



# PRINCE ACADEMY

## OF HIGHER EDUCATION

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### SAMPLE PAPER SET - 02 (2024-25)

SUBJECT : ACCOUNTANCY (055)

TIME : 3:00 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 Firms and Companies)

1. John, Mayank and Vijay are partners, their Partnership Deed provides for interest on drawings 8% per annum, Mayank withdrew a fixed amount in the middle of every month and his interest on drawings amounted to Rs. 24,000 at the end of the year. What was the amount of his monthly drawings?  
(a) Rs. 50,000                      (b) Rs. 25,000                      (c) Rs. 6,00,000                      (d) Rs. 4,00,000
2. **Assertion (A):** In the absence of Partnership Deed, interest on loan by partner is paid @ 6% p.a.  
**Reason (R):** In the absence of Partnership Deed, interest on loan by partner is paid as is provided in the Partnership Act, 1932, i.e., @ 6% p.a.  
(a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation for Assertion (A).  
(b) Both Assertion (A) and Reason (R) are correct but Reason (R) is not the correct explanation for Assertion (A).  
(c) Assertion (A) is false and Reason (R) is true.  
(d) Assertion (A) is true and Reason (R) is false.
3. ABC Ltd. forfeited 700 shares of Rs. 10 each issued at a premium of 10% for non-payment of allotment money of Rs. 5 per share (including premium) and first and final call of Rs. 3 per share. On forfeiture of these shares, 'share forfeiture account' will be credited with  
(a) Rs. 7,000                      (b) Rs. 1,400                      (c) Rs. 4,900                      (d) Rs. 2,100



**OR**

On dissolution of the firm, sundry assets were of Rs. 1,17,000. Mohan took part of sundry assets at Rs. 72,000 (being 10% less than the book value). Sohan took remaining sundry assets at 80% of the book value. Realization Account is to be credited with

- (a) Rs. 1,01,600            (b) Rs. 1,08,000            (c) Rs. 72,000            (d) Rs. 84,000

9. Sangeet and Suman were partners in a firm sharing profits and losses in the ratio of 7: 3. During the year ended 31.3.2023, the firm earned a profit of Rs. 1,00,000, After preparation of the financial statements it was discovered that salary to Suman @3,000 per month had been omitted.

The necessary adjustment entry for the same will be

(a) Profit and Loss Appropriation A/c	Dr.	36,000	
To Suman's Capital A/c.			36,000
(b) Sangeet's Capital A/c.	Dr.	36,000	
To Suman's Capital A/c.			36,000
(c) Profit and Loss Adjustment A/c.	Dr.	36,000	
To Suman's Capital A/c.			36,000
(d) Sangeet's Capital A/c.	Dr.	25,200	
To Suman's Capital A/c.			25,200

10. At the time of dissolution of a firm, Creditors are Rs. 70,000, Firm's Capital is Rs. 1,20,000, Cash Balance is Rs. 10,000. Other assets realized Rs. 1,50,000. Gain/Loss in the realization account will be:

- (a) Rs. 30,000 (Loss)    (b) Rs. 40,000 (Gain)    (c) Rs. 40,000 (Loss)    (d) Rs. 30,000 (Gain)

11. A and B are partners in business. They have not issued any specific instructions as to the maintenance of their capital accounts. Where should interest on drawings be appeared in the books of accounts?

- (a) On the debit side of the capital account            (b) On the debit side of the current account  
(c) On the credit side of the capital account            (d) On the credit side of the current account

12. Shares issued as sweat equity can be issued (i) at par. (ii) at discount (iii) at a premium, Which of the following is correct?

- (a) Only (i) is correct            (b) Both (i) and (ii) are correct.  
(c) All are correct            (d) Only (ii) is correct

13. Anil Ltd. forfeited 20,000 equity shares of Rs. 100 each for non-payment of first and final call of Rs. 40 per share. The maximum amount of discount at which these shares can be re-issued will be:

- (a) Rs. 28,00,000            (b) Rs. 20,00,000            (c) Rs. 12,00,000            (d) Rs. 20,000

14. A, B and C were partners sharing profits and losses in the ratio of 7:3:2. From 1st April, 2023 they decided to share profits and losses in the ratio of 8:4:3. General reserves appear in the books at Rs. 1,20,000 which they decided to continue in books as it is. The Adjustment entry for this will be:

- (a) Cr. A by Rs. 6,000; Dr. B by Rs. 2,000; Dr. C by Rs. 4,000  
(b) Dr. A by Rs. 6,000; Cr. B by Rs. 2,000; Cr. C by Rs. 4,000  
(c) Cr. A by Rs. 6,000; Dr. B by Rs. 4,000; Dr. C by Rs. 2,000  
(d) Dr. A by Rs. 6,000; Cr. B by Rs. 4,000; Cr. C by Rs. 2,000

15. Shiv and Mohan are sharing profits and losses in the ratio of 5: 3. They admit Jea as a partner and give her  $\frac{3}{10}$ th share of the profits. This share she will get  $\frac{1}{5}$ th from Shiv and  $\frac{1}{10}$ th from Mohan. The new profit-sharing ratio will be
- (a) 5:6:3                      (b) 2:4:6                      (c) 17:11:12                      (d) 18:24:38

**OR**

A, B and C are sharing profits in the ratio 2:2:1. B died on 30th June 2024. Accounts are closed on 31st March each year. Sales and profits for the year ended 31st March 2024 were Rs. 28,00,000 and Rs. 8,40,000 respectively. The sales of the firm amounted to Rs. 12,00,000 between the period from 1st April 2024 to 30th June 2024. The amount of profit to be credited to B's executors' A/c will be:

- (a) Rs. 72,000                      (b) Rs. 1,80,000  
(c) Rs. 1,44,000                      (d) Rs. 1,54,000

16. X and Y are partners sharing profits and losses in the ratio of 3:2. Z was admitted for the  $\frac{1}{5}$ th share and for this he brings Rs. 150,000, as capital. If capitals are to be proportionate to profit-sharing ratio, the respective capitals of the partners will be
- (a) Rs. 3,00,000 Rs. 3,00,000 Rs. 1,50,000                      (b) Rs. 3,60,000 Rs. 2,40,000 Rs. 1,50,000  
(c) Rs. 1,50,000 Rs. 1,50,000 Rs. 1,50,000                      (d) Rs. 1,50,000 Rs. 2,00,000 Rs. 4,00,000

17. Give journal entries at the time of dissolution of a firm for the below transactions:

- (i) Realization expenses of Rs. 5,000 paid by Sohan, a partner.  
(ii) Realization expenses of Rs. 6,000 are to be paid and borne by Mohan, a partner.  
(iii) Realization expenses of Rs. 4,000 paid by the firm on behalf of Rohan, a partner.

18. A, B and C were partners sharing profits in the ratio of 3:2:1. The firm closes its books on 31st March every year. B died on 30th June, 2022. On his death, Goodwill of the firm was valued at Rs. 6,00,000. B's share profit or loss till the date of death was to be calculated on the basis of previous year's profit which was Rs. 15,00,000 (Loss). Pass necessary Journal entries for goodwill and his share of loss.

**OR**

Average profits of a firm during the last few years are Rs. 80,000 and the normal rate of return in a similar business is 10%. If the goodwill of the firm is Rs. 1,00,000 at 4 years' purchase of super profit, find capital employed by the firm.

19. Vimal Ltd. purchased assets worth Rs. 5,00,000 and took over liabilities of Rs. 1,00,000 of Kapil Ltd. for a purchase consideration of Rs. 4,50,000. Vimal Ltd. paid one third of the amount by cheque and balance was settled by issuing 11% Debentures of Rs. 100 each at a premium of 20% Pass necessary Journal entries in the books of Vimal Ltd. for the above transactions.

**OR**

Ratan Ltd. forfeited 3,000 shares of Rs. 10 each (issued at Rs. 2 premium) for non-payment of first call of Rs. 2 per share. Final call of Rs. 3 per share was not yet made. Out of these, 2,000 shares were reissued at Rs. 10 per share as fully paid. Pass entries for forfeiture and reissue of shares.

20. Ramesh, Suresh and Dinesh are partners sharing profits and losses in the ratio of 4: 3: 2, and decided to share the future profits and losses in the ratio of 2:3:4 with effect from 1<sup>st</sup> April, 2018. An extract of their Balance Sheet as at 31<sup>st</sup> March, 2018 is: Workmen Compensation Reserve is Rs. 1,80,000. Show the accounting treatment with the help of journal entries under the following alternative cases:
- Case (i) If there is no other information.  
Case (ii) If a claim on account of workmen compensation is estimated at Rs. 90,000  
Case (iii) If a claim on account of workmen compensation is estimated at Rs. 1,98,000.

21. Mohan Ltd. forfeited 10,000 shares of Rs. 10 each, Rs. 8 called up, for nonpayment of allotment money of Rs. 3 per share and first call of Rs. 3 per share. Out of these, 2000 shares were reissued for Rs. 7 per share, Rs. 8 paid up. Pass entries for forfeiture & reissue of shares.
22. Anil, Bhanu and Chandu were partners in a firm sharing profits in the ratio of 5:3:2. On March 31, 2017, their Balance Sheet was as under:

Liabilities	₹	Assets	₹
Creditors	11,000	Building	20,000
Reserve Fund	6,000	Machinery	30,000
Anil's Capital 30,000		Stock	10,000
Bhanu's Capital 25,000		Patents	11,000
Chandu's Capital 15,000	70,000	Debtors	8,000
		Cash	8,000
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	87,000		87,000

Anil died on October 1, 2017. It was agreed between his executors and the remaining partners that :

- (a) Goodwill to be valued at 2.5 year's purchase of the average profits of the previous four years which were : Year 2013-14 - Rs. 13,000, Year 2014-15 - Rs. 12,000, Year 2015-16 - Rs. 20,000, Year 2016-17 -Rs. 15,000
- (b) Patents are valued at Rs. 8,000; Machinery at Rs. 28 000; and Building at Rs. 25,000.
- (c) Profit for the year 2017-18 be taken as having accrued at the same rate as that of the previous year.
- (d) Interest on capital be provided at 10% p.a Prepare Anil's Capital Account.
23. Raunak Cotton Ltd. issued a prospectus inviting applications for 6,000 equity shares of Rs. 100 each at a premium of Rs. 20 per shares, payable as follows:

On application Rs. 20

On allotment. Rs. 50 (including premium)

On the first call Rs. 30

On final call. Rs. 20

Applications were received for 10,000 shares and allotment was made pro-rata to the applicants of 8,000 shares, the remaining applications being rejected. Money received in excess on the application was adjusted toward the amount due on allotment. Rohit, to whom 300 shares were allotted failed to pay allotment and two calls money, his shares were forfeited. Itika, who applied for 600 shares, failed to pay the two calls and her shares were also forfeited. All these shares were sold to Kartika as fully paid for Rs. 80 per share.

Give journal entries in the books of the company.

**OR**

Pass the necessary journal entries for the following:

- (i) Avi Ltd. issued 150, 12% Debentures of Rs. 1000 each at a discount of 5 % and redeemable at a premium of 10%
- (ii) Anil Ltd. issued 1000, 9% Debentures of Rs. 100 each at a premium of Rs. 10 per debenture and redeemable at a premium of Rs. 10 per Debenture.
- (iii) Blue Prints Ltd., purchased building worth Rs. 1,50,000, machinery worth Rs. 1,40,000 and furniture worth Rs. 10,000 from XYZ Co., and took over its liabilities of Rs. 20,000 for a purchase

consideration of Rs. 3,15,000, Blue Prints Ltd. paid the purchase consideration by issuing 12% debentures of Rs. 100 each at a premium of 5%. Record necessary journal entries.

24. Suraj, Pawan and Kamal are partners in a firm sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as at 31st March, 2023 is:

Liabilities	₹	Assets	₹
Creditors	46,000	Cash in Hand	18,000
General Reserve	12,000	Debtors. 25,000	
Capital A/cs:		Less: Provision for	
Suraj. 40,000		Doubtful Debts 3,000	22,000
Pawan. 40,000		Stock	18,000
Kamal. 30,000	1,10,000	Furniture	30,000
		Machinery	70,000
		Goodwill	10,000
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	1,68,000		1,68,000

Pawan retired on 1<sup>st</sup> April, 2023 on the following terms:

- Provision for Doubtful Debts be raised by Rs. 1,000.
- Stock to be reduced by 10% and Furniture by 5%.
- There is an outstanding claim of damages of Rs. 1,100 and it is to be provided for.
- Creditors will be written back by Rs. 6,000.
- Goodwill of the firm is valued at Rs. 22,000.
- Pawan is paid in full with the cash brought in by Suraj and Kamal in such a manner that their capitals are in proportion to their profit-sharing ratio and Cash in Hand remains at Rs. 10,000.

Prepare Revaluation Account, Partners' Capital Accounts

**OR**

Ahmad, Bheem and Daniel are partners in a firm. On 1st April 2023 the balance in their capital accounts stood at Rs. 8,00,000, Rs. 6,00,000 and Rs. 4,00,000 respectively. They shared profits in the proportion of 5:3:2 respectively. Partners are entitled to interest on capital @5% per annum and salary to Bheem @ Rs. 3,000 per month and a commission of Rs. 12,000 to Daniel as per the provisions of the partnership deed. Ahmad's share of profits excluding interest on capital is guaranteed at not less than Rs. 25,000 p.a. Bheem's share of profit including interest on capital but excluding salary is guaranteed at not less than Rs. 55,000 p.a. Any Deficiency arising on that account shall be met by Daniel. The profit of the firm for the year ended 31st March 2024 amounted to Rs. 2,16,000.

Prepare profit and loss appropriation account for the year ended 31st March 2024.

25. Parth and Shivika were partners in a firm sharing profits in the ratio of 3:2. The Balance Sheet of the firm on 31st March, 2014 was as follows:

Liabilities	₹	Assets	₹
Sundry Creditors	80,000	Bank	1,72,000
Shivika's Sister's Loan	20,000	Debtors	27,000
Capital Acs		Stock	50,000
Parth            1,75,000		Furniture	2,20,000
Shivika        1,94,000	3,69,000		
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	4,69,000		4,69,000

On the above date, the firm was dissolved. The assets were realized and the liabilities were paid off as follows:

- (i) 50% of the furniture was taken over by Parth at 20% less than book value. The remaining furniture was sold for Rs. 1,05,000
- (ii) Debtors realized Rs. 26,000.
- (ii) Stock was taken over by Shivika for Rs. 29,000.
- (iv) Shivika's sister's loan was paid off along with interest of Rs. 2,000
- (v) Expenses on realization amounted to Rs. 5,000.

Prepare Realization Account and Partners' Capital Accounts.

26. Read the following hypothetical situation and answer question number (i) to (iv) on the basis of the given information: Health and Purity Ltd. is registered with an authorized capital of Rs. 7,00,00,000 as per its Memorandum of Association. The share capital of the company is divided into Rs. 7,00,000 equity shares of Rs. 100 each. For providing employment to the local youth and for the development of the rural areas of Jharkhand State, the company decided to set up a food processing unit in Hazaribagh. The company also decided to set up skill development centers at Ranchi, Hazaribagh and Ramgarh. The company issued 50,000 shares to the vendor of modern machinery and equipment purchased and 2,00,000 shares were issued to the public. The amount was payable as follows: On application and allotment- Rs. 20 per share, On first call- Rs. 50 per share, On second and final call- balance All calls were made and were duly received except on 100 shares held by Rajani, who failed to pay the second and final call. Her shares were forfeited.

Choose the correct options:

- (i) The issued capital of Health and Purity Ltd. cannot exceed:
  - (a) Rs. 2,00,000,00      (b) Rs. 1,99,900      (c) Rs. 7,00,00,000      (d) Rs. 7,00,000
- (ii) How many equity shares of the company have been subscribed and fully paid?
  - (a) 2,49,900      (b) 2,50,000      (c) 50,000      (d) 1,99,900
- (iii) Subscribed equity share capital reflected in the Balance Sheet of the company would be
  - (a) Rs. 2,97,49,000      (b) Rs. 2,49,00,000      (c) Rs. 2,49,97,000      (d) None of these
- (iv) How much amount would be forfeited on the shares held by Rajani?
  - (a) Rs. 3,000      (b) Rs. 1,000      (c) Rs. 5,000      (d) Rs. 7,000

**PART - B**  
**(ANALYSIS OF FINANCIAL STATEMENTS)**

27. \_\_\_\_\_ analysis deals with the same items of different period.  
(a) Static                                      (b) Horizontal                                      (c) Vertical                                      (d) Internal

**OR**

The Current Ratio of a company is 2:1. Which of the following transactions would decrease the ratio?

- (a) Purchase of goods worth Rs. 80,000 on cash      (b) Sale of furniture worth Rs. 50,000  
(c) Purchase of goods worth Rs. 50,000 on credit      (d) Paid creditors Rs. 40,000
28. Revenue from Operations Rs. 9,00,000, Gross Profit 25% on Cost, Operating Expenses Rs. 90,000, Operating Ratio will be  
(a) 100%                                      (b) 50%                                      (c) 90%                                      (d) 10%

29. A company issued 20,000;9% Debentures of Rs.100 each at 10% Discount. These debentures were to be redeemed at 15% Premium at the end of 5 years. The balance in the Securities Premium Account as on the date of Issue was Rs. 3,70,000. How will this transaction be reflected in the Cash Flow Statement?

- (a) Added Rs. 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of Rs. 20,00,000 under Financing Activities.  
(b) Added Rs. 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of Rs. 18,00,000 under Financing Activities.  
(c) Added Rs. 1,30,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of Rs. 18,00,000 under Financing Activities.  
(d) Added Rs. 5,00,000 under Operating Activities as Loss on Issue of Debentures written off and Inflow of Rs. 20,00,000 under Financing Activities

**OR**

From the following information, find out the inflow of Cash by sale of Office equipment.

	31st March, 2022	31st March, 2021
Office Equipment	Rs. 2,00,000	Rs. 3,00,000

Additional Information: Depreciation for the year 2021-22 was Rs. 40,000. Office Equipment purchased during the year Rs. 30,000 Part of Office Equipment sold at a profit of Rs. 12,000

- (a) Rs. 1,00,000                                      (b) Rs. 1,02,000                                      (c) Rs. 90,000                                      (d) Rs. 1,12,000
30. Given below are two statements Statement (A) and Statement (B):  
**Statement (A):** Increase in General Reserve is deducted to Net profit for the year to determine Net profit before Tax and Extraordinary Items.  
**Statement (B):** Increase in value of goodwill is an investing activity. Choose the correct alternative from the following:  
(a) Both statement (A) and statement (B) are correct.  
(b) Both statement (A) and statement (B) are incorrect.  
(c) Statement (A) is correct and statement (B) is incorrect.  
(d) Statement (A) is incorrect and statement (B) is correct.

31. State under which major headings and sub-headings will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013?
- (i) Prepaid insurance (ii) Investment in debentures  
 (iii) Bank Overdraft (iv) Capital Reserve  
 (v) Loose tools (vi) Debtors
32. From the following information, prepare Common size statement of profit and loss for the year ended March 31, 2016 and March 31, 2017:

Particulars	Note No.	March 31st, 2016	March 31st, 2017
Revenue from operations		25,00,000	20,00,000
Other Income		3,25,000	2,50,000
Employee Benefit Expenses		8,25,000	4,50,000
Other Expenses		2,00,000	1,00,000
Income tax ( % of profit before Tax)		30%	20%

33. Calculate trade receivables turnover ratio from the following :

Credit Revenue from Operations (Credit Sales)		3,80,000
Revenue from Operations Returns (Sales Returns)		20,000
Trade Receivables on 1-04-2022		70,000
Trade Receivables on 31-03-2023	1,10,000	
Less : Provision from Doubtful Debts	(10,000)	1,00,000

State giving reason, what will be the effect of the following on Trade Receivables Turnover Ratio :

- (i) Received Rs. 20,000 from a customer.  
 (ii) Sale of goods on credit Rs. 30,000.  
 (iii) Cash Revenue from Operations Rs. 40,000.

**OR**

(A) Calculate Operation Profit Ratio and Operating Ratio from the following :-

Cash Revenue from Operations Rs. 2,00,000; Credit Revenue from Operations Rs. 1,30,000; Revenue from Operations Return (Sales Returns) Rs. 10,000; Cost of Revenue from Operations Rs. 1,80,000; Office and Administration Expenses Rs. 40,000; Selling Expenses Rs. 36,000; Interest on Debentures Rs. 23,000.

(B) Average Inventory Rs. 80,000; Inventory Turnover Ratio 6 Times; Revenue from Operations 25% above cost. Calculate Gross Profit Ratio.

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

**Balance Sheet of DCX Ltd. as at 31st March, 2018**

Particulars	Note No.	31st March 2018	31st March 2017
<b>I EQUITY AND LIABILITIES</b>			
1. Shareholder's Funds			
(a) Share capital		30,00,000	21,00,000
(b) Reserves and Surplus	1	4,00,000	5,00,000
2. Non - Current Liabilities			
Long term Borrowings	2	8,00,000	5,00,000
3. Current Liabilities			
(a) Trade Payables		1,50,000	1,00,000
(b) Short-term Provisions	3	76,000	56,000
<b>Total</b>		<u>44,26,000</u>	<u>32,56,000</u>
<b>II ASSETS</b>			
1. Non-Current Assets			
Property, Plant and Equipment and Intangible Assets			
(a) Property, Plant and Equipment	4	27,00,000	20,00,000
(b) Intangible Assets		8,00,000	7,00,000
2. Current Assets			
(a) Current Investments		89,000	78,000
(b) Inventories		8,00,000	4,00,000
(c) Cash and Cash Equivalents		37,000	78,000
<b>Total</b>		<u>44,26,000</u>	<u>32,56,000</u>

Particulars	31st March, 2018	31st March, 2017
1. Reserves and Surplus		
Surplus, i.e., Balance in Statement of Profit and Loss	4,00,000	5,00,000
	<u>4,00,000</u>	<u>5,00,000</u>
2. Long-term Borrowings		
8% Debentures	8,00,000	5,00,000
	<u>8,00,000</u>	<u>8,00,000</u>
3. Short-term Provisions		
Provision for Tax	76,000	56,000
	<u>76,000</u>	<u>56,000</u>
4. Property, Plant and Equipment		
Machinery	33,00,000	25,00,000
Less: Accumulated Depreciation	(6,00,000)	(5,00,000)
	<u>27,00,000</u>	<u>20,00,000</u>

**Additional Information:**

- (i) During the year a machinery costing Rs. 8,00,000 on which accumulated depreciation was Rs. 3,20,000 was sold for Rs. 6,40,000.
- (ii) Debentures were issued on 1st April, 2017.