

PRE-BOARD1 EXAMINATION (2023-24)
ACCOUNTANCY (055) (Set-1)

CLASS XII

Date: 20/11/2023

MAX.MARK: 80

TIME: 3 hours

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This questions paper is divided into two parts, Part A and B.
Part – A. Accounting for Partnership Firms and Companies. Part – B Analysis of Financial Statements
3. Questions 1 to 16 and 27 to 30 carries 1 mark each.
4. Questions 17 to 20, 31 and 32 carries 3 marks each.
5. Questions 21, 22, and 33 carries 4 marks each.
6. Questions 23 to 26 and 34 carries 6 marks each.
7. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART-A**(Accounting for Partnership Firms and Companies)**

- 1 P and Q are partners sharing profit/loss in the ratio of 4:3.They admit R as a partner for $\frac{1}{7}$ th share in profits which he acquires equally from P and Q. Calculate new profit sharing ratio of partners. [1]
a) 7:5:2
b) 5:7:2
c) 2:5:7
d) 3:2:1
- 2 Mohan holding 900 shares of Rs.10/-each failed to pay allotment money of Rs.2/-per share and call money of Rs.4/-per share. His shares were forfeited and out of these, 600 shares were re-issued at Rs.7/-per share fully paid up. The amount of capital reserve will be: [1]
a) Rs.1200
b) Rs.600
c) Rs.800
d) Rs.900
- 3 Mehar Ltd. issued Rs.1,00,000/-, 12% debentures of Rs.100/-each at a premium of 5% [1] redeemable at a premium of 2% .Premium on redemption account will be:
a) Debited by Rs.5000/-
b) Credited by Rs.5000/-
c) Debited by Rs.2000/-
d) Credited by Rs.2000/-

OR

Read the following statements: Assertion (A) and Reason (R).Choose the correct alternative from those given below:

Assertion (A) : Salary allowed in the partner is shown in the profit &loss appropriation account

Reason (R) :Salary is allowed to the partner only when there is provision for the same in the partnership deed

- a) Both A and R are correct ,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
- 4 P and Q are partners in a firm. They are entitled to interest on capital but the net profit was not sufficient for this interest. The net profit will be distributed among the partners in: [1]
a) agreed Ratio
b) profit-sharing Ratio
c) capital Ratio
d) equal Ratio

OR

Mona &Tina are partners sharing profits in the ratio of 3:2. Naina was admitted with $\frac{1}{6}$ th share

future profits equally. On Kamal's retirement, goodwill of the firm was valued at Rs.9,00,000/- Showing your working clearly, Pass the necessary journal entry for treatment of goodwill on Kamal's retirement. It was decided not to show good will in the books of the firm.

- 18 Asha, Suman and Verka were partners in a firm. Their capital were Rs.9, 00,000/- Rs.7, 00,000/- and Rs.4,00,000/- respectively as on 1st April 2022. Net profit for the year ended 31st March 2023 were Rs.1,20,000/- which was distributed without providing for interest on capital @ 8% p.a. as per partnership deed. Pass necessary adjustment entry. [3]

OR

A, B and C are partners in a firm. On 1-4-2022 their capital stood at Rs.5, 00,000/- Rs.2, 50,000/- and Rs.2, 50,000/- respectively. As per the provisions of the partnership deed:

- (a) C was entitled for a salary of Rs.10,000/-p.m.
- (b) Partners were entitled to interest on capital @ 5%p.a.
- (c) Profits were to be shared in the ratio of capitals.

The net profit for the year ended 31st March 2023, Rs.3, 30,000/- was divided equally without providing for the above terms. Pass an adjustment entry to rectify the above error.

- 19 Kuber Ltd. purchased assets worth Rs.10,00,000 and took over liabilities of Amrit Ltd. for a purchase consideration of Rs.8,00,000/-. Kuber Ltd. paid Rs.2, 60,000/-through a cheque and the balance was settled by issuing 12% debentures of Rs.100/- each at a discount of 10%. Pass necessary journal entries in the books of Kuber Ltd. for the above transactions. [3]

OR

JCV Ltd. forfeited 200 shares of Rs.10/-each issued at a premium of Rs.2 per share for the non-payment of allotment of Rs.3/-per share (including premium).The first and final call of Rs.4 per share has not been made yet. 50% of forfeited shares were reissued at Rs.8 per share fully paid-up. Pass necessary journal entries for the forfeiture and re-issue of shares.

20. A, B and C are partners sharing profits and losses equally. They agree to admit D for equal share. For this purpose, goodwill is to be valued at 3 years` purchase of average profits of last 5 years which were as follows: [3]

I. Year ending on 31 st March 2018	60,000/-(Profit)
II. Year ending on 31 st March 2019	1,50,000/- (Profit)
III. Year ending on 31 st March 2020	20,000/-(Loss)
IV. Year ending on 31 st March 2021	2,00,000/-(Profit)
V. Year ending on 31 st March 2022	1,85,000/-(Profit)

On 1st October 2021, a computer costing Rs.40,000/- was purchased and debited to office expenses account on which depreciation is to be charged @ 25% p.a. Calculate the value of goodwill.

- 21 Surya Tubes Ltd. issued 20,000 shares of Rs.100/- each. The due amount was received except for 500 shares on which Rs.75 per share was received. These 500 shares were forfeited and 300 shares were reissued for Rs.60/- each fully paid up. Prepare forfeited shares account and show the share capital in the balance sheet as at closing date. [4]

- 22 Pass necessary journal entries on the dissolution of a partnership firm in the following cases: [4]

- I. Expenses of dissolution were Rs.9,000/-
- II. Expenses of dissolution of Rs.3, 400/- were paid by a partner, Vishal.
- III. Shiv, a partner agreed to do the work of dissolution for a commission of Rs.4,500/-.He also agreed to bear the dissolution expenses. Actual dissolution expenses Rs.3, 900/-were paid from the firms` bank account.
- IV. Vivek, a partner was appointed to look after the dissolution work for a remuneration of Rs 7000/-. He agreed to bear the dissolution expenses. Actual dissolution expenses of Rs 6500/- were paid by Naveen.

- 23 ABC Ltd. was registered with an authorised capital of Rs.2, 00,000/- equity shares of Rs.100 each. The company offered 60,000 equity shares for public subscription at 25% premium. The share [6]

was payable as Rs.40/-on application and balance on allotment with the premium. Public had applied for 85,000 shares. Pro-rata allotment was made in the ratio of 5:4 and remaining applications were sent letters of regret. Mr Anand holding 4,000 shares failed to pay allotment money and his shares were forfeited. Out of these 3,000/- shares were re-issued at a discount of Rs.20 per share. Pass necessary entries in the books of the ABC Ltd

OR

Dinesh Ltd issued 5,000 shares of Rs100/-each at par, payable as follows:

On Application	Rs.25/-
On Allotment	Rs.25/-
On First Call	Rs.20/-
On Final call	Rs.30/-

Anil holding 100 shares failed to pay the amount of allotment and first call and his shares were forfeited after the first call. Sunil holding 200 shares failed to pay the amount due on final and his shares were also forfeited. Show entries in the cash book and Journal of the company.

24 Gowtham and Rahul are partners in a firm, sharing profits and losses in the ratio of 2:3.Their [6] balance sheet as at 31st March 2023,was as follows:

Liabilities		Amount	Assets		Amount
Sundry Payables		5000	Goodwill		10,000
Bills payable		15000	Furniture		25,000
General Reserve		10,000	Stock		15,000
Capitals			Sundry Debtors		12,000
Gowtham	30,000		Less provision		2,000
Rahul	40,000	70,000			10,000
			Cash in hand		40,000
Total		1,00,000	Total		1,00,000

Karim was to be taken as a partner with effect from 1st April ,2023 on the following terms:

- The new profit sharing ratio of Gowtham, Rahul and Karim would be 5:3:2.
- Provision for doubtful debts would be raised to 20% of Debtors.
- Karim would bring in cash, his share of capital of Rs 40,000/- and his share of good will valued at Rs.10,000/-
- Gowtham would take over the furniture at Rs.22,000/-

Pass Journal entries at the time of Karim's Admission. Prepare the Balance sheet of the reconstituted firm.

OR

P,Q and R were partners in a firm sharing profits in the ratio of 2:3:5.On 31-3-2021 their balance sheet was as follows

Liabilities		Amount	Assets		Amount
Creditors		70,000	Bank		45,000
Capital Accounts			Debtors		40,000
P	80,000		Provision		5,000
Q	70,000				35,000
R	60,000	2,10,000			
			Stock		50,000
			Building		1,40,000
			Profit/loss A/c		10,000
Total		2,80,000	Total		2,80,000

On the above date R retired from the firm due to his illness on the following terms:

- Building was to be depreciated by Rs.40,000/-

- II. Provision for doubtful debt was to be maintained at 20% on debtors.
- III. Salary outstanding of Rs.5, 000/- was to be recorded and the creditors Rs.4, 000/-will not be claimed.
- IV. R was to be paid Rs.15, 000/- in cash through bank and the balance was to be transferred to his loan account.

Prepare revaluation account, partner`s capital account and the balance sheet of P and Q after R`s retirement.

- 25 P, Q and R are partners sharing profits in the ratio of 2:2:1.The firm closes its books of accounts on 31st March every year. On June 30th 2017, R died. The following information is provided on R`s death. [6]

- I. Balance in his capital accounts in the beginning of the year was Rs 6,50,000/-
- II. He withdrew Rs 60,000/- on May 15, 2017 for his personal purpose.

On the date of death of a partner, the partnership deed provided for the following

- a) Interest on capital @10% p.a.
- b) Interest on drawings @12% p.a.
- 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%.
- d) The sales of the firm till June 30,2017 were Rs.6,00,000/-

Prepare R`s capital account on his death to be presented to his executors.

26. On 1st April 2015, KK Ltd. issued 500 9% Debentures of Rs.500/- each at a discount of 4% redeemable at a premium of 5% after three years. Pass necessary journal entries for the issue of debentures and debenture interest for the year ended 31st March 2016 assuming that interest is payable on 30th September and 31st March. The company closes its books on 31st March every year. [6]

Part B

(Analysis of Financial Statement)

27. Which of the following is not the limitation of financial statement analyses? [1]
- a) It is affected by personal bias
 - b) Inter-firm comparative study is possible
 - c) It lacks qualitative Analyses
 - d) Ignores price level changes

OR

..... ratios are calculated to determine the ability of the business to service its` debt in the long run.

- a) Profitability
- b) Solvency
- c) Liquidity
- d) Turn over

- 28 If total sales are Rs.2, 50,000/- and credit sales are 25% on the cash sales. The amount of credit sales is..... [1]
- a) Rs.50,000
 - b) Rs.2,50,000
 - c) Rs.16,000
 - d) Rs.3,00,000

- 29 **Read the statement and choose the correct alternative given.** [1]

Statement I: Investing activity involves the purchase and sale of long term assets.

Statement II: These assets also include the purchase and sale of such investments which are not marketable securities.

- a) Both statements are correct
- b) Both statements are incorrect
- c) Statement I correct and statement II incorrect
- d) Statement I is incorrect and statement II is correct.

OR

Which of the following is not included in cash and cash equivalents

- a) balance with bank
- b) bank deposit with 100 days maturity
- c) cheque and draft
- d) cash in hand

30 X Y and Z Ltd provided the following information .Calculate net cash flow from operating activity [1]

Particulars	31-3-2015	31-3-2016
Equity share Capital	10,00,000	12,00,000
12%long term borrowings	1,00,000	1,00,000

Additional information

- I. Interest paid on debentures Rs.12,000/-
- II. Dividend paid Rs.50,000/-
 - a) Rs.2,38,000/-
 - b) Rs.2,42,000/-
 - (b) Rs.2,36,000/-
 - (d) Rs.2,49,000/-

31 Under which major headings and subheadings will the following items be shown in the balance sheet of a company as per Schedule III part 1 of the Companies Act 2013 [3]

- I. Balance in the statement of profit and loss
- II. Loan of Rs.1,00,000/-payable after 3 years
- III. Short term deposits payable after three years
- IV. Short term deposits payable on demand
- V. Loose tools
- VI. Land

32. From the following information ,compute "Proprietary ratio":

Particulars	Amount (Rs)
▪ Long-term borrowings	▪ 2,00,000
▪ Long term provisions	▪ 1,00,000
▪ Current liabilities	▪ 50,000
▪ Non-current assets	▪ 3,60,000
▪ Current assets	▪ 90,000

33. From the following information prepare a comparative statement of profit and loss of Y Ltd. for the year ended 31st March 2022 and 31st March 2023. [4]

Particulars	31-3-2023	31-3-2022
Revenue from operations	Rs 20,00,000	Rs10,00,000
Cost of materials consumed	Rs 15,00,000	Rs6,00,000
Other expenses	12% cost of materials consumed	10% cost of material consumed
Income tax	40%	30%

OR

From the following statement of profit and loss for the year ended 31st March 2023, Prepare common size statement of profit and loss:

Particulars	Note no	31 st March 2023	31 st March 2022
I. Revenue from operations		6,25,000	5,00,000
II. Expenses			
Purchases of stock in trade		4,35,000	3,60,000
Changes in inventories (stock)		(10,000)	15,000
Employees Benefit Expenses		15000	10,000
Depreciation and Amortisation		25,000	15,000
Total Expenses		<u>4,65,000</u>	<u>4,00,000</u>
III. Profit before tax(1-11)		1,60,000	1,00,000
Less:Tax @40%		64,000	40,000
Profit after Tax(111-1V)		<u>96000</u>	<u>96000</u>

- 34 a) From the following information relating to year ended 31st March 2019, Calculate net profit before tax and extra ordinary activities:

[6]

Particulars	Amount
Surplus i.e.; balance in the statement of Profit and Loss(opening)	1,00,000/-
Surplus i.e.; balance in the statement of Profit and Loss(closing)	2,24,000/-
Transfer to DRR	50,000/-
Proposed dividend for the previous year ended 31 st March 2018	60,000/-
Interim dividend paid during the year	48,000/-
Provision for tax made during the year	1,00,000/-
Income tax paid	72,000/-

- b) From the following information calculate cash flow from Investing activities:

Particulars	2019(Rs)	2020(Rs)
Plant and machinery	8,50,000	10,00,000
Noncurrent investment	40,000	1,00,000
Land (at cost)	2,00,000	1,00,000

Additional information:

- i) Depreciation charged on plant & machinery Rs.50, 000/-.
- ii) Plant & machinery with a book value of Rs.60, 000/- was sold for Rs.40, 000/-.
- iii) Land was sold at a profit of Rs.60, 000/-.
- iv) No investment was sold during the year.