



PRINCE ACADEMY

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

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CBSE SAMPLE PAPER (2024-25)

Time : 3:00 Hours

CLASS – XII (ACCOUNTANCY-055)

M.M. : 80

General Instructions:

1. 15- minute prior reading time allotted for Q-paper reading.
2. This question paper contains 34 questions. All questions are compulsory.
3. This question paper is divided into two parts, Part A and B.
4. Question 1 to 16 and 27 to 30 carries 1 mark each.
5. Questions 17 to 20, 31 and 32 carries 3 marks each.
6. Questions from 21, 22 and 33 carries 4 marks each
7. Questions from 23 to 26 and 34 carries 6 marks each

PART-A

1. Santosh and Rakesh were equal partners in a partnership firm. They admitted Manender for 1/4th share. He acquired his share equally from Santosh and Rakesh. Consider the statements below:
(i) Santosh and Rakesh both will sacrifice equally to Manender.
(ii) Santosh sacrificing ratio is more than that of Rakesh.
(iii) The new profit sharing ratio of Santosh, Mahesh and Manender will be 11:6:5 Choose the correct option:
(a) only (i) is correct (b) only (ii) is correct (c) only (iii) is correct (d) all of the above
 2. Assertion (A): The fixed capital method is better as compared to the fluctuating capital method.
Reason (R): The capital of the partners is fixed, and all the transactions are recorded in the current account.
(a) Both Assertion(A) and Reason(R) are correct and Reason(R) is the correct explanation of Assertion(A)
(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 but Reason(R) is correct
(d) Assertion(A) is correct but Reason(R) is incorrect
 3. Balance in Share forfeiture account is shown in the Balance Sheet under the head of:
(a) reserves and surplus (b) long term borrowings (c) share capital (d) other current liabilities
- OR
- Premium on redemption of debentures account is a _____ account
(a) real (b) nominal (c) personal (d) none of these
4. A and B were partners in a firm sharing profit or loss in the ratio of 3 : 1. With effect from Jan. 1, 2019 they agreed to share profit or loss in the ratio of 2 : 1. Due to change in profit-loss sharing ratio, B's gain or sacrifice will be :
(a) Sacrifice 1/12 (b) Gain 1/12 (c) Gain 1/3 (d) Sacrifice 1/3

OR

Which one of the following is NOT an essential feature of a partnership?

- (a) There must be an agreement
 - (b) There must be a business
 - (c) The business must be carried on for profits
 - (d) The business must be carried on by all the partners
5. What will be the interest on drawing @12.5% p.a. for Ashish if he withdrew Rs 5000 once in a month?
- (a) Rs 3500 (b) Rs 7500 (c) Rs 3750 (d) None of the above
6. The debentures which are payable on the expiry of a specified period either in lump sum or in installments during the lifetime of the company are known as
- (a) secured debentures (b) specific coupon rate debentures
- (c) redeemable debentures (d) convertible debentures

OR

Which of the following statements is incorrect with respect to debentures?

- (a) debentures can be issued for cash (b) debentures cannot be issued at discount
 - (c) debentures can be issued as collateral security (d) debentures can be issued at premium
7. Assertion (A): Manoj Ltd. gave shares worth Rs 150000 to the vendor from whom it bought machinery.
Reason (R): The company can issue shares as against the payment to the vendors.
- (a) Both Assertion(A) and Reason(R) are correct and Reason(R) is the correct explanation of Assertion(A)
- (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 but Reason(R) is correct
- (d) Assertion(A) is correct but Reason(R) is incorrect
8. Akshita, Shraddha and Pooja were partners sharing profits and losses in the ratio of 4:3:1. Shraddha retires and gives her share of profit to Akshita for 3600 and Pooja for 3000. The gaining ratio of Akshita and Pooja will be:
- (a) 4:5 (b) 6:5 (c) 2:1 (d) 4:1

OR

A, B and C were partners in a firm sharing profits in the ratio of 3:2:1. B was guaranteed a profit of Rs 2,00,000 During the year the firm earned a profit of Rs 84,000, Calculate the net amount of Profit or Loss transferred to the Capital Accounts of A and C.

- (a) Rs 87,000 & Rs 29,000 (b) Rs 77,000 & Rs 39,000
- (c) Rs 25,000 & Rs 75,000 (d) Rs 27,000 & Rs 89,000

Read the following hypothetical situation, answer question no. 9 and 10.

X and Y are partners in 3:2. Their capital balances as on 1st April 2022 amounting to Rs 2,00,000 each. On 1st February 2023, X contributed an additional capital of 1,00,000. Following are the terms of deed

- (a) Interest on capital @ 6% per annum
 - (b) Interest on drawings @ 8% per annum
 - (c) Salary to X 1,500 per month
 - (d) Commission to Y @10% on net profit after charging interest on capital, salary and his commission.
- Drawings of the partners were Rs 20,000 and Rs 30,000 respectively during the year. Net profit earned by the firm was Rs 2,08,000.

9. What is the amount of interest on capitals of X and Y:
 (a) Rs 12000 each (b) Rs 12000 to X and Rs 13000 to Y
 (c) Rs 13000 to X and Rs 12000 to Y (d) None of these
10. What is the amount of interest on drawings of X and Y?
 (a) Rs 120 and Rs 1800 respectively (b) Rs 800 and Rs 1200 respectively
 (c) Rs 1200 and Rs 800 respectively (d) Rs 1600 and Rs 2400 respectively
11. X, Y and Z were doing business in partnership with capital investment of Rs 40000, Rs 40000 and Rs 80000 as capitals. Deed is silent regarding the profit sharing ratio of the partners. During the year they earned a profit of Rs 120000. How much amount of profit will be given to Z assuming that the whole business is managed by Z alone?
 (a) Rs 60000 (b) Rs 40000 (c) Rs 120000 (d) None of the above
12. 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 re issued?
 (a) Rs 4 (b) Rs 10 (c) Rs 16 (d) Rs 6
13. The allowed amount of discount on re-issue of shares will be _____.
 (a) @ 10% of issue price (b) up to the amount of forfeited money
 (c) could not issue at discount (d) none of these
14. P, Q and R are partners in a firm sharing profits and losses in the ratio 2:2:1. They admitted L as a new partner for 1/5th share in the profits. L was given a guarantee that his share of profit shall be Rs 100000. Any deficiency arising on account of guarantee to L will be borne by Q. The profit of the firm during the year ended 31st March 2023 was Rs 4 lakh. The amount of deficiency borne by Q was:
 (a) Rs 80000 (b) Rs 20000 (c) Rs 6667 (d) Rs 10000
15. Manoj and Manish are partners. Manish draws a fixed amount in the beginning of every quarter. Interest on drawings is charged @12% p.a. At the end of the year interest on Manish's drawings amounted to Rs 4500. Drawings of Manish were:
 (a) Rs 14,000 per quarter (b) Rs 15,000 per quarter
 (c) Ra20,000 per quarter (d) Rs 10,000 per quarter

OR

A, D and K were equal partners. They decided to change the profit sharing ratio to 4:3:2. For this purpose the Goodwill of the firm was valued at Rs 90000. The journal entries for the treatment of goodwill on change in profit sharing ratio will be:

- (a) debit K's capital account; credit A's capital account Rs 10000
 (b) debit D's capital account; credit A's capital account Rs 10000
 (c) debit A's capital account; credit K's capital account Rs 90000
 (d) debit A's capital account; credit K's capital account Rs 10000
16. On dissolution of the partnership firm of A, B and C, the accumulated profits of Rs 40000 will be transferred to which of the following accounts?
 (a) Revaluation account (b) Realization account
 (c) Partner's capital accounts (d) Bank account
17. A, B and C are partners sharing profit and loss in the ratio of 2:2:1. B retires from the firm on 31st March, 2023. On the date of B's retirement, the following balances appeared in the books of the

firm.

Advertisement suspense account Rs 50,000

Contingency reserve Rs 30000

Workmen's compensation reserve Rs 40,000

Loss in business account Rs 30,000

Pass the necessary journal entries for the adjustment of these items on B's retirement.

- 18.** Sonu, Monu and Tina are partners in a firm. They had omitted Interest on Capital @ 10% p.a. for three years ended 31st March, 2023. Their fixed capitals on which interest was to be calculated were:

Sonu: Rs 1,00,000

Monu: Rs 80,000

Tina: Rs 70,000

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

OR

A, B and C were partners in a firm. On 1st April, 2022, their fixed capitals stood at Rs 50,000, Rs 25,000 and Rs 25,000 respectively. As per the provisions of the partnership deed

(i) A was entitled to a salary of Rs 5,000 per annum.

(ii) All the partners were entitled to interest on capital @ 5% per annum.

(iii) Profits were to be shared in the ratio of capitals.

The net profits for the year ending 31st March, 2022 of Rs 33,000 and 31st March, 2023 of Rs 45,000 were divided equally without providing for the above terms.

Pass an adjustment journal entry to rectify the above error.

- 19.** Karan Ltd. issued 1,00,000 Equity shares of Rs 10 each. The amount was duly received except on 5,000 Equity shares on which Rs 5 per share was received. These shares were forfeited and 2,500 Equity shares were reissued for Rs 9 each fully paid-up. You are required to prepare Share Forfeiture Account

OR

Gagan Ltd. took over the running business of Madan Ltd. having assets of Rs 22,00,000 and liabilities of Rs 6,00,000 by issuing 20,000, 11% Debentures of Rs 100 each at 5% discount.

You are required to pass the journal entries in the books of Glen Ltd. if debentures were redeemed at 10% premium.

- 20.** Average profit of the firm is Rs 3,00,000. Total tangible assets in the firm are Rs 28,00,000 and outside liabilities are Rs 8,00,000. In the same type of business, the normal rate of return is 10% of the capital employed.

Calculate value of goodwill by capitalization of super profit method.

21. Mahir Ltd., an helicopter manufacturing company, is registered with an authorised capital of Rs 1,00,00,000 divided into equity shares of 100 each. The subscribed and paid up capital of the company is Rs 50,00,000. The company decided to open technical schools in the Jhalawar district of Rajasthan to train the especially abled children of the area. It is planning to provide them employment in its various production units and industries in the neighborhood area. To meet the capital expenditure requirements of the project, the company offered 20,000 shares to the public for subscription. The shares were fully subscribed and paid.

Present the share capital in the Balance Sheet of the company as per the provisions of Schedule III of the Companies Act, 2013.

22. Pass the necessary journal entries in the following cases on the dissolution of a partnership firm of partners X, Y, A and B:

(i) Realization expenses of Rs 5,000 were to be borne by X, a partner. However, it was paid by Y.

(ii) Investments costing Rs 25,000 (comprising 1,000 shares), had been written off from the books completely. These shares are valued at Rs 20 each and were divided amongst the partners.

(iii) Y's loan of Rs 50,000 settled at Rs 48,000.

(iv) Machinery (book value Rs 6,00,000) was given to a creditor at a discount of 20%.

23. Saksham Ltd. invited applications for 1,00,000 Equity Shares of Rs 100 each at a premium of 10%. The amount was payable as follows:

On Application Rs 50 per share

On Allotment Rs 35 per share (including premium)

On First and Final Call Rs 25 per share

Applications for 1,50,000 shares were received.

Applicants for 25,000 shares did not get any allotment and their money returned. Allotment was made pro-rata to the remaining applicants. Excess application money was adjusted towards sum due on allotment.

Mr. Harshit who was allotted 600 shares failed to pay the amount due on allotment and call money. The company forfeited his shares and subsequently re-issued at Rs 110 per share fully paid-up. You are required to pass journal entries to record the above transactions in the books of the company.

OR

Qinza Ltd. invited applications for 4,000 equity shares of Rs 100 each at a premium Rs 30 per share. The amount was payable as follows:

On Application Rs 40 (Including premium Rs 10) On Allotment Rs 60 (Including premium Rs 20) On

First and Final Call Rs 40 Applications for 5,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Excess application money was adjusted towards sum due on allotment. Satvik, to whom 40 shares were allotted, failed to pay allotment and call money. Ali, to whom 90 shares were allotted, failed to pay the call money.

These shares were forfeited. The forfeited shares were re-issued @ Rs 80 per share fully paid-up. You are required to pass journal entries to record the above transactions in the books of the company.

24. Akash, Jalaj and Shobit were partners in a firm sharing profits in the ratio of 2: 2: 1. The firm closes its books on 31st March every year. On 30th September, 2022 Shobit died. The partnership deed provided that on the death of a partner her executors will be entitled to the following:

- (a) Balance in her capital account which amounted to Rs 3,15,000 and interest on capital @ 9%.
- (b) Her share in the profits of the firm till the date of her death amounted to Rs 70,000.
- (c) Her share in the goodwill of the firm. The goodwill of the firm on Shobit's death was valued at Rs 1,50,000.

You are required to calculate the amount to be transferred to Shobit's Executor A/c.

OR

Kamal Rahul and Neeraj your partners in a firm sharing profits and losses in the ratio of 5:3: 2 on 31st March 2022. Their balance sheet was as under:

Balance Sheet as on 31st March 2022

Liabilities	Amount(₹)	Assets	Amount(₹)
Capital A/cs		Land and building	170000
Kamal 120000		Plant and Machinery	260000
Rahul 120000		Stock	100000
Neeraj <u>120000</u>	360000	Sundry Debtors	80000
General Reserve	120000	Cash	50000
Sundry Creditors	180000		
	660000		660000

On the above date, Rahul retired and following terms were agreed upon:

- (i) Goodwill of the firm was valued at Rs 3,50,000.
- (ii) An item of Rs 10,000 included in Sundry creditors is not likely to be claimed and hence written off. Stock was valued at Rs 90,000.
- (iii) Capital of the new firm was fixed at Rs 2,10,000 and the same will be adjusted in the profit-

sharing ratio of the remaining partners. For this purpose the required cash will be brought in- or paid off as the case may be.

(iv) Amount payable to Rahul will be transferred to his loan account

Prepare Revaluation Account and Partners' Capital Accounts on Rahul's retirement.

25. Pass journal entries in the book of X Ltd. in the following cases:

(i) The Company took a loan of Rs 1,60,000 from SBI and issued 2,000, 12% debentures of Rs 100 each as collateral security.

(ii) Issued 1,000, 12% debentures of Rs 100 each at 10% premium, redeemable at a premium of 5%.

(iii) Purchased machinery Rs 4,60,000 from Babita Ltd. Payment was made by issue of 9% debentures of Rs100 each at a premium of 15% redeemable at par.

26. Answer the following questions from the following information of shareholder's funds

As of 31st March, 2023

* Issued share capital- Rs 50,00,000 (5,00,000 shares)

* Called-up share capital- Rs 10 per share on 5,00,000 shares (fully paid)

* Calls-in-arrears- Rs 1,00,000 (on 10,000 shares, Rs 10 per share)

* Share premium- Rs 1,50,000

As of 31st March, 2024

* Issued share capital- Rs 80,00,000 (8,00,000 shares)

* Called-up share capital- Rs 12 per share on 8,00,000 shares (fully paid)

* Calls-in-arrears- Rs 80,000 (on 8,000 shares, Rs 10 per share)

* Share premium- Rs 3,00,000

Additional Information

* New shares issued for cash- 3,00,000 shares

* Share issued for consideration (non-cash)- 1,00,000 shares

* Shares forfeited - 5,000 shares with an unpaid amount of Rs 5 per share

(i) What is the total face value of shares issued for cash during the year 2023-24 ?

(a) Rs 30,00,000 (b) Rs 80,00,000 (c) Rs 60,00,000 (d) Rs 40,00,000

(ii) On 1st April, 2024, the company forfeited all the defaulting shares.

What amount will appear in the share forfeiture account ?

(a) Rs 50,000 (b) Rs 25,000 (c) Rs 75,000 (d) Rs 5,000

(iii) What will be the number of issued shares, as of 1st April, 2024, after the forfeiture of these defaulting shares ?

(a) Rs 8,00,000 (b) Rs 7,95,000 (c) Rs 5,00,000 (d) Rs 7,00,000

(iv) If 2,000 of the forfeited shares were re-issued at Rs 15 per share, what will be the amount of securities premium as of 1st April, 2024 ?

(a) Rs 3,00,000 (b) Rs 2,90,000 (c) Rs 3,20,000 (d) Rs 3,10,000

(v) What will be the amount in the “called-up and fully paid” sub-head after the re-issue of 3,000 shares at Rs 20 per share ?

(a) Rs 60,000 (b) Rs 80,00,000 (c) Rs 90,60,000 (d) Rs 80,60,000

(vi) What will be the amount of securities premium if 3,000 forfeited shares are re-issued at Rs 25 per share with a face value of Rs 15 per share ?

(a) Rs 15,000 (b) Rs 75,000 (c) Rs 10,000 (d) Rs 30,000

PART-B

27. Which of the following items shown in companies Balance Sheet as ‘Contingent liabilities’

(i) claims against the company not acknowledged as debts

(ii) guarantee given by the company

(iii) bills receivables discounted from Bank

(a) (i) only (b) (i) and (ii) (c) (i) and (iii) (d) (i), (ii) and (iii)

OR

From the following which item appears in the subhead ‘Short term Provisions’ of a Company's Balance Sheet

(a) calls in advance

(b) prepaid expenses

(c) provision for tax

(d) outstanding expenses

28. Current ratio of a company is 2.5. If current liabilities are Rs 60000, then current assets are

(a) Rs 120000 (b) Rs 150000 (c) Rs 3 lakh (d) Rs 24000

29. Statement I: 'Cash Flows' implies movement of cash in and out due to some cash items.

Statement II: Receipt of cash from a cash item is termed as cash inflow while cash payment in respect of such items as cash outflow.

Choose the correct option from options given below:

(A) Statement I is correct and statement II is wrong.

(B) Statement II is correct and statement I is wrong.

(C) Both the statements are correct.

(D) Both the statements are wrong.

OR

Which of the following transactions will result into 'Inflow of Cash'?

(A) Deposited Rs 10,000 into bank

(B) Withdrew cash from bank Rs 14,500

(C) Sale of machinery of the book value of Rs 74,000 at a loss of Rs 9,000

(D) Converted Rs 2,00,000 ; 9% debentures into equity shares

30. Mohan Limited purchased the machinery for Rs 9 lakh. It received a dividend of Rs 70000 on investment in shares. The company also sold an old machine of the book value of Rs 79000 at a loss of Rs 10000. Cash flow from investing activities are:
- (a) Rs 761000 outflow (b) Rs 761000 inflow
(c) Rs 901000 outflow (d) Rs 901000 inflow
31. Under which heads and subheadings the following items will be shown in the Balance sheet of company as per schedule III part 1 of The Companies Act, 2013
- (a) security premium reserve
(b) calls in advance
(c) stores and spares
(d) tax reserve
(e) mining rights
(f) vehicles
32. (a) Calculate the inventory turnover ratio with the help of the following information: Revenue from operations Rs 8 lakh; Average inventory Rs 110000 ; Gross Loss 10%
- (b) A company earns a Gross Profit of 20% on cost. Its credit revenue from operations is twice its cash Revenue from operations. Credit revenue from operations is Rs 8 lakh. Calculate the Gross Profit ratio.
33. Prepare Common-size statement Balance Sheet from the following information:

Particulars	Note no.	31.03.2023 (₹)	31.03.2022 (₹)
I Equity and liabilities			
1 Shareholders fund			
(a) Equity sh Cap		10,00,000	5,00,000
(b) Reserves & Surplus		2,00,000	3,00,000
2 Non- current liabilities			
Long term borrowings		8,00,000	5,00,000
3 Current liabilities			
Trade Payables		4,00,000	2,00,000
Total		24,00,000	15,00,000
II Assets			
1 Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets		15,00,000	10,00,000
2 Current Assets			
(a) Cash and cash equivalents		9,00,000	5,00,000
		24,00,000	15,00,000

OR

Prepare Comparative statement of Profit and Loss from the following information:

Particulars	Note no.	31-03-2022	31-03-2023
Revenue from operations		₹ 2000000	₹ 2500000
Cost of material consumed(% of RFO)		₹ 1000000	₹ 1300000
Operating expenses		NIL	₹ 120000
Income tax rate		50 %	50 %

34. Read the following hypothetical text and answer the given question on the basis of the same. Khyati started a small enterprise under the 'Skill India Scheme', As the business grew, the revenue started increasing and she decided to form Khyati Limited to achieve her objectives with 10 other like-minded persons the financial position of the company is given in its Balance Sheet as at 31.03.2022

Balance Sheet as at 31.03.2022

Particulars	Note no.	31.03.2022 (₹)	31.03.2021 (₹)
I Equity and liabilities			
1 Shareholders fund			
(c) Equity sh Cap		2000000	1700000
(d) Reserves & Surplus		300000	400000
2 Non- current liabilities			
Long term borrowings		300000	200000
3 Current liabilities			
Trade Payables		50000	25000
Total		2650000	2325000
II Assets			
1 Non-current Assets			
(b) Fixed Assets			
(i) Tangible assets		800000	900000
(ii) Intangible assets		500000	200000
(c) Non-current Investments		300000	400000
2 Current Assets			
(b) Inventories		400000	500000
(c) Trade Receivables		150000	125000
(d) Cash and cash equivalents		500000	200000
		2650000	2325000

Additional information:

Depreciation of Rs 100000 was charged on tangible assets during the year.

On the basis of the above information prepare the cash flow statement of Khyati Limited.
