



B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

PRE BOARD-I EXAMINATION 2025-26 ACCOUNTANCY 055

Class: XII

Date: 4.11.25

Admission No:

Time: 3Hrs.

Max Marks: 80

Roll No:

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Section A and B.
3. Part – A. Accounting for Partnership and Company Accounts
4. Part – B. Analysis of Financial Statements
5. Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
6. Questions Nos. 17 to 20, 31 and 32 carries 3 marks each.
7. Questions Nos. from 21, 22 and 33 carries 4 marks each
8. Questions Nos. from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of 1 mark, 2 questions of 3 marks, 1 question of 4 marks and 2 questions of 6 marks.

SECTION A (60 marks)

Q1) Sunil and Anil are equal partners Sunil and Anil both withdrew Rs.10,000 per quarter. Sunil withdrew at the beginning of each quarter and Anil at the end of each quarter. According to the partnership deed interest on drawing is charged at 12% p.a. Calculate the difference between their interest on drawings. (1)

- (A) Rs.3,000 (B) Rs.2,600 (C) Rs.1,800 (D) Rs.1,200

OR

Priya and Parul have a PSR of 3:2, Interest in capital at 6% p.a. was omitted before distribution of profit. Fixed capital of Priya 4,00,000 and Parul 2,00,000. Whose a/c will be debited, in the adjusting entry?

- (A) Parul's Capital A/c (B) Parul's Current A/c (C) Priya's Capital A/c (D) Priya's Current A/c

Q2) Assertion (A): The market situation affects the value of goodwill of a partnership.

Reason (R): The competence, proficiency, ability and resourcefulness of management add the value to the firm's goodwill.

Choose the correct option from the following:

(1)

- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A)
(B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
(C) Only (A) is correct but (R) is not correct
(D) Only (R) is correct but (A) is not correct

Q3) **Statement 1:** Under the Capitalization of Super Profit Method, goodwill is calculated by capitalizing the average profit.

Statement 2: Capital employed and normal rate of return are needed for this method.

(1)

Choose the correct option from the following:

- (A) Both Statement 1 and 2 are correct. (B) Both Statement 1 and 2 are incorrect.
(C) Statement 1 is correct but 2 is incorrect. (D) Statement 2 is correct but 1 is incorrect.

Q4) Workmen Compensation Reserve is 80,000 in the books of a firm with two partners. Their PSR is 2:3. If the claim for WCR is 15,000 and they now decide to share in 1:1. What will be the share of second partner? (1)

- (A) Rs.16,000 (B) Rs.24,000 (C) Rs.26,000 (D) Rs.39,000

Q5) Kabir and Lamma are two partners with a PSR of 2:1. They decided to share future profits in 3:2 General Reserve Rs.60,000 appear in the books. How will general reserve be treated due to the change in PSR if General Reserve is to be retained in the books. (1)

- (A) Distribute general reserve, Kabir Rs.40,000 and Lama Rs.20,000
(B) Distribute general reserve, Kabir Rs.36,000 and Lama Rs.24,000
(C) Pass an adjusting journal debit Lamma Rs.4,000 and credit Kabir Rs.4,000
(D) Pass an adjusting journal debit Kabir Rs.15,000 and credit Lamma Rs.15,000

Q6) Abida, Basu and Chitra are three equal partners they admit Dipti as their new partner. Dipti takes 1/5 from Abida and 1/10th each from Basu and Chitra. Calculate the new profit sharing ratio. (1)

- (A) 2:7:7:4 (B) 6:8:9:7 (C) 4:7:7:12 (D) 8:5:7:10

OR

On Maya's admission goodwill of the firm was valued at Rs.2,40,000. She came in for 1/10th share and was only able to bring 1/5th of her share of goodwill. Calculate the amount of goodwill brought in by her.

- (A) Rs.4,800 (B) Rs.9,600 (C) Rs.12,000 (D) Rs.21,000

Q7) What is true about a new partner. (1)

- i) A new partner can only be admitted if all other existing partners agree
ii) A new partner must bring in only cash as his capital
iii) Has a right to access and check the books of the firm
iv) Share the future profit equally will all existing partners.

- (A) Option (i) and (ii) (B) Option (i) and (iii) (C) Option (ii) and (iv) (D) Option (iii) and (iv)

Q8) Jack, Kim and Lara are three partners with PSR of 8:7:5 and Lara retire her capital balance after adjustment of reserves and profit on revaluation was Rs.1,38,000. But the continuing partners decided to pay her Rs.1,50,000. What journal should be passed to pay this extra amount? (1)

- (A) Debit Lara with Rs.12,000 and Credit Jack and Kim with Rs.6,000 each.
(B) Debit Jack with Rs.9,000 and Kim with Rs.3,000 and Credit Lara with Rs.12,000
(C) Debit Jack with Rs.6,400 and Kim with Rs.5,600 and Credit Lara with Rs.12,000
(D) Debit Lara with Rs.12,000 and Credit Jack with Rs.7,000 and Kim with Rs.5,000

Q9) Match the following items in case of death of a partner. (1)

i)	General Reserve	a)	Credited to Executors loan A/c
ii)	Advertisement Suspense A/c	b)	Debited to Executor's loan A/c
iii)	Payment of instalment	c)	Credited to Capital A/c
iv)	Interest paid on amount due	d)	Debited to Capital A/c

- (A) (i-c),(ii-d);(iii-b);(iv-a) (B) (i-b),(ii-c);(iii-a);(iv-d)
(C) (i-c),(ii-d);(iii-a);(iv-b) (D) (i-d),(ii-a);(iii-b);(iv-c)

Q10) According to which Section of Partnership Act,1932 a firm may be dissolved if any partner gives a notice in writing to all the other partners. (1)

- (A) Section 43 (B) Section 34 (C) Section 42 (D) Section 44

OR

A firm had three equal partners. On the date of dissolution the Goodwill of the firm in the asset side of their Balance Sheet was 60,000. If no other information was given on dissolution how will goodwill be treated?

- (A) First transfer to revaluation a/c debit and then distribute among them equally.
 (B) Distribute among the partners equally and show in the credit side of capital a/c.
 (C) First transfer to realisation A/c in the debit side and then in post it under bank a/c in credit side.
 (D) Transfer only to debit side of realisation a/c.

Q11) Assertion (A): In case of Realisation expenses is paid and borne by the firm, realisation a/c is debited.
 Reason (R): In the above condition, all the partners capital accounts are credited.

Choose the correct option from the following: (1)

- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A)
 (B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
 (C) Only (A) is correct but (R) is not correct (D) Only (R) is correct but (A) is not correct

Q12) What is true about Reserve Capital? (1)

- i) It is defined by Section 65 of the Companies Act 2013
 ii) It is not shown in the balance sheet of the company
 iii) It can be used to declare bonus shares
 iv) No special resolution is required for its creation.
 (A) Option (i) and (ii) (B) Option (i) and (iii) (C) Option (ii) and (iv) (D) Option (iii) and (iv)

Q13) XY Ltd. received Rs.1,20,000 as calls in advance. What will be the interest on calls in advance? Article of association of the company does not say anything about this. (1)

- (A) Rs.12,000 (B) Rs.14,400 (C) Rs.18,000 (D) Will not be provided.

Q14) If shares are issued on instalments, it's issue price is Rs.100 as per SEBI guideline the minimum application money should be. (1)

- (A) Rs.10 (B) Rs.15 (C) Rs.20 (D) Rs.25

OR

Match the following items in case of a Issue of Shares.

i)	Section 2 (8)	a)	Defines a company
ii)	Section 2 (15)	b)	Defines authorised capital
iii)	Section 2 (20)	c)	Defines a called up capital
iv)	Section 2 (50)	d)	Defines issued capital

- (A) (i-a),(ii-b);(iii-c);(iv-d) (B) (i-b),(ii-c);(iii-a);(iv-d)
 (C) (i-c),(ii-d);(iii-b);(iv-a) (D) (i-d),(ii-a);(iii-b);(iv-c)

Q15) Sundry Assets of a company is Rs.8,75,000. It has a sundry liabilities of Rs.1,95,000 and goodwill ascertained due to its purchase consideration to be issued in 12% debentures of Rs.100 each is Rs.1,20,000. Calculate the number of debenture issued. (1)

- (A) 8,000 (B) 6,800 (C) 5,450 (D) 3,150

OR

CD Ltd. a listed company issued Rs.75,00,000; 10 % debentures of Rs.100 each at par payable at 3:7 ratio application: allotment. What was the amount received on application?

- (A) 75,00,000 (B) 45,00,000 (C) 22,50,000 (D) 52,50,000

Q16) Assertion (A): Debenture can be redeemed at par or at a premium

Reason (R): Premium payable on the redemption of debenture is shown as "other non-current liability".

Choose the correct option from the following: (1)

- (A) Both (A) and (R) are correct and (R) is the correct explanation of (A)
 (B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)
 (C) Only (A) is correct but (R) is not correct (D) Only (R) is correct but (A) is not correct

Q17) Look at the Profit and Loss Appropriation A/c below and read the additional information , calculate the missing figures. (3)

Profit and Loss Appropriation A/c

To interest on capital		By Profit & Loss A/c (Net profit)	
A's Capital (C)		1,32,500 – (A)	(B)
B's Capital (D)	30,000		
To Salary (B's Capital)	24,000		
To Commission (A's Capital)	11,500		
To Share of profit			
A's Capital (E)			
B's Capital (F)	61,000		

- i) A and B are partners with a capital balance of Rs.3,00,000 and Rs.2,00,000
- ii) B had provided a loan of Rs.1,00,000 to the firm
- iii) Partnership firm provides interest on capital at 6% p.a. and PSR of 5:3.
- iv) A is also provided a commission of 10% of net profit after charging such.

Q18) Capital employed by the firm was Rs.8,40,000 and the normal rate of return is 12%. The profits of this firm for the last four years were Rs. 1,75,000, Rs.1,57,500 , (Rs.2,500) , Rs.1,80,000. Calculate the goodwill if its valued at 5 years purchase of the super profit. (Show the working) (3)

OR

Sumit and Tanvi are equal partners their capital a/c in the balance as on 1st April 2024 were Rs.2,25,000 and Rs.1,75,000. During the year both had withdrawn Rs.24,000 each. The liabilities of the firm was Rs.52,000. Normal rate of return is 10%. The average profit of the firm was Rs.37,500. Calculate the goodwill of the firm by capitalisation of average profit.

Q19) Bablu, Dilip and Hari are three partners with a PSR of 9:6:5. With a fixed capital of Rs1,50,000 each. They decide that from now they will share profits and losses equally. (3)

Their balance sheet on the date of change shows apart for other things.

General Reserve 80,000

Profit and Loss (Dr) 20,000

Investment 90,000 (Market Value 1,20,000)

They don't want to change the book values.

Pass a single journal entry to show the change. (Show the workings)

Q20) Orchids Ltd (cosmetics manufacturer) is a well-established brand in the northern and eastern part of India. They want to adopt penetration pricing and enter the western and southern market. Their CEO is very focused and believes it is achievable in three years. He discussed this with his marketing and finance team, asked the finance manager to prepare a budget.

After a week of research and consultations the finance team came up with a plan. The finance manager proposed requirement of additional funds of Rs.75,00,000.

As this company is a zero debt company and they don't want any more shareholders, the finance manager proposed that they plan to take a bank loan and issue 8% Debentures of 100 each. The CEO accepted the plan. The company decided to take a bank loan of Rs.33,00,000 from State Bank of India as it was their banker and it would be easy to get it. The company was ready to give a collateral of 35,000 debentures. The rest will be financed by issue of debentures at 5% premium.

Read the case above and answer the following questions.

- i) Pass journal entry for the bank loan backed by collateral (1)
- ii) Show the presentation of above in the balance sheet of the company. (1)
- iii) Pass a journal entry for the issue of debentures at 10% premium clearly showing the number of debenture. (1)

Q21) Anukul, Nakul and Rakul were three partners with a PSR of 11:10:9. On 31st March 2025. Rakul retires and the remaining partners decide to share profits and losses in 3:2 in future. (4)

Balance Sheet of Anukul, Nakul and Rakul as at 31st March 2025

Liabilities	Rs.	Assets	Rs.
Capital A/c		Land and Building	2,28,000
Anukul 1,25,000		Plant and Machinery	1,12,000
Nakul 1,00,000			
Rakul 75,000	3,00,000	Investment	50,000
		Inventory	10,000
General Reserve	90,000	Debtors	25,000
Creditors	60,000	Cash at Bank	25,000
	4,50,000		4,50,000

On Rakul's retirement the following were agreed upon.

- Goodwill of the firm is valued at Rs.90,000
 - Land and building was revalued to Rs.2,50,000 and Plant and machinery to Rs.1,00,000
 - Inventory is revalued to 180% of its present value.
 - Capital of the new firm is valued at Rs.2,50,000 and this will be adjusted in the new PSR. For this purpose cash will be brought in or withdrawn by the remaining partners.
 - Rakul will be given the Investment at its book value and the remaining amount payable transferred to loan.
- Prepare Revaluation A/c and Partners Capital A/c.

Q22) Martin & Nelson Ltd. was set up with an authorised capital of Rs.1,00,00,000 divided into shares of Rs.100 each. It offered to public 80% of its shares at a premium of 15%. Payable at the time of allotment. The public subscribed for 75% of the shares offered and all money was received except a shareholder Ajay who had 8,000 shares and failed to pay the allotment money of Rs.75. Prepare a Balance Sheet as per Schedule III to show the above. Also prepare the notes to accounts. (4)

OR

Refer to the above question if the 8,000 shares of Ajay were forfeited and the 6,000 of the forfeited shares were reissued at Rs.80 each.

What journal entries will be passed to show the effect? (Pass only the forfeiture and reissue entries)

Q23) Mahesh and Rajesh were two equal partners on 1st April 2025, they both decided to admit Suresh into their firm. Mahesh was ready to sacrifice 1/10 from his share and Rajesh 1/10 of his share.

Suresh brings in furniture worth Rs.20,000 as a part of his capital and the rest he brings in cash. He also brings his share of goodwill which is valued at Rs. 12,000 and this amount is withdrawn by the sacrificing partners.

The balance sheet of Mahesh and Rajesh before the admission was.

(6)

Balance Sheet of Mahesh and Rajesh as at 31st March 2024

Liabilities	Rs.	Assets	Rs.
Capital A/c		Building	1,25,000
Mahesh 1,00,000		Plant and Machinery	88,000
Rajesh 82,000	1,82,000		
		Inventory	17,000
Workmen Compensation Fund	60,000	Debtors	30,000
Creditors	38,000	Cash at Bank	20,000
	2,80,000		2,80,000

The following revaluation were agreed upon.

- Building was undervalued by 20% and Plant and Machinery was overvalued by 10% and both needs to be corrected.
 - Claim for Workmen Compensation was Rs.61,250.
- Suresh will bring proportionate capital as per the new PSR. Which will included assets and cash.

Prepare the journal entries and also the balance sheet of the new firm.

Q24) a) State any four types of dissolution of a firm. (2)

b) At the time of dissolution of a firm, Creditors were paid 90% of their outstanding figure which was Rs.63,000. Other external liabilities were paid off in full Rs.39,000. The capital of partners were 1,11,000. The cash at bank balance was Rs.21,000 and the ratio of Non-current Assets and Current Assets were 4:1. Non-current assets realised 75% of their value and Current assets Rs.31,000.

Prepare a Balance Sheet at the time of dissolution of the firm to ascertain the value of (4)

i) Creditors; ii) Non-current assets and iii) Current Assets. Also prepare a realisation a/c.

OR

Betty, Cathy and Dorothy are three partners with a PSR of 2:1:1; due to some internal problems they decided to dissolve their firm on 1st September 2025.

Balance Sheet of Betty, Cathy and Dorothy

As at 1st September 2025

Liabilities	Rs.	Assets	Rs.
Capital A/c		Land	3,25,000
Betty 2,00,000		Machinery	1,75,000
Cathy 1,25,000	4,50,000	Office Equipment	60,000
Dorothy 1,25,000		Furniture	30,000
Mrs.Pintoo Loan	50,000	Inventory	38,000
Bank Loan	1,20,000	Debtors 47,000	
Creditors	50,000	Less: PDD 2,000	45,000
Bills Payable	18,000	Cash at bank	24,000
Outstanding Expenses	12,000	Cash in hand	3,000
	7,00,000		7,00,000

The firm was dissolved on the following terms

i) Land and Machinery was sold through an agent who will get 5% commission on the sale price of both, they were able to sell both the assets for Rs.5,80,000 and deducted their commission and remitted the balance.

ii) Office equipment was taken over by Cathy at a value of Rs.42,000

iii) Inventory was sold for Rs.30,000; Debtors settled their due paying Rs.38,000.

iv) Bank loan and Mrs. Pintoo's loan both were paid off by Betty and Dorothy respectively together with interest of 8%.

v) Creditors and Bills Payable were due after three months both were paid off immediately receiving a discount of 8% p.a.

vi) Expenses on realisation was Rs.15,760.

Q25) TJ Ltd established a company with an authorised capital of Rs.25,00,000 divided into 2,50,000 shares. Payable as Rs.4 on application, Rs.5 on allotment and Rs.3 on first and final call. According to the company policy if a shareholder failed to pay any instalment his shares will be forfeited immediately.

It offered to public 2,00,000 shares. Applications were received for 1,60,000 shares, allotment were made a shareholder who had 8,000 shares failed to pay allotment money. First and final call was made which was defaulted by another share holder who had 7,000 shares. Pass the journals in the books of TJ Ltd. (6)

OR

Prakash Ltd offered 75,000 shares of Rs.10 each payable as Rs.3, Rs.4, Rs.2 and Re1 in application, allotment, first call and final call respectively. Applications were received for all the shares and all money was received except for three shareholders. Manish who had 5,000 and he failed to pay the final call. Anish who had 3,000 failed to pay both the calls. Ashish who had 1,000 shares who could only pay the application money. Journalise the following entries.

Q26) Pass journal entries for the following: (6)

i) Issued 6,000; 12% Debenture at Rs.93 redeemable at Rs.108

ii) Issued 5,000; 10% Debenture at Rs.105 redeemable at Rs.104

SECTION B (20 marks)

Q27) Match the following items with their sub heads in balance sheet of a company.

(1)

i)	Income received in advance	a)	Cash and Cash equivalent
ii)	Cheques in hand	b)	Inventories
iii)	Work in progress	c)	Non-Current Investment
iv)	Shares in XYZ Ltd.	d)	Other current liabilities

(A) (i-a),(ii-b);(iii-c);(iv-d)

(B) (i-b),(ii-c);(iii-a);(iv-d)

(C) (i-c),(ii-d);(iii-b);(iv-a)

(D) (i-d),(ii-a);(iii-b);(iv-c)

OR

Which of the following will be recorded under the head Shareholders Fund

i) Capital redemption reserve ii) Capital work –in - progress iii) Calls in arrears iv) Calls in advance

(A) Option i) and ii)

(B) Option i) and iii)

(C) Option i) and iv)

(D) Option ii) and iv)

Q28) Assertion (A): A high operating ratio indicates a favourable position.

Reason (R): A high operating ratio leaves a low margin to meet non-operating expenses.

Choose the correct option from the following:

(1)

(A) Both (A) and (R) are correct and (R) is the correct explanation of (A)

(B) Both (A) and (R) are correct but (R) is not the correct explanation of (A)

(C) Only (A) is correct but (R) is not correct

(D) Only (R) is correct but (A) is not correct

Q29) Current Ratio is 3.5:1 and Quick Ratio is 2:1. If the value of inventory is Rs.60,000. The value of current assets will be.

(1)

(A) Rs.1,60,000

(B) Rs.1,40,000

(C) Rs.1,20,000

(D) Rs.1,00,000

Q30) While preparing a Cash Flow Statement “Interest received” by a finance company is classified as:

(1)

(A) Operating activity

(B) Investing activity

(C) Financing activity

(D) None of these

Q31) Prepare a Common Size Revenue statement from the informations below.

(3)

Particulars	N.No	31 st March 2025
Revenue from Operation		15,00,000
Other income		90,000
TOTAL Revenue		15,90,000
Cost of materials consumed		7,65,000
Changes in inventories		2,77,500
Employee benefit expenses		3,07,500
TOTAL Expenses		13,50,000
Profit Before Tax		
45% Tax		

OR

Prepare a Comparative Revenue Sheet

Particulars	N.No	31 st March 2025	31 st March 2024
Revenue from Operation		18,20,000	13,00,000
TOTAL Revenue			
Cost of materials consumed		4,61,500	3,25,000
Purchase of stock in trade		1,37,500	1,50,000
Employee benefit expenses		6,15,000	5,00,000
Finance Cost		1,17,000	90,000
Depreciation and Amortization		75,000	80,000
TOTAL Expenses			11,45,000

Q32) What are the different activity ratios? How are they calculated? (3)

Q33) Fixed Assets Rs.80,00,000; Current Assets Rs.40,00,000; Current Liabilities Rs.25,00,000; 10% Debenture Rs.90,00,000 and Net Profit before Interest, Tax and Dividend Rs.15,00,000
From the information above calculate i) Return on Investment ii) Total Assets to Debt Ratio (4)

Q34) Calculate cash flow from operating and investing activities from the information below. (6)

	31-3- 2025	31-3-2024
Reserve and Surplus	1,50,000	1,00,000
Land	2,50,000	2,20,000
Plant and Machinery	1,80,000	1,25,000
Motor Vehicle	3,50,000	3,75,000
Goodwill	40,000	60,000
Sundry Debtors	45,000	60,000
Inventory	1,00,000	80,000
Bills Payable	25,000	30,000
Creditors	40,000	25,000

- i) There was no purchase or sale of land
- ii) Machinery valued at Rs.70,000 was purchased during the year.
- iii) Motor Vehicle valued at Rs.1,15,000 was sold for Rs.90,000
- iv) Depreciation on Motor Vehicle was Rs.35,000

OR

Prepare a Cash flow statement from Balance sheets of 2025 and 2024 and additional information

Particulars	Amount (2025)	Amount (2024)
EQUITY and LIABILITIES		
Shareholder's Fund		
Share Capital	7,00,000	6,00,000
Reserve and Surplus	2,00,000	1,10,000
Non-Current Liabilities		
Long term Borrowings	3,00,000	2,00,000
Current Liabilities		
Trade payables	30,000	25,000
	12,30,000	9,35,000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment and Intangibles	11,00,000	8,00,000
Current Assets		
Inventories	70,000	60,000
Trade receivables	32,000	40,000
Cash and bank balance	28,000	35,000
	12,30,000	9,35,000

- a) During the year a piece of furniture of the book value of Rs.80,000 was sold for Rs.65,000.
- b) Depreciation provided on tangible assets during the year amounted to Rs.1,00,000.

ALL THE BEST