

Class XII
Post Mid Term Exam
Accountancy (055)
Set A1

Time Allowed: 3 Hours

Max Marks: 80

General Instructions:

Read the following instructions carefully and strictly follow them:

1. This question paper consists of **9** printed pages and **34** questions.
2. All questions are compulsory.
3. All parts of a question should be attempted at one place.
4. Marks for all questions are indicated against each question.

<u>A1</u>	<u>Questions</u>	<u>Marks</u>
<u>Part A</u>		
<u>Accounting for Partnership Firms and Companies</u>		
<u>1</u>	<p><u>Assertion (A):</u> Undistributed profits or losses appearing in the Balance-Sheet at the time of admission should be transferred to the old partners' capital/current account.</p> <p><u>Reason (R):</u> Undistributed profits or losses appearing in the balance sheet at the time of admission belong to the old partners as they are earned by them.</p> <p>Alternatives:</p> <p>A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).</p> <p>B. Both Assertion (A) and Reason (R) are true and Reason (R) is not the correct explanation of Assertion (A).</p> <p>C. Assertion (A) is true but Reason (R) is False</p> <p>D. Assertion (A) is False but Reason (R) is true.</p>	<u>1</u>
<u>2</u>	<p>In the absence of an agreement, partners are entitled to:</p> <p>i) Profit share in capital ratio.</p> <p>ii) Commission for making additional sale.</p> <p>iii) Interest on Loan & Advances by them to the firm.</p> <p>iv) Salary for working extra hours.</p> <p>v) Interest on Capital.</p> <p>Choose the correct option:</p> <p>a) Only i), iv) and v).</p> <p>b) Only ii) and iii).</p> <p>c) Only iii).</p> <p>d) Only i) and iii).</p>	<u>1</u>
<u>3</u>	<p>On 1st April, 2019, a company took a loan of ₹80,00,000 on security of land and building. This loan was further secured by issue of 40,000, 12% Debentures of ₹100 each as collateral security. On 31st March, 2024, the company defaulted on repayment of the principal amount of this loan. Consequently on 1st April, 2024, the land and building were taken over and sold by the bank for ₹70,00,000. For the balance amount, debentures</p>	<u>1</u>

	were sold in the market on 1st May, 2024. From which date, would the interest on debentures become payable by the company? A. 1st April, 2019. B. 31st March, 2024. C. 1st April, 2024. D. 1st May, 2024.	
4	At the time of reconstitution of a partnership firm, recording of an unrecorded liability will lead to: (A) Gain to the existing partners. (B) Loss to the existing partners. (C) Neither gain nor loss to the existing partners. (D) None of the above.	1
5	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 to be 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
6	Savitri 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%	1
7	Shares issued as sweat equity can be: (i) Issued at par (ii) Issued at discount. (iii) Issued at a premium. Which of the following is correct? A. Only (i) is correct. B. Both (i) and (iii) are correct. C. All are correct. D. Only (ii) is correct.	1
8	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 & losses share, revaluation gain etc. 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: a) ₹1,20,000. b) ₹80,000. c) ₹2,40,000. d) ₹3,60,000.	1

<p>9</p>	<p>Vihaan and Mann are partners sharing profits and losses in the ratio of 3:2. The firm maintains fluctuating capital accounts and the balance of the same as on 31st March, 2022 is ₹4,00,000 and ₹4,65,000 for Vihaan and Mann respectively. Drawings during the year were ₹65,000 each. As per the partnership Deed, Interest on capital @ 10% p.a. on Opening Capital has been allowed to them. Calculate the opening capital of Vihaan given that the divisible profits during the year 2021-22 was ₹2,25,000.</p> <p>a) ₹3,30,000. b) ₹4,40,000. c) ₹4,00,000. d) ₹3,00,000.</p>	<p>1</p>
<p>10</p>	<p>A, B and C are partners. A's capital is ₹3,00,000 and B's capital is ₹1,00,000. C has not invested any amount as capital but he alone manages the whole business. C wants ₹30,000 p.a. as salary, though the partnership-deed is silent. Firm earned a profit of ₹1,50,000. How much will each partner receives as an appropriation of profits?</p> <p>a) A ₹60,000; B ₹60,000; C ₹30,000. b) A ₹90,000; B ₹30,000; C ₹30,000. c) A ₹40,000; B ₹40,000 and C ₹70,000. d) A ₹50,000; B ₹50,000 and C ₹50,000.</p>	<p>1</p>
<p>11</p>	<p>Sohan and Mohan are partners sharing profits and losses in the ratio of 2:3 with the capitals of ₹5,00,000 and ₹6,00,000 respectively. On 1st January, 2022, Sohan and Mohan granted loans of ₹20,000 and ₹10,000 respectively to the firm. Determine the amount of loss to be borne by each partner for the year ended 31st March, 2022; if the loss before interest of loan for the year amounted to ₹2,500:</p> <p>a) Share of Loss Sohan – ₹ 1,250 Mohan – ₹ 1,250 b) Share of Loss Sohan – ₹ 1,000 Mohan – ₹ 1,500 c) Share of Loss Sohan – ₹ 820 Mohan – ₹ 1,230 d) Share of Loss Sohan – ₹ 1,180 Mohan – ₹ 1,770</p>	<p>1</p>
	<p>Nidiya Limited was incorporated on 1st April, 2017 with registered office in Mumbai. The capital clause of Memorandum of Association reflected a Registered Capital of 8,00,000 equity shares of ₹10 each and 1,00,000 Preference shares of ₹50 each. Since some large investments were required for building and machinery; the company, in consultation with vendors, M/s VPS Enterprises, issued 1,00,000 equity shares and 20,000 preference shares at par to them in full consideration of assets acquired. Besides this, the company issued 2,00,000 equity shares for cash at par payable as ₹3 on application, ₹2 on allotment, ₹3 on first call and ₹2 on second call. Till date, second call has not yet been made. All the shareholders have paid except Mr. Ajay, who did not pay allotment and first call money on his 300 shares and Mr. Vipul, who did not pay first call money on his 200 shares. Shares of Mr. Ajay were then forfeited and out of them, 100 shares were reissued at ₹12 per share.</p> <p>Based on above information you are required to answer the following Question Nos. 12 & 13:</p>	

	<p>a) ₹15,000 b) ₹70,000 c) ₹50,000 d) ₹80,000</p>	
16	<p>At the time of dissolution, machinery appears at ₹10,00,000 and accumulated depreciation for the machinery appears at ₹6,00,000 in the Balance-Sheet of a firm. This machine is taken over by a creditor of ₹5,40,000 at 5% below the net value. The balance amount of the creditor was paid through bank. By what amount, should the bank account be credited for this transaction?</p> <p>A. ₹60,000. B. ₹1,60,000. C. ₹5,40,000. D. ₹4,00,000.</p>	1
17	<p>X, Y and Z were partners sharing profit and losses in the ratio of 4 : 3: 2 respectively. Y retired on April 1, 2017. On that date, capitals of X, Y and Z after all necessary adjustments stood at ₹19650, ₹19800 and ₹9150 respectively. The total capitals of the firm as newly constituted is fixed at ₹28,000 between X and Z in the proportion of 5: 3 after passing entries in their accounts for adjustments. Calculate amount to be paid or to be brought by the continuing partners and pass necessary journal entries.</p>	3
18	<p>A, B and C were partners in a firm sharing profits in the ratio of 2:2:1. C was guaranteed to be given a profit of ₹50,000 per year. Deficiency, if any, on account shall be borne by A and B in the ratio of 3:2. The net profit of the firm for the year ended 31st March 2019 was ₹2,00,000. Prepare Profit and Loss Appropriation Account of A, B and C.</p>	3
19	<p>Sohan Ltd. forfeited 800 shares of ₹10 each, issued at 30% premium (to be paid at the time of allotment) for non-payment of a first call of ₹2 per share. The second and final call of ₹2 has not yet been called. Out of these, 200 shares were reissued for ₹8 per share. Pass necessary journal entries to record the above transactions in the books of Sohan Ltd.</p>	3
20	<p>On 1st April, 2021, an existing firm had assets of ₹10,00,000 including cash of ₹20,000. Its creditors amounted to ₹50,000 on that date. The partners' capital accounts showed a balance of ₹8,00,000 while the reserve fund amounted to ₹1,50,000. If the normal rate of return is 15% and the goodwill of the firm is valued at ₹1,80,000 at 3 years purchase of super profits, find the average profits of the firm.</p>	3
21	<p>Altaur 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 Sanju. 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</p>	4

	as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.																																					
22	<p>Pass Journal entries for the following transactions in the books of the firm on its dissolution: (1 * 4) = 4</p> <p>i. Mr. Vadhya, a creditor, to whom ₹6,000 are due, accepted office equipment at ₹4,000 and the balance paid to him by cash.</p> <p>ii. Debtors of ₹5,00,000 and Provision for Doubtful Debts ₹20,000, is transferred to Realisation A/c. On dissolution, Bad debts were ₹1,00,000 and remaining Debtors realised at 30% discount.</p> <p>iii. Mohika's Loan (a partner) of ₹80,000 to the firm and she took over machinery of ₹60,000 as part payment.</p> <p>iv. The firm had borrowed ₹35,000 from Ritu, a partner. On dissolution, Ritu decided to take over furniture of ₹40,000 against the payment of her loan.</p>	4																																				
23	<p>The Balance-Sheet of Jassal, Jaipaul and Jyoti, who are partners sharing profit in the ratio of 2:2:1, as on 31st March, 2017 is as under:</p> <p style="text-align: center;">Balance-Sheet</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Liabilities</th> <th style="width: 15%;">Amount</th> <th style="width: 35%;">Assets</th> <th style="width: 15%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td style="text-align: right;">3,00,000</td> <td>Goodwill</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Employees' Provident Fund</td> <td style="text-align: right;">1,00,000</td> <td>Fixed Assets</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>General Reserve</td> <td style="text-align: right;">3,00,000</td> <td>Stock</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td><u>Capitals:</u></td> <td></td> <td>Sundry Debtors</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Jassal's Capital 3,00,000</td> <td></td> <td>Cash at Bank</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Jaipaul's Capital 2,50,000</td> <td></td> <td>Advertisement Expenditure</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Jyoti's Capital 1,50,000</td> <td style="text-align: right;">7,00,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>14,00,000</u></td> <td></td> <td style="text-align: right;"><u>14,00,000</u></td> </tr> </tbody> </table> <p>Jaipaul died on 15th June, 2017. According to the Deed, his legal representatives were entitled to:</p> <p>(a) Balance in Capital Account.</p> <p>(b) Share of goodwill valued at three times the average profit of the past four years profits.</p> <p>(c) Share in profits up to the date of death on the basis of average profits for the past four years. Profit for the past 4 years were: ₹1,50,000; ₹1,70,000; ₹1,90,000 and ₹1,30,000.</p> <p>(d) Interest on capital @12% p.a.</p> <p>Prepare Jaipaul's Capital Account to calculate the amount payable to his executors. Jassal and Jyoti continued as partners by taking over Jaipaul's share equally.</p>	Liabilities	Amount	Assets	Amount	Creditors	3,00,000	Goodwill	3,00,000	Employees' Provident Fund	1,00,000	Fixed Assets	6,00,000	General Reserve	3,00,000	Stock	1,00,000	<u>Capitals:</u>		Sundry Debtors	2,00,000	Jassal's Capital 3,00,000		Cash at Bank	1,50,000	Jaipaul's Capital 2,50,000		Advertisement Expenditure	50,000	Jyoti's Capital 1,50,000	7,00,000				<u>14,00,000</u>		<u>14,00,000</u>	6
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24	(i) Raman Limited purchased a running business from Kamal Traders and it was decided to pay for purchase consideration as ₹3,00,000 by cheque and for the balance, issued 10,000, 9% Debentures of ₹100 each at 20% premium.	6																																				

	<p>The assets and liabilities consisted of the following:</p> <table border="1"> <thead> <tr> <th><u>Particulars</u></th> <th><u>Book Value(₹)</u></th> <th><u>Agreed Value(₹)</u></th> </tr> </thead> <tbody> <tr> <td>Plant and Machinery</td> <td>5,00,000</td> <td>4,00,000</td> </tr> <tr> <td>Buildings</td> <td>10,00,000</td> <td>6,00,000</td> </tr> <tr> <td>Stock</td> <td>6,00,000</td> <td>5,00,000</td> </tr> <tr> <td>Sundry Debtors</td> <td>4,00,000</td> <td>3,00,000</td> </tr> <tr> <td>Sundry Creditors</td> <td>2,50,000</td> <td>2,00,000</td> </tr> </tbody> </table> <p>Record necessary journal entries in the books of Raman Limited.</p> <p>(ii) On 1st May, 2019, VKR Ltd. issued 10,000, 9% Debentures of ₹100 each at a discount of 10% redeemable at par after five years. All the Debentures were subscribed and allotment was made. It has a balance of ₹60,000 in Securities Premium Reserve. Pass the Journal entries for issue of debentures and writing off the discount on issue of debentures.</p> <p style="text-align: right;">(3 + 3)</p>	<u>Particulars</u>	<u>Book Value(₹)</u>	<u>Agreed Value(₹)</u>	Plant and Machinery	5,00,000	4,00,000	Buildings	10,00,000	6,00,000	Stock	6,00,000	5,00,000	Sundry Debtors	4,00,000	3,00,000	Sundry Creditors	2,50,000	2,00,000																																					
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<p>25</p>	<p>X and Y were partners in the profit-sharing ratio of 3: 2. Their Balance-Sheet 31st December, 2019 was as under:</p> <p style="text-align: center;">Balance-Sheet</p> <table border="1"> <thead> <tr> <th colspan="2">Liabilities</th> <th>Amount</th> <th colspan="2">Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td></td> <td>56,000</td> <td>Plant and Machinery</td> <td></td> <td>70,000</td> </tr> <tr> <td>General Reserve</td> <td></td> <td>14,000</td> <td>Buildings</td> <td></td> <td>98,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Furniture</td> <td></td> <td>21,000</td> </tr> <tr> <td>Capital Accounts:</td> <td></td> <td></td> <td>Debtors</td> <td>42,000</td> <td></td> </tr> <tr> <td>X</td> <td>1,19,000</td> <td></td> <td>- Provision</td> <td><u>7,000</u></td> <td>35,000</td> </tr> <tr> <td>Y</td> <td>1,12,000</td> <td>2,31,000</td> <td>Cash in Hand</td> <td></td> <td>77,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td><u>3,01,000</u></td> <td></td> <td></td> <td><u>3,01,000</u></td> </tr> </tbody> </table> <p>Z was admitted for $\frac{1}{6}$ th share. Other terms were agreed as follows:</p> <ol style="list-style-type: none"> Z will bring ₹56,000 as his share of capital. Goodwill of the firm is valued at ₹84,000. Plant and Machinery and building are appreciated by 20% and 10% respectively. All debtors are good. Capitals of X and Y will be adjusted on the basis of Z's share and adjustments will be done by opening necessary current accounts. <p>You are required to prepare Revaluation Account and Partners' Capital Account.</p>	Liabilities		Amount	Assets		Amount	Creditors		56,000	Plant and Machinery		70,000	General Reserve		14,000	Buildings		98,000				Furniture		21,000	Capital Accounts:			Debtors	42,000		X	1,19,000		- Provision	<u>7,000</u>	35,000	Y	1,12,000	2,31,000	Cash in Hand		77,000									<u>3,01,000</u>			<u>3,01,000</u>	<p>6</p>
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<p>26</p>	<p>Anshika Ltd. issued 2,00,000 equity shares of ₹10 each, at a premium of ₹4 per share. The amount was payable as follows:</p> <p style="padding-left: 40px;">On application ₹6 (including ₹2 premium)</p> <p style="padding-left: 40px;">On allotment ₹7 (including ₹2 premium)</p> <p style="padding-left: 40px;">Balance on first and final call</p> <p>Applications for 3,00,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Mehak, to whom 400 shares were allotted, failed to pay allotment money. Her shares were immediately forfeited. 200 of the forfeited shares were re-issued @ ₹8 per share as ₹9 paid up. Final call has not been made yet. Pass necessary journal entries in the books of Anshika Ltd. for the above transactions by opening calls in arrears and calls in advance account wherever necessary.</p>	<p>6</p>																																																						

Part B
Analysis of Financial Statements

<u>27</u>	Which of the following is not a tool of financial analysis? (a) Comparative Income Statement (b) Comparative Position Statement (c) Statement of Profit and Loss (d) Cash Flow Statement	<u>1</u>
<u>28</u>	The Interest Coverage Ratio from the following information will be: 15% Long Term Borrowings ₹1,00,000, Tax paid during the year 30%, Profit after interest and tax ₹84,000. (a) 9 Times (b) 6 Times (c) 5 Times (d) 8 Times	<u>1</u>
<u>29</u>	Dividend paid by a finance company is classified under which kind of activity, while preparing cash flow statement? (A) Cash Flow from Operating Activities. (B) Cash Flow from Investing Activities. (C) Cash Flow from Financing Activities. (D) No Cash Flow.	<u>1</u>
<u>30</u>	<u>Statement-I:</u> 'Shree Ltd.' was carrying on a business of packaging in Delhi and earned good profits in the past years. The company wanted to expand its business and required additional funds. To meet its requirements, the company issued equity shares of ₹30,00,000. It purchased a machine of ₹20,00,000. During the current year the Net Profit of the company was ₹15,00,000. Cash flows from operating, investing and financing activities from the above transactions will be ₹15,00,000; (₹20,00,000); ₹30,00,000 respectively. <u>Statement-II:</u> The patents of X Ltd. increased from ₹3,00,000 in 2021-22 to ₹3,50,000 in 2022-23. It will be taken as purchase of Patents of 50,000 and will be shown under Cash outflow from Investing Activities. A. Both the statements are true. B. Both the statements are false. C. Only Statement-I is true. D. Only Statement-II is true.	<u>1</u>
<u>31</u>	Under which major heads and sub-heads of the Balance-Sheet of a company, will the following items be shown: i) Cheques and Bank drafts in hand. ii) Mining Rights. iii) Securities Premium Reserve. (1 * 3) = 3	<u>3</u>
<u>32</u>	Calculate Gross Profit Ratio from the following information: Cash Sales were 1/3 rd of total sales. Cash Sales were ₹1,40,000. Cash purchases were 25 % of credit purchase. Cash Purchase was ₹50,000. Opening stock ₹30,000. Closing stock was ₹10,000 more than opening stock. The amount spent on carriage was ₹ 12,000.	<u>3</u>

33	Prepare Comparative Statement of Profit and Loss from the following information:			4
	Particulars	31.3.2024	31.3.2023	
	Revenue from Operations	16,00,000	10,00,000	
	Cost of Materials Consumed	70% of Operating Revenue	70% of Operating Revenue	
	Other Expenses	5% of Revenue from Operations	5% of Revenue from Operations	
	Rate of Tax	50%	50%	
34	From the following Balance-Sheets of X Ltd., prepare Cash Flow Statement:			6
	Particulars	Notes No.	31.3.2020	31.3.2019
	<u>Equity and Liabilities:</u>			
	1. Shareholders' Funds:			
	a. Equity Share Capital		2,00,000	2,00,000
	b. Reserves and Surplus		1,75,000	1,10,000
	2. Current Liabilities:			
	a. Trade Payables (Creditors)		1,73,000	1,80,000
	Total		5,48,000	4,90,000
	<u>Assets:</u>			
	1. Non-Current Assets:			
	Fixed Assets:			
	a. Tangible Assets (Machinery)		2,00,000	1,50,000
	b. Intangible Assets (Goodwill)		30,000	40,000
	2. Current Assets:			
	a. Trade Receivables (Debtors)		50,000	60,000
	b. Inventories (Stock)		2,15,000	1,80,000
	c. Cash and Cash Equivalent		53,000	60,000
	Total		5,48,000	4,90,000
	<u>Additional Information:</u>			
	1. Dividend paid during the year @10% on Equity Share Capital.			
	2. Depreciation of ₹10,000 was provided on Tangible Assets during the year.			
	3. A machine costing ₹5,000 (depreciation provided thereon ₹3,000) was sold for ₹1,000 during the year.			