



B.K. BIRLA CENTRE FOR EDUCATION

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



TERM-1 EXAMINATION, 2025-26 ACCOUNTANCY 055

Class: XII

Date: 3.09.25

Admission No:

Time: 3 Hrs.

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

SECTION A (60 marks)

Q1) The net profit of a partnership firm was Rs.1,64,000 and the interest on capital was Rs.32,000. According to the partnership deed 10% of the distributable profit is transferred to general reserve after charging such. The amount transferred to general reserve is (1)

- (A) Rs.16,400 (B) Rs.13,200
(C) Rs.12,000 (D) Rs.10,000

Q2) What is TRUE about the Profit & Loss Appropriation A/c (1)

- (i) It is prepared after the profit and Loss A/c
(ii) It is guided by the Partnership Deed.
(iii) Matching Principle is followed while preparing it.
(iv) It results into distributable profit or loss.
(A) Option (i),(ii) and (iv) (B) Option (ii),(iii) and (iv)
(C) Option (i) and (iii) (D) Option (ii) and (iv)

Q3) Change in profit sharing ratio is also called the (1)

- (A) Revaluation of partnership (B) Realisation of partnership
(C) Recognition of partnership (D) Reconstitution of partnership

Q4) Increase or decrease in the value of assets and liabilities are recorded through (1)

- (A) Partner's capital A/c (B) Partner's current a/c
(C) Profit and Loss Appropriation A/c (D) Revaluation A/c

Q5) A:B:C are partners with a profit sharing ratio of 18:17:15. Now they decide to share profits equally. Due to the change. (1)

- (A) A and B gain in 4:1 ratio (B) B and C gain in 3:2 ratio
(C) B and C sacrifice in 3:2 ratio (D) A and B sacrifice in 4:1 ratio

Q6) Average profit of last few years was Rs.75,000. Balance of Capital A/c of partners were Rs.3,00,000 and the balance of drawings were Rs.75,000. The normal rate of return is 20%. Goodwill valued at 2.5 years purchase of the super profit will be. (1)

- (A) Rs.75,000 (B) Rs.90,000
(C) Rs.97,500 (D) Rs.1,02,500

ACCOUNTING STANDARD-26

Q7) The above Accounting Standard is applicable for (1)

- (A) Self-generated goodwill (B) Purchased goodwill
(C) Hidden goodwill (D) Goodwill

Q8) Assertion (A): Goodwill has a value which is normally realised when business is sold.

Reason (R): Goodwill is a fictitious asset since it is normally realised on sale of business.

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

Q9) Ajay and Vijay were two equal partners they admit Sanjay in their firm. Ajay gave $\frac{1}{5}$ of his share and Vijay gave $\frac{1}{4}$ from his share. Calculate the sacrificing ratio. (1)

- (A) 4:5 (B) 2:3
(C) 2:5 (D) 3:2

Q10) Assertion (A): Revaluation A/c is prepared at the time of admission of a partner

Reason (R): revaluation a/c is prepared to adjust the value of assets and liabilities at the time of admission so as to give a true financial position of the firm. (1)

Choose the correct option from the following:

- (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

Q11) A, B and C are partners sharing profits and losses in 5:3:2 ratio. C retire and his share is taken by A and B in 3:2 ratio. Later D is admitted who takes $\frac{1}{10}$ of A's share and $\frac{1}{10}$ from B. Calculate the NPSR. (1)

- (A) 279:140:81 (B) 118:77:55
(C) 21:19:10 (D) 308: 107:85

Q12) The balance of the capital account of the deceased partner is transferred to his. (1)

- (A) Current A/c (B) Bank A/c
(C) Loan A/c (D) Executor's A/c

Q13) Sunlight Ltd was set up with an authorised capital of Rs.50,00,000 divided into shares of Rs.10 each. It offered to public 80% of its shares. Payable Rs.4 on application and rest on allotment. What is the minimum amount required by the company to allot shares to public. (1)

- (A) Rs.36,00,000 (B) Rs.14,40,000
(C) Rs.21,60,000 (D) Rs.25,00,000

Q14) According to _____ of Companies Act ,2013. A company cannot issue shares at a discount. (1)

- (A) Section 43 (B) Section 53
(C) Section 54 (D) Section 2(64)

Q15) Statement 1: Debenture has been derived from a LATIN word **deberew** which means to borrow.
Statement 2: Debentures can be issue at par and premium only. (1)

- (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.

Q16) Which of the statements are TRUE about debentures. (1)

- (i) It is shown in the liability side of balance sheet under Long term borrowing.
(ii) Debentures are generally issued under mortgage.
(iii) Debenture holders have a right to attend and vote in the annual general meeting (AGM).
(iv) Debenture holders get interest only if the company makes adequate profit.
(A) Option (i),(ii) and (iv) (B) Option (i) and (ii)
(C) Option (i) and (iii) (D) Option (ii) and (iv)

Q17) M,N and O started a partnership business on 1st April 2024 with a capital of 12,00,000 divided in their PSR which was 3:2:1. After nine months on 1st January 2025 they decided to change their PSR to 8:7:5 and also adjusted their capital accordingly. Calculate the interest on capital at 6% p.a. and pass the necessary journal entries. (Clearly show the working) (3)

OR

P,Q and R are three partners they withdrew money during the year in the following manner. P withdrew Rs.2,500 p.m. on the 1st of every month for the first eight months and Rs.5,000 p.m. on the last day of the month for the next four months. Q withdrew Rs.10,000 at the end of each quarter. R withdrew Rs.40,000 during the year. Their partnership deed provides apart from other things interest on drawing at 12% p.a. Calculate their interest on drawing and pass the necessary journal entries. (Clearly show the working)

Q18) Bhim, Arjun and Nakul were three partners Bhim dies on 1st April 2022. After all adjustments the capital account balance of Bhim was Rs.1,47,800. His wife was immediately paid Rs.27,800 and the balance was transferred to the required account. The balance was to be paid in three equal annual instalment together with an interest of 10% p.a. First instalment was paid in 31st March 2023. Prepare the account to settle his outstanding amount. (3)

Q19) Sukanya Ltd. forfeited 10,000 shares of Rs.10, for non-payment of allotment Rs.5 and first and final call Rs.2. Out of these 7,000 were reissued at Rs.12. Pass journal entries for forfeiture and reissue. (Don't use calls in arrears) (3)

Q20) Titanium Ltd. issued 2,500 ; 8% Debentures of 100 each on 1st April 2024. Pass the necessary journals if interest is payable half yearly. (3)

OR

Ajeeb Ltd took over the business of Bikhu Ltd for Rs.7,20,000. Bikhu Ltd had assets worth Rs.7,05,000 and external liabilities worth Rs.45,000. It issued 10% Debentures of Rs.100 each at 10% discount. The company had a security premium of Rs.45,000 and the balance of statement of profit and loss was Rs.1,00,000. Pass required journal entries.

Q21) The profits of 2021 to 2025 year ended 31st March were as follows Rs.8,000; Rs.24,000; (Rs.3,000); Rs.66,000 and Rs.28,000. It was found that in the year ended 31st March 2022 closing stock

was undercasted by Rs.16,000. On 1st October 2022 a Machine worth 60,000 was purchased which was passed through the Profit and Loss A/c. This machine is to be depreciated at 10% p.a. using the Stright line method of depreciation. On the year ended 31st March 2025 commission to salesman of Rs.6000 was omitted. Calculate the godwill using the weighted average method at two years purchase of the average adjusted profit. Assume the weights of the years were 1; 2;2;3,4 respectively. Show the calculations clearly. (4)

OR

Capital balance as on 1st April 2025 of Mukesh and Suresh were 2,50,000 and 2,00,000. The balance of general reserve was 60,000 and profit and loss 30,000 (Dr)

The profit of last four years were 86,000; 72,000; (16,000) ; 48,000

Normal Rate of return is 8%. Calculate the goodwill by Capitalisation of average profit

Q22) Punit, Sumit and Vineet are three partners with a PSR of 11:10:9. With effect from 1st April 2025 they have decided to change the PSR to 8:7:5. Their Balance Sheet on this date shows a debit balance of 90,000 in the Profit and Loss A/c and a balance of 25,000 in the InvetsmentFluctutaion Fund. For this purpose it was agreed that-

(i) Goodwill of the firm will be valued at Rs.2,40,000

(ii) Investment of book value Rs.3,00,000 has a market value of Rs.2,90,000

Pass the necessary journal entries to record the above. (4)

Q23) Daffodil Ltd offered to public 1,00,000 equity shares of 10 each at 4 premium payable as Rs.4 on application Rs.6 on allotment and Rs.4 on first and final call. Premium is payable in 1:2:1 ratio. All money were received except the allotment and call money on 2,500 shares. Prepare journal. (6)

Q24) Amrita and Sumitra are partners with a PSR of 3:2; Chitra comes in and takes 1/10th share in 4:1 ratio from Amrita and Sumitra. Chitra brings in his share of goodwill in cash. The goodwill of the firm is 2,40,000. Chitra also brings 40% of the adjusted capital of Amrita and Sumitra. (6)

Balance Sheet (Extract)

Capital A/c			
Amrita	2,50,000	Investment	3,00,000
Sumitra	2,00,000		
General Reserve	50,000		
Investment Fluctuation Fund	75,000		

Market value of investment is 2,75,000. Calculate i) New PSR ii) Sacrificing Ratio iii) Share of Chitra's goodwill iv) Capital brought in by ChitraPass journal entries for Goodwill and Capital.

OR

Akhil and Ishan are partners with a PSR of 5:3. The admit Neil as a partner Neil brings in 80,000 as his capital but is only able to bring half of his share of goodwill. The goodwill of the firm was 1, 80,000.The new PSR after Neil admission is 3:2:1. The Balance Sheet on the date of admission was as follows

Liabilities	Amount	Assets	Amount
Capital A/c		Land	1,80,000
Akhil	1,50,000	Machinery	75,000
Ishan	1,00,000	Inventory	50,000
Workmen's Compensation Fund	80,000	Debtors	30,000
Creditors	20,000	Cash at Bank	15,000
	3,50,000		3,50,000

The following revalutaions were agreed

(i) Depreciate Machinery by 20%

(ii) 5,000 of the debtors proved bad.

(iii) Creditors are revalued to 30,000.

Prepare Revalutaion A/c; Partner's Capital A/c and Balance Sheet of the new firm.

Q25) Meenu, Renu and Tinu were partners. Meenu retired the balance sheet of the firm on this date

Balance Sheet as at 31st March 2025

Liabilities	Amount	Assets	Amount
Capital A/c		Goodwill	90,000
Meenu 2,50,000		Land	2,50,000
Renu 1,80,000		Plant and Machinery	1,80,000
Tinu 1,70,000	6,00,000		
		Inventories	60,000
General Reserve	60,000	Debtors	60,000
Creditors	40,000	Bank	15,000
		Advertisement Suspense	45,000
	7,00,000		7,00,000

Renu and Tinu decided to share future profits equally. Goodwill of the firm on retirement was 1,80,000. The continuing partners decided to pay 1,00,000 to the retiring partner by bringing money equally. Pass the required journals and prepare balance sheet after retirement. (6)

Q26) Devika, Ishita and Priya were three partners with PSR of 3:1:1. On 1st April 2024 their capital balance were Rs.1,80,000; Rs. 1,40,000 and Rs.1,20,000.

Devika had provided a loan of Rs.1,00,000 on 1st July 2024.

Their partnership deed provides

(i) Interest on capital at 5% p.a.

(ii) Salary to Ishita at Rs.2,500 p.m.

(iii) Commission of 20% of distributable profit to Priya

(iv) A guaranteed profit of Rs.45,000 to Devika; the guarantee was only given by Priya

The drawings made by the partners were 2,500 by Devika and Ishita at the beginning of each month.

Priya 3,000 p.m. at the end of every month.

The profit for the year ended 31st March 2025 before the above appropriations was Rs. 1,42,500.

Prepare the profit and Loss Appropriation A/c and Partners' capital A/c. (6)

SECTION B (60 marks)

	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Sales	280,000	265,000	100%	100%
CoS	180,000	153,000	64%	58%
Gross profit	100,000	112,000	36%	42%
Admin exp.	25,000	29,000	9%	11%
Selling exp.	18,000	21,000	6%	8%
Operating profit	57,000	62,000	20%	23%
finance costs	4,000	14,000	1%	5%
profit before tax	53,000	48,000	19%	18%
Tax	28,000	26,000	10%	10%
profit after tax	25,000	22,000	9%	8%

Q27) The above shows a picture of

(A) Comparative Statement

(B) Balance Sheet

(C) Common Size Statement

(D) All of these

(1)

Q28) **Assertion (A):** Vertical Analysis is also known as Static Analysis

Reason (R): Vertical Analysis is based on the data of single year.

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) A is correct but R is incorrect.

(D) A is incorrect but R is correct.

- Q29) In the balance sheet of a company fixed assets are recorded under. (1)
- (A) Non-Current Liabilities (B) Non-Current Assets
- (C) Current Assets (D) Current Liabilities

OR

The time between the acquisition of assets for processing and their realisation in cash or cash equivalent is called

- (A) Operating Cycle (B) Trade Cycle
- (C) Money Cycle (D) Both A and B

- Q30) What is True about Shareholder Fund. (1)

- (i) It shown in the Balance Sheet of the company.
- (ii) It is further divided into Share capital and Reserves and surplus only.
- (iii) Details of Share Capital and Reserves and Surplus are shown in Notes to Account.
- (A) Option (i) and (ii) (B) Option (ii) and (iii)
- (C) Option (i) and (iii) (D) Option (iii)

OR

Statement 1: Unpaid Dividend is shown under the sub heading other current liabilities.

Statement 2: Calls in Advance is shown under the sub heading other current assets.

- (A) Both Statements are true (B) Both Statements are false
- (C) Statement 1 is true but 2 is false (D) Statement 1 is false but 2 is true

- Q31) Explain any three limitations of Financial Statement Analysis. (3)

OR

State three differences between Provisions and Reserves.

- Q32) Complete the table (3)

Items	Main Heading	Sub heading
Mortgage Loan	Non- current Liabilities	
Bank Overdraft		Short term Borrowings
Cash in hand	Current Assets	
Land		Property, Plant and Equipment
General Reserve	Shareholders Fund	
Unpaid Dividend		Other Current Liabilities

- Q33) Prepare a comparative statement of Profit and Loss. Tax rate 40% in 2024 and 50% in 2025.(4)

Particulars	N.No.	31-3-2024	31-3-2025
Revenue from operations		5,50,000	6,60,000
Cost of Material consumed		2,80,000	3,31,800
Employee benefit expenses		1,40,000	1,76,050

OR

Find out the missing figures.

Particulars	N.No.	31/3/25	31/3/24	Absolute	Percentage
EQUITY and LIABILITIES					
Shareholders Fund					
Share Capital		(a)	4,00,000	(b)	15.00
Reserve and Surplus		2,00,000	1,50,000	(c)	(d)
Non-Current Liabilities					
Long term borrowings		3,00,000	(e)	(60,000)	(f)
Current Liabilities					
Trade Payables		40,000	(g)	15,000	(h)
Short term provisions		50,000	40,000	(i)	(j)
		10,50,000	9,75,000		

TOTAL					
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Q34) Prepare a common size Balance Sheet for year ended 31st March 2025 and 31st March 2024. (6)

Particulars	N.No.	31/3/25	31/3/24
EQUITY and LIABILITIES			
Shareholders Fund			
Share Capital		7,50,000	5,75,000
Reserve and Surplus		2,10,000	2,62,500
Non-Current Liabilities			
Long term borrowings		3,00,000	1,75,000
Current Liabilities			
Short term borrowings		1,80,000	1,93,750
Short term provisions		60,000	43,750
		15,00,000	12,50,000
TOTAL			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		6,60,000	5,31,250
Intangibles		3,60,000	2,93,750
Current Assets			
Inventories		2,40,000	1,87,500
Trade Receivables		1,65,000	1,37,500
Cash and Cash equivalent		75,000	1,00,000
TOTAL		15,00,000	12,50,000

----- ALL THE BEST -----