8,00,000	4,00,000
2. Non-Current Liabilities		5,00,000	2,00,000
3. Current Liabilities		3,00,000	2,00,000
Total		<u>16,00,000</u>	<u>16,00,000</u>
II. Assets:			
1. Non-Current Assets		10,00,000	5,00,000
2. Current Assets		6,00,000	3,00,000
Total		<u>16,00,000</u>	<u>8,00,000</u>

34. From the following Balance Sheet of Mayur Ltd. as at 31st March, 2022, prepare Cash Flow Statement: (6)

Particulars	Note No.	31-03-2022	31-03-2021
I Equity and Liabilities			
1) Shareholders fund:			
a) Share capital		30,00,000	20,00,000
b) Reserves and surplus	1	3,00,000	4,00,000
2) Non Current Liabilities:			
Long term Borrowings	2	4,00,000	3,00,000
3) Current Liabilities			
a) Trade payable		1,70,000	2,50,000
b) Short term provisions(tax)		76,000	64,000
Total Liabilities		<u>39,49,000</u>	<u>30,14,000</u>
II Assets			
1) Non Current Assets			
a) Property, plant & Equipment			
i) Tangible	3	29,00,000	23,00,000
ii) Intangible	4	2,70,000	1,60,000
2) Current Assets			
a) Inventories		2,20,000	2,30,000
b) Trade Receivables		1,10,000	1,30,000
c) Cash and cash equivalent		4,46,000	1,94,000
Total Assets		<u>39,49,000</u>	<u>30,14,000</u>

Notes to Accounts:

S.No.	Particulars	31/3/2022	31/3/2021
1	Reserves and Surplus		
	Surplus(Bal. in Statement in Profit& Loss)	3,00,000	4,00,000
2	Long term Borrowings		
	9% Debentures	4,00,000	3,00,000
3	Tangible Assets		
	Machinery	36,00,000	28,00,000
	Less Accumulated depreciation	(7,00,000)	(5,00,000)
		<u>29,00,000</u>	<u>23,00,000</u>
4	Intangible Assets- Goodwill	2,70,000	1,60,000

Additional Information:

- (i) During the year, a piece of machinery costing ₹4,00,000 on which accumulated depreciation was ₹73,000 was sold for ₹3,10,000.
- (ii) 9% Debentures of ₹ 1,00,000 were issued on 31st March, 2022.