B.K. BIRLA CENTRE FOR EDUCATION

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

NABET

INDIAN PUBLIC SCHOOLS' CONFERENCE

PRE MID TERM EXAM, 2026-27
ACCOUNTANCY O55 (SET I)

Class: XII	**Time: 1hr**
Date: 21.07.2026	**Max Marks: 25**
Admission no:	**Roll no:**

General Instructions:

Read the following instructions very carefully and strictly follow them:

i. This question paper contains 10 questions. Divided into Section A and Section B
ii. All questions are compulsory.
iii. Marks are indicated against each question.

SECTION A

Q1) Which debentures are issued without mentioning the rate of interest? (1)

(A) Full discount debentures (B) Full discount bonds
(C) Deep discount debentures (D) Deep discount bonds

Q2) What is NOT true about debentures? (1)

(A) Debentures have been defined by Section 2(30) of the Companies Act 2013.
(B) Debentures can be issued at par and premium not at discount.
(C) Interest on debenture are generally allowed semi annually.
(D) Debenture holders are creditors of the company.

Q3) If debentures are issued as collateral security against a bank loan which account is debited? (1)

(A) Debenture application and allotment A/c (B) Debenture A/c
(C) Bank Loan A/c (D) Debenture Suspense A/c

Q4) Which section of Indian Partnership Act, 1932 states that the registration of the firm is optional? (1)

(A) Section 69 (B) Section 47 (C) Section 35 (D) Section 21

Q5) Assertion (A): In the absence of an agreement, partners share profits equally.
Reason (R): The Partnership Act, 1932 states that profits should be shared in the capital ratio.
Choose the correct option. (1)

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

SECTION B

Q6) XYZ Ltd took loan from State Bank of India for Rs.30,00,000 on 1st April 2025 against primary security and issued 32,500 8% Debenture of 100 as collateral. Pass journal entries and prepare the balance sheet of the company. (3)

Q7) Atul and Aditya are partners both invested Rs.5,00,000 each at the beginning of the year. In the middle of the year Aditya invested 1,00,000 more. Both the partners had withdrawn uniformly Rs.5,000 per month. Atul has withdrawn in the beginning of each month while Aditya at the end of each month. The profit for the year end was Rs.1,30,000 **.**Their partnership deed provides interest on capital at 6% p.a. and interest on drawing at 12% p.a. Profit sharing ratio is 2:3

i) Calculate interest on capital and interest on drawings for each partner. (1)

ii) Prepare capital account to show the net impact of the above. (2)

Q8) Puneet Ltd issued 1500, 12% Debentures of 100 each pass journal entries if

Case I Debentures were issued at Rs.108 each and redeemable after five years at par.

Case II Debentures were issued at 5% discount redeemable at 5% premium. (4)

Q9) Udit, Vikram and Wasim are three partners on 1st April 2025 they started a firm. They invested Rs.2,50,000; Rs,1,50,000 and Rs.1,00,000. Wasim also provided a loan of Rs.1,00,000. On 1st January Udit needed some money for his personal expenses so he took a loan of Rs.50,000 from the firm.

Their partnership deed provides the following.

i) Interest on capital at 6% p.a.

ii) Salary to Vikram at Rs.2,000 per month.

iii) Commission to Wasim at 10% of the corrected profit.

iv) Profit sharing ratio 8:7:5

v) Interest on loan charged at 18% p.a.

Profit for the year ended 31st March 2026 was Rs.73,750. Pass the transfer entries for interest on loan and also Prepare a Profit and Loss Appropriation A/c. (4)

Q10) Dhruv; Eshan and Falguni are partners on 1st April 2024 their fixed capital balance were Rs.1,50,000 Rs.1,20,000 and Rs.80,000. Profit of the year Rs.1,05,000 was distributed in their capital ratio without providing the provision of the partnership deed. The provisions were

i) Interest on capital 5% p.a.

ii) Salary to Falguni Rs.15,000.

iii) Profit sharing ratio till 60,000 equally after that in 5:3:2.

Prepare and adjustment table and pass the adjustment entry to rectify the omissions.

Pass journal for final distribution of profit. (6)

ALL THE BEST