



Date: 27.09.24
Grade: XII

TERM 1 EXAMINATION (2024-25)
ACCOUNTANCY [055]

Max marks: 80
Time: 3 Hours

General Instructions:

- 1 This question paper contains 34 questions. All questions are compulsory.
2. Marks are indicated against each question.
3. Questions 1 to 20 carries 1 mark each.
4. Questions 21 to 26 carries 3 marks each.
5. Questions 27 to 29 carries 4 marks each.
6. Questions 30 to 34 carries 6 marks each.

Qn. No		Marks allocated
1	Weighted average method of calculating goodwill is used when: (a) Profits are not equal (b) Profits show a trend (c) Profits are fluctuating (d) None of the above	1
2	A and B are partners in a partnership firm without any agreement. A has withdrawn ₹50,000 as drawings. Interest on drawings may be charged from A by the firm: (a) @ 5% Per Annum (b) @ 6% per month (c) @ 6% Per Annum (d) No interest can be charged	1
3	A, B, and C are partner's sharing profits in the ratio of 5:3:2. According to the partnership agreement C is to get a minimum amount of ₹10,000 as his share of profits every year. The net profit for the year ended 31st March, 2022 amounted to ₹40,000. How much amount contributed by A? (a) ₹1,350 (b) ₹1,250 (c) ₹750 (d) ₹1,225	1
4	A partner withdraws ₹8,000 each on 1 st April and 1 st October, 2022. Interest on his drawings @ 6% p.a. on 31st March, 2023 will be: (a) ₹720 (b) ₹480 (c) ₹240 (d) ₹960	1
5	Capital employed in a business is ₹2,00,000. Normal Rate of Return on capital employed is 15%. During the year, the firm earned a profit of ₹48,000. Calculate goodwill on the basis of 3 years' purchase of Supper Profit. (a) ₹50,000 (b) ₹60,000 (C) ₹54,000 (d) None of these	1

13	<p>David, Amir and Balwinder are partners in a firm sharing profits and losses in the ratio of 7:5:8. Balwinder died on 28th August, 2022. His share in the profits of the firm till the date of the death was determined at ₹1,05,000. It will be debited to which of the following accounts?</p> <p>(a) Profit and Loss Account (b) Profit and Loss Appropriation Account (c) Profit and Loss Adjustment Account (d) Profit and Loss Suspense Account</p>	1
14	<p>On dissolution of the firm, amount received from sale of unrecorded asset is credited to:</p> <p>(a) Partner's Capital Accounts (b) Realisation Account (c) Profit and Loss Account (d) Cash Account</p>	1
	<p>Read the following paragraph and answer the following Questions 15 and 16.</p> <p>A. B, C and D are partners sharing profits in the ratio of 3:3:2:2 respectively. D retires and A, B and C decide to share the future profits in the ratio of 3:2:1. Goodwill of the firm is valued at ₹ 6,00,000. Goodwill already appears in the books at ₹4,50,000. The profits for the first year after B's retirement amount ₹12,00,000.</p>	
15	<p>The journal entry for treatment of old goodwill in the books is:</p> <p>(a) Dr. A's Capital A/c, B's Capital A/c, C's Capital A/c and D's Capital A/c by ₹1,12,500 each and Cr. Goodwill A/c ₹4,50,000 (b) Dr. Goodwill A/c ₹4,50,000; Cr, A's Capital A/c and B's Capital A/c by ₹1,35,000 each; Cr. C's Capital A/c and D's Capital A/c by ₹90,000 each (c) Dr. A's Capital A/c and B's Capital A/c by 1,35,000 each; Dr. C's Capital A/c and D's Capital A/c by ₹90,000 each, Cr Goodwill A/c by ₹4.50,000 (d) None of these</p>	1
16	<p>The share of profit for the first year to A, B and C will be:</p> <p>(a) ₹ 3,00,000 each (b) ₹6,00,000; ₹4,00,000 and ₹2,00,000 (c) ₹2,00,000; ₹4,00,000 and ₹6,00,000 (d) None of these</p>	1
17	<p>Assertion: Realisation account is prepared on the death of a partner. Reasoning: In the absence of agreement, interest on amount due to executor of deceased partner is paid @ 6% p.a.</p> <p>(a) Both A and R are true and R is the correct explanation of A (b) Both A and R are true but R is not the correct explanation of A (c) A is true but R is false (d) A is false but R is true</p>	1

18	<p>What treatment is made of accumulated profits on the retirement of a partner?</p> <p>(a) Credited to all partner's capital accounts in old ratio (b) Debited to all partner's capital accounts in old ratio (c) Credited to remaining partner's capital accounts in new ratio (d) Credited to remaining partner's capital accounts in gaining ratio</p>	1
19	<p>There was an unrecorded asset of ₹2,000 which was taken over by a partner at ₹1,500. Partner's Capital Account will be debited by:</p> <p>(a) ₹2,000 (b) ₹1,500 (c) ₹500 (d) ₹3,500</p>	1
20	<p>Venkatesh, Somesh and Mahesh were partners in a firm sharing profits in the ratio of 4:3:1. Mahesh died and his entire share was taken up by Venkatesh. The new profit-sharing ratio of Venkatesh and Somesh will be:</p> <p>(a) 1:1 (b) 3:5 (c) 5:3 (d) 5:2</p>	1
21	<p>Pinki, Deepti and Kaku are partner's sharing profits in the ratio of 5:4:1. Kaku is given a guarantee that his share of profits in any given year would not be less than ₹5,000. Deficiency, if any, would be borne by Pinki and Deepti equally. Profits for the year amounted to ₹40,000. Pass the journal entry in the books of the firm showing the distribution of profit. Show your workings clearly.</p>	3
22	<p>Mita, Gopal and Farhan were partners sharing profits and losses in the ratio 3:2:1. On 31st March, 2018. they decided to change the profit-sharing ratio to 5: 3:2. On this date, the Balance Sheet showed deferred advertisement expenditure ₹30,000 and Reserve ₹9,000. Goodwill is valued at ₹4,80,000 on the date of change in ratio. Pass necessary Journal entries for the above transactions in the books of the firm on its reconstitution.</p>	3
23	<p>Under which major headings/sub-headings will the following items be shown in a Company's Balance Sheet as per Schedule-III Part I of the Companies Act, 2013?</p> <p>(i) Provision for Warranties (ii) Provision for Tax (iii) Bank Overdraft (iv) Goodwill (v) Unclaimed Dividend (vi) Loose tools</p>	3

24	X and Y are partners in a firm. The total assets valued by them is ₹100,000 including cash ₹15,000 and total liabilities ₹30,000. The goodwill of the firm through 4 years' purchase of super profit is valued ₹24,000. Calculate the average profit earned by the firm, if the normal rate of return is 10% p.a.	3																				
25	Prepare Comparative Statement of Profit and Loss of BCR Co. Ltd from the following Statement of Profit and Loss of BCR Co. Ltd:	3																				
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Note No</th> <th>2015-2016 ₹</th> <th>2016-2017 ₹</th> </tr> </thead> <tbody> <tr> <td>(i) Revenue from operations</td> <td></td> <td>60,00,000</td> <td>75,00,000</td> </tr> <tr> <td>(ii) Other incomes</td> <td></td> <td>1,50,000</td> <td>1,20,000</td> </tr> <tr> <td>(iii) Expenses</td> <td></td> <td>44,00,000</td> <td>50,60,000</td> </tr> <tr> <td>(iv) Income tax</td> <td></td> <td>35%</td> <td>40%</td> </tr> </tbody> </table>	Particulars	Note No	2015-2016 ₹	2016-2017 ₹	(i) Revenue from operations		60,00,000	75,00,000	(ii) Other incomes		1,50,000	1,20,000	(iii) Expenses		44,00,000	50,60,000	(iv) Income tax		35%	40%	
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26	Abhishek, Bhomick and Chirag were partners in a firm sharing profits in the ratio of 2:2:1. Chirag dies on 31st July, 2022. Sales during the previous year up to 31st March, 2022 were ₹6,00,000 and profits were ₹1,50,000. Sales for the current year up to 31st July were ₹2,50,000. Calculate Chirag's share of profits up to the date of his death and pass necessary journal entry.	3																				
27	A and B are partners sharing profits and losses equally with capitals of ₹50,000 each. They admitted C as a new partner for 1/4th share in profits. C brings 60,000 as capital and his share of goodwill in cash. Find firm's Goodwill and amount of premium to be brought in by C. Give Journal Entries for the same.	4																				
28	Ankit, Bobby and Kartik were partners in a firm sharing profits in the ratio 4:3:3. The firm was dissolved on 31-3-2022. Pass the necessary Journal entries for the following transactions after various assets (other than cash and bank) and third-party liabilities had been transferred to Realisation Account: (i) The firm had stock of ₹80,000. Ankit took over 50% of the stock at a discount of 20% while the remaining stock was sold off at a profit of 30% on cost. (ii) A liability under a suit for damages included in creditors was settled at ₹32,000 as against only ₹13,000 provided in the books. Total creditors of the firm were ₹50,000. (iii) Bobby's sister's loan of ₹20,000 was paid off along with interest of ₹2,000. (iv) Kartik's Loan of ₹12,000 was settled at ₹12,500.	4																				

29	<p>Wahid and Shahid are equal partners. Their capitals are ₹40,000 and ₹80,000 respectively. After the accounts for the year are prepared, it was discovered that interest at 10% p.a. as provided in the partnership agreement has not been credited in the capital accounts before the distribution of profits. It is decided to make an adjusting entry at the beginning of the next year.</p> <p>Give the adjustment Journal Entry. Show your workings clearly.</p>	4																																
30	<p>On 1 April 2023, A and B entered into partnership contributing ₹4,00,000 and ₹3,00,000 respectively. They agreed to share profits and losses in the ratio 3:2. B is allowed a salary of ₹4,000 per quarter. Interest on capital is to be allowed @10%p.a. During the year, A withdrew ₹18,000 and B ₹36,000 as drawings. Interest on drawings of A and B were ₹600 and ₹1,200 respectively. Profit as on 31 March 2024, before the above adjustments were made, was ₹1,25,000.</p> <p>Prepare Profit and Loss Appropriation Account and Capital Accounts of partner.</p>	6																																
31	<p>Sudha, Hari, and Asha were partners in the firm sharing profits in the ratio of 5:4:1 Sudha died on 30th June 2022. On this date, their Balance sheet was as follows.</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%;">₹</th> <th style="width: 35%;">Assets</th> <th style="width: 15%;">₹</th> </tr> </thead> <tbody> <tr> <td>Capital A/c</td> <td></td> <td>Plant and Machinery</td> <td>5,60,000</td> </tr> <tr> <td style="padding-left: 20px;">Sudha</td> <td>1,00,000</td> <td>Stock</td> <td>90,000</td> </tr> <tr> <td style="padding-left: 20px;">Hari</td> <td>2,00,000</td> <td>Debtors</td> <td>10,000</td> </tr> <tr> <td style="padding-left: 20px;">Asha</td> <td>3,00,000</td> <td>Cash</td> <td>40,000</td> </tr> <tr> <td>Profit for the year 2021-22</td> <td>80,000</td> <td></td> <td></td> </tr> <tr> <td>Bill payable</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">7,00,000</td> <td></td> <td style="border-top: 1px solid black;">7,00,000</td> </tr> </tbody> </table> <p>According to the partnership Deed in addition to the deceased partner's capital, his executor is entitled to:</p> <p>(i) Share of profit in the year of death based on the average of the last two years' profit. Profit for the year 2020-21 was ₹60,000</p> <p>(ii) Goodwill of the firm was valued at two years purchase of average last two years profit.</p> <p>Prepare Sudha's capital A/c to be presented to her executor.</p>	Liabilities	₹	Assets	₹	Capital A/c		Plant and Machinery	5,60,000	Sudha	1,00,000	Stock	90,000	Hari	2,00,000	Debtors	10,000	Asha	3,00,000	Cash	40,000	Profit for the year 2021-22	80,000			Bill payable	20,000				7,00,000		7,00,000	6
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32 Shikhar and Rohit were partners in a firm sharing profits in the ratio of 7 : 3. On 1st April, 2023, they admitted Kavi as a new partner for 1/4th share in profits of the firm. Kavi brought ₹4,30,000 as his capital and ₹25,000 for his share of goodwill premium. The Balance Sheet of Shikhar and Rohit as on 1st April, 2023 was as follows:

BALANCE SHEET OF SHIKHAR AND ROHIT as at 1st April, 2023

Liabilities	₹	Assets	₹
Capital A/cs:		Land and Building	3,50,000
Shikhar 8,00,000		Machinery	4,50,000
Rohit <u>3,50,000</u>	11,50,000	Debtors 2,20,000	
General Reserve	1,00,000	Less: Provision <u>20,000</u>	2,00,000
Workmen's Compensation Fund	1,00,000	Stock	3,50,000
Creditors	1,50,000	Cash	1,50,000
	<u>15,00,000</u>		<u>15,00,000</u>

It was agreed that:

(a) the value of Land and Building will be appreciated by 20%.

(b) the value of Machinery will be depreciated by 10%.

(c) the liabilities of Workmen's Compensation Fund were determined at ₹50,000.

(d) capitals of Shikhar and Rohit will be adjusted on the basis of Kavi's capital and actual cash to be brought in or to be paid off as the case may be.

Prepare Revaluation Account and Partners' Capital Accounts.

33 Mona and Sona were partners in a firm sharing profits in the ratio of 2 : 3. On 31st March, 2019, their Balance Sheet was:

Liabilities	(₹)	Assets	(₹)
Creditors	2,10,000	Land and Building	6,00,000
Employees' Provident Fund	2,00,000	Debtors 3,10,000	
Capital A/cs:		Less: Prov. for b/d 10,000	3,00,000
Mona 4,00,000		Bank	3,10,000
Sona <u>6,00,000</u>	10,00,000	Stock	2,00,000
	<u>14,10,000</u>		<u>14,10,000</u>

	<p>The firm was dissolved on 1st April, 2019 and the assets and liabilities were settled as follows:</p> <p>(i) Half of the creditors accepted 50% of the stock. Remaining creditors were paid in full.</p> <p>(ii) The remaining stock was realised at 90% and debtors realised 80% of their book value.</p> <p>(iii) Sona took over the responsibility to realise the assets and discharge the liabilities at a remuneration of ₹20,000 and was to bear all expenses of realisation. She paid realisation expenses of ₹18,000 out of her personal account.</p> <p>(iv) Land and Building realised ₹7,00,000.</p> <p>Prepare Realisation Account.</p>																																					
34	<p>Kanika, Disha and Kabir were partners sharing profits in the ratio of 2 : 1:1. On 31st March, 2016, their Balance Sheet was as under:</p> <table border="1" data-bbox="205 730 1249 1328"> <thead> <tr> <th>Liabilities</th> <th>₹</th> <th>Assets</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Trade creditors</td> <td>53,000</td> <td>Bank</td> <td>60,000</td> </tr> <tr> <td>Employees' Provident Fund</td> <td>47,000</td> <td>Debtors</td> <td>60,000</td> </tr> <tr> <td>Kanika's capital</td> <td>2,00,000</td> <td>Stock</td> <td>1,00,000</td> </tr> <tr> <td>Disha's capital</td> <td>1,00,000</td> <td>Fixed assets</td> <td>2,40,000</td> </tr> <tr> <td>Kabir's capital</td> <td>80,000</td> <td>Profit and Loss A/c</td> <td>20,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>4,80,000</td> <td></td> <td>4,80,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Kanika retired on 1st April, 2016. For this purpose, the following adjustments were agreed upon:</p> <p>(a) Goodwill of the firm was valued at 2 years purchase of average profits of three completed years preceding the date of retirement. The profits for the year: 2013-14 were ₹ 1,00,000 and for 2014-15 were ₹ 1,30,000 and for 2015 – 16 were ₹20,000 loss.</p> <p>(b) Fixed Assets were to be increased to ₹ 3,00,000.</p> <p>(c) Stock was to be valued at 120%.</p> <p>(d) The amount payable to Kanika was transferred to her Loan Account.</p> <p>Prepare Revaluation Account and Capital Accounts of the partners of the reconstituted firm.</p>	Liabilities	₹	Assets	₹	Trade creditors	53,000	Bank	60,000	Employees' Provident Fund	47,000	Debtors	60,000	Kanika's capital	2,00,000	Stock	1,00,000	Disha's capital	1,00,000	Fixed assets	2,40,000	Kabir's capital	80,000	Profit and Loss A/c	20,000						4,80,000		4,80,000					6
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