

D.A.V. INSTITUTIONS, CHHATTISGARH

SAMPLE QUESTION PAPER-06: 2023-24

CLASS –XII

SUBJECT: ACCOUNTANCY [055]

Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions:

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

Sr.	Questions	MM
1.	Swati and Aman were partners in a firm. Their fixed capitals were 9,00,000 and ₹3,00,000, respectively. They shared profits in the ratio of their capitals. Divya was admitted as a new partner for 1/3rd share in the profits of the firm. Divya brought her share of goodwill premium in cash out of which 45,000 were credited to the current account of Swati. The amount of goodwill premium brought in by Divya was: A. ₹180,000 B. ₹135,000 C. ₹60,000 D. ₹45,000	1
2	Amra, Bairo and Cairo are partners with profit sharing ratio 4:3: 2. Bairo retires and goodwill was valued at ₹2,88,000. If Amra & Cairo share profits in 5: 3, find out the goodwill shared by Amra and Cairo in favour of Bairo - A. ₹ 60,000 and ₹36,000 B. ₹44,000 and ₹52,000 C. ₹52,000 and ₹44,000 D. ₹1,56,000 and ₹132,000	1
2.	OR Assertion (A): Transfer to reserves is shown in P & L Appropriation A/c. Reason (R): Reserves are charge against the profits (A) (A) is correct but (R) is wrong. (B) Both (A) and (R) are correct, but (R) is not the correct explanation of (A). (C) Both (A) and (R) are incorrect. (D) Both (A) and (R) are correct, and (R) is the correct explanation	1
3.	Rupa Ltd. forfeited 500 shares of 100 each fully called up on which ₹30,000 has been paid. 400 of these shares were reissued for 34,000. What is the net balance in Share Forfeiture Account?	1

	A. ₹6000 B. ₹18,000 C. ₹24,000 D. ₹12,000	
3.	Or A share of ₹100 each, issued at ₹40 premium out of which ₹70 (including ₹30 premium) was called up and paid up. The Called Up Capital will be A. ₹70 per share B. ₹ 30 per share C. ₹40 per share D. ₹ 100 per share	1
4.	X and Y entered into partnership on 1.4.2022. On 1.1.2023 they admitted Z as a new partner for 1/6th share in the profits which he acquired equally from X and Y. The new profit sharing ratio of X, Y and Z was 3:2: 1. Calculate the profit sharing ratio of X and Y at the time of forming the partnership A. 5 : 3 B. 3 : 5 C. 5 : 7 D. 7 : 5	1
4.	Or Chalk and Duster are partners in a firm. They admit Marker on 1st April, 2021, for 1/4 share in the profits of the firm. Marker acquired her share as 1/12 from Chalk and the remaining from Duster The sacrificing ratio of the old partners will be: A. 11 :12 B. 1 : 1 C. 1 : 2 D. 1 : 11	1
5.	Which of the following items is not dealt through Profit and Loss Appropriation Account? A. Interest on Partner's Loan B. Partner's Salary C. Interest on Partner's Capital D. Partner's Commission	1
6.	Maira Ltd. took over assets of 12,00,000 and liabilities of 4,00,000 of Subav Ltd. for an agreed purchase consideration of 79,00,000. The amount was payable by issue of 11% debentures of 100 each at 10% discount. The number of debentures issued will be: A. 9,000 B. 10,000 C. 8,000 D. 11,000	1
6.	Or Rohit Limited issued 2,000, 9% Debentures of ₹100 each at ₹95 per debenture. 9% Debentures account will be credited by: A. ₹1,90,000 B. ₹110,000 C. ₹ 2,00,000 D. ₹10,000	1
7.	Assertion (A): In case the company fails to receive minimum subscription it cannot proceed for the allotment of shares.	1

	<p>Reason (R): When the company fails to receive minimum subscription it has to return the application money within 120 days from the date of issue of prospectus.</p> <p>A. (A) is correct but (R) is wrong. B. Both (A) and (R) are correct, but (R) is not the correct explanation of (A). C. Both (A) and (R) are incorrect. D. Both (A) and (R) are correct, and (R) is the correct explanation</p> <p>8. A and B are partners. A's Capital is ₹1,50,000 and B's Capital is ₹90,000. General Reserve appear in the books at 60,000. Normal return on Capital is 10%. Value of goodwill calculated on the basis of three year's purchase of average super profit is ₹2,10,000. Average Profit will be: A. ₹100,000 B. ₹ 94,000 C. ₹40,000 D. ₹ 46,000</p> <p>Read the following hypothetical situation and answer Question No. 9 and 10. Ali, Beg and Chand were partners in a firm sharing profits in the ratio of 2:2:1. On 31st March 2022, their capital balances were 10,00,000 each. Beg died on 30th September 2022 and following capital account was prepared on his death:</p> <p>9. If sales basis was considered to calculate profit for the interim period (i.e., upto the date of his death) and rate of profit was 20% on sales, what is the amount of sales for the interim period? A. ₹30,000 B. ₹150,000 C. ₹12,000 D. ₹72,000</p> <p>10. Value of firm's goodwill on Beg's death: A. ₹ 6000 B. ₹15,000 C. ₹37,500 D. ₹30,000</p> <p>11. If nothing is stated in partnership deed : A. Interest on Drawings will be charged @6% p.a. for full year. B. Interest on Drawings will be charged @6% p.a. for an average period six months C. No interest will be charged on Drawings. D. Interest on Drawings will be charged @12% p.a</p> <p>12. A Company purchased a Building for 8,00,000 out of which 2,00,000 were paid in cash. Balance amount was paid by issue of equity shares of 10 each at 300% premium. How many shares will be issued by the Company A. 60,000 Shares B. 80,000 Shares C. 20,000 Shares D. 15,000 Shares</p> <p>13. Z Ltd. forfeited 800 shares of 10 each on which 8 per share was called and 76 per share was paid. The amount with which share capital account debited on the forfeiture of these shares was A. ₹8,000 B. ₹6,400 C. ₹4,800 D. ₹3,200</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>
--	---	--

14.	Sarvesh, Sriniketan and Srinivas are partners in the ratio 5:3:2. If Sriniketan's share of profit at the end of the year amounted to ₹150,000, what will be Sarvesh's share of profits? A. ₹500,000 B. ₹ 150,000 C. ₹300,000 D. ₹250,000	1
15.	A and B are partners sharing profits in 3:2 with capitals of ₹6,00,000 and 4,00,000 respectively. They are entitled to interest on their capitals@10% p.a. and A is also entitled to a rent of ₹10,000 per month for use of his property by the firm. Net Profit earned by the firm for the year ended 31st March 2022 was 3,00,000. B's share of profit will be: A. ₹ 80,000 B. ₹ 72,000 C. ₹32,000 D. ₹1,20,000	1
OR		
OR		
15.	Aayush withdrew a fixed amount at the beginning of each month and interest on his drawings amounted to ₹3,900 at the end of the year. If the rate of interest on drawings is 6% p.a. his total drawings were - A. ₹65,000 B. ₹1,20,000 C. ₹10,000 D. ₹1,30,000	1
16.	In case of dissolution, total creditors of the firm were ₹40,000; creditors worth ₹10,000 were given a piece of furniture costing ₹8,000 in full and final settlement. Remaining creditors allowed a discount of 10%. What will be the amount with which cash will be credited in the realisation account for payment to creditors? A. ₹28,000 B. ₹27,000 C. ₹20,000 D. ₹25,000	1
17.	On 31st March, 2022, the balances in the Capital Accounts of Saroj, Mahinder and Umar after making adjustments for profits and drawings, etc. were ₹80,000, ₹60,000 and ₹40,000 respectively. Subsequently, it was discovered that the interest on capital and drawings has been omitted. (a) The profit for the year ended 31st March, 2022 was ₹80,000. (b) During the year, Saroj and Mahinder each withdrew a sum of ₹24,000 in equal instalments at the end of each month and Umar withdrew ₹36,000 (c) The interest on drawings was to be charged @ 5% p.a. and interest on capital was to be allowed @ 10% p.a. (d) The profit-sharing ratio among partners was 4:3: 1. Showing your workings clearly, pass the necessary rectifying entry.	3
18.	A, B and C were partners in a firm sharing profits in 3:2:1 ratio. The firm closes its books on 31st March every year. B died on 12-6-2022 and A and C decided to share future profits in the ratio of 5:4. On B's death his share in the profits of the firm till the time of his death was to be calculated on the basis of previous year's profit which was 6,30,000. Calculate B's share in the profit of the firm. Pass necessary journal entry for B's share of profit at the time of his death. OR	3

18.	<p>R and S were partners in a firm sharing profits in 3: 2 ratio. Their respective fixed capitals were ₹10,00,000 and ₹15,00,000. The partnership deed provided the following: (i) Interest on capital @ 10% p.a (ii) Interest on drawing @ 12% p.a. During the year ended 31-3-2021, R's drawings were 1,000 per month drawn at the end of every month and S's drawings were ₹2,000 per month drawn in the beginning of every month. After the preparation of final accounts for the year ended 31-3-2023 it was discovered that interest on R's drawings was not taken into consideration. Calculate interest on R's drawings and give necessary adjusting entry for the same.</p>	3
19.	<p>On 1-4-2022, Ola Ltd. issued 2,00,000, 6% debentures of 100 each at a discount of 4% redeemable at a premium of 5% after three years. On Application ₹50 per debenture. Balance on allotment. Record the necessary journal entries for issue of debentures. OR</p>	3
19.	<p>Z Ltd. forfeited 500 shares of ₹10 each issued at a premium of 20% to Ankit, who had applied for 600 shares, for non-payment of allotment money at ₹6 per share (including premium) and the first and final call of ₹2 per share. The amount overpaid on application was adjusted towards allotment. 300 shares of the forfeited shares were reissued to Rohit at the maximum discount allowed by law Pass necessary entries regarding forfeiture and reissue of shares.</p>	3
20.	<p>A, B and C were partners in a firm sharing profits in the ratio of 3:2:1. D was admitted into the firm with 1/4th share in profits, which he got 3/16th from A and 1/16th from B. The total capital of the firm as agreed upon was ₹1,20,000 and D brought in cash equivalent to 1/4th of this amount as his capital. The capital of other partners also had to be adjusted in the ratio of their respective share in profits by bringing in or paying cash The capitals of A, B and C after all adjustments related to revaluation of assets and reassessment of liabilities were ₹ 40,000; ₹35,000 and ₹30,000 respectively. Calculate the new capital of A, B and C and record the necessary journal entries for the above transactions.</p>	3
21.	<p>Janta Ltd. had an authorized capital of ₹2,00,000 divided into equity shares of 10 each. The company offered for subscription of 10,000 shares. The issue was fully subscribed. The amount payable on application was ₹2 per share. ₹4 per share were payable each on allotment and first and final call. A share holder holding 100 shares failed to pay the allotment money. His shares were forfeited. The company did not make the final call. How the 'share capital' will be presented in the company's balance-sheet? Also prepare Notes to Accounts for the same.</p>	4
22.	<p>Pass necessary Journal Entries for the following transactions on the dissolution of a partnership firm of Mita and Sonu on 31st March, 2022 after the various assets other than cash and third-party liabilities have been transferred to the Realisation Account:</p> <ol style="list-style-type: none"> Creditors of ₹90,000 took over Land and Building of ₹2,00,000 in full settlement of their claim. Sonu took over debtors amounting to ₹50,000 at ₹40,000. Realisation expenses ₹1,800 were paid by Sonu. A machine which was not recorded in the book was taken over by Mita at ₹11,000 while its expected market value was ₹15,000. Sonu agreed to pay off his wife's loan of ₹20,000 Profit on dissolution amounted to ₹50,000 	4
23.	<p>Pushkar Limited invited applications for 30,000 shares of ₹100 each at 20% premium. The amount per share was payable as under: On application - ₹40 (including ₹ 10 premium) On allotment - ₹30 (including ₹10 premium) On first call - ₹30</p>	6

On second and final call - Balance

Applications were received for 40,000 shares and pro-rata allotment was made to the applicants for 35,000 shares, the remaining applications being refused. Excess application money was adjusted towards sums due on allotment. Yogesh, who applied for 700 shares, failed to pay the allotment money and his shares were forfeited immediately after allotment. First call was made thereafter and all the money due on first call was received.

The second and final call was not made.

Pass necessary journal entries for the above transactions in the books of Pushkar Limited.

OR

Sukanya Ltd. invited applications for issuing 1,00,000 equity shares of 10 each. The shares were issued at a premium of ₹20 per share. The amount was payable as follows:

23. On Application and Allotment ₹14 per share (including premium of ₹10)
 On First Call On Final Call- ₹8 per share (including premium of ₹5)
 On Final Call ₹ 8 per share (including premium of ₹5)

Applications for 96,000 shares were received. Rohit, a shareholder holding 7,000 shares, failed to pay both the calls and Namit, a holder of 5,000 shares, did not pay the final call. Shares of Rohit and Namit was forfeited. Of the forfeited shares, 8,000 shares including all the shares of Rohit were reissued to Reena at ₹ 8 per share fully paid-up.

Pass necessary Journal entries for the above transactions in the books of Sukanya Ltd.

W and R are partners in a firm sharing profits in the ratio of 3 : 2. Their Balance Sheet as at 31st March 2023

24. 6

Balance Sheet of W and R
as at 31st March, 2023

Liabilities	Amount	Assets	Amount
Sundry Creditors	20,000	Cash	12,000
Provision for Doubtful debts	2,000	Debtors	18,000
Outstanding Salary	3,000	Stock	20,000
General Reserve	5,000	Furniture	40,000
Capitals:		Plant and Machinery	40,000
W 60,000			
R 40,000	100,000		
	130,000		130,000

On the above date, C was admitted for 1/6th share in the profits on the following terms:

- (i) C will bring 30,000 as his capital and 10,000 for his share of goodwill premium, half of which will be withdrawn by W and R.
- (ii) Debtors 1,500 will be written off as bad debts and a provision of 5% will be created debtors for doubtful debts.
- (iii) Outstanding salary will be paid off.
- (iv) Stock will be depreciated by 10%, furniture by 500 and Plant and Machinery by 8%.
- (v) Investments of ₹2,500 not mentioned in the Balance Sheet were to be taken into account
- (vi) A creditor of ₹2,100 not recorded in the books was to be taken into account.

Pass necessary journal entries for the above transactions in the books of the firm on C's admission.

OR

X, Y and Z are sharing profits in the ratio of 1/2: 1/3 and 1/6. Following is their balance sheet as at 31st March, 2022:

24. 6

Liabilities	Amount	Assets	Amount
-------------	--------	--------	--------

Sundry Creditors	110,000	Machinery	300,000
Capitals:		Patents	40,000
X 320,000		Stock	280,000
Y 200,000		Debtors 120,000	
Z 170,000		Less: Provision for doubtful debts (10,000)	110,000
		Cash at Bank	40,000
		Profit and Loss account	30,000
	800,000		800,000

Y retires and X and Z decide to share future profits in the ratio of 2: 1.

It was agreed that

- Value of patents is to be reduced by 40% and that of machinery to 90%.
- The Provision for Doubtful Debts to be maintained @5% on Debtors.
- Rent Outstanding was 15,000
- A liability for claim, included in creditors for 20,000 is settled at ₹15,000.
- Accrued income of 10,000 is to be recorded in the books.
- Goodwill of the firm is valued at *1,20,000.

Prepare Revaluation Account & Partner's Capital Accounts

A, B and C were partners sharing Profit & Loss in the ratio 5:3:2. A died on 30th Jun 2019.

25. Entry for treatment of goodwill after his death was passed as follows

Date	Particulars	LF	Debit	Credit
	B's Capital a/c Dr.		180,000	-
	C's Capital a/c Dr.		120,000	-
	To A's Capital a/c		-	300,000
	(Entry for goodwill treatment passed at the time of death of partner)			

A's profit till date of death was estimated as ₹1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date death was calculated as ₹8,40,000 out of which ₹2,40,000 was paid immediate by giving him Furniture valued for the same and balance was to be paid three equal annual instalments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932.

Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.

26. Pass necessary journal entries for issue of 12% debentures in the books of Ghanshyam Ltd. in the following cases:

- Issued 1,000, 12% debentures of 100 each at a premium of 10%, redeemable at a premium of 5%.
- Issued 5,000, 12% debentures of 100 each at a premium of 10%, redeemable at par.
- Issued 2,000, 12% debentures of *100 each at a discount of 10%, redeemable at a premium of 5%.

PART B
(Analysis of Financial Statements)

A company sold inventory costing ₹2,00,000 at a loss of ₹10,000. It will result in inflow, outflow or no flow of cash .

27. OR

'Forfeited Shares Account' appears in the Balance Sheet of the company under the

27.	<p>(A) Reserves and Surplus (C) Share Capital (B) Long-term Provisions (D) Other Current Liabilities</p> <p>Revenue from Operations ₹9,60,000; Current Liabilities ₹20,000; Working Capital Turnover Ratio 8 times, Current assets will be</p>	1																
28.	<p>(A) ₹1,40,000 (C) ₹1,00,000 B) ₹1,20,000 (D) ₹1,60,000</p>	1																
29.	<p>Assertion (A): If a machine whose original cost is ₹40,000 having accumulated depreciation ₹12,000, were sold for ₹34,000 then while preparing Cash Flow Statement it will result in Cash flow from investing activities ₹34,000</p> <p>Reason (R): Machinery being part of non-current asset is investing activity and sale proceed is ₹34,000</p> <p>A. (A) is correct but (R) is wrong. B. Both (A) and (R) are correct, but (R) is not the correct explanation of (A). C. Both (A) and (R) are incorrect. D. Both (A) and (R) are correct, and (R) is the correct explanation</p>	1																
29.	<p>OR</p> <p>Investments made with the purpose to resell after the expiry of three months will come under which of the following activity?</p> <p>A. Investing B. Financing C. Operating D. Cash Equivalent</p>	1																
30.	<p>A Company's Liquid Assets are 400,000 , Inventory is 210,000, Prepaid Expenses are 30,000, Patents are 15,000 and Working Capital is 480,000. Its Current Ratio will be:</p> <p>A. 2.5 : 1 B. 3 : 1 C. 4 : 1 D. 1.33 : 1</p>	1																
31.	<p>Under which major heads and sub-heads will the following items be placed in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013?</p> <ol style="list-style-type: none"> 1. Loose tools 2. Accrued Income 3. Investments with maturity period less than six months 4. Work-in-Progress 5. Mining Rights 6. Security Premium 	3																
32.	<p>From the following information, calculate 'Interest Coverage Ratio'.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Profit after interest and tax</td> <td style="text-align: right;">₹750,000</td> </tr> <tr> <td>Rate of Income tax</td> <td style="text-align: right;">25%</td> </tr> <tr> <td>9% Debentures</td> <td style="text-align: right;">₹800,000</td> </tr> </table> <p>Calculate the Debit-Equity Ratio from the following information</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">₹</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">16,00,000</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Working Capital</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">12,00,000</td> </tr> </table>	Profit after interest and tax	₹750,000	Rate of Income tax	25%	9% Debentures	₹800,000	₹		Non-Current Assets	16,00,000	Current Assets	4,00,000	Working Capital	2,00,000	Non-Current Liabilities	12,00,000	3
Profit after interest and tax	₹750,000																	
Rate of Income tax	25%																	
9% Debentures	₹800,000																	
₹																		
Non-Current Assets	16,00,000																	
Current Assets	4,00,000																	
Working Capital	2,00,000																	
Non-Current Liabilities	12,00,000																	

Prepare a Common Size Statement of Profit & Loss from the following:

Particulars	Note No.	31 st March 2023	31 st March 2022
Revenue from Operations		40,00,000	42,00,000
Other Income		30,000	25,200
Finance Costs		24,00,000	26,88,000
Other Expenses		1,60,000	1,51,200
Income Tax (40%)			

OR

Prepare a Statement of profits in Comparative form, from the following data:

Particulars	Note No.	31 st March 2023	31 st March 2022
Revenue from Operations		8,00,000	6,00,000
Expenses		55% Revenue from Operations	55% Revenue from Operations
Other Income		40,000	20,000
Income Tax (40%)		40%	35%

From the following Balance Sheet of Mayur Ltd. And the additional information as at 31st March 2023, prepare a Cash Flow Statement.

**Balance Sheet of Mayur Ltd.
As at 31st March 2023**

Particulars	Note No.	31 st March 2023	31 st March 2022
I EQUITY AND LIABILITY			
Shareholders Fund			
a. Share Capital		30,00,000	20,00,000
b. Reserves and Surplus		3,00,000	4,00,000
Non- Current Liabilities			
a. Long- term Borrowings		4,00,000	3,00,000
Current Liabilities			
a. Trade Payables		1,70,000	2,50,000
b. Short- term Provisions		76,000	64,000
TOTAL		39,46,000	30,14,000
II ASSETS			
Non-Current Assets			
a. Property, Plant and Equipment and Intangible Assets			
i. Property, Plant and Equipment		29,00,000	23,00,000
ii. Intangible Assets			
b. Non-Current Investment		2,70,000	1,60,000
Current Assets			
a. Inventories			
b. Trade Receivables		2,20,000	2,30,000
		1,10,000	1,30,000

c. Cash and Cash Equivalent	4,46,000	1,94,000
TOTAL	39,46,000	30,14,000

Notes to Accounts

Particulars	31 st March 2023	31 st March 2022
1. Reserves and Surplus Surplus i.e. Balance in Statement of Profit and Loss	3,00,000	4,00,000
2. Long-term Borrowings 9% Debentures	4,00,000	3,00,000
3. Short-term Borrowings Provision for Taxation	76,000	64,000
4. Property, Plant and Equipment Machinery	36,00,000	28,00,000
Accumulated Depreciation	(7,00,000)	(5,00,000)
	29,00,000	23,00,000
5. Intangible Assets Goodwill	270,000	1,60,000

Additional Information:

1. During the year a piece of machinery costing Rs400,000 on which accumulated depreciation was RS73,000 was sold for Rs310,000
2. 9% Debentures of Rs100,000 were issued on 31st March 2023.