B. K. BIRLA CENTRE FOR EDUCATION, PUNE
(SENIOR SECONDARY CO-ED DAY CUM RESIDENTIAL SCHOOL, AFFILIATED TO CBSE NEW DELHI)

FIRST PRE BOARD EXAMINATION, 2023-24
SUBJECT: ACCOUNTANCY

CLASS XII – COMMERCE | **Time Allowed: Three Hours**
Date: December 2023 (day) | **Max. Marks: 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 Nos. **1 to 16 and 27 to 30** carries **1** mark each.*
4. *Questions Nos. **17 to 20, 31and 32** carries **3** marks each.*
5. *Questions Nos. **21, 22 and 33** carries **4** marks each.*
6. *Questions Nos. from **23 to 26 and 34** carries **6** marks each.*

PART A – ACCOUNTING FOR PARTNERSHIP FIRM

1. What will be the adjusting entry to provide for Interest on Partner's loan? **(1)**
a) Interest on Partner's Loan A/c Dr.
    To Partners Loan A/c
b) Partner's Loan A/c Dr.
    To Interest on Partner's Loan A/c
c) Partner's Capital A/c Dr.
    To Partner's Loan A/c
d) Partner's Loan A/c Dr.
    To Partner's Capital A/c

2. Assertion (A): A new partner can be admitted into a partnership firm with the consent of the existing partners. **(1)**
Reason (R): According to section 31 of the Indian Partnership Act, 1932, the new partner shall not be introduced into a firm without the consent of all the existing partners. Unless it is agreed otherwise by the partners and partnership deed.
a) Both A and R are true and R is the correct explanation of A.
b) Both A and R are true but R is not the correct explanation of A.
c) A is true but R is false.
d) A is false but R is true.

3. A firm earns ₹ 1,10,000. The normal rate of return is 10%. The assets of the firm were ₹ 11,00,000 and liabilities ₹ 1,00,000. Value of goodwill by the capitalisation of average profit will be **(1)**
a) ₹ 5,000
b) ₹ 10,000
c) ₹ 2,00,000
d) ₹ 1,00,000

OR

Calculate the average profit of last four year's profits. The profits of the last four years were:

2008	27000
2009	39000
2010	16000 (loss)
2011	40000

a) ₹10000
b) ₹22500
c) ₹30000
d) ₹40000

4. First call amount received in advance from the shareholders before it is actually called up by the directors is: **(1)**

a) Credited to share allotment account
b) Debited to first call account
c) Debited to calls-in-advance account
d) Credited to calls-in-advance account

OR

Which type of shares legally can be issued at discount?

a) Employees stock option scheme plan
b) Equity Shares
c) Preference Shares
d) Sweat Equity Shares

5. Lee Ltd issued 5200 10% Debentures of ₹100 each payable as ₹40 on the application and ₹60 on the allotment. Applications were received for 6000 debentures. Applicants for 500 debentures were sent a letter of regret and money was returned. The allotment was made proportionately to the remaining applicants. Oversubscription was applied to the amount due on allotment. All money was duly received. Calculate the amount to be returned to the applicants. **(1)**

a) ₹200000
b) ₹12000
c) ₹20000
d) ₹32000

6. One Creditor worth ₹4,500 took over stock valued at Rs.5,200 in full satisfaction of his claim. **(1)**

a) No Entry is required

b) Creditors A/c Dr. 4,500
To Bank A/c 4,500

c) Creditors A/c Dr. 4,500
To Realisation A/c 4,500

d) Creditor A/c Dr. 5,400
To Assets A/c 5,400

OR

A loan of ₹10,000 advanced by a partner to the firm was refunded. What journal entry should be recorded for the same?

a) Bank A/c Dr. 10,000
To Realisation A/c 10,000

b) Bank A/c Dr. 10,000
To Partner's Loan A/c 10,000

c) Realisation A/c Dr. 10,000
To Bank A/c 10,000

d) Partner’s Loan A/c Dr. 10,000
To Bank A/c 10,000

7. RT Ltd. Issued 20,000 Equity shares of ₹10 each at a premium of ₹3 payable as follows: On Application ₹4; On Allotment ₹5 (including premium); On 1st call ₹2; On 2nd Call ₹ 2. Applications were received for 30,000 shares and pro-rata allotment was made to all. Pass necessary Journal entry for the amount due on the allotment: **(1)**

a) Share Allotment A/c ... Dr 1,00,000
    To Equity Share Capital A/c 40,000
    To Securities premium A/c 60,000

b) Share Allotment A/c ... Dr 1,00,000
    To Equity Share Capital A/c 30,000
    To Securities premium A/c 70,000

c) Share Allotment A/c ... Dr 1,00,000
    To Equity Share Capital A/c 50,000
    To Securities premium A/c 50,000

d) Share Allotment A/c ... Dr 1,00,000
    To Equity Share Capital A/c 60,000
    To Securities premium A/c 40,000

8. Vinod Limited has 5,000, 11% Debentures which are to be redeemed within the 8 months from the date of previous balance sheet. How will you show these debentures in the balance sheet? **(1)**

a) Under Other Current Liabilities
b) Long Term Borrowings
c) Short Term Borrowings
d) Trade payables

OR

Vinay Ltd. purchased machinery worth ₹72,000 and issued 12% debentures of ₹100 each at a discount of 4% of the purchase price. Calculate the number of debentures issued.

a) 750
b) 700
c) 720
d) 710

Question No. 9 to 10 are based on the given text. Read the text carefully and answer the questions:

Rana and Amit were partners sharing Profit and Losses in 3:2 with effect from 1st April 2021, they decided to share future profits equally. The goodwill was adjusted at the time of change in profit sharing ratio between partners.

9. State the need for treatment of goodwill on change in profit sharing ratio. **(1)**

a) The gaining partner is required to compensate the sacrificing partner.
b) The sacrificing partner is required to compensate the gaining partner.
c) Both the gaining partner is required to compensate the sacrificing partner and the sacrificing partner is required to compensate the gaining partner.
d) None of these.

10. Which partner's capital account is debited at the time of adjusting goodwill through capital accounts? **(1)**

a) All partner's capital account
b) Sacrificing partner's capital account
c) None of these
d) Gaining partner's capital account

11. When a company purchases some assets and not paying cash instead issues debentures as a payment for the purchase, from the vendors it is known as the issue of: **(1)**

a) Debentures issued for cash
b) Debentures issued for consideration other than cash
c) Debentures issued as collateral security
d) Debenture issued in consideration of asset

12. Neeta and Sumita are partners sharing profits and losses in the sates 2:1. They admit Geeta as a partner for ¼ Share. Geeta pays ₹50,000 as cash for capital but does not bring any amount for goodwill. The goodwill of the new firm is valued at ₹36,000. Give journal entry. **(1)**

a) Cash/Bank A/c Dr. 20,000
    To Geeta's Capital A/c 20,000

b) Cash A/c Dr. 50,000
    To Geeta's Capital A/c 50,000

Geetha's capital A/c Dr. 9,000
    To Neetha's capital A/c 6,000
    To Sumitha's capital A/c 3,000

c) Cash/Bank A/c Dr. 5,000
    To Geeta's Capital A/c 5,000

d) Cash/Bank A/c Dr. 50,000
    To Sunita's capital A/c 50,000

13. Under the Capitalisation of Super Profit, the formula for calculating the goodwill is **(1)**

a) Average profit divided by the rate of return
b) Super profit divided by the rate of return
c) Super profit multiplied by the rate of return
d) Average profit multiplied by the rate of return

14. R, S and T are partners in a firm. They decided to share profits up to Rs. 10,000 in the ratio 30%, 50% and 20% respectively. Above this amount, profits are shared equally. If the profits of the firm for the year was Rs. 25,600. Distribute the profit. **(1)**

a) R= ₹8,200, S= ₹10,200 and T= ₹7,200
b) R= ₹9,200, S= ₹7,200 and T= ₹8,200
c) R= ₹10,200, S= ₹9,200 and T= ₹7,200
d) R= ₹12,200, S= ₹8,200 and T= ₹7,200

15. A, B and C are partners in firm sharing profits in the ratio of 5 : 7 : 2. C died on 31st March 2010. What will be the new ratio of A and B: **(1)**

a) Capital contribution ratio
b) 7 : 2
c) 1 : 1
d) 5:7

OR

A, B and C are partners sharing profit and losses in the ratio of 2 : 2 : 1. B retires from the firm, at that time goodwill of the firm was valued at ₹30,000. What contribution has to be made by A and C in order to pay B?

a) ₹20,000 and ₹10,000
b) ₹8,000 and ₹4,000
c) ₹6,000 and ₹6,000
d) ₹15,000 and ₹15,000

16. A and B are partners sharing profits in the ratio of 3:2. They admitted C as a new partner for 1/5 share in the future profits of the firm. Calculate new profit sharing ratio of A, B and C. **(1)**

a) 12:8:5
b) 10:7:4
c) 12:10:4
d) 14:10:6

17. Vikas, Gagan and Momita were partners in firm sharing profits in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 30th September, 2014 Momita died. According to the provisions of Partnership Deed the legal representatives of a deceased partner are entitled for the following in the event of his/her death: **(3)**

i. Capital as per the last Balance Sheet.
ii. Interest on capital at 6% per annum till the date of her death.
iii. Her share of profit to the date of death calculated on the basis of average profit of last four years.
iv. Her share of goodwill to be determined on the basis of three years' purchase of the average profit of last four years. The profits of last four years were:

Year	2010-11	2011-12	2012-13	2013-14
Profit(₹)	30,000	50,000	40,000	60,000

The balance in Momita's Capital Account on 31st March, 2014 was ₹ 60,000 and she had withdrawn ₹ 10,000 till date of her death. Interest on her drawings was ₹ 300. Prepare Momita's Capital Account to be presented to her executors.

18. Raman and Daman are partners sharing profits in the ratio of 60 : 40 and for the last four years they have been getting annual salaries of ₹ 50,000 and ₹ 40,000 respectively. The annual accounts have shown the following net profit before charging partners' salaries:
Year ended 31st March, 2017 - ₹ 1,40,000; 2018 - ₹ 1,01,000 and 2019 - ₹ 1,30,000.
On 1st April, 2019, Zeenu is admitted to the partnership for 1/4th share in profit (without any salary). Goodwill is to be valued at four years' purchase of weighted average profit of last three years (after partners' salaries); Profits to be weighted as 1 : 2 : 3, the greatest weight being given to the last year. Calculate the value of Goodwill. **(3)**

19. Fill in the missing information in the following: **(3)**

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Bank A/c Dr.		---------------	
	To 12% Debenture App. & Allot. A/c			--------------
	(Application money received on __________ Debentures of ₹100 each issued at a discount of 10%)			
	12% Debenture App. & Allot. A/c Dr.		18,00,000	
	Loss on issue of debentures A/c Dr.		-----------	
	To 12% debentures A/c			--------------
	To Premium on Redemption A/c			--------------
	(Transfer of application money to Debentures Account, issued at a discount of 10% and redeemable at a premium of 5%)			

20. D, E and F are sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share profits and losses in the ratio of 2 : 3 : 5 with effect from 1st April, 2019. They also decide to record the effect of the following without affecting their book values, by passing an adjustment entry: **(3)**

	Book Values (₹)
General Reserve	1,50,000
Contingency Reserve	25,000
Profit and Loss A/c (Cr.)	75,000
Advertisement Suspense A/c (Dr.)	1,00,000

21. Complete the following Journal entries: **(4)**

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Share Capital A/c (100 × Rs. 9) Dr. To Forfeited Shares A/c To Calls-in-Arrears A/c (Being the forfeiture of 100 Shares, Rs 9 called-up, on which allotment money of Rs. 3 and first call money of Rs. 4 have not been received)		900	 ------------ ------------
(ii)	.... Dr. .... Dr. To .... (Being the reissue of 100 shares fully paid-up at Rs. 8)		800 200	 1,000
(iii)	.... Dr. To .... ( )		-----------	 -----------

22. Vinod, Vijay and Venkat are partners sharing profits and losses in the ratio of 3 : 2 : 1. They decided to dissolve their firm on 31st March. 2019 the date on which their Balance Sheet stood as:

Liabilities	₹	Assets		₹
Creditors	17,000	Bank		3,500
Bills Payable	12,000	Stock		19,800
Vinod's Loan	5,300	Debtors	15,000	
General Reserve	6,000	Less: Provision for		14,000
Capital A/cs :		D. Debts	1,000	
Vinod 25,000				4,000
Vijay 11,000		Investments		10,000
Venkat 8,000	44,000	Furniture		33,000
		Machinery		
	84,300			84,300

The following additional information is given:

a. The Investments are taken over by Vinod for ₹ 5,000.

b. Assets realised as follows:

Stock - ₹ 17,500

Debtors - ₹ 14,500

Furniture - ₹ 6,800 Machinery - ₹ 30, 300

c. Expenses on Realisation amounted to ₹ 2,000.

Close the books of the firm giving relevant ledger accounts. **(4)**

23. Better Prospect Ltd. acquired land costing ₹ 1,00,000 and in payment allotted 1,000 Equity Shares of ₹ 100 each as fully paid. Further, the company issued 4,000 Equity Shares to public. The shares were payable as: ₹ 30 on application; ₹ 30 on allotment; ₹ 40 on first and final call. Applications were received for all shares which were allotted. All the money was received except the call on 200 shares. Pass journal entries and prepare Balance Sheet of the company. **(6)**

24. A and B are partners sharing profits in the ratio of 4 : 3. Their Balance Sheet as at 31st March 2019 stood as : **(6)**

Balance Sheet

Liabilities	₹	Assets	₹
Sundry Creditors	28,000	Cash	20,000
Reserve	42,000	Sundry Debtors	1,20,000
Capitals A/cs:		Stock	1,40,000
A's Capital 2,40,000		Fixed Assets	1,50,000
B's Capital 1,20,000	3,60,000		
	4,30,000		4,30,000

They decided that with effect from 1st April 2019, they will share profits and losses in the ratio of 2 : 1. For this purpose they decided that:

i. Fixed assets are to be depreciated by 10%.

ii. A Provision for Doubtful Debts of 6% be made on Sundry Debtors.

iii. Stock be valued at ₹1,90,000.

iv. An amount of ₹ 3,700 included in Creditors is not likely to be claimed.

Partners decided to record the revised values in the books. However, they do not want to disturb the Reserves. You are required to pass the Journal entries, prepare the Capital Accounts of Partners and the revised Balance Sheet.

25. X, Y and Z were in partnership sharing profits in the ratio of 3:2:1. On 1st April, 2015 the Balance Sheet of the firm stood as follows: **(6)**

Balance Sheet

Liabilities	₹	Assets	₹
Provision for Doubtful Debts	1,300	Cash at Bank	10,000
Sundry Creditors	15,000	Debtors	16,000
Capitals:		Stock	20,300
X 78,750		Machinery	60,000
Y 70,000		Land and Building	1,20,000
Z 61,250	2,10,000		
	2,26,300		2,26,300

Z retires on the above date and the new profit sharing ratio between X and Y will be 5 : 4. Following terms were agreed :

i. Land and Buildings be reduced by 10%.

ii. Out of the insurance premium paid during the year ₹ 5,000 be carried forward as unexpired.

iii. There is no need of any provision for doubtful debts.

iv. Goodwill of the firm be valued at ₹ 54,000.

v. X and Y decided that their capitals will be adjusted in their new profit sharing ratio, by bringing in or paying cash to the partners. Z’s a/c will be transferred to his loan a/c.

a. Pass necessary journal entries; prepare the capital accounts and the new balance sheet.

b. Z is paid ₹ 9,300 on the date of retirement and the remaining amount in three equal instalments together with interest at the rate of 10% p.a. on the outstanding balance. Show Z’s loan a/c for 3 years.

26. Give the journal entries at the time of issue of debentures in the following cases: **(6)**

i. Issued ₹5,00,000, 12% debentures at par and redeemable at par after 5 years.

ii. Issued ₹8,00,000, 11% debentures at 6% discount, redeemable at par after 4 years.

iii. Issued ₹10,00,000, 14% debentures at 5% premium, redeemable at par after 4 years.

iv. Issued ₹20,00,000, 12% debentures at par, redeemable at 5% premium after 3 years.

v. Issued ₹12,00,000, 13% debentures at 4% discount, redeemable at 6% premium after 3 years.

Part B :- Analysis of Financial Statements

27. Dividend paid by a non-finance company is shown as **(1)**

A. Cash and Cash Equivalent
B. Operating Activity
C. Investing Activity
D. Financing Activity

OR

Value of copyrights was Rs.68,000 in the year 31st March 2015 but after one year on 31st March 2016 value of copyrights was Rs.1,00,000. How it will affect the cash flow statement?

a) Add Rs. 1,00,000 in investing activities
b) Less Rs. 32,000 in investing activities
c) Add Rs. 32,000 in investing activities
d) Less Rs.1,00,000 in investing activities

28. How Company's balance sheet is different from the balance sheet of partnership firm? **(1)**

a) A company's Balance Sheet format is fixed under schedule III .Whereas, there is no standard form prescribed under the Indian partnership Act,1932 for a partnership Firm's balance sheet.
b) In case of a company's Balance sheet previous year's figures are required to be given whereas it is not so in the case of a partnership firm's balance sheet.
c) Not different
d) For company's Balance Sheet and partnership balance sheet format is fixed under schedule III.

29. Which of the following item is not added or deducted while preparing a cash flow statement? **(1)**

a) Dividend Received
b) Bonus shares issued
c) Dividend Paid
d) Purchase of goodwill

OR

Some type of transaction which are considered movement between cash and cash equivalents are given below except

a) Cash credit
b) Purchase of cash equivalent securities
c) Cash withdrawn from bank
d) Sale of cash equivalent securities

30. 'Koval Ltd.' is a financing company. Under which activity will the amount of interest paid on loan settled in the current year be shown **(1)**

a) Investing Activities
b) Financing Activities
c) Both Investing and Financing Activities
d) Operating Activities

31. Give the heads under which the following items are shown in a company's Balance Sheet as per Schedule III, Part I of the Companies Act, 2013? **(3)**

i. Mortgage Loan
ii. Patents
iii. Investments
iv. General Reserve
v. Bills Receivable and
vi. 10% Debentures

32.Calculate Trade Receivables Turnover Ratio from the following information: **(3)**

	31st March, 2018 (₹)	31st March, 2019 (₹)
Sundry Debtors	28,000	25,000
Bills Receivable	7,000	15,000
Provision for Doubtful Debts	2,800	2,500

Total Sales ₹ 1,00,000; Sales Return ₹ 1,500; Cash Sales ₹ 23,500.

33. Calculate Opening and Closing Trade Receivables from the following information if Trade Receivables Turnover Ratio is 3 Times: **(4)**

i. Cash Revenue from Operations is 1/3rd of Credit Revenue from Operations.
ii. Cost of Revenue from Operations ₹2,40,000.
iii. Gross Profit 25% on Cost of Revenue from Operations.
iv. Trade Receivables at the end were 3 times more than that of in the beginning.

OR

The following figures relate to the years ending 31st December, 2017

Revenue from Operations (Sales)	6,00,000
Revenue from Operations Return (Sales Returns)	60,000
Gross Profit on Revenue from Operations	20%
Trade Receivables	59,000
Opening Inventory	1,20,000
Closing Inventory	1,60,000

In 2017 Trade Receivables increased by ₹ 10,000. Ascertain the Trade Receivables turnover ratio and the Inventory Turnover Ratio.

34. From the following Balance Sheets of Solar Power Ltd. as at 31st March, 2017 and 2016, Prepare Cash Flow Statement : **(6)**

Particulars	Note No.	31st March, 2017 ₹	31st March, 2016 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		3,00,000	1,00,000
(b) Reserves and Surplus	1	25,000	1,20,000
2. Non-Current Liabilities			
Long-term Borrowings	2	80,000	60,000
3. Current Liabilities			
(a) Trade Payables		6,000	20,000
(b) Short-term Provisions		68,000	70,000
Total		4,79,000	3,70,000
II. ASSETS			
1. Non-Current Assets			
Fixed Assets	4	3,36,000	1,92,000
2. Current Assets			
(a) Inventories		67,000	60,000
(b) Trade Receivables		51,000	65,000
(c) Cash and Cash Equivalents		25,000	49,000
(d) Other Current Assets		-	4,000
Total		4,79,000	3,70,000

Note to Accounts

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
1. Reserves and Surplus Surplus, i.e., Balance in Statement of Profit and Loss	25,000	1,20,000
2. Long-term Borrowings		
10% Long-term Loan	80,000	60,000
3. Short-term Provisions		
Provisions for Tax	68,000	70,000
4. Fixed Assets		
Machinery	3,84,000	2,15,000
Accumulated Depreciation	(48,000)	(23,000)
	3,36,000	1,92,000

Additional Information:

i. Additional loan was taken on 1st July, 2016.

ii. Tax of ₹ 53,000 was paid during the year.

*******BEST OF LUCK********