

**THE VILLAGE INTERNATIONAL SCHOOL, THODUPUZHA**  
**SECOND MODEL EXAMINATION 2023-24**  
**ACCOUNTANCY (055)**

**CLASS: XII**  
**DATE:03.01.2024**

**TIME:3 HOURS**  
**MAX.MARKS:80**

**GENERAL INSTRUCTINS:-(Must read carefully before solving the question paper)**

- 1 This question paper contains 34 questions. All questions are compulsory
- 2 This question paper is divided into two parts. Part A and Part B.
- 3 Both part A and B are compulsory for all candidates.
- 5 Question 1 to 16 and 27 to 30 carries **one** mark
- 6 Question 17 to 20 and 31 to 32 carries **three** marks
- 7 Question 21 to 22 and 33 carries **four** marks
- 8 Question 23 to 26 and 34 carries **six** marks
- 9 There is no overall choice. However, an internal choice has been provided in **seven** questions of **one** mark **two** questions of **three** marks, **one** question of **four** marks and **two** questions of **six** marks

**PART-A (60 marks)**  
**(ACCOUNTING FOR PARTNERSHIP AND COMPANIES)**

QUESTION

- 1 A and B are partners sharing profits in the ratio of 3:1.C was admitted for 1/5th share and he could not bring his share of goodwill. Goodwill of the firm is valued at ₹ 1,00,000. Journal entry to be recorded for premium of goodwill will be:- 1

a).	Premium for Goodwill A/c	Dr	1,00,000	
	To A's Capital A/c			75,000
	To B's Capital A/c			25,000
b).	C's Current A/c	Dr	1,00,000	
	To A's Capital A/c			75,000
	To B's Capital A/c			25,000
c).	C's Current A/c	Dr	20,000	
	To A's Capital A/c			10,000
	To B's Capital A/c			10,000
d).	C's Current A/c	Dr	20,000	
	To A's Capital A/c			15,000
	To B's Capital A/c			5,000

- 2 **Assertion (A):** It is right of the new partner on the firm's Assets and Liabilities. 1  
**Reason (R):** Old partners of the firm sacrifice some profit according to the new profit sharing ratio in favour of incoming partner.
- 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.

- 3 Match the followings:
- |      |  |                       |   |
|------|--|-----------------------|---|
| (i)  | Amount called but not paid by some shareholders. | (a) Calls in advance  |   |
| (ii) | Amount not called but paid by some shareholders. | (b) Called up capital | 1 |
|      |  | (c) Paid up Capital   |   |
|      |  | (d) Calls in Arrears  |   |

**OR**

Match the followings:

- |      |  |                            |
|------|--|----------------------------|
| (i)  | Debentures are transferable mere delivery                | (a) Registered debentures  |
| (ii) | Debenture redeemable either in lump-sum or in instalment | (b) Bearer debentures      |
|      |  | (c) Convertible debentures |
|      |  | (d) Redeemable debentures  |

Decrease in liability of a firm will be debited to :-

- |   |                    |                          |
|---|--------------------|--------------------------|
| 4 | a. Revaluation A/c | b. Profit & Loss A/c     |
|   | c. Liability A/c   | d. Profit & Loss app.A/c |

**OR**

When a new partner is admitted the balance of general reserve appearing in the balance sheet at the time of admission is credited to

- |    |                                     |                                    |
|----|-------------------------------------|------------------------------------|
| a. | Profit and Loss Appropriation       | c. Capital Account of old partners |
| b. | Capital Accounts of all the partner | d. Revaluation A/c                 |

- 5 The partner who participates in day today activities of the of the firm is :- 1
- |    |                  |                      |
|----|------------------|----------------------|
| a. | Sleeping partner | c. Active partner    |
| b. | Nominal Partner  | d. None of the above |

- 6 Which of the following is not shown under the heading "Share Capital" in a balance Sheet:- 1
- |    |                    |                       |
|----|--------------------|-----------------------|
| a. | Subscribed Capital | c. Reserve Capital    |
| b. | Issued Capital     | d. Authorised Capital |

**OR**

HP Ltd. issued 5,000, 8% Debentures of ₹100 each at ₹95. It will credit 8% Debentures Account by:

- |    |           |              |
|----|-----------|--------------|
| a. | ₹5,00,000 | c. ₹4,75,000 |
| b. | ₹4,00,000 | d. ₹5,25,000 |

- 7 In case the applications received are less than the number of shares offered to the public, the issue is termed as : 1
- |    |                   |           |                        |                      |
|----|-------------------|-----------|------------------------|----------------------|
| a. | Over subscription | b. At par | c. Under subscriptions | d. None of the above |
|----|-------------------|-----------|------------------------|----------------------|

- 8 A, B and C are partners sharing profit and Loss in the ratio of 5:3:2. C retired and his capital balance after adjustments regarding reserves accumulated profits/ losses and gain /loss on revaluation was ₹ 2,50,000. C was paid ₹ 3,00,000 in full settlement. The amount of goodwill of the firm is:- 1
- |    |          |               |               |               |
|----|----------|---------------|---------------|---------------|
| a. | ₹ 50,000 | b. ₹ 3,00,000 | c. ₹ 2,50,000 | d. ₹ 5,50,000 |
|----|----------|---------------|---------------|---------------|

**OR**

At what rate is interest payable on the amount remaining unpaid to the executor of deceased partner in absence of any agreement among partner

- a. 12% p.a.    b. 8% p.a.    c. 6% p.a.    d. 7.5% p.a.

**Question No. 9 to 10 are based on the given text. Read the text carefully and answer the questions:**

X, Y and Z who are sharing profits in the ratio of 5:3:2, decide to share profits in the ratio of 2:3:5 with effect from 1<sup>st</sup> April, 2022. Workmen Compensation Reserve appears at Rs.1,20,000 in the Balance Sheet as at 31st March, 2022.

- 9 Workmen Compensation Claim is estimated at Rs.1,50,000 is shown- 1
- a) Liability side of the Balance Sheet Rs.1,50,000  
b) Credited to Partners Capital A/c Rs.1,20,000  
c) Debited to Revaluation A/c Rs.1,50,000  
d) Credited to Revaluation A/c Rs.1,20,000
- 10 Workmen Compensation Claim is estimated at Rs.80,000 is shown- 1
- a) Credited to Partners Capital A/c Rs.40,000  
b) Credited to Revaluation A/c Rs.1,20,000  
c) Shown on Liability side of the Balance Sheet Rs.1,20,000  
d) Debited to Revaluation A/c Rs.80,000
- 11 In the absence of partnership Deed Interest on loan of a partner is provided at: 1
- a. 8% p.a.    b. 6% p.a.    c. No interest is allowed    d. 12% p.a.
- 12 A company allotted 20,000 shares to the applicant of 50,000 shares after rejecting 10,000 applications the ratio in which company allotted the share will be : 1
- a. 2:5    b. 3:5    c. 1:2    d. 1:3
- 13 A company issued 10,000 shares of ₹ 10 each at par payable as follows ₹ 3 on application, ₹ 3 on allotment, ₹ 4 on first and final call. One shareholder holding 1000 shares paid the full amount on his shares with application. The amount received on application is:- 1
- a. ₹ 1,00,000    b. ₹ 1,17,000    c. ₹ 1,10,000    d. ₹ 37,000
- 14 A and B are partners sharing profits in the ratio of 5:3. C is admitted with 1/4<sup>th</sup> share in the profit. The new profit sharing ratio will be:- 1
- a. 4:2:1    b. 5:3:2    c. 15:9:8    d. None of the above
- 15 Ashish withdrew ₹ 10,000 per month at the beginning of every month from the firm for his personal use during the year ending March 31,2020. Interest on drawings is charged @ 8% p.a. What would be the interest on drawings? 1
- a. ₹4800    b. ₹ 800    c. ₹9600    d. ₹5200

**OR**

A and B are partners in a firm having capitals ₹ 5,00,000 and ₹ 10,00,000 respectively. The partnership deed provides for charging interest on drawings @ 5% p.a. A withdrew ₹ 40,000 for his personal use during the year 2019-20. B withdrew ₹ 2,00,000 from his capital 1.1.2020. The amount of interests that will be charged on the partner's drawings are:

- (a) A ₹ 1,000 B ₹ 5,000    (c) A ₹ 2,000 B ₹ 10,000  
(b) A ₹ 1,000 B Nil    (d) A ₹ 2,000 B Nil

- 16 If Sundry assets of Rs. 2,00,000 and Sundry liabilities of Rs. 40,000 are transferred to Realisation Account . If amount realized on sale of assets is Rs. 1,75,000 and realization expenses of Rs. 2,000 were paid. Profit or loss of the firm on realization will be :- 1
- a. Profit Rs. 27,000 b. Loss Rs. 27,000 c. Profit Rs. 30,000 d. Loss Rs. 12,000
- 17 Shivek and Yash are partners sharing profit and loss in the ratio of 3:2. Their capital accounts showed balance of ₹ 1,50,000 and ₹ 2,00,000 respectively on January 01,2020. The partnership deed provides interest on capital @ 8% p.a. and the firm earned a profit of ₹ 14,000 during the year. Show how the interest is treated in the books of account. 3
- 18 Sonu and Monu are partners sharing profits equally. Their fixed capitals as on 1<sup>st</sup> April 2019 are ₹ 4,00,000 and ₹ 5,00,000 respectively. Their drawings during the year were ₹ 30,000 and ₹ 50,000 respectively. Interest on capital is allowed @ 10% p.a. and interest on drawings is to be charged @ 15% p.a. Net profit for the year ended 31<sup>st</sup> March, 2020 was ₹ 2,60,000. Prepare profit and loss appropriation Account. 3

**OR**

Kumar and Raja were partners in a firm sharing profits in the ratio of 7:3. Their fixed capital were: Kumar ₹ 9,00,000 and Raja ₹ 4,00,000. The partnership deed provided for the following but the profit for the year was distributed without providing for:

- (i) Interest on capital @9% per annum.  
(ii) Kumar's salary ₹ 50,000 per year and Raja's Salary 3,000 per month.

The profit for the year ended 31-03-2020 was ₹ 2,78,000. Pass adjustment entry.

- 19 Suresh Ltd. on 1<sup>st</sup> April 2017 acquired assets of the value of ₹ 6,00,000 and Liabilities worth ₹ 70,000 from P & Company at an agreed value ₹ 5,50,000. Suresh Ltd. issued 12% Debentures of ₹ 100 each at a premium of 10% in full satisfaction of purchase consideration. Pass necessary Journal Entries to record the above transactions. 3

**OR**

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 journal entries in the books Random Ltd.

- 20 A firm earned average profit of ₹ 3,00,000 during the last few years. The normal rate of return of industry is 15%. Total assets (excluding goodwill) of the business were ₹ 17,00,000 and its external liabilities were ₹ 2,00,000. Calculate the goodwill of the firm, if it is valued at 4 years purchase of super profit. 3
- 21 Janta Ltd. had an authorized capital of 2,00,000 equity shares of ₹ 10 each. The company offered to the public for subscription 1,00,000 shares. Application were received for 97,000 shares. The amount payable as follows: On application ₹ 2, On allotment ₹ 4, On first & final call ₹ 4. A shareholder holding 600 shares failed to pay the allotment money. His shares were forfeited. The company did not make the first & final call. 4

Present the share capital in the Balance Sheet of the company as per Schedule III of the Companies Act. 2013. Also prepare notes to Accounts.

- 22 Pass necessary Journal Entries in the following conditions: 4
- a. Sudha, a partner agreed to pay off her husband, loan of ₹ 19,000.  
b. Loss on Realisation ₹ 9000 was divided between Sudha and Shiva the partners in the ratio of 3:2.  
c. Realisation expenses ₹ 3,000 was paid by Sudha a partner.  
d. Shiva a partner took over all the investment at ₹ 13,300

- 23 X Ltd. invited applications for issuing 10,000 equity shares of ₹ 100 each at a premium of ₹100 per share. The amount was payable as follows :- 6
- On application and allotment -₹ 100 per share (including ₹ 50 premium)

On first and final call- the balance

The issue was fully subscribed. A shareholder holding 500 shares paid the full share money with application. Another shareholder holding 200 shares failed to pay his dues. His shares were forfeited. The forfeited shares were re-issued for ₹ 19,000 as fully paid up.

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

**OR**

- The Directors of a company forfeited 200 shares of ₹ 10 each issued at a premium of ₹ 3 per share for the non-payment of the first call money of ₹ 3 per share. The final call of ₹ 2 per share has not been made. Half the forfeited were reissued at ₹1000 as fully paid. Record necessary Journal Entries for the forfeiture and reissue of shares.
- PS Ltd forfeited 500 equity shares of ₹ 100 each for the non-payment of first call of ₹ 30 per share. The final call of ₹10 per share was not yet made. The forfeited shares were reissued for ₹ 65,000 as fully paid up. Pass necessary journal entries in the books of the company.

24

L and M share profits of a business in the ratio of 5:2. They admit N into the firm. The new profit-sharing ratio is agreed to be 2:3:3. On the date of admission the balance sheet of L and M is as follows:

6

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
L,s Capital	30,000	Machinery	26,000
M,s Capital	20,000	Furniture	18,000
Reserve Fund	7,000	Stock	10,000
Bank Loan	9,000	Debtors	8,000
Creditors	2,000	Cash	6,000
	<b>68,000</b>		<b>68,000</b>

N will bring ₹40,000 as his capital. Goodwill of the firm is to be valued at 4 years purchase of the average super profit of last three years. Average profits of last three years are ₹ 34,000 while the normal profits that can be earned on the capital employed are ₹ 20,000. Furniture is to be revalued at ₹ 27,000 and the value of stock is overvalued by 25%. Prepare Revaluation Account, Partner's Capital Account of the firm after admission of N.

**OR**

The Balance Sheet of A, B and C who were sharing profits and losses in the ratio of 1/2, 1/3 and 1/6 respectively. Balance sheet on 31.03.2020:

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Bills Payable	6,400	Cash	24,450
Sundry Creditors	12,500	Goodwill	6,600
Capital:		Debtors	17,800
A	40,000	Stock	22,300
B	25,000	Furniture	3,500
C	20,000	Plant and Machinery	9,750
Profit and Loss A/c	4,500	Building	24,000
	<b>1,08,400</b>		<b>1,08,400</b>

A retired from the business on 1.04.2020 and his share in the firm was to be ascertained on the revaluation of the assets as follows: Stock ₹ 20,000, Furniture ₹ 3,000. Plant and Machinery ₹ 9,000, Building ₹ 20,000. ₹ 850 was to be provided for doubtful debt. The goodwill of the firm was valued at ₹ 6,000. A was to be paid ₹ 11,500 in cash on retirement and balance in three equal instalment with interest at 9% p.a. Prepare Revaluation Account, Partner Capital Account after A's retirement.

- 25 Priya, Karan and Anna were partners of a firm sharing profits in the ratio of 3:2:1. Their Balance Sheet on March 31<sup>st</sup>, 2020 was as follows:

Particulars	Amount ₹	Particulars	Amount ₹
Bills Payable	1,20,000	Cash in hand	20,000
Creditors	1,40,000	Debtors	1,40,000
Karan's Loan @ 5% p.a.	1,00,000	Bills Receivables	70,000
Reserve	1,80,000	Stock	1,70,000
Capitals:		Investment	1,30,000
Priya 2,00,000		Advertisement Suspense	1,20,000
Karan 1,20,000		Building	2,90,000
Anna 80,000	4,00,000		
	9,40,000		9,40,000

Karan died on June 12, 2020 and according to the partnership deed his executors were entitled to be paid as under:

- His share in the profit of the firm till date of death which will be calculated on the basis of average profit of last three completed years.
- His share in the goodwill of the firms which will be calculated on the basis of two years purchase of total profits of last three years.
- Profits for the last three years were ₹ 30,000, ₹ 70,000, ₹ 80,000.

Prepare Karan's capital A/c to be rendered to his executors, assuming that his loan and interest on loan were transferred to his capital account.

- 26 Pass necessary Journal entries in the following conditions:-
- R Ltd. issued 10,000 12% Debentures of ₹ 100 each at a discount of 5%.
  - B Ltd. issued 635, 9% debentures of ₹ 500 each at 12% premium redeemable at 6% premium.
  - M Ltd. took a loan from bank for ₹ 1,00,000 and issued 2000 8% Debentures of 100 each.

### PART-B

#### Analysis of Financial Statement and Cash flow statement (20 Marks)

- 27 In the balance sheet of a company, provision for taxation is shown under:-
- Shareholders Fund
  - Current Liabilities
  - Non-current Liabilities
  - None of the above

OR

Current Assets are ₹ 7,50,000 Working Capital ₹ 2,50,000 Current ratio will be :-

- 28 Quick Ratio is equal to :-
- 1.5:1
  - 3:1
  - 1:1
  - none of the above
- Current Assets /Current Liabilities
  - Working Capital/ Current Liabilities
  - Quick Assets/Current Liabilities
  - None of the above

- 29 Which of the following transaction will result into Flow of Cash
- Deposit ₹ 10,000 into bank
  - Withdrew cash from bank ₹ 14,500.
  - Sale of machinery of book value of ₹ 74,000 at a loss of ₹ 9,000.
  - Converted ₹ 2,00,000 9% debentures into equity shares.

OR

Which of the following is an operating activity for a financing company:-

- Purchase of Investment.
- Interest received on loan
- Dividend Received
- all of the above

6

6

1

1

1

- 30 Kapil Garments Ltd. engaged in the export of readymade garments. The company purchased a machinery of ₹ 10, 00,000 for the use in packaging of such garments. Identify the activity 1
- a. Investing Activity c. Financing Activity  
 b. Operating Activity d. None of the Above
- 31 From the following Information Prepare comparative Statement of profit and Loss. 3

Particulars	Note No	31st March, 2018	31st March, 2017
Revenue from operation		50,00,000	40,00,000
Other Income		2,00,000	5,00,000
Employee benefit Expenses		25,00,000	20,00,000
Depreciation		60,000	50,000
Other Expenses		2,00,000	2,50,000
Tax rate		40%	40%

- 32 State under which head and subhead of Balance Sheet of the a company as per Schedule III, Part I of the Companies Act 2013, the following items are shown :- 3
- a. Loose Tools b. Building c. Capital Reserve  
 d. Trade Payable e. Provident Fund f. Computer software

- 33 From the following information, calculate, interest coverage ratio:  
 Net profit after interest and tax ₹ 1,80,000, Rate of income tax 40%, 12% Debentures ₹ 2,00,000,10% Mortgage Loan ₹ 1,00,000.

**OR**

- 34 From the following data calculate inventory Turnover ratio. Total Revenue from operation ₹ 5,50,000, Revenue from operation return ₹ 50,000. Gross profit ₹ 80,000 Closing inventory ₹ 1,00,000. Excess of closing inventory over opening inventory ₹ 40,000. 4

- 34 The following is the Balance Sheet of R.M. Ltd. as at 31<sup>st</sup> March 2020. Prepare a Cash Flow Statement. 6

**R.M. Ltd.**  
**Balance Sheet as at 31<sup>st</sup> March 2020**

Particulars	Note. No.	2020 ₹	2019 ₹
<b>I.EQUITY AND LIABILITIES:</b>			
<b>1. Shareholder's Fund</b>			
(a) Share Capital		15,00,000	10,00,000
(b) Reserve and Surplus (Balance in statement of profit and loss)		7,50,000	6,00,000
<b>2. Non –Current Liabilities</b>			
Long –term Borrowings	1	1,00,000	2,00,000
<b>3. Current Liabilities</b>			
(a) Trade Payables		1,00,000	1,10,000
(b) Short-term Provisions	2	95,000	80,000
<b>TOTAL</b>		<b>25,45,000</b>	<b>19,90,000</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	3	10,10,000	9,00,000
(ii) Intangible Assets	4	2,80,000	2,00,000
(b) Non Current Investment		5,00,000	-----
<b>2. Current Assets</b>			
(i) Inventories		1,80,000	1,00,000
(ii) Trade Receivables		2,00,000	1,50,000
(iii) Cash and Cash Equivalent	5	3,75,000	6,40,000
<b>TOTAL</b>		<b>25,45,000</b>	<b>19,90,000</b>

**Notes to Accounts:-**

<b>Note No.</b>	<b>Particulars</b>	<b>2020 ₹</b>	<b>2019 ₹</b>
1.	<b>Long Term Borrowings</b> 9% Debentures	1,00,000	2,00,000
2.	<b>Short-term Provisions</b> Provision for Tax	95,000	80,000
3.	<b>Tangible Assets</b> Plant and Machinery Less:- Accumulated Depreciation	12,10,000 (2,00,000)	11,40,000 (2,40,000)
		<b>10,10,000</b>	<b>9,00,000</b>
4.	<b>Intangible Assets</b> Goodwill	2,80,000	2,00,000
5.	<b>Cash and Cash Equivalent</b> (i) Cash in hand (ii) Bank Balance	70,000 3,05,000	3,50,000 2,90,000
		<b>3,75,000</b>	<b>6,40,000</b>

**Additional information:-**

- (i) During the year a machine costing ₹ 80,000 on which accumulated depreciation was ₹ 50,000 was sold for ₹ 30,000.
- (ii) 9% Debentures were redeemed on 31<sup>st</sup> March 2020.



