KENDRIYA VIDYALAYA SANGATHAN MUMBAI REGION

Second Pre-Board Examination (2024-25)

Class–XII Accountancy (055)

Time: 3 hrs **SET A** **M.M.:80**

General Instructions :

Read the following instructions carefully and follow them :

(i) This question paper contains 34 questions. **All** questions are **compulsory**.

(ii) This question paper is divided into **two** parts — **Part A** and **Part B**. Questions number **1 to 16 (Part A)** and Questions number **27 to 30 (Part B)** are **multiple choice questions**. Each question carries **1** mark.

(iii) Questions number **17 to 20** (Part A) and Questions number **31 and 32** (Part B) are short answer type questions. Each question carries **3** marks.

(iv) Questions number **21, 22** (Part A) and Question number **33** (Part B) are Long answer type-I questions. Each question carries 4 marks.

(v) Questions number **23 to 26** (Part A) and Question number **34** (Part B) are Long answer type-II questions. Each question carries 6 marks.

(vi) There is **no overall choice**. However, an **internal choice** has been provided in few questions in each of the parts.

	PART A **(ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES)**	
1	Pankaj and Raman were partners sharing profits in the ratio of 2:1. Manan is admitted as a new partner for 1/4th share in the profit of firm. Manan acquires 3/4th of his share from Pankaj and 1/4th of his share from Raman. The new profit sharing ratio will be:- (A) 2:1:1 (B) 3:1:1 (C) 23:13:12 (D) 13:23:12 **OR** Atul and Bhanu were partners sharing profits in the ratio 3 : 2. They admitted Charu as new partner for 1/5th share in the future profits of the firm which she got equally from Atul and Bhanu. The new profit sharing ratio among Atul, Bhanu and Charu will be :- (A) 3:5:1 (B) 1:1:1 (C) 3:5:2 (D) 5:3:2	1

2	X and Y are partners. Y draws a fixed amount at the end of every quarter. Interest On drawings is charged @ 15% p.a. At the end of the year interest on Y's drawings Amounted to ₹ 9,000. Drawings of Y were: (A) ₹24,000 per quarter (B) ₹40,000 per quarter (C) ₹30,000 per quarter (D) ₹80,000 per quarter	1
3	Creditors in Balance Sheet before dissolution were Rs.2,50,000. Half of the creditors accepted furniture of Rs.1,50,000 at 10% less than the book value in full settlement of their claims. Remaining creditors were paid availing discount of 5%. Amount that will be debited in the Realisation Account for payment to creditors will be: (A). Rs.1,25,000 (B) Rs.1,35,000 (C) Rs.1,28,750 (D) Rs.1,18,750	1
4	When the incoming partner brings in his share of premium for goodwill in cash, it is adjusted by crediting to: (A) Incoming partner's capital A/c (B) Gaining partner's capital A/c (C) Sacrificing partner's capital A/c (D) Cash A/c	1
5	Anhuman, Ranveer and Pulkit were partners in a firm sharing profits in the ratio of 2:2:1. They admitted Yash for contribute proportionate capital 1/5 th share in the profits of the firm. He has to acquire 1/5th share in future profits. On the date of admission, the capitals after all adjustments relating to goodwill and revaluation of assets and liabilities were: Anhuman 62,000, Ranveer 52,000 and Pulkit 36,000. The capital brought by Yash will be: (A) 37.500 (B) 30,000 (C) 32.500 (D) 35,000	1
6	Assertion (A) : In order to compensate a partner for contributing capital to the firm in excess of the profit sharing ratio, firm pays such interest on Partners' Capital. Reason (R) :Interest on Capital is treated as a charge against profits. (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	1
	Read the following hypothetical situation and answer questions No. 7 and 8 on the basis of the given information: Dilip and Eknath are partners in a firm sharing profits and losses in the ratio of 3 : 1. Their capitals were ₹ 2,80,000 and ₹ 1,20,000 respectively. As per partnership deed, they were entitled to interest on capital @ 10% p.a.. The firm earned a profit of ₹ 20,000 for the year ended 31st March, 2024.	
7	Dilip's interest on capital will be : (A) ₹ 14,000 (B) ₹ 28,000 (C) ₹ 12,000 (D) ₹ 10,000	1
8	Eknath's share of profit/loss will be : (A) ₹ 12,000 (Profit) (B) ₹ 9,0000 (Loss) (C) ₹ 3,000 (Loss) (D) NIL	1
9	Excellent Ltd. Issued 10,000 shares of Rs10 each at 20% premium which was over	1

	subscribed to the extent of 5,000 share. All money to be paid on application only and shares were allotted on pro-rata basis. The company will refund……. (A).Rs 60,000 (B) Rs 50,000 (C) Rs 40,000 (D) Rs 30,000	
10	Dhawan Ltd. issued 50,000 shares of ₹ 10 each at a premium of ₹ 6. The amount was payable as follows : On Application ₹ 7 per share (Including Premium ₹ 1 per share) On Allotment — ₹ 5 per share (Including Premium ₹ 2 per share) On First and Final call – Balance The issue was fully subscribed. All the money was duly received except the allotment and first and final call on 1,500 shares. These shares were forfeited. On forfeiture of these shares, the 'Securities Premium Account' will be debited by : (A) ₹ 1,500 (B) ₹ 3,000 (C) ₹ 7,500 (D) ₹10,000	1
11	The directors of Gopal Textile Ltd. resolved that 200 shares of ₹100 each be forfeited for non-payment of the second and final call of ₹ 30 per share. Out of these150 shares were reissued at ₹ 60 per share to Mohit. How much amount will be transferred to Capital Reserve A/c? (A) ₹ 3,500 (B) ₹ 4,500 (C) ₹ 6,000 (D) ₹14,000	1
12	There are two statements Assertion (A) and Reason (R) : Assertion (A**)** : Court does not intervene in case of dissolution of partnership. Reason (R) : Dissolution of partnership takes place by mutual agreement among partners. Choose the correct option from the following : (A) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). (C) Assertion (A) is correct, but Reason (R) is incorrect. (D) Assertion (A) is incorrect, but Reason (R) is correct.	1
13	Money not received from shareholders on allotment or calls is : (A) Debited to calls in advance account. (B) Credited to calls in advance account. (C) Debited to calls in arrears account. (D) Credited to calls in arrears account. **OR** Those debentures where a charge is created on the assets of the company for the purpose of payment in case of default are known as : (A) Secured Debentures (B) Registered Debentures (C) Specific Coupon Rate (D) Debentures Redeemable Debentures	1
14	Sunrise Ltd. issued 9,000, 11% Debentures of ₹ 100 each at a discount of 10% redeemable at a premium. 'Discount on issue of debentures' and 'Premium on redemption of debentures' were accounted for through 'Loss on issue of debentures account'. If the amount of 'Loss on issue of debentures' was ₹ 1,30,000, then the amount of premium on redemption of debentures was : (A) ₹ 60,000 (B) ₹ 90,000 (C) ₹ 1,20,000 (D) ₹ 40,000	1

OR

On 1st April, 2023 Moonlight Ltd. issued 25,000, 12% Debentures of ₹ 100 each at a premium of 10%. The total amount of interest on debentures for the year ended 31st March, 2024 will be :

(A) ₹ 3,30,000 (B) ₹ 2,50,000 (C) ₹ 3,00,000 (D) ₹ 1,50,000

15 Rita, Gita and Nita were partners in a firm sharing profits in the ratio of 2 : 2 : 1. With effect from 1st April, 2023 they decided to change their profit sharing ratio as 1 : 2 : 2. There existed a Debit Balance of Profit and Loss Account of ₹ 50,000 in the books of the firm on the date of change in profit sharing ratio. The partners decided to retain the Debit Balance of Profit and Loss Account in the books. The adjustment entry will be : 1

JOURNAL			
	PARTICULARS	DR Amount	CR Amount
(A)	Rita's Capital A/c Dr	. 10,000	
	To Nita's Capital A/c		10,000
(B)	Rita's Capital A/c Dr.	5,000	
	To Nita's Capital A/c		5,000
(C)	Nita's Capital A/cDr.	10,000	
	To Rita's Capital A/c		10,000
(D)	Nita's Capital A/c Dr.	5,000	
	To Rita's Capital A/c		5,000

OR

Amit Ajay and Ashay were partners in a firm sharing profits in the ratio of 7 : 2 : 1. With effect from 1st April, 2023 they decided to change their profit sharing ratio to 1 : 2 : 7. There existed a Credit Balance in the Profit and Loss Account of ₹ 1,00,000 on the date of change in profit sharing ratio in the books of the firm. The partners decided to retain the Credit Balance in Profit and Loss Account in the books. The adjustment entry will be :

JOURNAL			
	PARTICULARS	DR Amount	CR Amount
(A)	Ashay's Capital A/c Dr	. 20,000	
	To Amit's Capital A/c		20,000
(B)	Ashay's Capital A/c Dr.	60,000	
	To Amit's Capital A/c		60,000
(C)	Amit's Capital A/cDr.	20,000	
	To Ashay's Capital A/c		20,000
(D)	Amit's Capital A/c Dr.	60,000	
	To Ashay's Capital A/c		60,000

16	Ritu, Mitu and Jitu were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Jitu retired. Jitu's share was acquired equally by Ritu and Mitu. The new profit sharing ratio between RItu and Mitu after Jitu's retirement was : (A) 3 :2 (B) 5: 4 (C) 4 :3 (D) 2:1 **OR** A, B and C were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. C retired and his share was acquired by A. The new profit sharing ratio between A and B after C's retirement will be : (A) 3 : 2 (B) 3 : 1 (C) 1 : 1 (D) 2 : 1	1
17	Misha and Prisha were partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April, 2022, their capital accounts showed balances of ₹ 50,000 and ₹ 30,000 respectively. During the year, Misha withdrew ₹ 12,900 while Prisha withdrew ₹ 9,600. They were allowed interest on capital @ 10% p.a. Interest on drawings of ₹ 660 was charged on Misha's drawing ₹ 540. Prisha had advanced a loan of ₹ 20,000 to the firm on 1st August, 2022. The net profit for the year ended 31st March, 2023 amounted to ₹22,600. Prepare Profit and Loss Appropriation Account for the year ended 31st March 2023	3
18	Rohan and Mohan were partners in a firm with a combined capital of ₹ 4,00,000. The normal rate of return was 15%. The profits of the last four years were: 2020-21 - 60,000 2021-22 - 90,000 2022-23 - 80,000 2023-24 - 60,000 The closing stock for the year 2023-24 was undervalued by ₹10,000. Calculate goodwill of the firm based on capitalization of average profit.	3
19	Mohit Ltd. purchased building worth₹ 3,00,000, plant and machinery worth 2,50,000, furniture worth ₹ 50,000 and took over liabilities of ₹ 80,000 from Shruti Ltd. for a purchase consideration of ₹4,40,000. The purchase consideration was paid by issuing 9% Debentures of 100 each at a premium of 10%. Pass the necessary journal entries in books of Mohit Ltd. to record the above transactions. **OR** On 1st April, 2023, Annex Ltd. took over assets of ₹ 14,00,000 and liabilities of ₹ 2,00,000 from Shagun Ltd. at an agreed value of ₹ 17,00,000. Annex Ltd. paid the amount to Shagun Ltd. as follows: (i) Issued a bank draft of ₹ 2,00,000. (ii) Issued 8% Debentures of ₹ 100 each at a premium of 50% in satisfaction of the balance amount of purchase consideration. Pass the necessary journal entries in the books of Simple Ltd. to record the above transactions.	3
20	Aman, Shanti and Kranti were partners in a firm with fixed capitals of ₹1,20,000, ₹1,00,000 and ₹80,000 respectively. As per the partnership deed, there was a provision for allowing interest on capitals @ 10% p.a., but entries for the same had not been made for the last two years. The profit sharing ratio during the last two years was as follows:	3

YEAR	Aman	Shanti	Kranti
2022-23	5	3	2
2023-24	1	1	1

Pass an adjustment entry of the beginning of the third year, i.e., on 1st April, 2023.

OR

Meera, Neena and Ojas were partners in a firm sharing profits and losses in the ratio of 5: 3:2. The partnership deed provided for charging interest on drawings @ 10% p.a. The drawings of Meera, Neena and Ojas during the year ended 31st March, 2023 amounted to 60,000,₹50,000 and 40,000 respectively. After the final accounts had been prepared, it was discovered that interest on drawings had not been taking into consideration.

Pass the necessary adjustment entry

21 | Jeet polymers Ltd. was registered with an authorized capital of 5,00,000 divided into equity shares of ₹ 10 each. The company issued a prospectus inviting applications for 20,000 equity shares. The amount was payable as follows: | 4

On Application -3 per share

On Allotment-5 per share

On First and Final call -Balance

Applications were received for 19,000 equity shares and allotment was made to all the applicants. All the amounts were duly received except the first and final call on 5.000 shares.

Present the share capital in the Company's Balance Sheet as per Schedule III, Part I of Companies Act, 2013. Also prepare "Notes to Accounts for the same.

22 | Pass the necessary journal entries in the following cases on the dissolution of a partnership firm of partners X, Y, A and B: | 4

(i) Realization expenses of ₹5,000 were to be borne by X, a partner. However, it was paid by Y.

(ii) Investments costing ₹25,000 (comprising 1,000 shares), had been written off from the books completely. These shares are valued at ₹20 each and were divided amongst the partners.

(iii) Y's loan of ₹50,000 settled at ₹48,000.

(iv) Profit and loss account showed a debit balance of ₹40,000.

23 | Mani, Nani and Akki were partners in a firm sharing profits and losses equally their balance sheet as on 31st March 2023 was as follows | 6

Liabilities	Amount Rs.	Assets	Amount Rs.
Sundry Creditors	40,000	Cash in hand	70,000
General Reserve	60,000	Cash at Bank	80,000
Capital :		Debtors	90,000
Mani 1,40,000		Stock	60,000
Nani 1,40,000		Plant & Machinery	1,20,000
Akki 1,40,000	4,20,000	Building	1,00,000
	5,20,000		5,20,000

Nani died on 12 June 2023. according to the partnership deed, the executors of the deceased partner and are entitled to

	i) balance of partners, capital account ii) Interest on capital at the rate of 5% per annum iii) Share of goodwill calculated on the basis of twice the average of past three years profits and iv) Share of profits from the closure of the last accounting year till the date of death on the basis of twice the average of three completed years profit before death profits for the year ended 31st March 2021, 2022 and 2023, where ₹1,60,000 ₹1,80,000 and ₹2,00,000 respectively. The working for deceased partner share of goodwill and profit till the date of death. Prepare deceased Partner's capital Account to be rendered to his executors	
24	Akshit fashion Ltd, issued a prospectus inviting applications for 60,000 shares of ₹10 each at a premium of 30% payable as follows: On Application 3.50; On Allotment 5.50 (including premium): On First Call ₹ 2 and on Second Call ₹ 2. Applications were received for 95,000 shares and allotment was made pro-rata to applicants of 80,000 shares. Money over-paid on applications was employed on account of sums due on allotment. Kumar to whom 1,500 shares were allotted failed to pay the allotment money and on his subsequent failure to pay the First Call his shares were forfeited. Megha, the holder of 2,400 shares failed to pay the two calls and her shares were forfeited after the Second Call. Of the shares forfeited, 3,000 shares were re-issued to Ravi as fully paid, Ravi paying ₹8.50 per share, the whole of Megha's share being included. On the basis of the above information, you are required to answer the following questions: (i) Amount received on allotment in Cash will be: (a) ₹2,51,750 (b) ₹3,21,750 (c) ₹3,23,500 (d) ₹2,53,500 (ii) In the entry of forfeiture of Kumar's shares, the amount Credited to Share Forfeiture A/c will be: (a) ₹ 2,500 (b) ₹7,000 (c) ₹10,000 (d) ₹5,500 (iii) In the entry of forfeiture of Megha's shares, the amount Credited to Share Forfeiture A/c will be : (a) ₹18,900 (b) ₹ 9,600 (c) ₹14,100 (d) ₹14,400 (iv) After the reissue of forfeited shares, amount transferred to Capital Reserve will be (a) ₹12,700 (b) ₹17,200 (c) ₹11,500 (d) ₹16,900 (v) After the reissue of forfeited shares, balance in Share Forfeiture Account will be : (a) ₹8,700 (b) ₹4,200 (c) ₹16,900 (d) ₹17,200 (vi) What will be the amount in the "Subscribed and Fully paid" after the reissue of these 3000 shares? (a) ₹5,95,200 (b) ₹6,00,000 (c) ₹5,94,150 (d) ₹8,00,000	6
25	Trust Ltd. issued a prospectus inviting applications for 1,60,000 shares of 10 each. The amount was payable as follows: On Application -3 per share On Allotment-2 per share On First and Final call-Balance Applications for 3,00,000 shares were received Applications for 20,000 shares were rejected and pro rata allotment was made to the remaining applicants as follows:	6

Category (i) Applicants for 1,60,000 shares were allotted 80,000 shares.
Category (ii) Applicants for 1,20,000 shares were allotted 80,000 shares.
It was decided that excess money received on application be adjusted towards sum due on allotment and first and final call. All the amounts due on allotment and first and final call were duly received.
Pass necessary journal entries to record the above transactions in the books of Trust Ltd.

OR

Perfect Ltd. issued a prospectus inviting applications for 40,000 shares of 10 each at a premium of 20%. The amount was payable as follows:
On Application-5 per share
On Allotment-5 per share (Including Premium)
On First and Final call-Balance
To Applications for 60,000 shares were received and allotment was made on a pro-rata basis to all the applicants. Excess money received on application was adjusted towards the amount due on allotment.
Sameer who had applied for 1,200 shares failed to pay the allotment money. His shares were forfeited immediately after allotment. All the forfeited shares were reissued at ₹7 per share as ₹8 paid up. First and final call was not yet made.
Pass necessary journal entries to record the above transactions in the book of Pearl Ltd. Open Calls in Arrears Account' wherever necessary.

26 | 6

Anshu and Vihu were partners in a firm sharing profits and losses in the ratio of 3: 2. Their Balance Sheet as at 31st March, 2024 was as follows

Balance Sheet of Anshu and Vihu as at 31st March, 2024

Liabilities		Amount	Assets		Amount
Capitals:			Cash		40,000
Anshu	1,44,000		Debtors	36000	
Vihu	80,000	2,24,000	Less Provision for		
General Reserve		50,000	doubtful debts	2000	34000
Creditors		80,000	Stock		30000
Investment Fluctuation		10,000	Investment		40000
			Plant and Machinery		220000
		3,64,000			3,64,000

On 1st April, 2024, Mani was admitted into partnership for 1/5th profits of the firm on the following terms:
(i) Mani brought ₹ 20,000 as her share of goodwill and proportionate capital.
(ii) Provision for doubtful debts was to be maintained at 10% on debtors.
(iii) Market value of investments was ₹ 35.000.
(iv) The value of Plant and Machinery be increased by ₹ 6,600.
Prepare Revaluation Account and Partners' Capital Accounts.

OR

Trisha, Urvi and Varsha were partners in a firm sharing profits and losses in the ratio of 5: 4: Their Balance Sheet as at 31st March, 2024 was as follows:

Balance Sheet of Trisha, Urvi and Varsha as at 31st March, 2024

Liabilities	Amount	Assets	Amount
Capitals:		Fixed Assets	4,00,000
Trisha 2,00,000		Stock	1,00,000
Urvi 1,30,000		Debtors	1,50,000
Varsha 1,00,000	4,30,000	Cash at Bank	2,00,000
General Reserve	1,50,000		
Creditors	2,70,000		
	8,50,000		8,50,000

Trisha retired on 1st April, 2024 and the partners agreed to the following terms:
(i) Fixed Assets were found overvalued by ₹ 80,000.
(ii) Stock was taken over by Trisha at ₹ 80,000.
(iii) Goodwill of the firm was valued at ₹ 1,00,000 on Trisha's retirement and Trisha's share by goodwill was adjusted through the Capital Accounts of remaining partners.
(iv) New profit sharing ratio between the remaining partners was agreed at 2:3.
(v) Trisha was paid ₹ 50,000 on retirement and the balance was transferred to her loan account.
Pass necessary journal entries in the books of the firm on Trisha's retirement

PART –B (FINANCIAL STATEMENT ANALYSIS)

27 Which of the following transactions will result in cash outflow from operating activities? 1
(A) Payment to creditors
(B) Proceeds from sale of investments
(C) Dividend received by a non-finance company
(D) Depreciation charged on furniture

28 The Quick Ratio of a company is 1: 1. Which of the following transactions will result in increase of this ratio? 1
(A) Purchase of inventory ₹1,50,000 through cheque
(B) Sold inventory on credit ₹ 50,000
(C) Outstanding expenses of ₹ 40,000 paid
(D) Machinery purchased for cash ₹ 50,000

29 Which of the following is not a limitation of Analysis of Financial Statements'? 1
(A) It is just a study of the reports of the company.
(B) It does not consider price level changes.
(C) It ascertains the relative importance of different components of the financial position of the firm.
(D) It may be misleading without the knowledge of t changes in accounting procedures followed by a firm.

OR

Ratios that are calculated for measuring the efficiency of operations of business based on effective utilization of resources are known as:
(A) Liquidity ratios (B) Turnover ratios (C) Solvency ratios (D) Profitability ratios

30 Sale of patents of ₹50,00,000 will result in: 1
(A) Cash inflow of ₹ 50,00,000 from financing activities
(B) Cash outflow of ₹ 50,00,000 from financing activities

(C) Cash outflow of ₹ 50,00,000 from investing activities
(D) Cash inflow of ₹ 50,00,000 from investing activities

OR

Income tax paid is classified under:
(A) Operating activities (B) Investing activities
(C) Financing activities D) Cash and cash equivalents

31 | Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: | 3

(a) Bank Balance (b) Public Deposits
(d) Bank Overdraft (d) Share forfeited account
(e) Patent and trademarks (f) Securities Premium account

32 | From the following information, calculate Inventory Turnover Ratio : | 3

	Amount
Revenue from Operations	80,00,000
Gross Profit Ratio 25%	
Opening Inventory	10,00,000

Closing Inventory is 2 times more than the Opening Inventory.

33 | From the given Balance Sheet of Moonlight Ltd., prepare a Common Size Balance Sheet: | 4

Balance Sheet of Moonlight Ltd. as at 31st March, 2024

Particulars	Note to Account	31/03/2024	31/03/2023
I – Equity and Liabilities			
1. Share holders' funds			
(a) Share Capital		12,00,000	5,00,000
2. Non-Current Liabilities			
(a) Long term borrowings		2,00,000	3,00,000
3. Current Liabilities			
(a) Trade payables		6,00,000	2,00,000
TOTAL		**20,00,000**	**10,00,000**
II – Assets			,
1. Non Current Assets			
Fixed assets/Property, Pl & Mach		14,00,000	7,00,000
2. Current Assets			
(a) Trade Receivable		4,00,000	2,50,000
(b) Inventories		2,00,000	50,000
TOTAL		**20,00,000**	**10,00,000**

OR

From the following particulars of Accent Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024 ::

Particulars	Note No.	2023-24	2022-23
Revenue from operations		25,00,000	20,00,000
Employee benefit expenses		5,00,000	4,00,000
Other expenses		2,50,000	2,00,000

	Tax rate 50%	
34	From the following particulars of Ruparel Ltd., Calculate 'Cash Flow from Investing Activities'. Show your working clearly.	6

Particulars	31-03-24	31-03-2023
Goodwill	3,00,000	1,00,000
Patents	1,60,000	2,80,000
Machinery	12,40,000	10,20,000
10% Investments	1,60,000	60,000

Additional Information:

i) Patents of ₹ 1,20,000 were sold at book value.

ii) Depreciation charged during the year on machinery was ₹1,40,000.A machine having a book value of 80,000 was sold for 50,000.

iii) On 31.03.2024, 10% investments were purchased for ₹ 1,80,000 and some investments were sold at a profit of ₹ 20,000. Interest received on investments was 6,000.

KENDRIYA VIDYALAYA SANGATHAN MUMBAI REGION

Second Pre-Board Examination (2024-25)

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(vi) There is **no overall choice**. However, an **internal choice** has been provided in few questions in each of the parts.

	PART A **(ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES)**	
1	Karan and Johar were partners in a firm sharing profits equally. The capitalized value of average profits of the firm was Rs.18,00,000. Assets of the firm were Rs.20,00,000 (excluding goodwill) and liabilities were Rs.5,00,000. The value of goodwill of the firm by capitalization of average profits method will be: a) Rs.2,00,000 b) Rs. 3,00,000 c) Rs.4,00,000 d) Rs.3,50,000 **OR** A and B were partners in a firm sharing profits and losses in the ratio of 3: 2. On 1st April, 2021 the balances in their capital accounts were Rs.1,50,000 and Rs.2,00,000 respectively. The partnership deed provided that interest on partner's capital will be allowed @ 10% per annum. During the year ended 31st March 2022, the firm incurred a loss of Rs.10,000. Interest on A's Capital will be: a) Rs.15,000 b) Rs.9,000 c) Rs.6,000 d) Nil	

2	_____ is the basis of relationship between the partners to run the partnership business a) offer b) Agreement c) Understanding d) Acceptance **OR** At the time of change in profit sharing ratio among existing partners, 'Reserves' are transferred to partner's Capital Accounts in the following ratio: a) Sacrificing Ratio b) Gaining Ratio c) Old Profit Sharing Ratio d) New Profit Sharing ratio	1
3	Mehak and Ravish were partners in a firm. On dissolution of the firm, the loan given by Mehak to the firm was Rs.30,000, by Ravish was Rs.15,000 and by Mrs. Ravish was Rs.10,000. The first payment will be made for: a) Ravish's Loan b) Mehak's Loan c) Mrs.Ravish's Loan d) Mehak's and Ravish's loan in the ratio of their loan amount **OR** Surbhi and Leena were partners in a firm sharing profits and losses in the ratio of 5:3. Ashi was admitted as a new partner for ¼ share in the profits of the firm. Ashi acquired 3/5 of her share from Surbhi. From the following, how much share did Ashi acquire from Leena: a) 1/10 b) 3/20 c) 2/5 d) 3/8	1
4	Sunbeam Ltd. Issued 20,000, 11% debentures of Rs.100 each at a premium of 10%, redeemable at a premium of 5%. The 'Loss on issue of Debentures Account' will debited by: a) Rs.3,00,000 b) Rs.2,00,000 c) Rs.1,00,000 d) Rs.22,00,000 **OR** Nargis Ltd purchased assets of Rs.8,00,000 and took over liabilities of Rs.2,00,000 from Gauri Ltd. The payment was made by issue of 8% Debenture of Rs.100 each at a premium of 20%. Number of debentures issued will be: a) 50,000 b) 5,000 c) 6,000 d) 6,00,000	1
5	Which of the following statements is true for "Reserve Capital"? a) It is a portion of the uncalled capital to be called only in the event of winding up of the company. b) It is a part of the subscribed capital which has been called up on the shares. c) It is that portion of the called up capital which has been actually received from the shareholders d) it is that part of the authorized capital that is actually issued to the public for subscription	1
6	Gopal, Krishna and Govind are partners sharing profits and losses in the ratio of 5:4:3. Krishna retired on 1st April, 2022. Gopal and Govind purchased her share of profit by giving her Rs.1,20,000, Rs.80,000 being paid by Gopal and Rs.40,000 by Govind. The gaining ratio will be: a) 5:3 b) 4:3 c) 1:1 d) 2:1	1
7	Assertion (A): Interest on partner's loan is debited to Profit and Loss Account. Reason (R): Interest on partners' loan is a charge against profits. On the basis of the above Assertion (A) and Reason (R), choose the correct option from the following: (a) Assertion (A) is correct and Reason (R) is wrong	

	(b) Assertion (A) is wrong and Reason (R) is correct (c) Both Assertion (A) and Reason (R) are correct (d) Both Assertion (A) and Reason (R) are wrong	
8	A Share of Rs.10 issued at a premium of Rs.2 per share on which Rs.8 per share (including premium) have been called and Rs.6 per share (including premium) is received, is forfeited. Share Capital Account will be debited by: a) Rs.10 b) Rs. 8 c) Rs.12 d) Rs.6 **OR** A share of Rs.100 on which Rs.70 has been received is forfeited for non-payment of final call of Rs.30. The minimum price at which this share can be re-issued is: a) Rs.70 b) Rs.30 c) Rs.100 d) Rs.130	1
	Read the following situation and answer question numbers 9 and 10 on the basis of information given: Arush, Charu and Datta are partners sharing profits and losses in the ratio of 2:1:2. Their capitals were Rs.50,000, Rs.30,000 and Rs.20,000 respectively. Arush personally guaranteed that in any year, Datta's share of profit after allowing interest on capital to all partners @5% p.a. would not be less than Rs.7,500. The profit for the year ending 31st March 2023 amounted to Rs.20,000.	
9	Datta's amount of guarantee is short by the following amount: a) 7,500 b) Rs.500 c) Rs.1,500 d) Rs.2,000	1
10	The final amount of profit distributed among the partners after adjustment of guaranteed amount will be: a) Arush Rs.5,000; Charu Rs.2,500; Datta Rs.7,500 b) Arush Rs.5,500; Charu Rs.3,000; Datta Rs.6,500 c) Arush Rs.5,700; Charu Rs.2,800; Datta Rs.6,500 d) Arush Rs.4,500; Charu Rs.3,000; Datta Rs.7,500	1
11	Vikram and Sumit were partners in a firm sharing profits and losses in the ratio of 2:1. The Capitals of Vikram and Sumit after all adjustments were Rs.50,000 and Rs.40,000 respectively. They admitted Jayant as a partner for 1/3 share in the profits of the firm. Jayant brought proportionate capital in the firm. The amount of capital brought in by Jayant was: a) Rs.45,000 b) Rs.30,000 c) Rs.60,500 d) Rs.90,000	1
12	Rhyme ltd took over assets of Rs.30,00,000 and liabilities of Rs.12,00,000 of Shyam ltd for a purchase consideration of Rs.23,00,000. Excess value of purchase consideration of Rs.5,00,000 over net assets will be: a) Debited to Goodwill Account b) Credited to Capital Reserve Account c) Credited to Ventor's Account d) Debited to Capital Reserve Account.	1
13	Isha and Naman were partners ina firm sharing profits and losses in the ratio of 2:3. With effect form 1st April, 2022 they agreed to share proifits and losses equally. Due to change in profit sharing ratio, Isha's gain or sacrifice will be: a) Sacrifice 1/10 b) Gain 1/10 c) Sacrifice 2/5 d) Gain 2/5	1

<table>
<tr><td>14</td><td>A partnership firm has capital employed of Rs.6,00,000. Its average profits are RS.80,000. The normal rate of return in similar type of business is 10%. The amount of super profits are:
a) Rs.60,000 b) Rs.8,000 c) Rs.20,000 d) Rs.52,000</td><td>1</td></tr>
<tr><td>15</td><td>On 1st April, 2021, Naram Ltd issued 5,000, 8% Debentures of Rs.100 each at a premium of 10%. The total amount of interest on debentures for the year ending 31st March,2022 will be:
a) Rs.25,000 b) Rs.20,000 c) Rs.50,000 d) Rs.40,000</td><td>1</td></tr>
<tr><td>16</td><td>Sun Limited issued 4,000, 6% debentures of RS.100 each at RS.95 per debenture, 6% Debentures account will be credited by:
a) Rs.3,80,000 b) Rs.4,40,000 c) Rs.4,00,000 d) Rs.20,000</td><td>1</td></tr>
<tr><td>17</td><td>Aman, Shanti and Kranti were partners in a firm with fixed capitals of 1,20,000, ₹1,00,000 and ₹80,000 respectively. As per the partnership deed, there was a provision for allowing interest on capitals @ 10% p.a., but entries for the same had not been made for the last two years.
The profit sharing ratio during the last two years was as follows:
<table>
<tr><td>YEAR</td><td>Aman</td><td>Shanti</td><td>Kranti</td></tr>
<tr><td>2022-23</td><td>5</td><td>3</td><td>2</td></tr>
<tr><td>2023-24</td><td>1</td><td>1</td><td>1</td></tr>
</table>
Pass an adjustment entry of the beginning of the third year, i.e., on 1st April, 2023.
OR
Meera, Neena and Ojas were partners in a firm sharing profits and losses in the ratio of 5: 3:2. The partnership deed provided for charging interest on drawings @ 10% p.a. The drawings of Meera, Neena and Ojas during the year ended 31st March, 2023 amounted to 60,000,₹50,000 and 40,000 respectively. After the final accounts had been prepared, it was discovered that interest on drawings had not been taking into consideration.
Pass the necessary adjustment entry</td><td>3</td></tr>
<tr><td>18</td><td>Misha and Prisha were partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April, 2022, their capital accounts showed balances of ₹ 50,000 and ₹ 30,000 respectively. During the year, Misha withdrew ₹ 12,900 while Prisha withdrew ₹ 9,600. They were allowed interest on capital @ 10% p.a. Interest on drawings of ₹ 660 was charged on Misha’s drawing ₹ 540. Prisha had advanced a loan of ₹ 20,000 to the firm on 1st August, 2022. The net profit for the year ended 31st March, 2023 amounted to ₹22,600.
Prepare Profit and Loss Appropriation Account for the year ended 31st March 2023</td><td>3</td></tr>
<tr><td>19</td><td>Rohan and Mohan were partners in a firm with a combined capital of ₹ 4,00,000. The normal rate of return was 15%. The profits of the last four years were:
2020-21 - 60,000
2021-22 - 90,000
2022-23 - 80,000
2023-24 - 60,000
The closing stock for the year 2023-24 was undervalued by ₹10,000.
Calculate goodwill of the firm based on capitalization of average profit.</td><td>3</td></tr>
</table>

<table>
<tr><td>20</td><td>Mohit Ltd. purchased building worth₹ 3,00,000, plant and machinery worth 2,50,000, furniture worth ₹ 50,000 and took over liabilities of ₹ 80,000 from Shruti Ltd. for a purchase consideration of ₹4,40,000. The purchase consideration was paid by issuing 9% Debentures of 100 each at a premium of 10%.
Pass the necessary journal entries in books of Mohit Ltd. to record the above transactions.
OR
On 1st April, 2023, Annex Ltd. took over assets of ₹ 14,00,000 and liabilities of ₹ 2,00,000 from Shagun Ltd. at an agreed value of ₹ 17,00,000. Annex Ltd. paid the amount to Shagun Ltd. as follows:
(i) Issued a bank draft of ₹ 2,00,000.
(ii) Issued 8% Debentures of ₹ 100 each at a premium of 50% in satisfaction of the balance amount of purchase consideration.
Pass the necessary journal entries in the books of Simple Ltd. to record the above transactions.</td><td>3</td></tr>
<tr><td>21</td><td>Pass the necessary journal entries in the following cases on the dissolution of a partnership firm of partners X, Y, A and B:
(i) Realization expenses of ₹5,000 were to be borne by X, a partner. However, it was paid by Y.
(ii) Investments costing ₹25,000 (comprising 1,000 shares), had been written off from the books completely. These shares are valued at ₹20 each and were divided amongst the partners.
(iii) Y's loan of ₹50,000 settled at ₹48,000.
(iv) Profit and loss account showed a debit balance of ₹40,000.</td><td>4</td></tr>
<tr><td>22</td><td>Jeet polymers Ltd. was registered with an authorized capital of 5,00,000 divided into equity shares of ₹ 10 each. The company issued a prospectus inviting applications for 20,000 equity shares. The amount was payable as follows:
On Application -3 per share
On Allotment-5 per share
On First and Final call -Balance
Applications were received for 19,000 equity shares and allotment was made to all the applicants. All the amounts were duly received except the first and final call on 5.000 shares.
Present the share capital in the Company's Balance Sheet as per Schedule III, Part I of Companies Act, 2013. Also prepare "Notes to Accounts for the same.</td><td>4</td></tr>
<tr><td>23</td><td>Mani, Nani and Akki were partners in a firm sharing profits and losses equally their balance sheet as on 31st March 2023 was as follows
<table>
<tr><th>Liabilities</th><th>Amount Rs.</th><th>Assets</th><th>Amount Rs.</th></tr>
<tr><td>Sundry Creditors</td><td>40,000</td><td>Cash in hand</td><td>70,000</td></tr>
<tr><td>General Reserve</td><td>60,000</td><td>Cash at Bank</td><td>80,000</td></tr>
<tr><td>Capital :</td><td></td><td>Debtors</td><td>90,000</td></tr>
<tr><td>Mani 1,40,000</td><td></td><td>Stock</td><td>60,000</td></tr>
<tr><td>Nani 1,40,000</td><td></td><td>Plant & Machinery</td><td>1,20,000</td></tr>
<tr><td>Akki 1,40,000</td><td>4,20,000</td><td>Building</td><td>1,00,000</td></tr>
<tr><td></td><td>5,20,000</td><td></td><td>5,20,000</td></tr>
</table></td><td>6</td></tr>
</table>

	Nani died on 12 June 2023. according to the partnership deed, the executors of the deceased partner and are entitled to i) balance of partners, capital account ii) Interest on capital at the rate of 5% per annum iii) Share of goodwill calculated on the basis of twice the average of past three years profits and iv) Share of profits from the closure of the last accounting year till the date of death on the basis of twice the average of three completed years profit before death profits for the year ended 31st March 2021, 2022 and 2023, where ₹1,60,000 ₹1,80,000 and ₹2,00,000 respectively. The working for deceased partner share of goodwill and profit till the date of death. Prepare deceased Partner's capital Account to be rendered to his executors	
24	Akshit fashion Ltd, issued a prospectus inviting applications for 60,000 shares of ₹10 each at a premium of 30% payable as follows: On Application 3.50; On Allotment 5.50 (including premium): On First Call ₹ 2 and on Second Call ₹ 2. Applications were received for 95,000 shares and allotment was made pro-rata to applicants of 80,000 shares. Money over-paid on applications was employed on account of sums due on allotment. Kumar to whom 1,500 shares were allotted failed to pay the allotment money and on his subsequent failure to pay the First Call his shares were forfeited. Megha, the holder of 2,400 shares failed to pay the two calls and her shares were forfeited after the Second Call. Of the shares forfeited, 3,000 shares were re-issued to Ravi as fully paid, Ravi paying ₹8.50 per share, the whole of Megha's share being included. On the basis of the above information, you are required to answer the following questions: (i) Amount received on allotment in Cash will be: (a) ₹2,51,750 (b) ₹3,21,750 (c) ₹3,23,500 (d) ₹2,53,500 (ii) In the entry of forfeiture of Kumar's shares, the amount Credited to Share Forfeiture A/c will be: (a) ₹ 2,500 (b) ₹7,000 (c) ₹10,000 (d) ₹5,500 (iii) In the entry of forfeiture of Megha's shares, the amount Credited to Share Forfeiture A/c will be : (a) ₹18,900 (b) ₹ 9,600 (c) ₹14,100 (d) ₹14,400 (iv) After the reissue of forfeited shares, amount transferred to Capital Reserve will be (a) ₹12,700 (b) ₹17,200 (c) ₹11,500 (d) ₹16,900 (v) After the reissue of forfeited shares, balance in Share Forfeiture Account will be : (a) ₹8,700 (b) ₹4,200 (c) ₹16,900 (d) ₹17,200 (vi) What will be the amount in the "Subscribed and Fully paid" after the reissue of these 3000 shares? (a) ₹5,95,200 (b) ₹6,00,000 (c) ₹5,94,150 (d) ₹8,00,000	6
25	Trust Ltd. issued a prospectus inviting applications for 1,60,000 shares of 10 each. The amount was payable as follows: On Application -3 per share On Allotment-2 per share On First and Final call-Balance	6

Applications for 3,00,000 shares were received Applications for 20,000 shares were rejected and pro rata allotment was made to the remaining applicants as follows:
Category (i) Applicants for 1,60,000 shares were allotted 80,000 shares.
Category (ii) Applicants for 1,20,000 shares were allotted 80,000 shares.
It was decided that excess money received on application be adjusted towards sum due on allotment and first and final call. All the amounts due on allotment and first and final call were duly received.
Pass necessary journal entries to record the above transactions in the books of Trust Ltd.

OR

Perfect Ltd. issued a prospectus inviting applications for 40,000 shares of 10 each at a premium of 20%. The amount was payable as follows:
On Application-5 per share
On Allotment-5 per share (Including Premium)
On First and Final call-Balance
To Applications for 60,000 shares were received and allotment was made on a pro-rata basis to all the applicants. Excess money received on application was adjusted towards the amount due on allotment.
Sameer who had applied for 1,200 shares failed to pay the allotment money. His shares were forfeited immediately after allotment. All the forfeited shares were reissued at ₹7 per share as ₹8 paid up. First and final call was not yet made.
Pass necessary journal entries to record the above transactions in the book of Pearl Ltd. Open Calls in Arrears Account' wherever necessary.

26 Anshu and Vihu were partners in a firm sharing profits and losses in the ratio of 3: 2. Their Balance Sheet as at 31st March, 2024 was as follows

Balance Sheet of Anshu and Vihu as at 31st March, 2024

Liabilities		Amount	Assets		Amount
Capitals:			Cash		40,000
Anshu	1,44,000		Debtors	36000	
Vihu	80,000	2,24,000	Less Provision for		
General Reserve		50,000	doubtful debts	2000	34000
Creditors		80,000	Stock		30000
Investment Fluctuation		10,000	Investment		40000
			Plant and Machinery		220000
		3,64,000			3,64,000

On 1st April, 2024, Mani was admitted into partnership for 1/5th profits of the firm on the following terms:
(i) Mani brought ₹ 20,000 as her share of goodwill and proportionate capital.
(ii) Provision for doubtful debts was to be maintained at 10% on debtors.
(iii) Market value of investments was ₹ 35.000.
(iv) The value of Plant and Machinery be increased by ₹ 6,600.
Prepare Revaluation Account and Partners' Capital Accounts.

OR

Trisha, Urvi and Varsha were partners in a firm sharing profits and losses in the ratio of 5: 4: Their Balance Sheet as at 31st March, 2024 was as follows:

6

	Balance Sheet of Trisha, Urvi and Varsha as at 31st March, 2024 <table><tr><th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr><tr><td>Capitals: Trisha 2,00,000 Urvi 1,30,000 Varsha 1,00,000 General Reserve Creditors</td><td> 4,30,000 1,50,000 2,70,000</td><td>Fixed Assets Stock Debtors Cash at Bank</td><td>4,00,000 1,00,000 1,50,000 2,00,000</td></tr><tr><td></td><td>8,50,000</td><td></td><td>8,50,000</td></tr></table>Trisha retired on 1st April, 2024 and the partners agreed to the following terms: (i) Fixed Assets were found overvalued by ₹ 80,000. (ii) Stock was taken over by Trisha at ₹ 80,000. (iii) Goodwill of the firm was valued at ₹ 1,00,000 on Trisha's retirement and Trisha's share by goodwill was adjusted through the Capital Accounts of remaining partners. (iv) New profit sharing ratio between the remaining partners was agreed at 2:3. (v) Trisha was paid ₹ 50,000 on retirement and the balance was transferred to her loan account. Pass necessary journal entries in the books of the firm on Trisha's retirement	
	PART –B (FINANCIAL STATEMENT ANALYSIS)	
27	Which of the following is not a 'Profitability Ratio': a) Gross Profit Ratio b) Return on Investment c) Proprietary Ratio d) Operating Ratio OR Which of the following is a tool of 'Analysis of Financial Statements': a) Cash flow statement b) Statement of Profit and Loss c) Balance Sheet d) Profit and Loss Appropriation Account	1
28	The Debt Equity Ratio of a company is 2:1. Which of the following transactions will increase the Debt Equity Ratio? a) Issue of Shares Rs.1,00,000 b) Issue of 9% Debentures Rs.4,00,000 c) Issue of bonus shares Rs.3,00,000 d) Payment to Creditors Rs.50,000 **OR** During the year ended 31st March, 2023, S Ltd earned net profit of Rs.15,00,000 before interest and tax. The company has a 10% long term debt of Rs.50,00,000. The tax rate is 40%. The interest coverage ratio of the company will be: a) 2 times b) 3 times c) 1.5 times d) 1.2 times	1
29	Which of the following transactions would result in inflow of cash and cash equivalents: a) Furniture costing Rs.80,000 sold for Rs.85,000 b) Issue of bonus shares Rs.5,00,000 c) Payment of trade payables Rs.15,000 d) Provided depreciation on fixed assets Rs.11,000	1
30	Which of the following transaction is not related to cash flows from investing activities: a) Purchase of marketable securities Rs.25,000 b) Sale of Land Rs.2,80,000	1

	c) Sale of Investments Rs.3,00,000 d) Purchase of Equipment Rs.1,00,000	
31	From the following information, calculate inventory Turnover Ratio. Revenue from operations Rs.2,00,000 GP 25% on cost Opening inventory 1/3rd of the closing inventory Closing inventory 30% of the revenue from operation	3
32	Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: a) Debtors b) Securities Premium c) Debentures having maturity period of three year d) Calls in advance e) Short term deposits payable on demand f) Computer software	3
33	Complete the Comparative Statement of Profit and Loss:	4

COMPARATIVE STATEMENT OF PROFIT AND LOSS

For the year ended 31st march 2023 and 2024

Particulars	Note no	2022-23	2023-24	Absolute change	Percentage change(%)
I. Revenue from operation		50,00,000	---------	----------	50
II. Add other income		2,00,000	--------	(50,000)	--------
Total income		52,00,000	--------	24,50,000	47.12
III . Less expenses		--------	45,00,000	15,00,000	--------
Profit before tax		22,00,000	--------	9,50,000	--------
Less: tax		4,00,000	5,00,000	1,00,000	25
Profit after tax		--------	26,50,000	--------	--------

OR

From the given Balance Sheet of Moonlight Ltd., prepare a Common Size Balance Sheet:

Balance Sheet of Moonlight Ltd. as at 31st March, 2024

Particulars	Note to Account	31/03/2024	31/03/2023
I – Equity and Liabilities			
1. Share holders' funds			
(a) Share Capital		12,00,000	5,00,000
2. Non-Current Liabilities			
(a) Long term borrowings		2,00,000	3,00,000
3. Current Liabilities			
(a) Trade payables		6,00,000	2,00,000
TOTAL		**20,00,000**	**10,00,000**
II – Assets			,

	1. Non Current Assets				
	Fixed assets/Property, Pl & Mach		14,00,000	7,00,000	
	2. Current Assets				
	(a) Trade Receivable		4,00,000	2,50,000	
	(b) Inventories		2,00,000	50,000	
	TOTAL		**20,00,000**	**10,00,000**	
34	From the following particulars of Ruparel Ltd., calculate 'Cash Flow from Investing Activities'. Show your working clearly.				6

Particulars	31-03-24	31-03-2023
Goodwill	3,00,000	1,00,000
Patents	1,60,000	2,80,000
Machinery	12,40,000	10,20,000
10% Investments	1,60,000	60,000

Additional Information:

i) Patents of ₹ 1,20,000 were sold at book value.

ii) Depreciation charged during the year on machinery was ₹1,40,000.A machine having a book value of 80,000 was sold for 50,000.

iii) On 31.03.2024, 10% investments were purchased for ₹ 1,80,000 and some investments were sold at a profit of ₹ 20,000. Interest received on investments was 6,000.

KENDRIYA VIDYALAYA SANGATHAN MUMBAI REGION

Second Pre-Board Examination (2024-25)

Class–XII Accountancy (055)

Time: 3 hrs **SET C** **M.M.:80**

General Instructions :

Read the following instructions carefully and follow them :

(i) This question paper contains 34 questions. **All** questions are **compulsory**.

(ii) This question paper is divided into **two** parts — **Part A** and **Part B**. Questions number **1 to 16 (Part A)** and Questions number **27 to 30 (Part B)** are **multiple choice questions**. Each question carries **1** mark.

(iii) Questions number **17 to 20** (Part A) and Questions number **31 and 32** (Part B) are short answer type questions. Each question carries **3** marks.

(iv) Questions number **21, 22** (Part A) and Question number **33** (Part B) are Long answer type-I questions. Each question carries 4 marks.

(v) Questions number **23 to 26** (Part A) and Question number **34** (Part B) are Long answer type-II questions. Each question carries 6 marks.

(vi) There is **no overall choice**. However, an **internal choice** has been provided in few questions in each of the parts.

	PART A **(ACCOUNTING FOR PARTNERSHIP FIRMS AND COMPANIES)**	
1	On dissolution of a firm, Outside liabilities are ₹ 2,10,000; Partner's Capitals are ₹ 3,60,000; Cash is ₹30,000. Other Assets realized for ₹ 4,50,000. Gain/Loss on realization will be – (a) ₹ 90, 000 (Gain) (b) ₹ 90,000 (Loss) (c) ₹ 80,000 (Gain) (d) ₹ 80,000 (Loss)	1
2	Assertion (A): P, Q and R are partners in a firm. R has invested ₹. 2,00,000 more in comparison of other partner. R claims 6% interest on his excess capital. Reason (R): Interest on Loan is treated as Charged not Appropriation. Choose one of the correct alternatives given below: (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.	1

	(d) Assertion (A) is False but Reason (R) is true	
3	(i) If 'T' has withdrawn equal amount at the end of each quarter and Interest on Drawing is charged @ 12% p.a. and amount of interest is ₹. 1,080 Amount of Drawing will be (a) ₹ 12,000 (b) ₹ 24,000 (c) ₹ 36,000 (d) ₹ 48,0000 **OR** (ii) A and B are two partners in a firm sharing profits in 4:3. Profits was not sufficient to pay salary to A ₹ 27,000 and to pay commission to B ₹ 18,000. If commission paid to B was ₹.12,000 then Salary payable to 'A' was (a) ₹ 10,000 (b) ₹ 21,000 (c) ₹ 18,000 (d) ₹ 30,000.	1
4	A company issued 1,000 7% Debentures of ₹ 100 at 5% Discount and Repayable at 10 % Premium .What will be the amount of Loss on issue of Debentures.: (a) ₹ 10,000 (b) ₹ 20,000 (c) ₹15,000 (d) ₹ 30,000	1
5	Charu, a partner guaranteed that her share of profits will not be less than ₹ 60,000 p.a. Deficiency, if any was to be borne by other partners Arohi and Bhavi equally. For the year ended 31st March, 2023 the firm incurred loss of ₹1,80,000. What amount will be debited to Arohi's Capital Account in total at the end of the year? (a) ₹ 60,000 (b) ₹ 1,20, 000 (c) ₹ 90,000 (d) ₹ 80,000	1
6	(i) Omi, Leela and Amber who were partners sharing profits in the ratio of 5:3:2 now decided to share future profits in 2:1:1. At the time of reconstitution there was a balance of General Reserve. If Leela got ₹. 15,000 then the amount of General Reserve was: (a) ₹ 60,000 (b) ₹ 50,000 (c) ₹ 40,000 (d) ₹ 30,000 **OR** (ii) If the goodwill of a firm was valued at ₹ 90,000 according to two-year purchase of super profit. Normal profit earned by other firm are ₹ 50,000 then actual profit of that firm are: (a) ₹1,35,000 (b) ₹1,20,000 (c) ₹ 95,000 (d) ₹1,50,000	1
7	ARYA Ltd, issued a prospectus inviting applications for 12,000 shares of ₹10 each payable ₹3 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? (a) ₹ 36,000 (b) ₹ 45,000 (c) ₹ 30,000 (d) ₹ 32,400	1
8	(i) X, Y and Z are partners sharing profits in 7:2:1. Y retires on 1st April, 2023 and amount transferred to his loan A/c is ₹.1,08,000 which is payable in three equal annual instalments together with interest @ 6% p.a. The total amount paid for the last instalment along with interest will be – (a) ₹ 38,160 (b) ₹ 38,100 (c) ₹ 37,800 (d) ₹ 36,000 **OR** (ii) Goodwill brought by new admitted partner is shared by old partners in …….. (a) Old profit sharing ratio (b) New Profit Sharing Ratio (c) Sacrificing Ratio (d) Gaining Ratio	1

9	In case of admission of a partner, the entry for unrecorded investments will be: (a) Debit Partners Capital A/c and Credit Investments A/c (b) Debit Revaluation A/c and Credit Investment A/c (c) Debit Investment A/c and Credit Revaluation A/c (d) Debit Partners Capital A/c and Credit Revaluation A/c	1
10	A company Forfeited 1,000 shares of ₹ 10 each, ₹ 7 called up; for the non-payment of ₹ 2 First call. All these shares were reissued at ₹ 5 per share, Rs 7 per share paid up. What will the amount transferred to Capital Reserve account: (a) ₹ 2,000 (b) ₹ 3,000 (c) ₹ 4,000 (d) ₹ 5,000	1
11	Which one is not correct statement: (a) Reserve Capital is not shown in Balance Sheet (b) Calls in Advance is not a part of Share Capital (c) Issued Capital cannot be more than Subscribed Capital (d) Share Forfeiture Amount is added to Share Capital	1
12	A and B were partners sharing profits in the ratio 3 : 2. They admitted C as new partner for 1/5th share in the future profits of the firm which she got equally from A and B. The new profit sharing ratio among A, B and C will be :- (A) 3:5:1 (B) 1:1:1 (C) 3:5:2 (D) 5:3:2	1
13	Daisy Limited forfeited 200 shares ₹10 each of R, issued at a premium of 10% (with Allotment) for non-payment of final call of ₹3 per share. Out of these 100 shares were issued as fully paid up for ₹15. The amount transferred to capital reserve is : (a) ₹ 700 (b) ₹ 6,400 (c) ₹ 300 (d) ₹ 400 **OR** A company forfeited 5,000 shares of ₹ 20 each for non-payment ₹ 6 of first and final call. 2,000 shares re-issued @ ₹15 as fully paid. Calculate amount transferred to Capital Reserve. (a) ₹ 10,800 (b) ₹ 18,000 (c) ₹ 10,000 (d) None of these	1
14	Assertion (A) : Interest on drawings increases profits of a firm. Reason (R) : Product method is used to calculate the interest on same amount withdrawn by partners at regular interval of time. (a) (A) is correct but (R) is wrong. (b) Both (A) and (R) are correct, but (R) is not correct explanation of (A). (c) Both (A) and (R) are incorrect. (d) Both (A) and (R) are correct, and (R) is correct explanation of (A).	1
15	M, P and A are partners in a firm having fixed capitals of ₹ 80,000; ₹ 40,000 and ₹ 50,000 respectively sharing profits in the ratio of 7:6:4. The rate of interest on capital was agreed @ 10% p.a., but was wrongly credited to them as 12% p.a. By what amount P's Current account will be – (a) Cr. P's Current A/c ₹ 400 (b) Dr. P's Current A/c ₹ 400 (c) Dr. P's Current A/c ₹ 200 (d) Cr. P's Current a/c ₹ 200	1
16	The partnership deed should be drafted and prepared as per the provisions of the – (a) Partnership Act 1932 (b) Companies Act 2013 (c) Partnership Act 1956 (d) Stamp Act	1

<table>
<tr><td>17</td><td>Rohan and Mohan were partners in a firm with a combined capital of ₹ 4,00,000.
The normal rate of return was 15%. The profits of the last four years were:
2020-21 - 60,000
2021-22 - 90,000
2022-23 - 80,000
2023-24 - 60,000
The closing stock for the year 2023-24 was undervalued by ₹10,000.
Calculate goodwill of the firm based on capitalization of average profit.</td><td>3</td></tr>
<tr><td>18</td><td>Mohit Ltd. purchased building worth₹ 3,00,000, plant and machinery worth 2,50,000, furniture worth ₹ 50,000 and took over liabilities of ₹ 80,000 from Shruti Ltd. for a purchase consideration of ₹4,40,000. The purchase consideration was paid by issuing 9% Debentures of 100 each at a premium of 10%.
Pass the necessary journal entries in books of Mohit Ltd. to record the above transactions.
OR
On 1st April, 2023, Annex Ltd. took over assets of ₹ 14,00,000 and liabilities of ₹ 2,00,000 from Shagun Ltd. at an agreed value of ₹ 17,00,000. Annex Ltd. paid the amount to Shagun Ltd. as follows:
(i) Issued a bank draft of ₹ 2,00,000.
(ii) Issued 8% Debentures of ₹ 100 each at a premium of 50% in satisfaction of the balance amount of purchase consideration.
Pass the necessary journal entries in the books of Simple Ltd. to record the above transactions.</td><td>3</td></tr>
<tr><td>19</td><td>Aman, Shanti and Kranti were partners in a firm with fixed capitals of 1,20,000, ₹1,00,000 and ₹80,000 respectively. As per the partnership deed, there was a provision for allowing interest on capitals @ 10% p.a., but entries for the same had not been made for the last two years.
The profit sharing ratio during the last two years was as follows:
<table>
<tr><td>YEAR</td><td>Aman</td><td>Shanti</td><td>Kranti</td></tr>
<tr><td>2022-23</td><td>5</td><td>3</td><td>2</td></tr>
<tr><td>2023-24</td><td>1</td><td>1</td><td>1</td></tr>
</table>
Pass an adjustment entry of the beginning of the third year, i.e., on 1st April, 2023.
OR
Meera, Neena and Ojas were partners in a firm sharing profits and losses in the ratio of 5: 3:2. The partnership deed provided for charging interest on drawings @ 10% p.a. The drawings of Meera, Neena and Ojas during the year ended 31st March, 2023 amounted to 60,000,₹50,000 and 40,000 respectively. After the final accounts had been prepared, it was discovered that interest on drawings had not been taking into consideration.
Pass the necessary adjustment entry</td><td>3</td></tr>
<tr><td>20</td><td>Misha and Prisha were partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April, 2022, their capital accounts showed balances of ₹ 50,000 and ₹ 30,000 respectively. During the year, Misha withdrew ₹ 12,900 while Prisha withdrew ₹ 9,600. They were allowed interest on capital @ 10% p.a. Interest on drawings of ₹ 660 was charged on Misha’s drawing ₹ 540. Prisha had advanced a loan of ₹ 20,000 to the firm on 1st August, 2022. The net profit for the year ended 31st March, 2023 amounted to</td><td>3</td></tr>
</table>

<table>
<tr><td></td><td>₹22,600.
Prepare Profit and Loss Appropriation Account for the year ended 31st March 2023</td><td></td></tr>
<tr><td>21</td><td>Jeet polymers Ltd. was registered with an authorized capital of 5,00,000 divided into equity shares of ₹ 10 each. The company issued a prospectus inviting applications for 20,000 equity shares. The amount was payable as follows:
On Application -3 per share
On Allotment-5 per share
On First and Final call -Balance
Applications were received for 19,000 equity shares and allotment was made to all the applicants. All the amounts were duly received except the first and final call on 5.000 shares.
Present the share capital in the Company's Balance Sheet as per Schedule III, Part I of Companies Act, 2013. Also prepare "Notes to Accounts for the same.</td><td>4</td></tr>
<tr><td>22</td><td>Pass the necessary journal entries in the following cases on the dissolution of a partnership firm of partners X, Y, A and B:
(i) Realization expenses of ₹5,000 were to be borne by X, a partner. However, it was paid by Y.
(ii) Investments costing ₹25,000 (comprising 1,000 shares), had been written off from the books completely. These shares are valued at ₹20 each and were divided amongst the partners.
(iii) Y's loan of ₹50,000 settled at ₹48,000.
(iv) Profit and loss account showed a debit balance of ₹40,000.</td><td>4</td></tr>
<tr><td>23</td><td>Mani, Nani and Akki were partners in a firm sharing profits and losses equally their balance sheet as on 31st March 2023 was as follows
<table>
<tr><th>Liabilities</th><th>Amount Rs.</th><th>Assets</th><th>Amount Rs.</th></tr>
<tr><td>Sundry Creditors</td><td>40,000</td><td>Cash in hand</td><td>70,000</td></tr>
<tr><td>General Reserve</td><td>60,000</td><td>Cash at Bank</td><td>80,000</td></tr>
<tr><td>Capital :</td><td></td><td>Debtors</td><td>90,000</td></tr>
<tr><td>Mani 1,40,000</td><td></td><td>Stock</td><td>60,000</td></tr>
<tr><td>Nani 1,40,000</td><td></td><td>Plant & Machinery</td><td>1,20,000</td></tr>
<tr><td>Akki 1,40,000</td><td>4,20,000</td><td>Building</td><td>1,00,000</td></tr>
<tr><td></td><td>5,20,000</td><td></td><td>5,20,000</td></tr>
</table>
Nani died on 12 June 2023. according to the partnership deed, the executors of the deceased partner and are entitled to
i) balance of partners, capital account
ii) Interest on capital at the rate of 5% per annum
iii) Share of goodwill calculated on the basis of twice the average of past three years profits and
iv) Share of profits from the closure of the last accounting year till the date of death on the basis of twice the average of three completed years profit before death profits for the year ended 31st March 2021, 2022 and 2023, where ₹1,60,000 ₹1,80,000 and ₹2,00,000 respectively. The working for deceased partner share of goodwill and profit till the date of death. Prepare deceased Partner’s capital Account to be rendered to his executors.</td><td>6</td></tr>
<tr><td>24</td><td>Akshit fashion Ltd, issued a prospectus inviting applications for 60,000 shares of ₹10 each at a premium of 30% payable as follows: On Application 3.50; On Allotment</td><td>6</td></tr>
</table>

	5.50 (including premium): On First Call ₹ 2 and on Second Call ₹ 2. Applications were received for 95,000 shares and allotment was made pro-rata to applicants of 80,000 shares. Money over-paid on applications was employed on account of sums due on allotment. Kumar to whom 1,500 shares were allotted failed to pay the allotment money and on his subsequent failure to pay the First Call his shares were forfeited. Megha, the holder of 2,400 shares failed to pay the two calls and her shares were forfeited after the Second Call. Of the shares forfeited, 3,000 shares were re-issued to Ravi as fully paid, Ravi paying ₹8.50 per share, the whole of Megha's share being included. On the basis of the above information, you are required to answer the following questions: (i) Amount received on allotment in Cash will be: (a) ₹2,51,750 (b) ₹3,21,750 (c) ₹3,23,500 (d) ₹2,53,500 (ii) In the entry of forfeiture of Kumar's shares, the amount Credited to Share Forfeiture A/c will be: (a) ₹ 2,500 (b) ₹7,000 (c) ₹10,000 (d) ₹5,500 (iii) In the entry of forfeiture of Megha's shares, the amount Credited to Share Forfeiture A/c will be : (a) ₹18,900 (b) ₹ 9,600 (c) ₹14,100 (d) ₹14,400 (iv) After the reissue of forfeited shares, amount transferred to Capital Reserve will be (a) ₹12,700 (b) ₹17,200 (c) ₹11,500 (d) ₹16,900 (v) After the reissue of forfeited shares, balance in Share Forfeiture Account will be : (a) ₹8,700 (b) ₹4,200 (c) ₹16,900 (d) ₹17,200 (vi) What will be the amount in the "Subscribed and Fully paid" after the reissue of these 3000 shares? (a) ₹5,95,200 (b) ₹6,00,000 (c) ₹5,94,150 (d) ₹8,00,000	
25	Trust Ltd. issued a prospectus inviting applications for 1,60,000 shares of 10 each. The amount was payable as follows: On Application -3 per share On Allotment-2 per share On First and Final call-Balance Applications for 3,00,000 shares were received Applications for 20,000 shares were rejected and pro rata allotment was made to the remaining applicants as follows: Category (i) Applicants for 1,60,000 shares were allotted 80,000 shares. Category (ii) Applicants for 1,20,000 shares were allotted 80,000 shares. It was decided that excess money received on application be adjusted towards sum due on allotment and first and final call. All the amounts due on allotment and first and final call were duly received. Pass necessary journal entries to record the above transactions in the books of Trust Ltd. **OR** Perfect Ltd. issued a prospectus inviting applications for 40,000 shares of 10 each at a premium of 20%. The amount was payable as follows: On Application-5 per share On Allotment-5 per share (Including Premium) On First and Final call-Balance	6

To Applications for 60,000 shares were received and allotment was made on a pro-rata basis to all the applicants. Excess money received on application was adjusted towards the amount due on allotment.

Sameer who had applied for 1,200 shares failed to pay the allotment money. His shares were forfeited immediately after allotment. All the forfeited shares were reissued at ₹7 per share as ₹8 paid up. First and final call was not yet made.

Pass necessary journal entries to record the above transactions in the book of Pearl Ltd. Open Calls in Arrears Account' wherever necessary.

26 Anshu and Vihu were partners in a firm sharing profits and losses in the ratio of 3: 2. Their Balance Sheet as at 31st March, 2024 was as follows — 6

Balance Sheet of Anshu and Vihu as at 31st March, 2024

Liabilities		Amount	Assets		Amount
Capitals:			Cash		40,000
Anshu	1,44,000		Debtors	36000	
Vihu	80,000	2,24,000	Less Provision for		
General Reserve		50,000	doubtful debts	2000	34000
Creditors		80,000	Stock		30000
Investment Fluctuation		10,000	Investment		40000
			Plant and Machinery		220000
		3,64,000			3,64,000

On 1st April, 2024, Mani was admitted into partnership for 1/5th profits of the firm on the following terms:

(i) Mani brought ₹ 20,000 as her share of goodwill and proportionate capital.

(ii) Provision for doubtful debts was to be maintained at 10% on debtors.

(iii) Market value of investments was ₹ 35.000.

(iv) The value of Plant and Machinery be increased by ₹ 6,600.

Prepare Revaluation Account and Partners' Capital Accounts.

OR

Trisha, Urvi and Varsha were partners in a firm sharing profits and losses in the ratio of 5: 4: Their Balance Sheet as at 31st March, 2024 was as follows:

Balance Sheet of Trisha, Urvi and Varsha as at 31st March, 2024

Liabilities		Amount	Assets	Amount
Capitals:			Fixed Assets	4,00,000
Trisha	2,00,000		Stock	1,00,000
Urvi	1,30,000		Debtors	1,50,000
Varsha	1,00,000	4,30,000	Cash at Bank	2,00,000
General Reserve		1,50,000		
Creditors		2,70,000		
		8,50,000		8,50,000

Trisha retired on 1st April, 2024 and the partners agreed to the following terms:

(i) Fixed Assets were found overvalued by ₹ 80,000.

(ii) Stock was taken over by Trisha at ₹ 80,000.

(iii) Goodwill of the firm was valued at ₹ 1,00,000 on Trisha's retirement and Trisha's

	share by goodwill was adjusted through the Capital Accounts of remaining partners. (iv) New profit sharing ratio between the remaining partners was agreed at 2:3. (v) Trisha was paid ₹ 50,000 on retirement and the balance was transferred to her loan account. Pass necessary journal entries in the books of the firm on Trisha's retirement	
	PART –B (FINANCIAL STATEMENT ANALYSIS)	
27	27. (i) An operating cycle is the time between the . (a) Production & Sales. (b) Procuring of raw material & production of goods. (c) Financing & Selling of products. (d) Acquiring of raw material for processing and its Realisation into Cash & Cash equivalents. **OR** (ii) Which of the following statements is incorrect? (a) Intra-firm is a comparison of financial statements of an enterprise for two or more accounting periods. (b) Inter-firm analysis is a comparison of financial statements of for two or more enterprise for the same accounting periods. (c) Vertical analysis provides information in absolute and percentage form. (d) An income statement indicates the financial position of an enterprise for an accounting period.	1
28	The Current ratio of a firm is 2.5 :1 and its Current liabilities are ₹ 4, 00,000. Its working capital will be: (a) ₹ 6,00,000 (b) ₹ 7,50,000 (c) ₹ 8,00,000 (d) ₹ 14,00,000	1
29	i) Plant costing ₹ 1,00,000, accumulated depreciation being ₹ 20,000 is sold at a profit of ₹ 8,000. Amount that will be shown as inflow under Investing Activity will be ------ (a) ₹ 8,000 (b) ₹ 80,000 (c) ₹ 88,000 (d) ₹ 1,20,000 **OR** (ii) Shriji Baba Ltd. Provides the information: Particulars 1.4.2022 (₹) 1.4.2023 (₹) Long term loans 2,00,000 2,50,000 During the year 2022-23, the company repaid a loan of ₹ 1,00,000. Cash Flow from financing activities will be: (a) Net cash used in financing activities ₹.50,000 (b) Net cash used in financing activities ₹.1,50,000 (c) Net cash from financing activities ₹.50,000 (d) Net cash from financing activities ₹.1,50,000	1
30	For the following two statement of Assertion (A) and Reasoning (R) indicate the correct code : Assertion (A) While preparing Cash Flow Statement, Cash withdrawn from bank result in no flow cash. Reason (R) There is no change in Cash and Cash Equivalents. (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	1
31	Classify the following items under major heads and sub-heads (if any) in the Balance	3

	Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Bank Overdraft (b) Net Loss as shown by Profit & Loss Statement (c) Bonds (d)Trademark (e) Raw Materials (f) Forfeited Shares Account	
32	Determine the value of closing inventory from the following details Revenue from operations - Rs 4,00,000 Gross Profit Ratio 10% Inventory turnover = 4 times Closing inventory was Rs 10,000 in excess of opening inventory	3
33	From the information extracted from the statement of Profit & Loss of Zee Ltd for the year ended 31st March 2023 and 31st March 2024. Prepare a Common Size Statement of Profit & Loss:	4

Particulars	Note No.	2023-24 (Rs.)	2022-23 (Rs.)
Revenue from Operations		8,00,000	10,00,000
Gross Profit		60%	70%
Other Expenses		2,20,000	2,60,000
Tax Rate		50%	50%

OR

From the following particulars of Accent Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024 ::

Particulars	Note No.	2023-24	2022-23
Revenue from operations		25,00,000	20,00,000
Employee benefit expenses		5,00,000	4,00,000
Other expenses		2,50,000	2,00,000
Tax rate 50%			

34	From the following particulars of Ruparel Ltd., calculate 'Cash Flow from Investing Activities'. Show your working clearly.		6

Particulars	31-03-24	31-03-2023
Goodwill	3,00,000	1,00,000
Patents	1,60,000	2,80,000
Machinery	12,40,000	10,20,000
10% Investments	1,60,000	60,000

Additional Information:

i) Patents of ₹ 1,20,000 were sold at book value.

ii) Depreciation charged during the year on machinery was ₹1,40,000.A machine having a book value of 80,000 was sold for 50,000.

iii) On 31.03.2024, 10% investments were purchased for ₹ 1,80,000 and some investments were sold at a profit of ₹ 20,000. Interest received on investments was 6,000.