

D.A.V. INSTITUTIONS, CHHATTISGARH

SAMPLE QUESTION PAPER-08: 2023-24

CLASS –XII

SUBJECT: ACCOUNTANCY [055]

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
3. Questions Nos. 17 to 20,31 and 32 carries 3 marks each.
4. Questions Nos. 21,22 and 33 carries 4 marks each.
5. Questions Nos. 23 to 26 and 34 carries 6 marks each.
6. 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

(Accounting for Partnership Firms and Companies)

1	For which of the following situations, the old profit-sharing ratio of partners is used at the time of admission of a new partner? a. When new partner brings only a part of his share of goodwill. b. When new partner is not able to bring his share of goodwill. c. When, at the time of admission, goodwill already appears in the balance sheet. d. When new partner brings his share of goodwill in cash.	1
2	Reserve Capital is not a part of: (a) Authorized Capital (b) Subscribed capital (c) Unsubscribed capital (d) Issued Share Capital	1
3	Retirement or death of a partner will create a situation for the continuing partners, which is known as: A. Dissolution of Partnership B. Dissolution of partnership firm C. Winding up of business D. None of the above	1
4	Pick the odd one out: a. Rent to partner. b. Manager's Commission. c. Interest on Partner's Loan. d. Interest on Partner's capital.	1
5	A company forfeited 4,000 shares of ₹10 each on which application money of ₹3 has been paid. Out of these 2,000 shares were reissued as fully paid up and 4,000 has been transferred to capital reserve. Calculate the rate at which these shares were reissued. a. ₹10 Per share b. ₹9 Per share c. ₹11 Per share d. ₹8 Per share	1

6	<p>E, F and G are partners sharing profits in the ratio of 3:3:2. As per the partnership agreement, G is to get a minimum amount of ₹80,000 as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March, 2020 amounted to ₹3,12,000. Calculate the amount of deficiency to be borne by E?</p> <p>a. ₹1,000 b. ₹4,000 c. ₹8,000</p>	1
7	<p>Assertion: Batman, a partner in a firm with four partners has advanced a loan of ₹50,000 to the firm for last six months of the financial year without any agreement. He claims an interest on loan of ₹3,000 despite the firm being in loss for the year.</p> <p>Reasoning: In the absence of any agreement / provision in the partnership deed, provisions of Indian Partnership Act, 1932 would apply.</p> <p>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.</p>	1
8	<p>If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹3 per share and only 7,000 of these shares were re-issued @ ₹11 per share as fully paid up, then what is the minimum amount that company must collect at the time of re-issue of the remaining 3,000 shares?</p> <p>a) ₹21,000 b) ₹9,000 c) ₹16,000 d) ₹30,000</p> <p style="text-align: center;">OR</p> <p>On 1st April 2022, Galaxy Ltd. had a balance of ₹8,00,000 in Securities Premium account. During the year company issued 20,000 Equity shares of ₹10 each as bonus shares and used the balance amount to write off Loss on issue of Debenture on account of issue of 2,00,000, 9% Debentures of ₹100 each at a discount of 10% redeemable @ 5% Premium. The amount to be charged to Statement of P&L for the year for Loss on issue of Debentures would be:</p> <p>a) ₹30,00,000. b) ₹22,00,000. c) ₹24,00,000. d) ₹20,00,000.</p>	1
9	<p>Assertion (A) :- A Company is Registered with an authorised Capital of 5,00,000 Equity Shares of ₹10 each of which 2,00,000 Equity shares were issued and subscribed. All the money had been called up except ₹2 per share which was declared as 'Reserve Capital'. The Share Capital reflected in balance sheet as 'Subscribed and Fully paid up' will be Zero.</p> <p>Reason (R) :- Reserve Capital can be called up only at the time of winding up of the company.</p> <p>(a) Both Assertion (A) and Reason (R) are Correct and Reason (R) is the correct explanation of Assertion (A) (b) Both Assertion (A) and Reason (R) are Correct, but Reason (R) is not the correct explanation of Assertion (A) (c) Assertion (A) is incorrect, but Reason (R) is Correct. (d) Assertion (A) is correct, but Reason (R) is incorrect</p>	1
10	<p>interest on Partner's loan is credited to:</p> <p>a) Partner's Fixed capital account. b) Partner's Current account. c) Partner's Loan Account.</p>	1

	d) Partner's Drawings Account.	
11	<p>A, B and C are in partnership business. A used ₹2,00,000 belonging to the firm without the information to other partners and made a profit of ₹35,000 by using this amount. Which decision should be taken by the firm to rectify this situation?</p> <p>a) A need to return only ₹2,00,000 to the firm. b) A is required to return ₹35,000 to the firm. c) A is required to pay back ₹35,000 only equally to B and C. d) A need to return ₹2,35,000 to the firm.</p>	1
12	<p>Annu, Banu and Chanu are partners, Chanu has been given a guarantee of minimum profit of ₹8,000 by the firm. Firm suffered a loss of ₹5,000 during the year. Capital account of Banu will be _____ by ₹_____.</p> <p>a) Credited, ₹6,500. b) Debited, ₹6,500. c) Credited, ₹1,500. d) Debited, ₹1,500.</p>	1
13	<p>Which of the following statements is incorrect about debentures?</p> <p>a) Interest on debentures is an appropriation of profits. b) Debenture holders are the creditors of a company. c) Debentures can be issued to vendors at discount. d) Interest is not paid on Debentures issued as Collateral Security.</p>	1
14	<p>G, S and T were partners sharing profits in the ratio 3:2:1. G retired and his dues towards the firm including Capital balance, Accumulated profits and losses share, Revaluation Gain amounted to ₹ 5,80,000. G was being paid ₹ 7,00,000 in full settlement. For giving that additional amount of ₹ 1,20,000, S was debited for ₹ 40,000. Determine goodwill of the firm.</p> <p>a). ₹ 1,20,000 b). ₹80,000 c). ₹2,40,000 d). ₹ 3,60,000</p>	1
15	<p>In the absence of an agreement, partners are entitled to:</p> <p>i) Profit share in capital ratio. ii) Commission for making additional sale. iii) Interest on Loan & Advances by them to the firm. iv) Salary for working extra hours. v) Interest on Capital.</p> <p>Choose the correct option:</p> <p>a) Only i), iv) and v). b) Only ii) and iii). c) Only iii). d) Only i) and iii).</p>	1
16	<p>On the day of dissolution of the firm 'Roop Brothers' had partner's capital amounting to ₹1,50,000 , external liabilities ₹35,000, Cash balance ₹8,000 and P&LA/c(Dr.) ₹7,000. If Realisation expense and loss on Realisation amounted to ₹5,000 and ₹25,000 respectively, the amount realised by sale of assets is:</p> <p>a) ₹1,64,000 b) ₹1,45,000 c) ₹1,57,000</p>	1

	d) ₹1,50,000	
17	<p>P, Q and R were partners sharing profits in the ratio of 2 : 2 : 1. The firm closes its books on March 31 every year. On June 30, 2017, R died. The following information is provided on R's death:</p> <p>(i) Balance in his capital account in the beginning of the year was Rs. 6,50,000. (ii) He withdrew Rs. 60,000 on May 15, 2017 for his personal use. On the date of death of a partner the partnership deed provided for the following:</p> <p>(a) Interest on capital @ 10 % per annum. (b) Interest on drawings @ 12 % per annum. (c) His share in the profit of the firm till the date of death, to be calculated on the basis of the rate of Net Profit on Sales of the previous year, which was 25 %. The Sales of the firm till June 30, 2017 were Rs. 6,00,000.</p> <p>Prepare R's Capital Account on his death to be presented to his executors</p>	3
18	<p>M M Limited is registered with an Authorised capital of Rs. 200 Crores divided into equity shares of Rs. 100 each. On 1st April 2016 the Subscribed and Called up capital of the company is Rs. 10,00,00,000. The company decided to help the unemployed youth of the naxal affected areas of Andhra Pradesh, Chhattisgarh and Odisha by opening 100 'Skill Development Centres'. The company also decided to provide free medical services to the villagers of these states by starting mobile dispensaries. To meet the capital expenditure of these activities the company further issued 1,00,000 equity shares during financial year 2016-17. These shares were fully subscribed and paid.</p> <p>Present the share capital of the company in its Balance Sheet. Also identify any two values that the company wants to propagate</p>	3
19	<p>K K Limited obtained a loan of Rs. 10,00,000 from State Bank of India @ 9 % interest. The company issued Rs. 15,00,000, 9 % debentures of Rs. 100/- each, in favour of State Bank of India as collateral security. Pass necessary Journal entries for the above transactions:</p> <p>(i) When company decided not to record the issue of 9 % Debentures as collateral security. (ii) When company decided to record the issue of 9 % Debentures as collateral security</p>	3
20	<p>Jan Dhan Bank, an All India Financial Institution, had 10,000, 12 % debentures of ₹ 100 each, outstanding as at 31st March, 2017. These debentures were due for redemption on 30th June, 2018. Pass necessary Journal Entries for redemption of debentures. Also, state the amount of Debenture Redemption Reserve to be created for the purpose of redemption.</p>	3
21	<p>The partners of a firm, Alia, Bhanu and Chand distributed the profits for the year ended 31st March, 2017, ₹ 80,000 in the ratio of 3:3:2 without providing for the following adjustments:</p> <p>a) Alia and Chand were entitled to a salary of ₹ 1,500 each p.a. b) Bhanu was entitled for a commission of ₹ 4,000 c) Bhanu and Chand had guaranteed a minimum profit of ₹ 35,000 p.a. to Alia any deficiency to borne equally by Bhanu and Chand.</p> <p>Pass the necessary Journal entry for the above adjustments in the books of the firm. Show workings clearly.</p>	4
22	<p>S. Singh Limited obtained a loan of ₹ 5,00,000 from State Bank of India @ 10 % interest. The company issued ₹ 7,50,000, 10 % debentures of ₹ 100/- each, in favor of State Bank of India as collateral security. Pass necessary journal entries for the above transactions:</p> <p>i. When company decided not to record the issue of 10 % Debentures as collateral security. ii. When company decided to record the issue of 10 % Debentures as collateral security.</p>	4

23

V K Limited purchased machinery from Modern Equipment Manufacturers Limited. The company paid the vendors by issue of some equity shares and debentures and the balance through an acceptance in their favour payable after three months. The accountant of the company, while Journalising the above mentioned transactions, left some items blank. You are required to fill in the blanks.

6

Date	particulars	L/f	Debit	Credit
	Machinery Account Dr.		
	To		...	

	(Purchased machinery for Rs. 7,00,000 from Modern Equipment Manufacturers Limited)			
	Modern Equipment Manufacturers Ltd. A/C Dr.		
	Loss on Issue of 9 % Debentures Account Dr.		
	To		

	To		

	To Securities Premium Reserve Account		
	To Premium on Redemption of Debentures A/C		
	(Issued Rs. 1,00,000 9 % debentures at a discount of 10 % redeemable at a premium of 10 % and 50,000 equity shares of Rs. 10 each issued at a premium of 15 %)			
	
 Dr.			
	To			
			
			
	(.....)		
)		

				...	
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24 (a) AX Limited forfeited 6,000 shares of Rs. 10 each for non-payment of First call of Rs. 2 per share. The Final call of Rs. 3 per share was yet to be made. The Final call was made after Forfeited of these shares. Of the forfeited shares, 4,000 shares were reissued at Rs. 9 per share as fully paid up. Assuming that the company maintains 'Calls in Advance Account' and 'Calls in Arrears Account', prepare "Share Forfeited Account" in the books of AX Limited.

(b) BG Limited issued 2,00,000 equity shares of Rs. 20 each at a premium of Rs. 5 per share. The shares were allotted in the proportion of 5 : 4 of shares applied and allotted to all the applicants. Deepak, who had applied for 900 shares, failed to pay Allotment money of Rs. 7 per share (including premium) and on his failure to pay 'First & Final Call' of Rs. 2 per share, his shares were forfeited. 400 of the forfeited shares were reissued at Rs. 15 per share as fully paid up. Showing your working clearly, pass necessary Journal entries for the Forfeited and reissue of Deepak's shares in the books of BG Limited. The company maintains 'Calls in Arrears' Account'.

(c) ML Limited forfeited 1,200 shares of Rs. 10 each allotted to Ravi for Non-payment of 'Second & Final Call' of Rs. 5 per share (including premium of Rs. 2 per share). The forfeited shares were reissued for Rs. 10,800 as fully paid up. Pass necessary Journal entries for reissue of shares in the books of ML Limited.

6

25 Sunaina and Tamanna are partners in a firm sharing profits and losses in the ratio of 3:2. Their Balance Sheet as at 31st March, 2020 stood as follows:

6

Balance Sheet

Liability	Amount (₹)	Asset	Amount(₹)
Capital accounts:		Plant and machinery	1,20,000
Sunaina	60,000	Land and building	1,40,000
Tamanna	80,000	Debtors. 190000	
Current accounts:		Provision for doubtful debts. 40000	1,50,000
Sunaina	10,000	Stock	40,000
Tamanna	30,000	Cash	30,000
General reserve	1,20,000	Goodwill	20,000
Workmen compensation reserve	50,000		
Creditors	1,50,000		
	500,000		500,000

They agreed to admit Pranav into partnership for 1/5th share of profits on 1st April, 2020, on the following terms:

- (a) All Debtors are good.
- (b) Value of land and building to be increased to ₹1,80,000.
- (c) Value of plant and machinery to be reduced by ₹20,000.
- (d) The liability against Workmen's Compensation Fund is determined at ₹20,000 which is to be paid later in the year.
- (e) Mr. Anil, to whom ₹40,000 were payable (already included in above creditors), drew a bill of exchange for 3 months which was duly accepted.

	(f) Pranav to bring in capital of ₹1,00,000 and ₹10,000 as premium for goodwill in cash. Journalize.	
26	<p>Zocon Ltd. issued a prospectus inviting applications for 5,00,000 equity shares of ₹10 each issued at a premium of 10% payable as:</p> <p>₹3 on Application ₹5 on Allotment (including premium) and ₹3 on call.</p> <p>Applications were received for 6, 60,000 shares. Allotment was made as follows:</p> <p>(a) Applicants of 4, 00,000 shares were allotted in full. (b) Applicants of 2, 00,000 shares were allotted 50% on pro rata basis. (c) Applicants of 60,000 shares were issued letters of regret.</p> <p>A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money. Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited. These shares were then reissued at ₹14 per share as ₹7 paid up. Call has not yet been made. Journalise.</p> <p style="text-align: center;">OR</p> <p>X Ltd. has offered 50000 equity shares of ₹100 each at a premium of ₹20, payable as follows: Application ₹50 Allotment ₹40 (including premium) and balance on first and final call.</p> <p>The bank account of the company has received ₹35, 00,000 on account of share application money. X Ltd. decided to allot shares to all the applicants on Pro Rata basis. The balance in calls in arrears account at the time of allotment and first and final call amounted to ₹1, 00,000 and ₹1, 50,000 respectively. These shares were forfeited and re-issued at ₹90 per share as fully paid up. Journalize.</p>	6
PART-B (ANALYSIS OF FINANCIAL STATEMENTS)		
27	<p>'Freedom to Choose of method of depreciation' refers to which limitation of financial statement analysis.</p> <p>a) Historical analysis. b) Qualitative aspect ignored. c) Not free from bias. d) Ignore Price level Changes.</p>	1
28	<p>..... is included in current assets while preparing balance sheet as per revised Schedule III but excluded from current assets while calculating Current Ratio</p> <p>a) Debtors. b) Cash and Cash Equivalent. c) Loose tools and Stores and spares. d) Prepaid Expense.</p>	1
29	<p>Debt-Equity Ratio of Dhamaka Ltd is 3 : 1. Which of the following will result in decrease in this ratio?</p> <p>a) Issue of Debentures for Cash of ₹2,00,000.</p>	1

	<p>b) Issue of Debentures of ₹3,00,000 to Vendors from whom Machinery was purchased. c) Goods purchased on Credit of ₹1,00,000. d) Issue of Equity Shares of ₹2,00,000.</p>																			
30	<p>Aditya Sunrise Ltd. provides you the following information: Particulars. 31.3.2023(₹) 31.3.2022(₹) 10% Bank Loan. Nil. 1,00,000 Additional Information: 1. Equity Share Capital raised during the year ₹3,00,000; 2. 10% Bank Loan was repaid on 01.04.2022. 3. Dividend received during the year was ₹20,000. 4. Dividend Proposed for the year 2021-22 was ₹50,000 but only ₹20,000 was approved by the Shareholders. Find out the cash flow from Financing Activities. a) ₹ 1,50,000 b) ₹ 2,00,000 c) ₹ 1,70,000 d) ₹ 1,80,000</p>	1																		
31	<p>Prepare a comparative Statement of Profit and Loss from the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">31.03.19(₹)</th> <th style="text-align: center;">31.03.20(₹)</th> </tr> </thead> <tbody> <tr> <td>Revenue From operations</td> <td style="text-align: center;">20,00,000</td> <td style="text-align: center;">25,00,0</td> </tr> <tr> <td>Cost of materials Consumed</td> <td style="text-align: center;">10,00,000</td> <td></td> </tr> <tr> <td>Other Expenses</td> <td style="text-align: center;">--nil--</td> <td></td> </tr> <tr> <td>Tax rate</td> <td style="text-align: center;">50%</td> <td></td> </tr> </tbody> </table>	Particulars	31.03.19(₹)	31.03.20(₹)	Revenue From operations	20,00,000	25,00,0	Cost of materials Consumed	10,00,000		Other Expenses	--nil--		Tax rate	50%		3			
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32	<p>Under which major heads and subheads of the Balance Sheet of a company, will the following items be shown:- j i) Loose Tools ii) Retirement Benefits Payable to employees iii) Patents iv) Interest on Calls in Advance</p>	3																		
33	<p>Calculate proprietary ratio, if Total assets to Debt ratio is 2:1. Debt is ₹5,00,000. Equity shares capital is 0.5 times of debt. Preference Shares capital is 25% of equity share capital. Net profit before tax is ₹10,00,000 and rate of tax is 40%.</p> <p style="text-align: center;">Or</p> <p>From the following information, calculate 'Interest Coverage Ratio. Profit after interest and tax ₹7,50,000</p>	4																		
34	<p>Prepare Cash Flow Statement on the basis of information given in the Balance Sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particular</th> <th style="text-align: center;">31 March 2019</th> <th style="text-align: center;">31 March 2020</th> </tr> </thead> <tbody> <tr> <td>Equity and Liabilities</td> <td></td> <td></td> </tr> <tr> <td>1. Shareholder's Funds</td> <td style="text-align: center;">2,00,000</td> <td style="text-align: center;">2,50,000</td> </tr> <tr> <td>(a) Share Capital</td> <td style="text-align: center;">50,000</td> <td style="text-align: center;">70,000</td> </tr> <tr> <td>(b) Reserves and Surplus</td> <td></td> <td></td> </tr> <tr> <td>2. Non-current Liabilities</td> <td style="text-align: center;">1,00,000</td> <td style="text-align: center;">80,000</td> </tr> </tbody> </table>	Particular	31 March 2019	31 March 2020	Equity and Liabilities			1. Shareholder's Funds	2,00,000	2,50,000	(a) Share Capital	50,000	70,000	(b) Reserves and Surplus			2. Non-current Liabilities	1,00,000	80,000	6
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Long-term Borrowings		
3. Current Liabilities	60,000	1,60,000
(a) Trade Payables	25,000	20,000
(b) Other Current Liabilities		
Total	4,35,000	5,80,000
II. Assets		
Non-current Assets		
(a) Fixed Assets	1,50,000	2,00,000
(i) Tangible Assets	10,000	2,000
(ii) Intangible Assets	1,00,000	1,30,000
(b) Long-term Loans and Advances		
2. Current Assets		
(a) Inventories	70,000	90,000
(b) Trade Receivables	40,000	60,000
(c) Cash and Cash Equivalents	65,000	98,000
	4,35,000	5,80,000

Note to account	31 March 2019	31 March. 2020
1. Reserves and surplus; general reserve	50,000	70,000
2. Long term borrowing 12% Debentures	100,000	80,000
3. Trade Payables Creditors	40,000	60,000
Bill's Payables	20,000	100,000
4. other current liabilities outstanding expenses	60,000	160,000
	25,000	20,000
5. Assets machinery	200,000	260,000
provision	50,000	60,000
Intangible assets goodwill	10,000	2,000