



PRINCE ACADEMY

OF HIGHER EDUCATION

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BOARD SAMPLE PAPER- I (2025-26)

SUBJECT : ACCOUNTANCY (055)

Time : 03:00 Hours

CLASS - XII COMMERCE

M.M. : 80

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. Question 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 from 21, 22 and 33 carries 4 marks each
6. Questions from 23 to 26 and 34 carries 6 marks each

PART - A (Accounting for Partnership & Companies)

1. A, B and C are partners sharing profits and losses in the ratio of 2:2:1. B is entitled to a commission of 15% on the net profits after charging such commission. The net profit before charging commission is Rs 9,20,000. The amount of commission payable to B will be:
(a) Rs 1,20,000 (b) Rs 1,38,000 (c) Rs 48,000 (d) Rs 55,000
2. Given below are two statements- Statement (A) and Statement (B).
Statement (A): In the absence of partnership deed, profits can be distributed in the capital ratio.
Statement (B): Interest on additional capital to a partner is provided @ 6% per annum.
Choose the correct alternative from the following:
(a) Both A and B are true. (b) A is true but B is false
(c) A is false but B is true (d) Both A and B are false
3. The maximum amount with which the company is registered is called _____.
(a) Authorized Capital (b) Issued Capital (c) Paid up Capital (d) Called up Capital

OR

Forfeiture of shares leads to reduction of _____ Capital.

- (a) Authorised (b) Issued (c) Subscribed (d) Called up
4. A, B, C were partners in the ratio of 5:3:2. On 31st March 2021, their books reflected a net profit of Rs 2,10,000. As per the terms of partnership deed, they were entitled for interest on capital which amounted to Rs 80,000; 60,000 and 40,000 respectively. Besides this, a salary of 60,000 each was payable to A and B.
Calculate the ratio in which the profits would be appropriated.
(a) 1:1:1 (b) 5:3:2 (c) 7:6:2 (d) 4:3:2

OR

P, Q and R are the partners in a firm sharing profits and losses in the ratio of 2:2:1. For the year ended 31st March 2022 interest on capital was credited to them @ 10% p.a instead of 5% p.a. Their fixed capitals were Rs 2,00,000; 1,00,000; 50,000 respectively. The necessary adjustment entry to rectify the error will be:

OR

Dada, Yuvi and Viru were partners sharing profits and losses in the ratio 3:2:1. Their books showed Workmen Compensation Reserve of Rs 1,00,000. Workmen Claim amounted to Rs 60,000. How it will affect the books of Accounts at the time of dissolution of firm?

- (a) Only Rs 40,000 will be distributed amongst partner's capital account
- (b) Rs 1,00,000 will be credited to Realisation Account and Rs 60,000 will be paid off.
- (c) Rs 60,000 will be credited to Realisation Account and will be even paid off. Balance Rs 40,000 will be distributed amongst partners.
- (d) Only Rs 60,000 will be credited to Realisation Account and will be even paid off

9. **Assertion :-** Interest on Partner's Capital is to be given @ 12%p.a. , if the deed is silent about the rate.

Reason :- Interest on Partner's loan is to be given @ 6%p.a. , if the deed is silent about the rate.

- (a) Assertion is correct & Reason is wrong
 - (b) Both Assertion & reason are correct
 - (c) Assertion is wrong & Reason is correct
 - (d) Both Assertion & reason are wrong
10. A machine having a book value of Rs. 1,60,000 sold for Rs 3,00,000 through a broker who charged 2% commission on the deal. The amount credited in the Realisation A/c would be:
- (a) Rs 1,60,000
 - (b) Rs 3,00,000
 - (c) Rs 2,94,000
 - (d) Rs 1,40,000
11. If, at the time of change in profit sharing ratio, Provision for doubtful debt is to be reduced, it shall be credited to Revaluation A/c. True /False.
12. In which of the following situations under Companies Act 2013, allows for issue of shares at discount?
- (a) Issued to vendors
 - (b) Issue to public
 - (c) Issued as sweat equity
 - (d) None of these
13. An equity share of Rs. 10 fully called up on which Rs. 6 has been paid was forfeited for the non payment of the balance amount. At which of the following minimum price can it be reissued?
- (a) Rs. 4
 - (b) Rs. 10
 - (c) Rs. 16
 - (d)Rs. 6
14. Hiya and Tiya were partners in a firm sharing profits in the ratio of 3:2. Chia was admitted with 1/6th share in the profits of the firm. At the time of admission, Workmen Compensation Reserve appeared in the balance sheet of the firm at Rs. 32000. The claim on account of Workman Compensation was determined at Rs. 40000. Excess of claim over the reserve will be:
- (a) Credited to revaluation account
 - (b) Debited to revaluation account
 - (c) Credited to old partners capital account
 - (d) Debited to old partners capital account
15. Rohit, Virat and Shikhar were partners sharing profits and losses in the ratio 3:1:1. Their Capital balance as on March 31, 2024 was Rs 3,00,000; Rs 2,70,000 and Rs 2,50,000 respectively. On the same date, they admitted Hardik as a new partner for 20% share. Hardik was to bring Rs 80,000 for his share of goodwill and 1/5 of the combined capital of all the partners of new firm. What will be the amount of capital brought in by Hardik on his admission as a new partner?
- (a) Rs 2,25,000
 - (b) Rs 1,80,000
 - (c) Rs 2,60,000
 - (d) Rs 3,05,000

OR

A, B and C were partners sharing profits and losses equally. B died on 31 August, 2023 and total amount transferred to B's executors was Rs 13,20,000. B's executors were being paid Rs 1,20,000 immediately and balance was to be paid in four equal semi- annual instalments together with interest @ 10% p.a. Total amount of interest to be credited to B's executors Account for the year ended March 31, 2024 will be?

- (a) Rs 70,000
- (b) Rs 67,500
- (c) Rs 60,000
- (d) Rs 77,000

16. Hailey and Saheli are partners sharing profits in the ratio 4:3. They admitted Naveli as a new partner for $\frac{3}{7}$ th share in profits which she acquired $\frac{2}{7}$ th from Hailey and one $\frac{1}{7}$ th from Saheli. The new profit sharing ratio of Hailey, Saheli and Naveli will be:
 (a) 4:3:3 (b) 5:3:2 (c) 2:3:5 (d) 2:2:3
17. P, Q and R were partners in a firm sharing profits and losses in the ratio of 2:3:1. With effect from 1st April, 2018 they decided to share future profits and losses in the ratio of 2:3:1. On that date, their balance sheet showed a debit balance of Rs. 24,000 in Profit and Loss A/c and a balance of Rs 1,44,000 in General Reserve.
 It was also agreed that
 (i) The goodwill of the firm be valued at Rs. 1,80,000.
 (ii) The land (having book value of Rs 3,00,000) will be valued at Rs. 4,80,000. Pass the necessary journal entries for the above changes.
18. Atul and Mithun are partners sharing profits in the ratio 3:2.
 Balances as on 1st April 2024 were as follows:
 Capital Accounts (Fixed) : Atul-Rs. 5,00,000 and Mithun - Rs. 6,00,000
 Loan Accounts : Atul - Rs. 3,00,000 (Cr.) and Mithun - Rs. 2,00,000 (Dr.)
 It was agreed to allow and charge interest @8% p.a. Partnership deed provided to allow interest on capital @10% p.a. Interest on Drawings was charged Rs. 5000 each. Profit before giving effect to above was Rs. 2,28,000 for the year ended 31st March 2025. Prepare Profit and Loss Appropriation Account.

OR

A, B and C were partners. Their fixed capitals were Rs. 60,000, Rs. 40,000 and Rs. 20,000 respectively. Their profit sharing ratio was 2:2:1. According to the Partnership Deed they were entitled to interest on capital @5% p.a. In addition, B was also entitled to draw a salary of Rs. 1,500 per month. C was entitled to a commission of 5% on the profits after charging interest on capital, but before charging the salary payable to B. The net profits for the year were Rs. 80,000 were distributed in the ratio of their capitals without providing for any of the above adjustments. Showing your working clearly, pass the necessary adjustment entry.

19. Pass necessary journal entries for the issue of 7,500, 9% debentures of Rs. 50 each at a discount of 6%, redeemable at a premium of 10%. Also write-off the loss, if any. Existing balance in securities premium was Rs 45,000.

OR

Sun Ltd. took the running business of Moon Ltd. having assets of Rs. 10,00,000 and liabilities of Rs. 1,70,000 by:

- (i) Issuing 8,000, 8% Debentures of Rs. 100 each at 5% premium redeemable after 6 years @ Rs 110, and
 (ii) A cheque for Rs. 50,000.

Pass journal entries in the books of Sun Ltd.

20. Anshul, Babita and Chander were partners in a firm running a successful business of car accessories. They had agreed to share profits and losses in the ratio of $\frac{1}{2} : \frac{1}{3} : \frac{1}{6}$ respectively. After running business successfully and without any disputes for 10 years, Babita decided to retire due to old age and the Anshul and Chander decided to share future profits and losses in the ratio of 3:2.

The accountant passed the following journal entry for Babita share of goodwill and missed some information. Fill in the missing figures in the following Journal entry and calculate the gaining ratio.

Particulars	Dr.	Cr.
Anshul's Capital A/c	Dr -----	
Chander's Capital A/c	Dr 21,000	
To Babita's Capital A/c		-----
(Babita's share of Goodwill debited to the amounts of continuing partners in their gaining ratio)		

21. Newbie Ltd. was registered with an authorized capital of Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each. The company offered to the public for subscription 30,000 equity shares of Rs. 10 each at a premium of Rs. 20 per share. Applications for 28,000 shares were received and allotment was made to all applicants. All calls were made and duly received except the final call of Rs. 2 per share on 200 shares. Show the 'Share Capital' in the Balance Sheet of Newbie Ltd. as per Schedule (III) of the Companies Act, 2013. Also, prepare Note to Accounts for the same.
22. The Balance Sheet of Sindhu, Rahul and Kamlesh, who were sharing profits in the ratio of 3 : 3 : 4 respectively, as on 31st March, 2021 was as follows:

Liabilities	Rs	Assets	Rs
General Reserve	10,000	Cash	32,000
Bills Payable	20,000	Stock	88,000
Loan	24,000	Investments	94,000
Capitals:		Land and Building	1,20,000
Sindhu 1,20,000		Sindhu's Loan	20,000
Rahul 1,00,000			
Kamlesh 80,000	3,00,000		
	<u>3,54,000</u>		<u>3,54,000</u>

Sindhu died on 31st July 2021. The partnership deed provided for the following on the death of a partner :

- (a) Goodwill of the firm be valued at two years' purchase of average profits for the last three years which were 80,000.
- (b) Sindhu's share of profit till the date of his death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2021 amounted to Rs 8,00,000 and that from 1st April to 31st July 2021 Rs 3,00,000. The profit for the year ended 31st March, 2021 was Rs 2,00,000.
- (c) Interest on capital was to be provided @ 6% p.a.
- (d) According to Sindhu's will, the executors should donate his share to 'Matri Chaya-an orphanage for girls'.

Prepare Sindhu's Capital Account to be rendered to his executor.

23. Yash Ltd. invited applications for 50,000 equity shares of Rs. 10 each at a premium of 10%. The amount was payable as follows:
On application Rs. 3 per share; on allotment (including premium) Rs. 3 per share and on first and final call, the balance amount.

Applications were received for 1,20,000 shares and shares were allotted on a pro-rata basis to all applicants. The excess money received on application was to be adjusted towards sums due on allotment. Application money in excess of sums due on allotment was to be adjusted on call due. A shareholder who applied for 6,000 shares could not pay the first and final call money and his shares were forfeited. The forfeited shares were reissued for Rs. 60,000 fully paid up.

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

OR

Karur limited invited applications for issuing 2,40,000 equity shares of Rs. 10 each at premium of Rs. 4 per share. The amount was payable as under:

On application - Rs. 4 per share (including premium of Rs. 2)

On allotment Rs. 4 per share,

On first and final call- Rs. 6 per share (including premium Rs. 2)

Applications for 3,00,000 shares were received and pro rata allotment was made to all the applicants. Excess applications money receipt on application was adjusted towards sum due on allotment. All calls were made and were duly received except from Rohini, who failed to pay allotment and first and final call on 7,500 shares applied by her. These shares were forfeited. Afterwards 40 % of the forfeited shares were reissued at Rs. 11 per share as fully paid up.

Pass the necessary journal entries in the books of Karur limited. Open calls in arrears and calls in advance account wherever necessary.

24. Sushma, Gautam and Kanishka were partners in a firm sharing profits in the ratio of 5:3:2. On 31st March 2018 their balance sheet was as follows:

Balance Sheet			
Liabilities	Amount	Assets	Amount (Rs.)
Creditors	60,000	Cash at Bank	1,40,000
Employees Provident Fund	40,000	Sunday Debtors	1,60,000
Profit and Loss Account	1,00,000	Stock	2,40,000
Capitals:		Investments	2,00,000
Sushma 300000		Fixed Assets	3,60,000
Gautam 250000			
Kanika 350000	9,00,000		
	<u>11,00,000</u>		<u>11,00,000</u>

On the above date, Sushma retired and it was agreed that:

(i) Fixed assets will be reduced to Rs 2,90,000.

(ii) To provide for doubtful debts at 5% on debtors.

(iii) Stock was to be valued at Rs 2,18,000. Sushma took over the stock at this value.

(iv) Goodwill of the firm on Sushma's retirement was valued at Rs 8,00,000.

(v) Sushma was paid cash brought by Gautam and Kanishka in such a way that their capitals became in profit sharing ratio and a balance of Rs 58,000 was left in the bank.

(vi) Gautam and Kanishka will share the future profits in the ratio of 2:3.

Prepare Revaluation Account and partners' capital accounts of the new firm.

OR

Romesh and Kiran were partners sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022,

Koyal was admitted for 1/5th share. Balance Sheet of Romesh and Kiran on 31st March, 2022 was as under:

Liabilities	Account (Rs)	Assets	Account (Rs)
Capital:		Plant and Machinery	18,000
Romesh	40,000	Furniture	40,000
Kiran	20,000	Profit & Loss A/c	25,000
Employees Provident Fund	10,000	Sundry Debtors	9,000
Workmen Compensation Fund	16,000	Cash in Hand	1,500
Sundry Creditors	7,500		
	93,500		93,500

On the above date Koyal was admitted with the following terms

- Koyal will bring Rs 20,000 for her capital and Rs 5,000 for her share of goodwill premium.
- Provision for doubtful debts is to be created @ 5%.
- There was a liability of Rs 6,000 for workmen compensation.
- There was a unrecorded furniture for Rs 5,000.

Pass necessary journal entries in case of Koyal's admission

25. Aditi and Kirti were partners in a firm sharing profits and losses in the ratio of 3:2. On 31st March 2022, the firm was dissolved. After the transfer of assets (other than cash in hand and at bank) and third party liabilities to the Realisation Account, the following information was provided:

- Furniture of Rs 70,000 was sold for Rs 68,000 by auction and auctioneer's commission amounted to Rs 2000.
- Aditi's loan of Rs 35000 was paid.
- Out of the stock of Rs 80,000; Kirti 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.
- A bill receivable of Rs 3000 under discount was dishonoured as the acceptor had become insolvent and hence the bill had to be met by the firm.
- Profit and loss account showed a debit balance of Rs 56000.
- Realisation expenses amounted to Rs 2,000, were paid by Aditi.

Pass the necessary journal entries for the above transactions on the dissolution of the firm.

26. (A) Chandra India Ltd. purchased machinery from Bindu India Ltd. Payment to Bindu India Ltd. was made as follows:

- By issuing 10,000 equity shares of Rs 10 each at a premium of 20%.
- By issuing 1000, 9% debentures of Rs 100 each at a discount of 5%.
- Balance by giving a bank draft of Rs 37,000.

Pass necessary journal entries in the books of Chandra India Ltd. for the purchase of machinery and payment to Bindu India Ltd.

- (B) On April 1, 2025 Z Ltd. issued, 10,000, 8% Debentures of Rs 100 each at premium of 5%, to be redeemable at a premium of 10%, after 5 years. The entire amount was payable on application. The issue was oversubscribed by of 10,000 debentures and the allotment was made proportionately to all the applicants. The securities premium amount has not been utilized for any other purpose during the year.

Give journal entries for the issue of debenture.

Part B :- Analysis of Financial Statements

27. Which of the following is not a tool of Analysis of Financial Statements?
- (a) Ratio Analysis (b) Statement of Profit & Loss
(c) Comparative statement (d) Cash flow statement

OR

This statement shows the absolute and relative changes in the final position for both current and previous year. Name it.....

- (a) Ratio Analysis (b) Common size statement
(c) Comparative statement (d) Cash flow statement
28. The Debt-equity ratio of AB Ltd. is 1:2. What is the effect of conversion of debentures into preference shares on this ratio and how?
29. Dividend received by a financial institution is classified as.....
- (a) Cash & cash equivalents (b) Investing activity
(c) Financing activity (d) Operating activity

OR

Which of the following will result in flow of cash?

- (a) Cheques of Rs 50,000 deposited in the bank.
(b) Rs 10,000 received from debtors
(c) Rs 1,00,000, 6% debentures issued to vendors of machinery
(d) Cash withdrawn from the bank Rs 50,000.
30. As on 31.03.2024, the following information of Orion Ltd. is available:
Net Profit Ratio: 32%
Operating Profit Ratio: 50%
On 1st April 2024, it was discovered that interest expense of Rs. 50,000 on a loan taken during the financial year 2023-24 was omitted from the records. After rectifying this omission, what will be the effect on the Net Profit Ratio and the Operating Profit Ratio?
- (a) Net Profit Ratio will decrease and Operating Profit Ratio will decrease
(b) Both Net Profit Ratio and Operating Profit Ratio will remain unchanged
(c) Net Profit Ratio will decrease and Operating Profit Ratio will remain unchanged
(d) Net Profit Ratio will remain unchanged and Operating Profit Ratio will decrease
31. Find the sub-heads under which the following items will appear in the balance sheet of a company as per Schedule III, Part I of Companies Act, 2013?
- (a) Loose tools
(b) Shares in Listed Company
(c) Marketable Securities
(d) Loans repayable on demands
(e) Bonds
(f) Calls - in - Advance

32. Prepare a Common-size Balance Sheet of L. X Ltd. from the following information.

Particulars	Note No	31st March, 2025 Rs.	31st March, 2024 Rs.
EQUITY AND LIABILITIES		-	-
i) Shareholders' Funds		20,00,000	10,00,000
ii) Non-Current liabilities		20,00,000	5,00,000
iii) Current liabilities		10,00,000	5,00,000
Total		50,00,000	20,00,000
ASSETS			
i) Non-Current Assets		30,00,000	12,50,000
ii) Current Assets		20,00,000	7,50,000
Total		<u>50,00,000</u>	<u>20,00,000</u>

OR

From the following statement of profit and loss of Suntrack Ltd. for the years ended 31st March, 2024 and 2025, prepare Comparative Statement of Profit and Loss :

Particulars	No. No.	31st March, 2025	31st March, 2024
Revenue from operations		20,00,000	12,00,000
Other Incomes		12,00,000	9,00,000
Expenses		13,00,000	10,00,000

33. (A) Vinay Limited has a current ratio of 3.5:1 and quick ratio of 1.5:1. If the excess of current assets over quick assets as represented by stock is Rs 60, 000. Calculate Current Assets and Current Liabilities.

(B) From the following information, determine opening inventory and closing inventory:

Inventory Turnover Ratio = 5 times

Revenue from operations = Rs 29,25,000

Gross Profit on cost = 30%

Closing Stock = Rs 40,000 more than the opening inventory

OR

Debt to Capital Employed ratio is 0.3:1. State whether the following transactions, will improve, decline or will have no change on the Debt to Capital Employed Ratio. Also give reasons for the same.

- (i) Sale of Equipments costing Rs 10,00,000 for Rs 9,00,000.
- (ii) Purchased Goods on Credit for Rs 1,00,000 for a credit of 15 months, assuming operating cycle is of 18 months.
- (iii) Conversion of Debentures into Equity Shares of Rs 2,00,000.
- (iv) Tax Refund of Rs 50,000 during the year.

34. From the following Balance Sheet of Aravali Ltd. and the additional information as at 31st March, 2018, Prepare a Cash Flow Statement:

BALANCE SHEET OF ARAVALI LTD. as at 31 March, 2018

Particulars	Note No.	31st March, 2018 Rs.	31st March, 2017 Rs.
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital		30,00,000	21,00,000
Reserve and surplus	1	4,00,000	5,00,000
II. Non-Current Liabilities			
Long-term Borrowings	2	8,00,000	5,00,000
III. Current Liabilities			
1. Trade Payables		1,50,000	1,00,000
2. Short term provisions	3	76,000	56,000
TOTAL		<u>44,26,000</u>	<u>32,56,000</u>
2. ASSETS			
D) Non-Current Assets			
Property, Plant and Equipment and Intangible Assets :			
(i) Property, Plant and Equipment	4	27,00,000	20,00,000
(ii) Intangible Assets		8,00,000	7,00,000
E) Current Assets			
(i) Current Investments		89,000	78,000
(ii) Inventories		8,00,000	4,00,000
(iii) Cash and Cash equivalents		37,000	78,000
Total		44,26,000	32,56,000

Notes to Accounts:		
Particulars	31st March, 2018 Rs.	31st March, 2017 Rs.
1. Reserves and Surplus	4,00,000	5,00,000
Surplus, i.e. Balance in Statement of Profit and Loss	4,00,000	5,00,000
2. Long term Borrowings	8,00,000	5,00,000
8% Debentures	8,00,000	5,00,000
3. Short-term Provisions	76,000	56,000
Provision for Tax	76,000	56,000
4. Property, Plant and Equipment		
Machinery	33,00,000	25,00,000
Less : Accumulated Depreciation	(6,00,000)	(5,00,000)
	27,00,000	27,00,000

ROUGH WORK
