KENDRIYA VIDYALAYA SANGATHAN, BENGALURU REGION

केंद्रीय विद्यालय संगठन, बेंगलुरु संभाग

FIRST PRE BOARD EXAMINATION 2024-25

प्रथम प्री बोर्ड परीक्षा 2024-25

Class: XII

Accountancy (055)

Maximum Marks: 80 **Time: 03 hrs.**

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. Both the parts are compulsory for all.
3. Question Nos.1 to 16 and 27 to 30 carries one mark each.
4. Questions Nos. 17 to 20, 31and 32 carries three marks each.
5. Questions Nos. from 21 ,22 and 33 carries four marks each
6. Questions Nos. from 23 to 26 and 34 carries six marks each
7. 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.

Q.N.	PART A (Accounting for Partnership Firms and Companies)	Marks
1	Ram and Shyam are partners sharing profits equally. Ram withdrew Rs. 1,000 p.m. regularly on the first day of every month for personal expenses. Interest on drawings charged @5%. Calculate Interest on drawings of Ram. (a) Rs. 600 (b) Rs. 250 (c) Rs. 500 (d) Rs. 1,200	1
2	**Assertion (A):** Each partner is a principal as well as an agent for all the other partners **Reason (R):** As per the definition of Partnership Act, partnership business may be carried on by all the partners or any them acting for all. (a) Both A and R are correct, but R is not the correct explanation of A. (b) Both A and R are correct, and R is the correct explanation of A. (c) A is correct, but R is incorrect. (d) A is incorrect, but R is correct.	1
3	Which of the following transactions is always recorded in the partner’s Capital a/c irrespective of whether the partners’ capitals are fixed or fluctuating? a. Additional capital introduced b. Withdrawal of Capital by a partner c. Interest on partner’s loan d. Both (a) & (b)	1
4	**Assertion (A):** Sharma and Verma are partners sharing profits and losses in the ratio of 3:2 having fixed capitals of 600000 and 400000 respectively. According to Partnership Deed, Sharma and Verma are entitled to get annual salary of 30000 and 20000 respectively. Verma advised that their salary should be credited in their capital accounts. **Reason (R):** In case of fixed capital accounts, remuneration of the partners is credited to their Current Accounts. a) Assertion is correct but Reason is wrong. b) Assertion is wrong but Reason is correct. c) Both assertion and reason are wrong. d) Both assertion and reason are correct.	1

5	**Assertion (A):** On the admission of the new partner, increase in the value of assets is debited to revaluation account. **Reason (R):** Revaluation account is used to transfer the revalued amount of assets & liabilities. 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 and 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.	**1**
6	The average capital employed in a business is Rs. 3,00,000 and average net profit earned is Rs. 42,000. The normal rate of return on capital employed is 10%. The goodwill of the firm based on 3 years of purchase of super profit will be: a) Rs. 36,000 b) Rs. 30,000 c) Rs. 4,200 d) Rs. 12,000	**1**
7	**Assertion (A): The** treatment made for accumulated profits on the retirement of a partner is to credit it to all partner's capital accounts in old ratio. **Reason (R):** The retiring partner has worked hardest so must get more share. 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 **OR** R ,S and T are partners in a firm ,the firm has a WCR of 40000 and claim for the same was 16000 ,what will be the treatment of WCR in the books if T retires from the firm. a) All partners will get a credit of 40000 in their Profit Sharing Ratio b) Retiring partner will get 16000 in Gaining Ratio c) All partners will get a credit of 24000 in their Old Profit Sharing Ratio d) All partners will get a credit of 24000 in their New Profit Sharing Ratio	**1**
8	A and B were partners in a firm sharing profits in the ratio of 3 : 2. C and D were admitted as new partners. A sacrificed 1/4th of his share in favour of C and B sacrificed 50% of his share in favour of D. The new profit sharing ratio of A, B, C and D will be a) 3:4:9:4 b) 3:5:5:3 c) 9:4:3:4 d) 8:5:7:6 OR On the death of a partner, his share in the profit of the firm till the date of his death is transferred to the: a) Debit of Profit and Loss Account b) Credit of Profit and Loss Account c) Debit of Profit and Loss Suspense Account d) Credit of Profit and Loss Suspense Account	**1**
9	X, Y & Z are partners in a business. Y retired from the business, when his Capital A/C, after all adjustments, showed a balance of Rs.1,09,500. It was agreed that he should be paid Rs.49,500 cash on retirement & the balance in three equal instalments with interest at 12% per annum. Amount of last instalment with interest will be: a) Rs.22,400 b)Rs.22,200 c) Rs.22,300 d) Rs.22,100	**1**
10	Furniture (Book Value Rs. 54,000) is undervalued by 10%. Calculate the value (to be debited or to be credited) in the Revaluation account. a) Rs. 6,500, Dr. b) Rs. 6,500, Cr. c) Rs. 6,000, Dr. d) Rs. 6,000, Cr	**1**

11	Identify the sequence of application of assets at the time of Dissolution of a Firm: A. Partner's Loans and Advances B. Partner's Capital C. Profit among the Partners at their profit- sharing Ratio D. Third Parties such as Creditors and Bank Loan Choose the correct option: a) D, C, B and A b) A, B, C and D c) D, B, C and A d) D, A, B and C **OR** The firm paid realisation expenses of Rs10,000 on behalf of Hemant, a partner with whom it was agreed at Rs25,000. Realisation Expenses came to Rs 35,000. Realisation Account will be debited with: a) Rs50,000 b) Rs75,000 c) Rs25,000 d) Rs1,00,000	**1**
12	**Match the followings:** **Column I** — **Column II** A. Debentures secured by either a fixed charge or a floating charge. — (i) Bearer Debentures B. Debentures not repayable during the existence of the company. — (ii) Naked Debentures C. Debentures transferable by mere delivery. — (iii) Mortgage Debentures D. Debentures not secured by any charge on assets. — (iv) Perpetual Debentures **CODES:** a) A (iii), B (iv), C (i), D (ii) b) A (ii), B (iii), C (i), D (iv) c) A (iv), B (ii), C (i), D (iii) d) A (iii), B (i), C (iv), D (ii)	**1**
13	**Assertion (A):** A company other than rejecting excess applications due to oversubscription can allot them prorata. **Reason (R):** Prorata allotment is compulsory whenever there is oversubscription Choose the correct choice on the basis of the above assertion and reason: a) Both (A) and (R) are correct and (R) is the correct reason of (A) b) Both (A) and (R) are correct but (R) is not the correct reason of (A) c) (A) is correct but (R) is incorrect. d) Both (A) and (R) are incorrect **OR** An investor prefers to invest in debentures of a company rather than in its shares due to the following reasons,: 1)Debentures are mostly unsecured. 2)On winding up of the company, they are repayable before any payment is made to the shareholders. 3)Interest on debentures is also payable irrespective of profit or loss. 4) Debenture holder can take management decisions Choose the correct option below a) 1 and 3 b) 3 and 4 c) 2 and 3 d) 1 and 2	**1**
14	W Ltd forfeited 1,000 shares of Rs.10 each (which were issued at par) to Dinesh, a shareholder of the company, for non -payment of allotment money of Rs.4 per share. The called up value per share was Rs.7. On forfeiture, the amount debited to share capital: a) Rs3,000 b) Rs7,000 c) Rs4,000 d) Rs10,000 **OR** Tapas Ltd purchased the sundry assets of Premier Enterprises for Rs.35,75,000 payable in fully paid equity shares of Rs.100 each at a premium of 10%.The number of shares issued to Premier Enterprises will be a) 35,500 shares b) 35,750 shares c) 32,500 shares d) 36,000 shares	**1**
15	Securities Premium Reserve cannot be used for: a) Writing off preliminary Expenses c) Payment of debenture interest/ dividend on shares b) Writing off share discount d) Buy- back of equity shares	**1**

16	Suraj Ltd . issued 6,000 shares of Rs10 each. All the money was received except on 300 shares on which only Rs 8 were received. These shares were forfeited and out of the forfeited shares 150 shares were reissued at Rs 9 each as fully paid up. At the time of reissue of shares, Share Forfeiture A/C will be debited by which amount? a) Rs 200 b) Rs 150 c) Rs 300 d) Rs 500	**1**
17	**A)** R,S&T are partner's sharing profits in the ratio of 5:3:2. According to the partnership agreement Tara is to get a minimum amount of 18000 as her share of profits every year .The net profit for the year ended 31^{st} March,2022 amounted to 50000 .Pass necessary journal entries. **B)** Profit of Rs30,000 was distributed among A and B equally instead of the PSR of 4:1. Pass adjustment entry	**1.5** **1.5**
18	Goodwill of a firm on the basis of 3 years' purchase of the average profit of last 4 years were: 31^{st} March2021 - Rs30,000 31^{st} March2022- Rs29,000 31^{st} March2023- Rs 47,000 31^{st} March2024- Rs54,000 On 1^{st} April, 2021 an unexpected damage to the office building occurred costing Rs10,000. During the year 2023-24, the firm won a court case and received compensation of Rs25,000 Calculate the amount of Goodwill of the firm **OR** Explain with **reason** whether the following statements are true or false: 1. Gaining ratio = New profit-sharing ratio - old profit-sharing ratio 2. Revaluation of assets and liabilities of the firm is not necessary in case of retirement of a partner from a firm. 3. Family member of a retiring partner will automatically become the new partner in a reconstituted firm. .	**3**
19	The partners of a firm, A,B & C distributed the profits for the year ended 31st March, 2022 Rs. 80,000 in the ratio of 3:3:2 without providing for the following adjustments: A) A&C were entitled to a salary of Rs. 1,500 each p.m. B) B was entitled for a salary of Rs. 4,000 p.a. Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.	**3**
20	Nikhil Ltd. purchased a running Business from Sonia Ltd. for a sum of Rs. 22,00,000 by issuing 20,000 fully paid equity shares of Rs. 100 each at a premium of 10%. The assets and Liabilities consisted of the following: Machinery Rs. 7,00,000, Debtors Rs. 2,50,000, Stock Rs. 5,00,000, Building Rs. 11,50,000 and Bills payable Rs. 2,50,000. Pass necessary Journal entries in the books of Nikhil Ltd. **OR** Pass the necessary journal entries for issue of debentures for the following: **a)** 2500, 12% debentures of Rs 100 each issued at par redeemable at a premium of Rs 10 per debenture **b)** 1000, 10% debentures of Rs 100 each at a premium of 10% redeemable at a premium of 15%.	**3**
21	The firm of X, Y and Z was dissolved on 31st March,2023. It was agreed that Y will take care of the dissolution related activities and will get 10% of the value of assets realised. Y agreed to bear the realisation expenses. Assets realised Rs. 10,00,000 and realization expenses were Rs. 90,000, which were paid from the firm's cash. Rs. 4,50,000 were paid to the creditors in full settlement of their claim. Pass necessary journal entries for the above transactions in the books of the firm.	**4**

22	On 1st April 2023, X Ltd. was formed with an authorized capital of Rs.10,00,000 divided into 1,00,000 Equity Shares of Rs.10 each. The company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 shares. During the first year, Rs.8 was called. Aman holding 1,000 shares & Chirag holding 2,000 shares did not pay the first call of Rs.2 per share. Aman's shares were forfeited after the first call & later on 1,500 of the forfeited shares were reissued at Rs.6 per share, Rs.8 called up. Show share capital in the Balance Sheet of the company as per Schedule – III, Part – I of the Companies Act, 2013. Also prepare 'Notes to the Account' for the same.	4
23	P & Q were partners in a firm sharing profits in the ratio of 3:2. On 1st April, 2018, they admitted R as a partner in the firm. The Balance Sheet of P & Q on that date was as under: (see table below)	6

Liabilities	Amount Rs.	Assets	Amount Rs.
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
P 1,00,000		Building	2,80,000
Q 80,000	1,80,000		
	8,00,000		8,00,000

It was agreed that:

(i) The value of Building & Stock is appreciated to Rs.3,80,000 & Rs.1,60,000 respectively.

(ii) The liability of workmen's compensation fund was determined at Rs.2,30,000.

(iii) R brought his share of goodwill Rs.1,00,000 in cash.

(iv) R was to bring further cash as would make his capital equal to 20% of the combined capital of P & Q after above revaluation & adjustments are carried out.

(v) The future profit sharing ratio will be 2:2:1.

Prepare revaluation Account & Partner's Capital account new firm. Also show clearly the calculation of capital brought by R

OR

X, Y and Z are partners sharing profits in the ratio of 2:2:1. The firm closed its books on 31st March every year. On the above date in 2020, Z retired. According to the provisions of partnership deed, retiring partner is entitled for the following in the event of his retirement:

(i) Capital as per the last balance Sheet.

(ii) Interest on capital @ 6% per annum till the date of his retirement

(iii) His share of goodwill to be determined on the basis of three years purchase of the average profits of last four years. The profits of last four years were:

Year	2016-17	2017-18	2018-19	2019-20
Profit	30,000	50,000	40,000	60,000

(iv) There was a balance of General Reserve Rs.20,000 in the Balance Sheet of the firm at the time of his retirement which will be retained in the business.

(v) The balance of Z's Capital Account in the beginning of the year was Rs.60,000 and he took Rs.12,000 for his personal expenses during the year. Interest on his drawings to be charged @10% p.a. Prepare Z's Capital Account

24 A, B and C were partners sharing profits in the ratio 3 : 1 : 1. Their Balance Sheet on March 31, 2022, the date on which they dissolve their firm, was as follows : **6**

Liabilities		(Rs)	Assets		(Rs)
Capitals :			Sundry Assets		17,000
A	27,500		Stock		7,800
B	10,000		Debtors	24,200	
C	7,000	44,500	Less : Provisions for D.D.	1,200	23,000
Loan		1,500	Bills Receivables		1,000
Creditors		6,000	Cash		3,200
		52,000			52,000

It was agreed that :

(a) A to take over Bills Receivables at Rs 800, debtors amounting to Rs 20,000 at Rs 17,200 and creditors of Rs 6,000 were paid by him.

(b) B is to take over all the stock for Rs 7,000 and some assets at Rs 7,200 (being 10% less than the book value)

(c) C to take over remaining sundry assets at 90% of the book value and assume the responsibility of discharging loan together with accrued interest of Rs 300.

(d) The expenses of realization were Rs 270.

The remaining debtors were sold to a debt collecting agency at 50% of the book value.

Prepare Realisation A/c, Partners' Capital A/c and Cash A/c**.**

25 Pass necessary journal entries **6**

a. X Ltd. forfeited 10 shares of Rs 10 each, Rs 7 called up on which the shareholder had paid application and allotment money of Rs 5 per share. Out of these, 8 shares were re-issued to Y for Rs8 per share at Rs 8 per paid up per share. Record the journal entries for forfeiture and reissue of shares by opening call in arrear, call in advance account.

b. L ltd forfeited Mr M's shares who has applied for 600 shares and was allotted 400 shares failed to pay allotment money of Rs 4 per share including premium of Rs 2 on which he had paid application money of Rs 2 only. Pass necessary journal entries for forfeiture of shares.

c. Crown Ltd forfeited 50 shares of Rs 10 each, for non- payment of final call money of 3 per share. Out of these 20 shares were reissued to Taj at Rs 8 per share. Record the journal entries for forfeiture and reissue of shares

OR

Strategic Laboratories Ltd. issued 10,000, 10% debentures of 100 each on 1st April 2017. The issue was fully subscribed. According to the terms of issue, interest on the debentures is payable half-yearly on 30th September and 31st March and the tax deducted at source is 10%. Pass necessary journal entries related to the debenture interest for the half-yearly ending 31st March, 2018 and transfer of interest on debentures of the year to the Statement of Profit and Loss.

26 Ishan Ltd. invited applications for 1,00,000 equity shares of Rs. 10 each. The shares were issued at a premium of Rs. 5 per share. The amount was payable as follows: **6**

On Application and Allotment Rs. 8 per share (including premium Rs.3)

Balance on the first and final call.

	The allotment was made to the applicants on the following basis: (i) Applicants for 80,000 shares were allotted 60,000 shares; (ii) Applicants for 60,000 shares were allotted 40,000 shares; and (iii) Applicants for 10,000 shares were allotted nil. X, who belonged to the first category and was allotted 300 shares, failed to pay the first call money. Y, 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 reissued @ Rs. 12 per share fully paid up. Pass the necessary Journal entries in books company.	
	PART B (Analysis of Financial Statements)	
27	Analysis of financial statement of an enterprise over a period of time is known as: a) Cross-sectional Analysis b) Time Series Analysis c) Static Analysis d) External Analysis **OR** Which of the following is not a tool of Financial Statement Analysis? a) Cash Flow Statement b) Securities Analysis c) Ratio Analysis d) Comparative Statement	**1**
28	Current ratio of X ltd. is 2.4:1 and Y ltd. is 8:1. Choose the most appropriate options from the followings a)Y ltd is better than X ltd. b)Both companies are having ideal current ratio c)X ltd. is better than Y ltd d)Both the companies are having poor liquidity	**1**
29	If the current liabilities are Rs.120000 , Working capital Rs.360000 and Inventory is Rs 60000. Its quick ratio will be a)3:1 b) 3.5:1 c) 4;1 d) 4.5:1	**1**
30	Which of the following transactions is not shown under financing activity? a) Repayment of Bank Loan b) Proceeds from issue of shares c) Subscribed shares of other company d) Dividend paid **OR** In cash flow statement issue of debentures for consideration other than cash is shown under which activity a) Financing b) Investing & Financing c) Operating d) None of these	**1**
31	Under what heading will you show the following items in the financial statement of a company (i).Interest accrued and due on unsecured loan (ii) Interest accrued and due on secured loan (iii) Interest accrued but not due on loan (iv) Bank Charges (v) Loss on issue of debenture written off (vi) Sale of assets	**3**
32	Prepare a Common-Size Balance Sheet from the following information: <table><tr><td>Particular</td><td>2021</td><td>2020</td></tr><tr><td>Revenue from operation</td><td>2500000</td><td>2000000</td></tr><tr><td>Employees benefit expense</td><td>1000000</td><td>700000</td></tr><tr><td>Other expenses</td><td>200000</td><td>300000</td></tr><tr><td>Tax rate 40%</td><td></td><td></td></tr></table>	**3**

33	From the following information, compute 'Total Assets to Debt Ratio' : Long-term Borrowings 3,00,000 Long-term Provisions 1,50,000 Current Liabilities 75,000 Non-Current Assets 5,40,000 Current Assets 1,35,000 **OR** From the following information, calculate Gross Profit Ratio : Revenue from Operations : Cash 2,00,000 Credit 8,00,000 Purchases : Cash 40,000 Credit 3,60,000 Carriage Inwards 8,000 Salaries 42,000 Decrease in Inventory 1,22,000 Returns Outwards 20,000 Wages 20,000	**4**
34	The following information is available for the manufacturing Co. Superior Products Ltd Particulars — Rs 2021-22 — Rs 2020-21 Investments in land — 16,00,000 — 6,00,000 10% long term investments — 2,50,000 — 4,00,000 Machinery (at cost) — 3,00,000 — 2,00,000 Goodwill — 80,000 — 15,000 Additional Information: A machine costing Rs.40,000 (depreciation provided thereon Rs.12,000) was sold for Rs.35,000. Depreciation charged during the year was Rs.60,000. Calculate Cash Flow of from Investing Activities	**6**

****