



PRINCE ACADEMY

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[Co-edu. Sr. Sec. School, Affiliated to CBSE, Affiliation No. - 1730387]

Palwas Road, Near Jaipur - Bikaner Bypass Crossing, SIKAR - 332001 (Raj.) INDIA

Mob. : 9610-75-2222, 9610-76-2222

www.princeeduhub.com | E-mail : princeacademy31@gmail.com

BOARD SAMPLE PAPER- III (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

1. Joy and Deb are partners sharing profits in the ratio of 2 : 1. They admit Gopal into partnership for $\frac{1}{5}$ th share in profits. At the time of admission, furniture (Book value Rs 2,50,000) was reduced by 40% and machinery (Book value Rs 1,50,000) was reduced to 40%. What is the decrease in value of assets?
(a) Rs 1,80,000 (b) Rs 1,85,000 (c) Rs 1,90,000 (d) Rs 2,00,000
2. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):
Assertion (A) : Transfer to reserves is shown in Profit & Loss Appropriation Account
Reason (R) : Reserves are charge against the profits.
On the basis of above statements, which of the following is correct?
(a) Assertion (A) is correct but Reason (R) is wrong.
(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).
(c) Both Assertion (A) and Reason (R) are incorrect
(d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of
3. Divya, Yasmin and Fatima are partners in a firm sharing profits in the ratio of $\frac{1}{2} : \frac{1}{3} : \frac{1}{4}$. On 1st April, 2024, Aditya is admitted in the firm for $\frac{1}{6}$ th share. Fatima would retain her original share. The new profit-sharing ratio will be
(a) 12 : 8 : 5 : 5 (b) 21 : 14 : 18 : 12 (c) 21 : 14 : 15 : 10 (d) 2 : 2 : 1 : 1
4. Manu, Sonu and Rahul were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. With effect from 1st April, 2024, they decided to share profits and losses in the ratio of 3 : 2 : 1. Their Balance Sheet showed Workmen Compensation Reserve of Rs 84,000. The claim on account of Workmen Compensation is estimated at Rs 75,000. The Journal entry to give effect to the above transaction will be:

Current Assets – Rs 1,40,000

Current Liabilities – Rs 35,000

Average profit of the firm during the last four years was Rs 1,08,000.

Value of goodwill of the firm on Atul's admission was

(a) Rs 70,200 (b) Rs 1,05,200 (c) Rs 1,40,400 (d) Rs 1,08,000

9. Rajesh, one of the partners was to receive 2% of the value of net assets realised as remuneration for completing the dissolution work and was to bear realisation expenses. Realisation expenses Rs 5,000 were paid by Rajesh. The assets were realised for Rs 1,50,000 and cash paid for outsider's liabilities amounted to Rs 40,000. Realisation Account is to be debited with
(a) Rs 2,460 (b) Rs 3,200 (c) Rs 2,200 (d) Rs 2,500
10. Reliable Ltd. invited applications for 1,00,000 equity shares of Rs 100 each at a premium of Rs 50 payable Rs 30 along with application, Rs 90 including premium on allotment, and the balance on the first and final call. Applications were received for 2,40,000 shares. Applications for 40,000 shares were refused allotment and amount was refunded. Applicants to whom 2,500 shares were allotted did not pay the allotment and call money. His shares were forfeited. On forfeiture, which of the following accounts will be debited?
(a) Shares Forfeited Account
(b) Share Capital Account
(c) Securities Premium Account
(d) Share Capital Account and Securities Premium Account
11. Assertion (A) : The lender to whom debentures are issued as collateral security is entitled to interest on debentures.
Reason (R) : On repayment of loan, debentures issued as collateral security are cancelled.
In the context of the above two statements, which of the following is correct?
(a) Assertion (A) is correct but Reason (R) is wrong.
(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is incorrect and Reason (R) is correct.
(d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A).
12. What will be the interest on drawings of Raj @ 10% p.a. for the year ended 31st March, 2024, if he withdrew Rs 36,000 during the middle of each quarter?
(a) Rs 5,400 (b) Rs 7,200 (c) Rs 9,000 (d) Rs 14,400
- OR
- Calculate the interest on drawings of Ashok @ 10% p.a. for the year ended 31st March, 2024, if he withdrew Rs 12,000 p.m. in the middle of every month.
(a) Rs 7,800 (b) Rs 6,600 (c) Rs 14,400 (d) Rs 7,200
13. Alex, Benn and Cole were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. They admitted Dona as a new partner for 1/5 share in the future profits. Dona agreed to contribute proportionate capital. On the date of admission, capitals of Alex, Benn and Cole after all adjustments were Rs 1,20,000; Rs 80,000 and Rs 1,00,000 respectively.
The amount of capital brought in by Dona will be
(a) Rs 75,000 (b) Rs 60,000 (c) Rs 65,000 (d) Rs 70,000

Read the following hypothetical situation, Answer Question No. 14,15 and 16

Following is the extract of the Balance Sheet of Vikalp Ltd. as per Schedule III, Part I of the Companies Act as at 31st March, 2024, along with Notes to Accounts:

Vikalp Ltd. Balance Sheet as at 31st March, 2024

Particular	Note no.	31.03.2024 (₹)	31.03.2023 (₹)
I. Equity and Liabilities			
1. Shareholders' funds			
(a) Share capital	1	6,96,000	5,96,000
(b) Reserve and Surplus	2	1,42,000	1,20,000

Notes to Accounts

Particular	31.03.2024 (₹)	31.03.2023 (₹)
1. Share Capital		
Authorised Capital		
1,00,000 Equity Shares of ₹10 each	10,00,000	10,00,000
Issued Capital		
70,000 (Previous year 60,000) Equity Shares of ₹10 each [Out of these 4,000 (Previous year Nil) shares were issued to Star Ltd. for purchase of its business]	7,00,000	6,00,000
Subscribed Capital		
Subscribed and fully paid-up:		
68,000 (Previous year 58,000) Equity Shares of ₹10 each [Out of these 4,000 (Previous year Nil) shares were issued to Star Ltd. for purchase of its business]	6,80,000	5,80,000
Subscribed but not fully paid-up:		
2,000 (Previous year 2,000) Equity Shares of ₹10 each	20,000	20,000
Less: Calls-in-Arrears(2,000 × ₹2)	(4,000)	(4,000)
	16,000	16,000
	6,96,000	5,96,000
2. Reserve and Surplus		
Capital Reserve	10,000*	Nil
Securities Premium	1,32,000	1,20,000
	1,42,000	1,20,000

* Excess of Net Assets (i.e., Assets-Liabilities) over purchase consideration paid to Star Ltd. for acquiring its business.

14. State the total face value of shares issued by the company during the year 2023-24.
 (a) Rs 2,00,000 (b) Rs 2,50,000 (c) Rs 2,70,000 (d) Rs 1,00,000

OR

Shares issued for cash during the year ended 31st March, 2024 were issued at

- (a) Rs 8 (b) Rs 10 (c) Rs 12 (d) Rs 15

15. On 1st April, 2024, the company forfeited all the defaulting shares. What amount will be credited to 'Forfeited Shares A/c'?

- (a) Rs 12,000 (b) Rs 14,000 (c) R 16,000 (d) Rs 18,000

OR

What will be the amount of 'Subscribed and fully paid' capital after the reissue of 1,000 shares fully paid?

- (a) Rs 6,80,000 (b) Rs 6,90,000 (c) Rs 7,00,000 (d) Rs 7,20,000

16. What will be the number of issued shares, as on 1st April, 2024, after the forfeiture of these shares?

- (a) 60,000 shares (b) 65,000 shares (c) 70,000 shares (d) 58,000 shares

OR

If 1,000 of the forfeited shares were reissued at Rs 12 per share, what will be the amount of Securities Premium and Capital Reserve respectively as 1st April, 2024?

- (a) Rs 1,40,000, Rs 12,000 (b) Rs 1,46,000, Rs 24,000
 (c) Rs 1,34,000, Rs 18,000 (d) Rs 1,40,000, Rs 18,000

17. Abhay, Bheem and Chunnu are partners in a firm. They had omitted Interest on Capital @ 10% p.a. for three years ended 31st March, 2019. Their fixed captials on which interest was to be calculated were:

Abhay : Rs 1,00,000

Bheem : Rs 80,000

Chunnu : Rs 70,000

Give the necessary adjusting journal entry and show your working notes clearly.

OR

Aman, Babita and Suresh are partners in a firm. Their profit sharing ratio is 2 : 2 : 1. Suresh is guaranteed a minimum amount of Rs 10,000 as his share of profit every year. Any deficiency on that account shall be met by Babita. The profits for two years ending March 31, 2016 and March 31, 2017 were Rs 40,000 and Rs 60,000 respectively. Prepare the Profit and Loss Appropriation Account for the two years.

18. On 1.4.2021 Y Ltd. invited applications for issuing 10,000 9% debentures of Rs 100 each at a discount of 6%. The entire amount was payable with application. Application for 12,000, 9% debentures were received. Debentures were allotted on pro-rata basis to all the the applican applicants. Excess money received with applications was refunded. On 31.3.2022 the company decided to write off discount on issue of debentures according to the provisions of the Companies Act, 2013. On that date the company had Rs 10,000 in its securities premium reserve account. Pass necessary journal entries for the above transactions in the books of the company.

OR

During 2022-23, the company took a loan of Rs 2,00,000 from the HDFC Bank for which the company placed with the bank 12% debentures of Rs 2,50,000 as collateral security. Pass journal entries in the books of company and how will it appear in the balance sheet.

19. From the following information complete Journal entries :

Date	Particulars	L. F.	Amount Dr. (Rs)	Amount Cr. (Rs)
	Share Capital A/c Securities Premium Reserve A/c To share Forfeiture A/c To Calls-in-Arrears A/c (Being ? Shares forfeited for non-payment of Rs ? including premium of Rs 2 per share)	Dr. Dr.	? 1000	? 3,500
	Bank A/c To Forfeiture A/c To Share Capital A/c (Being__ ? __ shares reissued at Rs 9 per as fully paid)	Dr. Dr.	? ?	? ?
	Share forfeiture A/c To Capital Reserve A/c (Being forfeiture money transferred to capital reserve)	Dr.	600	600

Dr. Share Forfeiture Account					
Date	Liabilities	Amount (Rs)	Date	Assets	Amount (Rs)
	To Share Capital A/c	?		By Share Capital A/c	1,500
	To Capital Reserve A/c	600			
	to Balance c/d	600			
		1,500			1,500

20. Kabir and Farid are partners in a firm sharing profits in the ratio of 3:1. On 1.4.2023 they admitted Manik into partnership for 1/4th share in the profits of the firm. Manik brought his share of goodwill premium in cash. Goodwill of the firm was valued on the basis of 2 years' purchase of last three years average profits. The profits of last three years were:

2020-21	Rs 90,000
2021-22	Rs 1,30,000
2022-23	Rs 86,000

During the year 2022-23 there was a loss of Rs 20,000 due to fire which was not accounted for while calculating the profit

Calculate the value of goodwill and pass the necessary journal entries for the treatment of goodwill

21. Saraswati Ltd. has an authorised capital of Rs 10,00,000 divided into equity shares of Rs 10 each. Subscribed and fully paid up share capital of the company was Rs 4,00,000. To meet its new financial requirements, the company issued 20,000 equity shares of Rs 10 each which were payable as follows: Rs 3 on application; Rs 3 on allotment, Rs 2 on first call and Rs 2 on second and final call. The issue was fully subscribed. The allotment money was payable on 1 May 2021, first call money on 1st August 2021 and final call on 1st October 2021. X whom 1000 shares were allotted, did not pay the allotment and call money; Y an allottee of 600 shares, did not pay the two calls; and Z whom 400 shares were allotted, did not pay the final call. Present the share capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts for the same.
22. Niyati, Kartik and Ritik were partners in a firm sharing profits and losses in the ratio of 5:3 :2. The firm was dissolved on 31st March, 2019 by the order of the court. After transfer of assets (other than cash) and external liabilities to Realization Account, the following transactions took place:
- (a) An unrecorded liability of the firm of Rs 45,000 was paid by Niyati.
 - (b) Creditors to whom Rs 67,000 were due to be paid, accepted furniture at Rs 35,000 and the balance was paid to them in cash.
 - (c) Kartik had given a loan of Rs 18,000 to the firm which was paid to him.
 - (d) Stock worth Rs 85,000 was taken over by Ritik at Rs 72,000.
 - (e) Expenses on dissolution amounted to Rs 6,000 and were paid by Kartik.
 - (f) Loss on dissolution amounted to Rs 40,000.

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

23. Ganga Ltd. invited applications for issuing 10,000 equity shares of Rs 10 each. The amount per share was payable as follows: Rs 2 on application, Rs 3 on allotment, Rs 3 on first call and Rs 2 on second and final call.
- Applications were received for 15,000 shares. The applications for 3,000 shares were rejected and application money refunded. The shares were allotted on pro-rata basis to the applicants of 12,000 shares. Excess money received with applications was adjusted towards sums due on allotment. All shareholders paid the allotment money except one shareholder who was allotted 200 shares. These shares were forfeited. The first call was made thereafter and duly received. The second and final call was not yet made.

OR

Zocon Ltd. issued a prospectus inviting applications for 5,00,000 equity (shares) of Rs 10 each issued at a premium of 10% payable as:

Rs 3 on Application

Rs 5 on Allotment (including premium) and Rs 3 on call

Applications were received for 6,60,000 shares. Allotment was made as follows:

- (a) Applicants of 4,00,000 shares were allotted in full

(b) Applicants of 2,00,000 shares were allotted 50% on pro-rata basis.

(c) Applicants of 60,000 shares were issued letters of regret.

A shareholder to whom 500 shares were allotted under category (a) paid full amount on shares allotted to him along with allotment money. Another shareholder to whom 1,000 shares were allotted under category (b) failed to pay the amount due on allotment. His shares were immediately forfeited. These shares were then reissued at Rs 14 per share as Rs 7 paid up. Cal has not yet been made.

Journalise.

24. (A) Madhav and Girdhari were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their balance sheet as at 31st March, 2022 was as follows:

Balance sheet of Madhav and Girdhari as on 31st March, 2022

Liabilities		Amount (Rs)	Assets		Amount (Rs)
<u>Capital</u>			Machinery		4,70,000
Madhav	3,00,000		Investment		1,10,000
Girdhari	<u>2,00,000</u>	5,00,000	Debtors	1,20,000	
Workmen's compensation fund		60,000	Less: Provision		
Creditors		1,90,000	for doubtful debts	<u>(10,000)</u>	1,10,000
Employee's Provident fund		1,10,000	Stock		1,40,000
			Cash		30,000
		8,60,000			8,60,000

On 1st April, 2022, they admitted Jyoti into partnership for 1/4th share in the profits of the firm. Jyoti brought Rs 1,86,000 as her capital and Rs 40,000 as her share of goodwill premium in cash. The following terms were agreed upon :

- Stock was found undervalued by Rs 23,000
 - 20% of the investments were taken over by Girdhari at book value.
 - Claim on account of workmen's compensation amounted to Rs 70,000, which was to be paid later.
 - Creditors included a sum of Rs 27,000 which was not likely to be claimed.
- Prepare Revaluation A/c and Partners Capital Accounts on Jyoti's admission.

OR

(B) Radhika, Ridhima and Rupanshi were partners in a firm sharing profits and losses in the ratio of 3 : 5 : 2. On 31st March, 2022, their balance sheet was as follows:

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Sundry Creditors		60,000	Cash		50,000
General Reserve		40,000	Stock		80,000
Capitals:			Debtors		40,000
Radhika	3,00,000		Investments		30,000
Ridhima	2,00,000		Buildings		5,00,000
Rupanshi	<u>1,00,000</u>	6,00,000			
		7,00,000			7,00,000

Ridhima retired on the above date and it was agreed that :

- Goodwill of the firm be valued at Rs 3,00,000.
- Building was valued at Rs 6,20,000.
- Capital of the new firm was fixed at Rs 5,00,000, which will be in the new profit sharing ratio of the partners; the necessary adjustments for this purpose were to be made by opening current accounts of the partners.

Pass necessary entries on Ridhima's retirement

25. A, B and C were partners sharing P&L in the ratio 5 : 3 : 2. A died on 30th June, 2019. Entry for treatment of goodwill after his death was passed as follows :

Date	Particulars	L.F.	Amount Dr. (Rs)	Amount Cr. (Rs)
	B's Capital A/c		1,80,000	
	C's Capital A/c		1,20,000	
	To A's Capital A/c			3,00,000
	(Entry for goodwill treatment passed at the time of death of partner)			

A's profit till date of death was estimated as Rs 1,20,000, based on the average profits of past three years. Final dues payable to A's executors on the date of death was calculated as Rs 8,40,000 out of which Rs 2,40,000 was paid immediately by giving him Furniture valued for the same and balance was to be paid in three equal annual instalments starting from 30 June, 2020, together with interest rate as specified in Section 37 of Indian Partnership Act, 1932.

Pass necessary entry for profit share to be credited to A's Capital and also prepare A's executors account till final settlement.

26. On 1st April, 2016 Tata Ltd. issued Rs 10,00,000, 15% Debentures of Rs 100 each at 8% discount payable as Rs 40 on application and the balance amount on allotment. These debentures were to be redeemed at premium of 5% after five years. All the debentures were subscribed by public. You are required to pass the Journal Entries in the first year of debenture issue (including Interest on Debenture) except the entry for writing off loss on issue of debentures.

PART-B

(Analysis of Financial Statement)

27. The following balances were given in the books of a company:

Interest paid on debenture	Rs 50,000
Salary paid to staff	Rs 4,00,000
Bonus awarded	Rs 90,000
Provident fund paid	Rs 5,00,000
Dividend Received	Rs 1,00,000

Amount charged to employee benefit expenses to be shown in the statement of profit and loss will be:

- (a) Rs 10,40,000 (b) Rs 9,90,000 (c) Rs 10,90,000 (d) Rs 11,40,000
28. Assertion (A) : Repayment of cash credit is a part of investing activities.
Reason (R) : Debentures issued as a collateral security will result in no flow of cash.
- (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
29. Which of the following statements is not correct?
- (a) Tax paid is added to cash generated from operations to get cash flow from operating activities.
(b) Cash in hand, cash at bank and marketable securities are part of cash and cash equivalents.
(c) Provision for tax made during the year is added to net profit after tax to get net profit before tax.
(d) Purchase of shares of another company will be treated as cash outflow under investing activities.

Particular	Note no.	31.03.2023 (Rs)	31.03.2024 (Rs)
Machinery		5,22,500	8,37,500

Depreciation on machinery for the year 2023-24 amounted to Rs 1,20,000.

How much amount will be shown under investing activity in cash flow statement for the year ending 31st March, 2024:

(a) Inflow of Rs 3,15,000 (b) Outflow of Rs 3,15,000

(c) Inflow of Rs 4,35,000 (d) Outflow of Rs 4,35,000

30. Trade Receivables Turnover Ratio

= 5 Times

Revenue from operations

= Rs 5,00,000

Credit revenue from operations

= 75% of Revenue from operations

Trade Receivables at the end

= Rs 80,000

Trade Receivables in the beginning will be:

(a) Rs 60,000

(b) Rs 75,000

(c) Rs 90,000

(d) Rs 70,000

OR

Cost of Revenue from operations

= Rs 5,00,000

Gross profit

= 20% of Revenue from operations.

Revenue from operations will be:

(a) Rs 6,25,000

(b) Rs 4,75,000

(c) Rs 6,00,000

(d) Rs 7,50,000

31. List any two items that are presented under the head 'Other Current Liabilities' and any one item that are presented under the head 'Other Current Assets' as per Schedule III of the companies Act, 2013.

32. Prepare common-size statement of profit and loss from the following information :

Particulars	Note No.	2017-18	2016-17
Revenue from operations		Rs 16,00,000	Rs 8,00,000
Cost of material consumed (% of revenue from operations)		60%	50%
Operating expenses		Rs 80,000	Rs 40,000
Income tax rate		40%	30%

OR

Prepare a comparative balance Sheet of KJ Ltd. from the following information :

Particulars	Note No.	31.3.2017 Rs	31.3.2016 Rs
I EQUITY AND LIABILITIES :			
1. Shareholders' Funds		8,00,000	4,00,000
2. Non-Current Liabilities		5,00,000	2,00,000
3. Current Liabilities		3,00,000	2,00,000
Total		16,00,000	8,00,000
II ASSETS :			
1. Non-Current Assets		10,00,000	5,00,000
2. Current Assets		6,00,000	3,00,000
Total		16,00,000	8,00,000

33. (A) (i) Calculate Revenue from operations of BN Ltd' from following information:

Current Assets Rs 8,00,000

Quick ratio 1.5 : 1

Current ratio 2 : 1

Inventory turnover ratio 6 times

Goods were sold at a profit of 25% on cost

OR

(B) The debt equity ratio of M Ltd is 2 : 1. State with **REASONS** whether the following transactions will increase, decrease or not change the debt equity ratio :

(i) Obtained a loan from ICIC Bank Rs 1,00,000 payable after 5 years.

(ii) Purchased machinery for cash Rs 1,50,000.

(iii) Redeemed 9% debentures Rs 1,00,000.

(iv) Issued equity shares for purchase of machinery of Rs 5,00,000 to the vendors.

34. Read the following hypothetical text and answer the questions given below on the basis of the same:

Aditi, initiated her start-up Fizz Ltd. in 2019. Fizz Ltd. is an organic juice extracting unit. Its profits are increasing year-after-year because of the increasing awareness towards health.

Following information has been extracted from the Balance sheet of "Fizz Ltd. for the year ended 31st March, 2022:

	31 st March, 2022 (Rs)	31 st March, 2022 (Rs)
Equity Share Capital	90,00,000	60,00,000
11% Debentures	30,00,000	50,00,000
Machinery (at cost)	28,00,000	20,00,000
<u>Accumulated Depreciation</u>		
Machinery	90,000	60,000

Additional Information:

(i) During the year, a machine costing Rs 4,00,000 was sold at a gain of Rs 30,000.

(ii) Depreciation charged on machinery during the year was Rs 50,000.

(iii) Interest paid on 11% debentures amounted to Rs 5,50,000.

(iv) Dividend of Rs 3,00,000 was paid on equity shares.

(v) Debentures were redeemed at a premium of 10% on 31st March, 2022.

Calculate Cash flows of Fizz Ltd. from Investing Activities and Financing Activities.

ROUGH WORK

ROUGH WORK
