D.A.V INSTITUTIONS, CHATTISGARH

SAMPLE PAPER -07: 2023-24

CLASS - XII

SUBJECT: ACCOUNTANCY (055

Max.marks -80 **Time- 3hrs**

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Part - A is compulsory for all candidates.
3. Part - B. (i) Analysis of Financial Statements
4. Question 1 to 16 and 27 to 30 carries 1 mark each.
5. Questions 17 to 20, 31and 32 carries **3** marks each.
6. Questions from 21 ,22 and 33 carries **4** marks each.
7. Questions from 23 to 26 and 34 carries **6** marks each.

PART A

(Accounting for Partnership Firms and Companies)

Q.N O	QUESTION	MARK S
1	X, Y and Z are partners in a firm sharing profits in the ratio of 3 : 2 : 1. They decided to share future profits equally. The Profit and Loss Account showed a Credit balance of ₹60,000 and a General Reserve of ₹30,000. If these are not tobe shown in balance sheet, in the journal entry : (A) Cr. X by ₹15,000: Dr. Z by ₹15,000 (B) Dr. X by ₹15,000; Cr. Z by ₹15,000 (C) Cr. X by ₹45,000; Cr. Y by ₹30,000; Cr. Z by ₹15,000 (D) Cr. X by ₹30,000; Cr. Y by ₹30,000; Cr. Z by ₹30,000	1
2	Assertion (A):- Commission provided to partner is shown in Profit and Loss A/c. Reason (R):- Commission provided to partner is charge against profits and is tobe provided at fixed rate. 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 of (A)	1

3	A share of ₹ 10 each, issued at ₹ 4 premium out of which ₹ 7 (including ₹ 1premium) was called up and paid up. The uncalled Capital will be____ . a) ₹ 7 per share b) ₹ 4 per share c) ₹ 8 per share d) ₹ 3 pershare OR While issuing______________type of Debentures, company doesn't give any undertaking for the repayment of money borrowed by issuing such debentures. a) Zero Coupon Rate Debentures b) Non-Convertible Debentures c) Secured Debentures d) Non-Redeemable Debentures	1
4	Samiksha, Arshiya and Divya were partners in a firm sharing profits and losses	1

	in the ratio of 5: 3: 2. With effect from 1st April 2022, they agreed to share future profits and losses in the ratio of 2: 5: 3. Their Balance Sheet showed a debit balance of ₹ 50,000 in the Profit and Loss Account and a balance of ₹ 40,000 in the Investment Fluctuation Fund. The market value of an investment is ₹30,000 against the book value of ₹50,000. Partners have decided, not to show revised valued in the balance sheet and to pass an adjusting entry for it. Which of the following is the correct treatment of the above? a) Samiksha's Capital A/c. Dr. 9,000 To Arshiya's Capital A/c. 6,000 To Divya's Capital A/c 3,000 b) Arshiya's Capital A/c. Dr. 5,000 To Samiksha's Capital A/c. 2,000 To Divya's Capital A/c. 3,000 c) Arshiya's Capital A/c. Dr. 2,000Divya's Capital A/c. Dr. 1,000 To Samiksha's Capital A/c 3,000 d) Arshiya's Capital A/c. Dr. 6,000Divya's Capital A/c. Dr. 3,000 To Samiksha's Capital A/c 9,000 OR X Y and Z are partners sharing profits and losses in the ratio 5 : 3 : 2. They decide to share the future profits in the ratio 3 : 2 : 1. Workmen compensation reserve appearing in the balance sheet on the date if no information is available for the same will be : (A) Distributed to the partners in old profit sharing ratio (B) Distributed to the partners in new profit sharing ratio (C) Distributed to the partners in capital ratio (D) Carried forward to new balance sheet without any adjustment	
5	Which of the following statement is false: a) A shareholder is the agent of the company b) A company is a legal entity quite distinct from its members. c) A company can buy its own share d) Same person can agent and creditor of the company	1

6	Shraya Ltd. issued 50,000, 8% Debentures of ₹ 100 each at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹2,00,000. At what rate of premium, these debentures were issued? a) 10% b) 16% c) 6% d) 4% **Or** JIYA Ltd. issued 80,000, 10% Debentures of ₹ 100 each at certain rate of discount and were to be redeemed at 20% premium. Existing balance of Securities Premium before issuing of these debentures was ₹ 25,00,000 and after writing off Loss on Issue of Debentures, the balance in Securities Premium was ₹ 5,00,000. At what rate of discount, these debentures were issued? a) 10% b) 5% c) 25% d) 15%	1

7	A Ltd. forfeited 2,000 shares of Rs.10 each fully called up for non-payment of final call of Rs.2 per share. 1,200 of these shares were reissued at Rs.7 per share, fully paid up. What is the amount to be transferred to Capital Reserve Account? a) ₹7,600 b) ₹ 1,200 c) ₹ 12,400 d) ₹6,000	1
8	Amay, Bina and Chander are partners in a firm with capital balances of ₹50,000, ₹ 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. There existed a general reserve of ₹ 7,500 in the balance sheet on that date. The goodwill of the firm was valued at ₹ 30,000.Gain on revaluation was ₹24,000. **a)** ₹ 88,500 **b)** ₹90,500 **c)** ₹ 65,375 **d)** ₹70,500	1
	Or X, Y, and Z are partners in a firm. At the time of division of profit for the year, there was dispute between the partners. Profit before interest on partner's capital was ₹6,00,000 and Z demanded minimum profit of ₹5,00,000 as his financial position was not good. However, there was no written agreement on this point. (A) Other partners will pay Z the minimum profit and will share the loss equally. (B) Other partners will pay Z the minimum profit and will share the loss in capital ratio. (C) X and T will take ₹50,000 each and Z will take ₹5,00,000. (D) ₹2,00,000 to each of the partners.	
9	A and B are partners in partnership firm without any agreement. A has given a loan of ₹50,000 to the firm. At the end of year loss was incurred in the business. Following interest may be paid to A by the firm : (A) @5% Per Annum (B) @ 6% Per Annum (C) @ 6% Per Month (D) As there is a loss in the business, interest can't be paid	1

10	Features of a partnership firm are : (A) Two or more persons are carrying common business under an agreement. (B) They are sharing profits and losses in the fixed ratio. (C) Business is carried by all or any of them acting tor all as an agent. (D) All of the above.	1
11	Types of Guarantee Division of Profits. (i) Guarantee by Firm to Partners (ii) Guarantee by Partners to Firm (iii) Guarantee by Partner to Partner (iv) All of the above	1
12	A, B and C were Partners with capitals of ₹50,000; ₹40,000 and ₹30,000 respectively carrying on business in partnership. The firm's reported profit for the year was ₹80,000. As per provision of the Indian Partnership Act, 1932, find out the share of each partner in the above amount after taking into account that no interest has been provided on an advance by A of ₹20,000 in addition to his capital contribution. (A) ₹26,267 for Partner B and C and ₹27,466 for Partner A. (B) ₹26,667 each partner. (C) ₹33,333 for A ₹26,667 for B and ₹20,000 for C. (D) ₹30,000 each partner.	1
13	Balance sheet of a company is required to be prepared in the format given in …………………… (A) Schedule III Part II (B) Schedule III Part I (C) Schedule III Part III Table A	1
	Read the following hypothetical situation and answer the following questions:q 14 and 15 Nakul, Bakul and Atul wee partners in a firm manufacturing denim jeans situated in Noida. They were sharing profits and losses in the ratio of 5:3:2.They were doing good business and were interested in its expansion in Agra. For this Bakul took the responsibility and visit to Agra by his own car. While returning, his car met with an accident. After one month of treatment, on1-07-23 he died. It was agreed between Bakul's executors and the remaining partners (i) Goodwill of the firm be valued at 2 and half year purchase of average profit for the last three years. The profit of the last three years 2020-21 ₹40,000;2021-22	1

	₹60,000; 2022-23 -₹74,000. (ii) Profit of deceased partner upto the date of death will be calculated on the basis of profit of the last year.	1
14	Bakul's share of Goodwill will be: (a) ₹50,500 (b) ₹ 43,500 (c) ₹ 52,500 (d) ₹ 51,250	
15	Bakul's share of profit till the date of his death : (a) ₹ 6,650 (b) ₹ 9,000 (c) ₹ 7,500 (d) ₹ 5,550	
16	A and B are partners. A draws a fixed amount at the beginning of every month.	1
	Interest on drawings is charged @8% p.a. At the end of the year interest on A's	
	drawings amounts to ₹ 2,600. Monthly drawings of A were:	
	a) ₹ 8,000	
	b) ₹ 60,000	
	c) ₹ 7,000	
	d) ₹ 5,000	
	Or	
	Vidyadhar, a partner withdrew ₹ 5,000 in the beginning of each quarter and	
	interest on drawings was calculated as ₹ 1,500 at the end of accounting year 31	
	March 2022. What is the rate of interest on drawings charged?	
	a) 6% p.a.	
	b) 8% p.a.	
	c) 10% p.a.	
	d) 12% p.a.	

17	L, M and N are partners in a firm sharing profits in the ratio of 3 : 2 : 1. Books of the firm are closed on March 31st each year. M died on 30th June 2017 and according to the agreement the share of profits of a deceased partner up to the date of the death is to be calculated on the basis of the average profits for the last four years. The goodwill of the firm be valued at two years purchases of the average profits for the last five years. The net profits for the last 5 years have been : 2012-13 – 14,000; 2013-14 – 15,000; 2014-15 – 6,000 (loss) and 2015-16 – 9,000; 2016-17– 10,000. Pass necessary Journal entries.	3
18	A and B were partners in 3:2. On 1st April 2020, their capital balances were rupees 3,00,000 and rupees 5,00,000 respectively. Following were the terms of the partnership deed: **1)** Interest on capital @ 10% p.a. **2)** Interest on drawing @ 5% on their annual drawings. **3)** Salary to A @ rupees 2,500 per month **4)** Commission to B @ 5% on net profit remaining after interest on capital and after charging his commission. 10% of the distributable profit should be transferred to general reserve Annual drawings of the partners being ₹ 60,000 each. Net profit earned by the firm at the end of the year 31st March 2021 amounting to ₹ 2,90,000. Prepare profit and loss appropriation account. OR A and B were partners in a firm sharing P/L in the ratio of 5:3. Their fixed capitals on 31st March,2022 were ₹ 60,000 and ₹ 80,000. They agreed to allow interest on capital @ 12% p,a. The profit of the firm for the year ended 31st March,2023 before interest on capital was ₹ 12,600.	3
19	Calculate Goodwill of the firm on the basis of: **a.** Capitalisation of average profit **b.** 2 years purchase of super profit **Information:** **i)** Total Assets ₹ 15,00,000 and External Liabilities amounting to ₹ 3,00,000. **ii)** Normal rate of return on capital employed is 8%. **iii)** Profit or losses for the last 3 years: 2020 2,10,000	3

	2019 1,90,000 2018 (40,000) Loss	
20	Random Ltd. took over running business of Mature Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 6,40,000 for a purchase consideration of ₹ 36,00,000. The amount was settled by bank draft of ₹ 1,50,000 and balance by issuing 12% preference shares of ₹ 100 each at 15% premium. Pass entries in the books of Random Ltd. OR Pass necessary journal entries for issue of Debentures in the following cases: a) Y ltd issued ₹ 5,00,000, 9% debentures of ₹ 100 each at par redeemable at a premium of 10% after 3 years. Z ltd issued 4500, 9% debentures of ₹ 100 each at a discount of 10% redeemable at a premium of 5% after 3 years.	3

21	A Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. All the dues on allotment received except on 15,000 shares held by Sonu. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.	4
22	Following is a balance sheet of Raj and Samar who were sharing in 2:1:	4

Balance Sheet (31.3.2022)

Liabilities	₹	Assets	₹
Capitals:		Goodwill	40,000
Raj : 3,00,000		Plant & Machinery	1,00,000
Samar : 2,00,000	5,00,000	Furniture & Fixture	50,000
Workmen Comp. reserve	30,000	Investment	1,50,000
Raj's Loan	20,000	Stock	2,00,000
Employees Provident Fund	25,000	S. Debtors 1,30,000	
S. Creditors	75,000	Less: Provision 10,000	1,20,000
Profit & Loss a/c	60,000	Cash at bank	50,000
	7,10,000		**7,10,000**

They decided to dissolve the firm. The assets realised and liabilities were paid off as under:

a) Half of the creditors were agreed to take over furniture and fixtures in full settlement and the remaining creditors were paid at a discount of 20%.

b) The assets realised as under:

Debtors at 90% of book value less ₹ 7,000.

Plant and machinery at ₹ 70,000 Stock at 80%.

c) 1/3rd of investments was taken over by Samar at book value and remaining were sold in open market at 120%.

d) Raj's loan was settled by paying ₹ 18,500.

e) Claim against workmen compensation was paid ₹ 25,000.

Expenses on dissolution paid by Raj ₹ 7,500. Prepare Realisation account.

23	M. Ltd. Issued 60,000 equity shares of ₹ 100 each at par, payable as under: Application 30 Allotment 40 First Call 20 Final call balance Public applied for 85,000 shares. The board of directors decided to reject 5,000 shares and pro-rata allotment was made to the rem*aining applicants. The excess money received on application could be adjusted against allotment only. Mr. A to whom 3,000 shares were allotted failed to pay money due on allotment and both the calls. The directors decided to forfeit his shares. Out of these 1,200 shares were re-issued for ₹ 80 per share as fully paid. Pass necessary entries. **OR** A company issued 1,00,000 shares of rupees 10 each at premium of ₹ 2, the amount was payable as under: Application ₹ 4 Allotment ₹ 6 (including premium ₹ 2) First Call ₹ 1 Final call balance Public applied for 90,000 shares. One shareholder Mr. Amar, to whom 2,000 shares were allotted did not pay money due on allotment and first call and consequently his shares were forfeited after the first call. Another shareholder Mr. Vipul, to whom 5,000 shares were allotted fail to pay both the calls and his shares were also forfeited. Out of the forfeited shares, 4,000 shares were re issued at ₹ 8 including all shares of Mr. Amar. Pass necessary entries.	6

24	X and Y are partners in 3:1. Following is their balance sheet:	6

Balance Sheet as on 31st March 2022

Liabilities	Rs.	Assets	Rs.
Capitals:		Land & Buildings	2,00,000
X : 1,80,000		Furniture	80,000
Y : 1,00,000	2,80,000	Stock	50,000
Reserve	60,000	Debtors	80,000
Workmen Comp. Reserve	40,000	Cash at Bank	20,000
S. Creditors	50,000		
	4,30,000		**4,30,000**

They decided to admit Z as a partner for 1/4th share, which he acquires entirely from X.

Following adjustments were also made:

a) Make a provision equal to 5% on debtors for doubtful debts.

b) Claim against workmen compensation was determined at rupees 32,000.

c) Land and building were appreciated by 25%.

d) Z brought ₹ 1,20,000 as his capital and ₹ 40,000 as his share of goodwill in cash.

e) It was also decided to re-adjust the capitals of old partners on the basis of new ratio by taking Z's capital as base.

Necessary adjustments were made by introducing withdrawing cash.

Prepare Revaluation account and Partners' capital account.

OR

e) It was also decided to re-adjust the capitals of old partners on the basis of new ratio by taking Z's capital as base.

Necessary adjustments were made by introducing withdrawing cash.

Prepare Revaluation account and Partners' capital account.

OR

A and B are partners in 3:2. Following is their balance sheet:

Balance Sheet (31.3.2022)

Liabilities	Rs.	Assets	Rs.
S. Creditors	67,000	Cash at Bank	42,000
Reserve	75,000	S. Debtors 1,80,000	
Investment Fluct. Reserve	15,000	Less: Provision 10,000	1,70,000
Capitals:		Stock	1,35,000
A : 2,50,000		Plant & Machinery	1,00,000
B : 1,50,000	4,00,000	Investment	80,000
		P/L balance	30,000
	5,57,000		**5,57,000**

They decided to admit C as a partner for 1/5th share, which he acquires equally from A and B. Following adjustments were made:

- **a)** Investment revalued at ₹ 60,000.
- **b)** Stock was undervalued by ₹ 15,000.
- **c)** Write off bad debts ₹ 15,000 and also create a provision for doubtful debts @ 10%.
- **d)** C brought his share of goodwill in cash ₹ 90,000.
- **e)** C further brought 1/5th equal to total capital of the firm as his capital.

Prepare Revaluation account and Partners' capital account.

25 X, Y and Z are partners in 2:2:1. Following is their balance sheet: 6

Balance Sheet (31.3.2022)

Liabilities	Rs.	Assets	Rs.
S. Creditors	50,000	Cash at Bank	60,000
General Reserve	20,000	S. Debtors 1,15,000	
Capitals:		Less: Provision 5,000	1,10,000
X : 2,00,000		Stock	80,000
Y : 1,50,000		Furniture	40,000
Z : 1,00,000	4,50,000	Other Fixed Assets	2,00,000
		Goodwill	30,000
	5,20,000		**5,20,000**

On the above date X retired from the firm on the following conditions:

- **i.** Goodwill of the firm is valued at ₹ 3,00,000.
- **ii.** Write off bad debts amounting to ₹ 15,000.
- **iii.** Depreciate furniture by 25%.

	iv. Other fixed assets revalued at ₹ 2,40,000. **v.** Capital of the new firm after X's retirement was fixed at ₹ 1,50,000. It was also decided to re-adjust the capital in new ratio by opening current account. Prepare Revaluation account and Partners' capital account.	
26	X Ltd. issued 6,000, 12% Debentures of 100 each at a discount of 6% on 01.04.2014. The debentures were payable in installments of 2,00,000 starting from 31.03.2016. Show the discount on Issue of Debentures account for the years 2014-15 to 2017-18. You are required to: (a) Pass entries for issue of Debentures. (b) Prepare Loss on Issue of Debenture a/c.	6

	Part B :- Analysis of Financial Statements	
27	Given that: Opening Inventory ₹ 1,20,000 Purchases₹ 9,00,000 Return Outward ₹ 40,000 and the closing inventory is ₹ 20,000 less than opening inventory, then, Inventory Turnover Ratio is: (a) 5 times (b) 7 times (c) 8 times (d) 10 times **OR** If total sales are ₹ 2,50,000 and credit sales are 25% of cash sales. The amount of credit sales is : a) ₹50,000 b) ₹2,50,000 c) ₹16,000 d) ₹ 3,00,000	1
28	Which of the following is an Operating Activity for a finance company? (a) Purchase of investment (b) Dividend received (c) Interest received on Loan (d) All of these	1
29	In the balance sheet of a company, provision for taxation is shown under: (a) Shareholders Funds – Reserves and Surplus (b) Non-current Liabilities – Long-term Provisions (c) Current Liabilities– Short-term Provisions (d) None of the above OR Cash and Cash equivalents do not include: a) Cheques, drafts in hand b) Bank Deposits c) Bank Overdraft d) None of the above.	1
30	From the following calculate Interest coverage ratio Net profit after tax ₹ 12,00,000; 10% debentures ₹ 1,00,00,000; Tax Rate 40% a) 1.2 times b) 3 times c) 2 times d) 5 times	1
31	Under which major heads the following items will appear in the Statement of Profit and Loss of a Company: (i) Sale of services (ii) Dividend received (iii) Net loss on sale of investment (iv) Staff Welfare Expenses	3

(v) Rent paid

(vi) Sale of Scrap

32 (3 marks)

Particulars	22-23 (₹)	23-24(₹)
Revenue from operations	7,00,000	8,50,000
Material Consumed	3,30,000	4,20,000
Manufacturing and other Exps.	2,40,000	2,60,000
Other Income	30,000	30,000
Tax @ 50%		

33 (4 marks)

Compute Working Capital Turnover Ratio from the following:

	₹
Cash revenue from operations	1,30,000
Credit revenue from operations	3,80,000
Liquid Assets	1,40,000
Return Inward	10,000
Current Liabilities	1,05,000
Inventories	90,000

OR

Y ltd has a current ratio of 3.5:1 and quick ratio of 2:1. If excess of current assets over quick assets represented by inventory is ₹ 48,000, calculate current assets and current liabilities.

34 (6 marks)

From the following information, calculate the amount of Cash flows from Investing Activities:

Particulars	31st March,2022 ₹	31st March, 2023 ₹
Plant and Machinery	8,50,000	10,00,000
Non- Current Investment	40,000	1,00,000
Land (Cost)	2,00,000	1,00,000

Additional Informations:

a)Depreciate plant and machinery ₹ 50,000

b)Plant and machinery book value of ₹ 60,000 was sold for ₹ 40,000

c) Land was sold at a profit of ₹ 60,000

d)No investment was sold during the year.
