BK BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
SENIOR SECONDARY CO-ED DAY CUM BOYS' RESIDENTIAL SCHOOL

PRE BOARD III (2024-25)

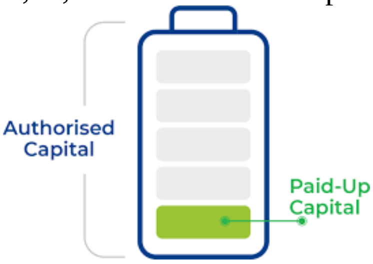
ACCOUNTANCY (055)

Class : **XII Commerce** | Duration: **3 Hr**
Date : **13/January/2025** | Max. Marks: **80**
Admission No: _____ | Roll No._____

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. Part – A. Accounting for Partnership and Companies.
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, 31and 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 5 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks

Q.No.	**PART A** **(Accounting for Partnership Firms and Companies)**	MARKS
1	Assertion (A) : Under the fluctuating capital method, the balance of capital a/c fluctuates from time to time Reason (R) : Under the fluctuating capital method, all the adjustments shown in profit and loss appropriation a/c are directly recorded in the Capital a/c of the partners. (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 OR Assertion (A) : Interest on partner's loan is debited to Profit and Loss Appropriation a/c Reason (R) : Interest on partner's loan is a charge against profit. (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	(1)
2	Surya has withdrawn 10,000 pm and the partnership deed had provided interest on capital at 6% p.a. if the interest on drawing is 3,900. State how the drawings were made (A) At the beginning of every month (B) At the end of every month (C) At the middle of every month (D) None of these	(1)
3	Average capital employed is Rs.3,00,000. The normal rate of return is 20% and the firm's average profit is Rs.75,000. Value of goodwill by capitalisation of super profit is (A) Rs.3,00,000 (B) Rs.1,50,000 (C) Rs. 1,00,000 (D) Rs.75,000	(1)
4	Jogesh, Naresh and Suresh are three partners with a PSR of 4:3:2. They admitted Rajesh and Jogesh and Naresh each gave $1/9^{th}$ from their share and Suresh gave $1/18^{th}$ from his share to Rajesh. The new profit sharing ratio among the old partners is (A) 3:2:1 (B) 6:4:3 (C) 4:3:2 (D) 1:2:1	(1)
5	Ajay, Sanjay and Vijay are partners sharing profits and losses in 3:3:4. They decide that henceforth they will share profits equally. On that date their Balance Sheet shows	(1)

<table>
<tr><td></td><td>General Reserve of Rs.1,20,000. Pass the adjustment journal entry in the reconstituted firm if they decide to keep the General Reserve.
<table>
<tr><td>(A)</td><td>Ajay's Capital A/c Dr 8,000
To Sanjay's Capital A/c 4,000
To Vijay's Capital A/c 4,000</td></tr>
<tr><td>(B)</td><td>Sanjay's Capital A/c Dr 8,000
To Ajay's Capital A/c 4,000
To Vijay's Capital A/c 4,000</td></tr>
<tr><td>(C)</td><td>Ajay's Capital A/c Dr 4,000
Sanjay's Capital A/c Dr 4,000
To Vijay's Capital A/c 8,000</td></tr>
<tr><td>(D)</td><td>Ajay's Capital A/c Dr 4,000
Vijay's Capital A/c Dr 4,000
To Sanjay's Capital A/c 8,000</td></tr>
</table></td><td></td></tr>
<tr><td>6</td><td>Neeraj and Himanshu are partners with a PSR of 13:12. They admit Amber as their partner and Neeraj sacrifice 1/10 of their share while Himanshu gives 1/5 of his share. If the goodwill of the firm is Rs.3,00,000. The amount that Amber brings in as the premium for goodwill should be.
(A) Rs.30,000 (B) Rs.44,400 (C) Rs.60,000 (D) Rs.88,800</td><td>(1)</td></tr>
<tr><td>7</td><td>After the admission of Gupta , the new profit sharing ratio of Agarwal, Garg and Gupta is 91:71:18. Both Agarwal and Garg agreed to admit Gupta for $1/10^{th}$ share. Gupta acquired his share equally from both. The old profit sharing ratio of Agarwal and Garg.
(A) 5:4 (B) 4:5 (C) 8:7 (D) 7:8</td><td>(1)</td></tr>
<tr><td>8</td><td>Shah and Kaur are two partners with a Profit sharing ratio 3:1. They admit Patil as a new partner for $1/4^{th}$ share. Patil was to bring proportionate capital. After all adjustment the balance in the capital account of Shah and Kaur were Rs.78,900 and Rs.60,300. Patil must bring in.
(A) Rs. 23,200 (B) Rs.26,100 (C) Rs.34,800 (D) Rs.46,400</td><td>(1)</td></tr>
<tr><td>9</td><td>Live Law
Retirement Of One Partner Amounts To Dissolution Of Partnership Firm Consisting Of Only Two Partners: SC...
Source: https://www.livelaw.in/top-stories/retirement-dissolution-partnership-firm-157408
The above judgement is valid because
(A) A partnership firm should have minimum 2 partners
(B) Retirement will always cause dissolution of partnership firm
(C) Partners have unlimited liabilities
(D) It is given by Supreme Court</td><td>(1)</td></tr>
<tr><td>10</td><td>Statement 1: Retirement of a partner means a partner ceases to be a partner.
Statement 2: Due to the retirement of a partner, the existing partners gain.
(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</td><td>(1)</td></tr>
<tr><td>11</td><td>Assertion (A): On dissolution, partners personal assets can be used to pay firm's debt
Reason (R): In a partnership firm partners have limited liability.
(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
OR
Assertion (A): Loan from a partner is an outside liability
Reason (R): It is not transferred to realisation account
(A) Both (A) and (R) are correct and (R) is the correct explanation of (A)</td><td>(1)</td></tr>
</table>

	(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	
12	On dissolution of a firm an unrecorded furniture worth 80,000 was taken by a partner for 40,000. What will be the entry in the credit side of realisation a/c. (A) By Furniture A/c 80,000 (B) By Sundry Assets A/c 40,000 (C) By Partner's Capital A/c 40,000 (D) By Bank A/c 40,000	(1)
13	If Authorised capital is Rs.5,00,00,000. What does the picture denote?  (A) Paid up capital is Rs.4,00,00,000 (B) Paid up capital is Rs.6,00,00,000 (C) Paid up capital is Rs.3,00,00,000 (D) Paid up capital is Rs.1,00,00,000 OR Z. Ltd. offed to public 65,000 shares of 10 each and public subscribed for 80% of the shares all money was received. The amount of subscribed capital of Z. Ltd is (A) 52,000 (B) 5,20,000 (C) 65,000 (D) 6,50,000	(1)
14	According to the provisions of Table F of the Companies Act 2013. A company is liable to pay interest on calls in advance at (A) 6% p.a. (B) 10% p.a. (C) 12% p.a. (D) 15% p.a.	(1)
15	Which of the following statements is incorrect about debentures? (A) Interest on debenture is an appropriation of profits. (B) Debenture holders are creditors of the company. (C) Debentures can be issued to vendors at discount. (D) Interest is not paid on debentures issued a collateral security. OR Which of the following statements is incorrect about debentures? (A) Debenture can be issued for cash. (B) Debenture cannot be issued at discount. (C) Debenture can be issued as a collateral security. (D) Debenture can be issued at premium.	(1)
16	Kingshuk Ltd purchased assets of the value of Rs.8,00,000 from Kalam Ltd.10% was paid in cash and rest by the issue of 10% Debenture of Rs.100 each at 10% discount. The number of debenture issued is (A) 7,200 (B) 72,000 (C) 8,000 (D) 80,000	(1)
17	Amar and Samar are two partners in a firm sharing profits in 5:3. Their fixed capitals as on 31st March 2022 were Rs.1,00,000 and Rs.1,50,000. Their partnership deed provided interest on capital at 10% p.a. The profits for the year ended 31st March 2023 and 2024 were Rs.20,000 and Rs.30,000 respectively. Pass necessary journal entries for both the years in the books of the firm. Show the workings clearly. OR Mandeep and Pradeep are two partners with a profit sharing ratio of 3:2. Their capital balance as on 1st April 2023 was Rs.2,50,000 and Rs.1,50,000. Both the partners withdrew money at equal intervals Mandeep Rs.7,500 at the end of every quarter and Pradeep Rs.6,000 at the beginning of every quarter.	(3)

Their partnership deed provides interest on capital at 5% p.a. and interest on drawings at 10% p.a. Prepare a Profit and Loss Appropriation A/c if the profit for the year ending 31st March 2024 was Rs.42, 375.

18 The profits for the year ended 31st March 2021, 2022 ,2023 and 2024 were Rs.35,000; Rs. 30,000; Rs.40,900 and Rs.45,810 respectively.
On 1st April 2021 a machine was purchased for 10,000 which was passed through profit and loss a/c. The machine is depreciated at 10% p.a. on reducing balance method.
Calculate the value of goodwill if it is valued at 3 years purchase of average profit. (3)

19 Aster, Lily and Rose are three partners with a profit sharing ratio of 5:3:2. They decide from 1st April 2024 they will share profits in 2:2:1. On that date their balance sheet shows apart from other things (3)

Liabilities		Assets	
Workmen compensation reserve	30,000	Investment	2,15,000
Investment Fluctuation reserve	25,000		

The claim for workmen's compensation is 20,000 and the market value of investment is 2,00,000. Pass journal entries

20 Read the passage below and answer the questions that follow. (3)
Aman and Raman were partners in a fast-food corner sharing profits and losses in ratio 3:2. They sold fast food items across the counter and did home delivery too. Their initial fixed capital contribution was Rs.1,20,000 and Rs.80,000 respectively.
At the end of first year their profit was Rs. 1,20,000 before allowing the remuneration of Rs.3,000 per quarter to Amit and Rs.4,000 per half year to Mahesh. Such a promising performance for first year was encouraging, therefore, they decided to expand the area of operations.
For this purpose, they needed a delivery van, few Scotties and an additional person to support. They decided to admit Suman as a new partner and offered him 20% as a share of profits along with monthly remuneration of Rs. 2,500. Suman was asked to buy four second had Scotties as capital and Rs.70,000 for premium for goodwill. Besides this Suman was required to provide Rs.1,00,000 as loan for two years.
Suman readily accepted the offer, purchased the Scotties for a total cost of Rs.1,40,000 The terms of the offer were duly executed and he was admitted as a partner.
i) In the first year the profit of Aman and Raman after all adjustments were?
ii) The new profit sharing ratio after Suman's admission is?
iii) Pass journal entries for capital and premium of goodwill brought in by Suman.

21 Sunny Ltd was formed with an authorised capital of Rs.50,00,000 divided into shares of Rs.10 each. It offered to public 60% of it's shares and the public subscribed for 90% of the shares offered. All money was received. The shares were payable as Rs 4 on application; Rs. 5 on allotment and Re.1 on first and final call.
Pass Journal entries and also prepare the Balance Sheet to show Share Capital (4)

22 ABC Ltd. issued on 1st August 2023, 10,000 9% Debentures of 100 each for 104 redeemable at 108. The interest is payable on 31st March every year. Pass the entries for issue and interest. (4)

OR

Star India Ltd issued 10,000; 8% debenture of Rs.100 each at Rs.110. Pass journals and also prepare Balance Sheet.

23 Priti, Varsh and Sunita are three partners with a PSR of 13:12:10. Varsha died on 1st July 2024 and her share was taken by the continuing partners in 3:1 ratio. Varsha's executors were given investment as a part payment and the remaining was paid in cash. The profit till the date of death was based on the profit of the last year which was Rs.1,05,000 (6)

Balance Sheet as at 31st March 2024

Liabilities	Amount	Assets	Amount
Capital A/c		Land and Building	1,50,000
Priti 1,40,000		Plant and Machinery	1,00,000
Varsha 90,000			
Sunita 1,10,000	3,40,000	Investment	1,40,000
Investment Fluctuation Fund	15,000	Debtors	20,000
General Reserve	70,000	Cash at Bank	40,000
Creditors	25,000		
	4,50,000		4,50,000

Investment is revalued to Rs.1,25,000. On the date of death goodwill of the firm is valued at Rs.98,000. Calculate the new profit sharing ratio of continuing partners; Prepare the Capital a/c of all partners and the new balance sheet of the firm as at 1st July

OR

Pratik, Vikram and Satish are three partners with a PSR of 8:7:5. After Vikram's retirement Partik and Satish decided to share profits equally. The balance of Vikram's capital A/c on the date of retirement was Rs.1,85,000, the goodwill of the firm was Rs.1,25,000. Vikram was paid Rs.18,750 on the date of retirement 31st March 2021 and the rest was transferred to his loan a/c. Prepare the capital A/c of Vikram and also prepare his loan a/c till its finally settled. Vikram was paid in three equal instalment with an interest of 6% on the outstanding amount starting 31st March 2022.

24 Surya and Chand are two partners with a PSR of 3:2. They decided to dissolve their firm on 5th September 2024. From the information given below, complete the Realisation A/c; Partners' Capital A/c and Bank A/c (find the missing figures) (6)

Realisation A/c

Particulars	Amount	Particulars	Amount
To Sundry Assets		By Sundry Liabilities	
Land 2,00,000		Creditors 40,000	
Machinery 1,00,000		Tara's Loan 1,25,000	1,65,000
Office Equipment 40,000			
Inventory 35,000		By Bank	
Debtors 25,000	4,00,000	Land (sold at 120%) ?	
		Machinery (sold at 90%) ?	
To Surya's capital (Tara's loan)	?	Debtors 20,000	?
To Chand's capital (Tara's loan)	?	By Surya's capital (office eqip)	15,000
To Bank (Creditors)	35,000	By Chand's Capital (inventory)	30,000
To Surya's capital (expenses)	5,000	By Loss transfer	
		Surya's Capital ?	
		Chand's Capital ?	?
	?		?

Tara's loan was paid back along with an interest of Rs.15,000 by both partners in their profit sharing ratio. Both partners had equal capital balances in the beginning.

Capital A/c

Particulars	Surya	Chand	Particulars	Surya	Chand
To Realisation (Assets	15,000	30,000	By Balance b/d	?	?
To Realisation (Loss)	?	?	By Realisation (Loan)	?	?
To Bank	?	?	By Realisation (exp.)	5,000	
	2,19,000	1,86,000		2,19,000	1,86,000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance /d	25,000	By Realisation (Creditors)	35,000
To Realisation (Assets)	3,50,000	By Surya's Capital A/c	?
		By Chand's Capital A/c	?
	3,75,000		3,75,000

25 AB Ltd offered to public 10,000 shares of Rs.10 each payable as Rs.4; Rs.4 and Rs2. All money was received except for the allotment and call money on 500 shares of Mr. Vinod and call money on 1000 shares of Mr. Titto. These shares were later forfeited and 1,200 shares were reissued at Rs.8 each .The reissued shares included all the shares of Mr.Titto. Pass journal entries for forfeiture and reissue only (**use calls in arrears**). Show the necessary calculations. (6)

OR

Anu Ltd issued 20,000 Equity shares of 10 at Rs.2 premium payable as Rs.3; Rs.5; Rs.2 and Rs.2

Pass journal entries for forfeiture only. (**don't use calls in arrears**)

CASE I : Pawan holding 500 shares did not pay allotment and shares were immediately forfeited.

CASE II: Sameer holding 700 shares failed to pay allotment and first call money and the shares were forfeited after first call.

CASE III: Vikram holding 1,000 shares failed to pay first call and final and the shares were forfeited.

26 Zeus Ltd 30,000 9% Debentures of Rs.100 each at Rs.104. The company purchased the running business of Yield Ltd. which had assets worth Rs.10,00,000 and liabilities worth Rs.70,000. The purchase consideration was met by a cheque of Rs.4,00,000 and Issue of 5000; 9% debentures of Rs.100 each at Rs.106. Later Zeus Ltd took a loan from bank for Rs.5,00,000 and issued 6000; 9% debenture of Rs.100 each as collateral. Pass journal entries. (6)

PART B
(Analysis of Financial Statements)

27 (1)

Item	**Main Head**	**Sub Head**
Interest Accrued on Debenture	Current Liabilities	**i**
Cheques, drafts on hand	Current Assets	**ii**

(A) (i) Other current liabilities (ii) Other current assets
(B) (i) Other current liabilities (ii) Cash and Cash equivalents
(C) (i) Trade payables (ii) Inventories
(D) (i) Short term provision (ii) Cash and Cash equivalents

28 Statement 1: Operating Cycle is defined in Schedule II of Companies Act,2013 (1)
Statement 2: Where operating cycle cannot be identified, it is assumed to be 12 months.
(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

OR

Assertion (A): Two broad heads under which Balance Sheet is prepared are Equity& Liabilities and Assets.
Reason (R): Part I of Schedule III of the Companies Act,2013 prescribes to show Equity& Liabilities in the first part and Assets in the second part.

(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

29 Cash Flow from Operating Activities = Rs.1,26,800
Cash Flow from Investing Activities = Rs.1,08,200
Cash Flow from Financing Activities = (Rs.72,000)
Net increase (decrease) in Cash and Cash Equivalents =
(A) Rs.53,400 (B) Rs.90,600 (C) Rs.1,53,000 (D) Rs.1,63,000 **(1)**

30

Particulars	31st March 2024	31st March 2023
Short-term Provisions		
Provision for Tax	35,000	25,000

Tax provided during the year is Rs.20,000. The tax paid during the year is.
(A) Rs.10,000 (B) Rs.25,000 (C) Rs.30,000 (D) Rs.35,000 **(1)**

31 Prepare a common size Statement of Profit and Loss for the year ended 31st March 2024 **(3)**

Particulars	Note No	31st March 2024
Revenue from Operations		20,00,000
Other Income		2,50,000
TOTAL REVENUE		22,50,000
Cost of Materials Consumed		10,50,000
Change in inventory		1,40,000
Employee Benefit Expenses		6,64,000
Depreciation and Amortization		1,36,000
Other Expenses		10,000
TOTAL EXPENSES		20,00,000
Profit Before Tax		
Tax Rate 40%		
Profit after tax		

32 Calculate the Return on Investment : **(3)**
Net profit after Interest and Tax Rs.8,45,000 ; Tax rate is 35%. 10% Debenture 12,00,000; 8% Bank Loan (Long term) Rs.10,00,000. Equity Capital Rs.21,00,000; Preference Shares Rs.8,50,000; General reserve Rs.4,00,000; Balance in Statement of Profit and Loss Rs.4,50,000

OR

Revenue from operations Rs.15,00,000; Gross profit on cost is 25% . Operating ratio is 75%. Non – Operating Expenses Rs.1,00,000; Non - Operating Income Rs.55,000. Calculate Gross Profit; Operating profit and Net Profit Ratio.

33 From the information below calculate: **(4)**

Particulars	March 31st 2024	March 31st 2023
Bills Payable	18,000	25,000
Inventories	80,000	1,20,000
Debtors	1,15,000	1,45,000
Bills Receivable	15,000	10,000
Creditors	92,000	1,05,000
Cash in hand	10,000	5,000
Revenue from operations	8,00,000	6,00,000
Gross Profit Ratio	25%	30%

i) Quick ratio of 31st March 2023
ii) Working capital turnover ratio of 31st March 2023
iii) Trade Receivable Turnover ratio of 31st March 2024 if 80% of Revenue is on credit

34	Krisha an alumni of IIM initiated her start up Kris Ltd. The profits of Kris Ltd. in the year 2023-24 after all appropriations was ₹ 31,25,000. This profit was arrived after taking into consideration the following items:- Gain on sale of land Rs.12,50,000; Amortization of Goodwill Rs.7,50,000;Transfer to General Reserve Rs.8,50,000.	(6)

Additional information:

Particulars	March 31st 2024	March 31st 2023
Prepaid rent	2,50,000	2,00,000
Outstanding Salary	4,00,000	4,45,000
Bills Payable	1,80,000	1,50,000
Inventories	4,80,000	5,25,000
Debtors	8,85,000	7,65,000
Bills Receivable	2,95,000	3,25,000
Provision for taxation	4,25,000	4,15,000

i) Profit before tax is
(A) Rs.44,00,000 (B) Rs.49,00,000 (C) Rs.35,50,000 (D) Rs.31,25,000
ii) Operating profit before working capital changes is
(A) Rs.36,25,000 (B) Rs.38,75,000 (C) Rs.26,25,000 (D) Rs.18,75,000
iii) Adjustment for working capital changes is
(A) Rs.2,15,000 (B) (Rs.1,05,000) (C) Rs.1,10,000 (D) (Rs.1,10,000)
iv) Cash from operating activities before tax is
(A) Rs.28,40,000 (B) Rs.25,15,000 (C) Rs.25,20,000 (D) Rs.27,35,000
v) Tax paid during the year is
(A) Rs.4,25,000 (B) Rs.4,15,000 (C) Rs.8,40,000 (D) Rs.3,75,000
vi) Net cash flow from operating activities is
(A) Rs.21,40,000 (B) Rs.21,30,000 (C) Rs.21,00,000 (D) Rs.20,30,000

OR

From the following information calculate cash flow from operating activities and financing activities

	31-3- 2024	31-3-2023
Share Capital	4.50,000	2,00,000
Reserve and Surplus	1,50,000	1,00,000
Bank Loan (Mortgage)	1,00,000	2,50,000
Land	2,50,000	2,20,000
Plant and Machinery	1,80,000	1,25,000
Motor Vehicle	3,50,000	3,75,000
Sundry Debtors	45,000	60,000
Inventory	1,00,000	80,000
Bills Payable	25,000	30,000
Creditors	40,000	25,000
Provision for taxation	36,000	24,000

Additional Information
i) Depreciation on Plant and Machinery and Motor Vehicle were 25,000 each and a new Plant was purchased.
ii) No land was purchased during the year
ii) Tax paid during the year was 18,000