KENDRIYA VIDYALAYA SANGTHAN, LUCKNOW REGION

ACCOUNTANCY (055)

CLASS: XII

PRE-BOARD EXAM (2025-26)

TIME: 03 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. Question 1 to 16 and 27 to 30 carries 1 mark each.
4. Questions 17 to 20, 31 and 32 carry 3 marks each.
5. Questions from 21, 22 and 33 carries 4 marks each.
6. Questions from 23 to 26 and 34 carries 6 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.

PART: A

S. No.		Marks
1	X, Y, and Z are partners in a firm. At the time of division of profit for the year, there was dispute between the partners. Profit before interest on partner's capital was Rs.6,000 and Y determined interest @24% p.a. on his loan of Rs.80,000. There was no agreement on this point. Calculate the amount payable to X, Y, and Z respectively. (A) Rs.2,000 to each partner. (B) Loss of Rs.4,400 for X and Z; Y will take Rs.14,800. (C) Rs.400 for X, Rs.5,200 for Y and Rs.400 for Z. (D) None of the above. **(OR)** In a partnership Firm, partner A is entitled a monthly salary of Rs.7,500. At the end of the year, firm earned a profit of Rs.75,000 after charging A's salary. If the manager is entitled a commission of 10% on the net profit after charging his commission, Manager's commission will be: (A) Rs.7,500 (B) Rs.16,500 (C) Rs.8,250 (D) Rs.15,000	1
2	Mukesh is a partner in a firm. His drawings during the year ended 31st March, 2024 were Rs. 72,000. If interest on drawings is charged @ 9% p.a. the interest charged will be : (A) Rs.324 (B) Rs.6,480 (C) Rs.3,240 (D) Rs.648	1

3	**Assertion**: X ltd. forfeited 2,000 equity shares of Rs. 10 each on which it had received Rs. 10,000. The company can reissue these forfeited shares at Rs. 4 per share. **Reason**: Forfeited shares cannot be issued at discount more than the amount received on these shares. (A) Assertion and reason both are incorrect. (B) Assertion and reason both are correct. (C) Assertion is correct but the reason is incorrect. (D) Assertion is incorrect but the reason is correct. **(OR)** ABC Ltd. issued a prospectus inviting applications for 2,000 shares. Applications were received for 3,000 shares and pro- rata allotment was made to the applicants of 2,400 shares. If Gunjan has been allotted 40 shares, how many shares she must have applied for? (A) 40 (B) 44 (C) 48 (D) 52	**1**
4	12,000 shares of Rs. 100 each forfeited due to non-payment of allotment of Rs. 40 per share and first & final call of Rs. 30 per share. Out of the forfeited shares, 9,000 shares were reissued at Rs. 80 per share fully paid. Which of the following amount of share forfeiture account will be transferred to Capital Reserve Account? (A) 90,000 (B) 1,80,000 (C) 3,60,000 (D) 2,70,000 **(OR)** X Ltd. acquired assets of Rs.20 lakhs and took over creditors of Rs.20 thousand from Y Ltd. X Ltd. issued 8% debentures of Rs.200 each at a discount of 10% as purchase consideration. Number of debentures issued will be: (A) 11,000 (B) 9,000 (C) 10,000 (D) 10,100	**1**
5	A and B are partners in a business sharing profits and losses in the ratio of 7: 3 respectively. They admit C as a new partner. A sacrificed 1/7th share of his profit and B sacrificed 1/3rd of his share in favor of C. The new profit-sharing ratio of A, B and C will be: (A) 3 : 1 : 1 (B) 2 : 1 : 1 (C) 2 : 2 : 1 (D) None of the above	**1**
6	ABC Ltd. has assets of Rs.5,00,000, whereas Liabilities are: Partners capitals – Rs.3,50,000, General Reserve – Rs. 60,000 and Sundry creditors – Rs. 90,000. If the Normal Rate of Return is 10% and the Goodwill of the firm is valued at Rs.90,000 at 2 year's purchase of super profit, the average profit of the firm will be (A) Rs.46,000 (B) Rs.86,000	**1**

	(C) Rs.1,63,000 (D) Rs.23,000	
7	A and B are equal partners with capitals of Rs.4,00,000 and Rs.3,00,000 respectively. After closing the accounts for the year ending 31st March, 2019 it was discovered that interest on capitals was provided @ 8% instead of 10% p.a. In the adjusting entry : (A) A will be credited by Rs.8,000 and B will be credited by Rs.6,000. (B) A will be debited by Rs.8,000 and B will be debited by Rs.6,000. (C) A will be debited by Rs.1,000 and B will be credited by Rs.1,000. (D) A will be credited by Rs.1,000 and B will be debited by Rs.1,000.	**1**
8	P, Q and R are sharing profits and losses equally. R retires and the goodwill is appearing in the books at Rs.30,000. Goodwill of the firm is valued at Rs.1,50,000. Calculate the net amount to be credited to R's Capital A/c. (A) Rs.60,000 (B) Rs.50,000 (C) Rs.40,000 (D) Rs.10,000 **(OR)** A, B and C were partners sharing profits and losses in the ratio of 2 : 2 : 1. Books are closed on 31st March every year. C dies on 5th November, 2018. Under the partnership deed, the executors of the deceased partner are entitled to his share of profit to the date of death, calculated on the basis of last year's profit. Profit for the year ended 31st March, 2018 was Rs.2,40,000. C's share of profit will be : (A) Rs.28,000 (B) Rs.32,000 (C) Rs.28,800 (D) Rs.48,000	**1**
9	On taking responsibility of payment of a liability of Rs.80,000 by a partner, the account credited will be: (A) Realisation Account (B) Cash Account (C) Capital Account of the Partner (D) Liability Account	**1**
10	Partners A, B and C share the profits of a business in the ratio of 3 : 2 : 1 respectively. They admit D who brings in Rs.60,000 for his share of goodwill. A, B, C and D decide to share the profits respectively in the ratio of 5 : 3 : 2 : 2. Credit will be given to : (A) A Rs.6,000; B Rs.6,000 (B) A Rs.30,000; B Rs.18,000; C Rs.12,000 (C) A Rs.30,000; B Rs.20,000; C Rs.10,000 (D) A Rs.30,000; B Rs.30,000 **(OR)** If the incoming partner brings the amount of goodwill in Cash and also a balance exists in goodwill account, then this goodwill account is written off among the old partners in (A) The new profit-sharing ratio (B) The old profit-sharing ratio	**1**

	(C) The sacrificing ratio (D) The gaining ratio	
11	X, Y and Z are partners sharing profits and losses in the ratio of 5:3:2. They decides to share the future profits in the ratio of 3:2:1. Workmen compensation reserve appearing in the balance sheet on the date if no information is available for the same will be: (A) Distributed among the partners in old profit-sharing ratio (B) Distributed among the partners in new profit-sharing ratio (C) Distributed among the partners in capital ratio (D)Carried forward to new balance sheet without any adjustment	**1**
12	When debentures are issued at discount and redeemable at a premium which one of the following accounts is debited at the time of issue? (A) Debentures account (B) Premium on redemption of debentures account (C) Loss on issue of debentures account (D) None of these.	**1**
13	If vendors are issued of Rs. 75,000 in consideration of net assets of Rs. 90,000 the balance of Rs.15,000 will be credited to: (A) Statement of profit & loss (B) Goodwill account (C) General reserve account (D) Capital reserve account	**1**
14	XYZ Ltd. took over assets of Rs.3,00,000 and liabilities of Rs.10,000 of ABC Ltd. for Rs.2,70,000 payable by issue of 9% Debentures of Rs.100 each at 20% premium. Which of the following statements is correct: (A) Capital Reserve is to be debited with Rs.20,000 (B) Capital Reserve is to be credited with Rs.20,000 (C) Goodwill Account is to be debited with Rs.20,000 (D) Goodwill Account is to be credited with Rs.20,000	**1**
15	How much amount will be paid to Creditors for Rs.25,000 if Rs.5,000 of the creditors are not to be paid and the remaining creditors agreed to accept 5% less amount? (A) Rs.18,750 (B) Rs.19,000 (C) Rs.19,750 (D) Rs.20,000	**1**
16	Assertion (A): Employees provident fund is not distributed to the Partners' Capital Accounts. Reason (R): Employees provident fund is a liability towards the employees, thus, partners have no claim over it. (A) Both Assertion and Reason are correct and Reason is the correct explanation for Assertion (B) Both Assertion and Reason are correct but Reason is not the correct explanation for Assertion (C) Assertion is correct but Reason is incorrect (D) Both Assertion and Reason are incorrect	**1**
17	Atul and Neera were partners in a firm sharing profits in the ratio of 3 : 2. They admitted Mitali as a new partner. Goodwill of the firm was valued at Rs. 2,00,000. Mitali brings her share of	**3**

<table>
<tr><td></td><td>goodwill premium of Rs. 20,000 in cash, which is entirely credited to Atul's capital account. Calculate the new profit-sharing ratio.
(OR)
Satish and Taruna were partners in a firm sharing profits and losses in the ratio of 3: 2. From 1st April, 2018 they decided to share profits equally. On that date, their Balance Sheet showed a credit balance of Rs. 35,000 in workmen compensation fund. The goodwill of the firm on that date was valued at Rs. 50,000. The firm accepted a claim of Rs. 40,000 for workmen compensation.
Pass necessary journal entries for the above transactions on the reconstitution of the firm.</td><td></td></tr>
<tr><td>18</td><td>Record necessary journal entries in the following cases:
(a) Creditors worth Rs. 85,000 accepted Rs. 40,000 as cash and Investment worth Rs. 43,000, in full settlement of their claim.
(b) Creditors were Rs. 16,000. They accepted Machinery valued at Rs. 18,000 in settlement of their claim.
(c) Creditors were Rs. 90,000. They accepted Buildings valued Rs. 1, 20,000 and paid cash to the firm Rs. 30,000.</td><td>3</td></tr>
<tr><td>19</td><td>Fill in the blanks in the following case.
<table>
<tr><th>Date</th><th>Particulars</th><th>L.F. No.</th><th>Dr.</th><th>Cr.</th></tr>
<tr><td>1</td><td>Sundry Assets A/c……..Dr.
To Sundry Creditors A/c
To……
To ……..
(Business of ABC & Co. purchased for consideration of Rs. 15,00,000)</td><td></td><td>18,00,000</td><td>
2,00,000
……..
…….</td></tr>
<tr><td>2</td><td>…… Dr.
…… Dr.
To 8% Debentures A/c
(Paid to ABC & Co.by issue of …….8%debentures of Rs. 150 each at a discount of Rs. 50 per debenture.)</td><td></td><td>…….
…….</td><td>

……..</td></tr>
</table></td><td>3</td></tr>
<tr><td>20</td><td>X and Y are partners in a firm sharing profits and losses in the ratio of 2:1. On 31st March, 2024, their Balance Sheet showed General Reserve of Rs. 60,000. It was decided that in future they will share profits and losses in the ratio of 3:2. Pass necessary journal entries in each of the following alternative cases:
(i) If General Reserve is not to be shown in the new Balance Sheet.
(ii) If General Reserve is to be shown in the new Balance Sheet.</td><td>3</td></tr>
<tr><td>21</td><td>XYZ Ltd. issued 50,000 shares of Rs. 100 each at premium of 5%. The shares were payable Rs. 25 on application, Rs. 50 on allotment and Rs. 30 on first and final call. The issue was fully subscribed and money was duly received except the final call on 400 shares. The premium was adjusted on allotment.
Prepare balance sheet with notes to account.</td><td>4</td></tr>
</table>

<table>
<tr><td>22</td><td>(a) A and B are partners sharing profits equally. A drew regularly Rs. 4,000 at the end of every month for six months ended 30th September, 2019. Calculate interest on drawings @ 5% p.a. for a period of six months.
(b) Calculate interest on drawings of Vishesh @ 10% p.a. for the year ended 31st March, 2019, if he withdrew Rs. 7,500 at the beginning of each quarter.</td><td>2+2=4</td></tr>
<tr><td>23</td><td>(a)The directors of a company forfeited 200 equity shares of Rs. 10 each on which Rs. 800 had been paid. The Shares were re-issued upon payment of Rs. 1,500 as fully paid up. Pass necessary journal entries for the above transactions.

(b)Gaurav Ltd. purchased Machinery costing Rs.4,00,000 from Vaibhav Ltd. Payment for the same was made as under:
(i) Rs.1,00,000 in cash.
(ii) Balance was payable by issuing shares of Rs.10 each at a Premium of 25%.
Pass the necessary Journal Entries.</td><td>2x3=6</td></tr>
<tr><td>24</td><td>Himanshu, Gagan and Naman are partners sharing profits and losses in the ratio of 3 : 2 : 1.
On March 31, 2017, Naman retires.
The various assets and liabilities of the firm on the date were as follows:
Cash Rs. 10,000, Building Rs. 1,00,000, Plant and Machinery Rs. 40,000, Stock Rs. 20,000, Debtors Rs. 20,000 and Investments Rs. 30,000.
The following was agreed upon between the partners on Naman’s retirement:
(i) Building to be appreciated by 20%.
(ii) Plant and Machinery to be depreciated by 10%.
(iii) A provision of 5% on debtors to be created for bad and doubtful debts.
(iv) Stock was to be valued at Rs. 18,000 and Investment at Rs. 35,000.
Record the necessary journal entries to the above effect and prepare the revaluation account.</td><td>6</td></tr>
<tr><td>25</td><td>Given below is the Balance Sheet of A and B, who are carrying on partnership business on 31.12.2016. A and B share profits and losses in the ratio of 2:1.
Balance Sheet of A and B as at March 31, 2016.
<table>
<tr><th>Liabilities</th><th>Amount(Rs.)</th><th>Assets</th><th>Amount(Rs.)</th></tr>
<tr><td>Bills Payable</td><td>10,000</td><td>Cash in Hand</td><td>10,000</td></tr>
<tr><td>Creditors</td><td>58,000</td><td>Cash at Bank</td><td>40,000</td></tr>
<tr><td>Outstanding Expenses</td><td>2,000</td><td>Sundry Debtors</td><td>60,000</td></tr>
<tr><td>Capitals:</td><td></td><td>Stock</td><td>40,000</td></tr>
<tr><td>A: 1,80,000</td><td></td><td>Plant</td><td>1,00,000</td></tr>
<tr><td>B: 1,50,000</td><td>3,30,000</td><td>Buildings</td><td>1,50,000</td></tr>
<tr><td></td><td>4,00,000</td><td></td><td>4,00,000</td></tr>
</table>
C is admitted as a partner on the date of the balance sheet on the following terms:
(i) C will bring in Rs. 1,00,000 as his capital and Rs. 60,000 as his share of goodwill for 1/4 share in the profits.
(ii) Plant is to be appreciated to Rs. 1,20,000 and the value of buildings is to be appreciated by 10%.
(iii) Stock is found over valued by Rs. 4,000.</td><td>6</td></tr>
</table>

(iv) A provision for bad and doubtful debts is to be created at 5% of debtors.

(v) Creditors were unrecorded to the extent of Rs. 1,000.

Prepare Revaluation account and Partners' Capital Accounts.

(OR)

R, S and M were carrying on business in partnership sharing profits in the ratio of 3 : 2 : 1 respectively. On March 31, 2011, Balance Sheet of the firm stood as follows:

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Sundry creditors		16,000	Building		23,000
Capitals:			Debtors	7,000	
R	20,000		(-) Provision for Bad Debts (350)		6,650
S	7,500		Stock		12,350
M	12,500	40,000	Patents		8,000
			Bank		6,000
		56,000			56,000

S retired on the above-mentioned date on the following terms:
(a) Buildings to be appreciated by Rs. 8,800.
(b) Provision for bad debts to be made @ 10% on debtors.
(c) Goodwill of the firm to be valued at Rs. 9,000.
(d) Rs.5,000 to be paid to S immediately and the balance due to him to be treated as a loan carrying interest @ 6% per annum.
Prepare Revaluation Account and Partners' Capital Account.

26 Jaya Ltd issued 60,000 shares of Rs 10 each at a premium of Rs 2 per share payable as Rs 3 on application, Rs 5 (including premium) on allotment and balance on the first and final call. Applications were received for 82,000 shares. The directors resolved to allot as follows
(i)Applicants of 30,000 shares — allotted 20,000 shares
(ii)Applicants of 50,000 shares — allotted 40,000 shares
(iii)Applicants of 2,000 shares — Nil
Ramesh who had applied for 900 shares in category (i) and Suresh who was allotted 600 shares in category (ii) failed to pay the allotment money.
Pass necessary journal entries in the books of Jaya Ltd. **6**

(OR)

X Ltd. issued a prospectus offering 2,00,000 shares of Rs. 10 each at Rs. 14 per share payable as follows:
On application- Rs.4
On allotment- Rs. 6 (including premium Rs. 4)
On first call- Rs.3
On final call- balance
Dinesh the holder of 1,000 shares did not pay the amount due on allotment and first call. His shares were forfeited and 400 of these shares were immediately reissued credited Rs. 9 paid for Rs. 8.40 per share.
Final call was not made till date.

<table>
<tr><td></td><td>Pass necessary journal entries in the books of company.</td><td></td></tr>
<tr><td></td><td>Part B :- Analysis of Financial Statements</td><td></td></tr>
<tr><td>27</td><td>Dynamic (time-based) analysis is:
(A) Horizontal Analysis
(B) Vertical Analysis
(C) Internal Analysis
(D) External Analysis</td><td>1</td></tr>
<tr><td>28</td><td>If Opening Inventory is Rs. 1,20,000, Cost of Revenue from Operations is Rs. 10,00,000 and Inventory Turnover Ratio is 5 times, then Closing Inventory will be:
(A) Rs. 3,20,000
(B) Rs. 2,80,000
(C) Rs. 1,60,000
(D) Rs. 4,00,000
(OR)
A Company's Liquid Assets are Rs. 2, 00,000, Inventory is Rs. 1, 00,000, Prepaid Expenses are Rs. 20,000 and Working Capital is Rs. 2, 40,000. Its Current Ratio will be:
(A) 1.33 :1
(B) 4 : 1
(C) 2.5 : 1
(D) 3 : 1</td><td>1</td></tr>
<tr><td>29</td><td>Interest received by a finance company is classified under which kind of activity while preparing a Cash Flow Statement?
(A) Operating Activities
(B) Investing Activities
(C) Financing Activities
(D) Cash Equivalent
(OR)
Which of the following come under investing activities in the cash flow?
(A) Sale of fixed assets
(B) The interest that is received
(C) Dividend received
(D) All of the above</td><td>1</td></tr>
<tr><td>30</td><td>A company purchased a machine for Rs.1,00,000 by paying Rs.30,000 in cash and issuing debentures for the remaining Rs.70,000. In the cash flow statement, the transaction will be shown as:
(A) Outflow under Investing Activity Rs.1,00,000
(B) Outflow under Investing Activity Rs.30,000 and Inflow under Financing Activity Rs.70,000.
(C) Outflow under Investing Activity Rs.30,000 only.
(D) Inflow under Financing Activity Rs.70,000 only.</td><td>1</td></tr>
<tr><td>31</td><td>From the information extracted from the Statement of Profit and Loss for the years ended 31st March, 2017 and 31st March, 2018, prepare a Comparative Statement of Profit and Loss:
<table>
<tr><th>Particulars</th><th>2017-18</th><th>2016-17</th></tr>
</table></td><td>3</td></tr>
</table>

Revenue from operations	300% of cost of material consumed	200% of cost of material consumed	
Cost of materials consumed	2,40,000	2,00,000	
Other expenses	20% of cost of material consumed	10% of cost of material consumed	
Tax rate	50%	50%	

(OR)

Complete the following Common Size Balance Sheet:

Common Size Balance Sheet				
Particulars	A Ltd.	B Ltd.	A Ltd.(% of Total)	B Ltd.(% of Total)
I. Equity and Liabilities				
1. Shareholder's Fund				
a. Equity Share Capital	----------	8,00,000	60	66.67
b. Reserves and Surplus	3,00,000	2,50,000	--------	20.83
2. Current Liabilities	1,00,000	----------	10	12.5
Total	10,00,000	12,00,000	100	100
II. Assets				
1. Non-Current Assets				
a. Fixed Assets	4,00,000	7,00,000	---------	58.33
2. Current Assets	----------	5,00,000	60	--------
Total	10,00,000	12,00,000	100	100

32 Write the main head and sub head of the following items as per the financial statements of a company: **3**

(a) Advance tax
(b) Bank Overdraft
(c) Trademarks
(d) Capital Reserve
(e) Finished Goods
(f) Loose Tools

33 The quick ratio of a company is 2: 1. State giving reasons, which of the following would improve, reduce or no change the ratio **4**

(i) Purchase of machinery for cash
(ii) Purchase of goods on credit
(iii) Sale of furniture at cost
(iv) Cash received from debtors.

(OR)

Y Ltd's profits after interest and tax were Rs. 1,00,000. Its current assets were Rs. 4,00,000 current liabilities Rs. 2,00,000; fixed assets Rs. 6,00,000 and 10% long-term debt Rs. 4,00,000. The rate of tax was 20%. Calculate Return on Investment of Y Ltd.

34 Calculate Cash Flow from operating activities from the following information: **6**

Particulars	31st March, 2015	31st March, 2014

Surplus (i.e. Balance in the Statement of Profit and Loss)	71,000	89,000
Inventory	12,000	4,000
Trade Receivables	58,000	45,000
Outstanding Expenses	14,600	10,000
Goodwill	57,000	27,000
Cash in Hand	9,000	12,000
Machinery	82,000	56,000

Additional Information:

(i) A piece of machinery costing Rs.50,000 on which depreciation of Rs. 20,000 had been charged was sold for Rs. 10,000. Depreciation charged during the year was Rs. 18,000.

(ii) Income Tax Rs. 23,000 was paid during the year.

(iii) Dividend paid during the year was Rs. 36,000.