CBSE Guess Paper (2022-23)

Time Allowed: 3 Hours   Class – XII Subject: Accountancy (055)   M.M.: 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. Part – A is Compulsory for all candidates.
4. Part – B has two options i.e. (i) Analysis of Financial Statements and (ii) Computerised Accounting.
5. Questions 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions 21, 22 and 33 carries 4 marks each.
8. Questions 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 one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART – A
(Accounting for Partnership Firms and Companies)

Q – 1 A and B are partners sharing profits and losses in 5:3. C is admitted for 3/10th share of profits and half of which was gifted by A. Following journal entry is passed for giving credit to sacrificing partners for premium of goodwill:

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
	Premium for goodwill A/c	Dr,		10,000	
	To A's Capital A/c				5,000
	To B's Capital A/c				5,000
	(Goodwill credited to partners in sacrificing ratio)				

The new profit sharing ratio of A, B and C will be

(a) 10:4:6 (b) 4:3:3 (c) 16:5:9 (d) 30:5:15 1

Q – 2 P, Q and R are partners sharing profits and losses in the ratio of 4:3:3. As per the new agreement, R took 1/10th share equally from P and Q. Due to change in profit sharing ratio, Q's share is

(a) 7/20 (b) 8/20 (c) 5/20 (d) 6/20 1

Or

Any change in relationship of existing partners which results in replacing the existing agreement with a new agreement results in

(a) Revaluation of Partnership (b) Reconstitution of Partnership

(c) Realisation of Partnership (d) None of these

Q – 3 Airtel Ltd. issued 50,000 Equity shares of ₹ 50 each at a premium of ₹ 5 per share. Amount was payable ₹ 20 on application, ₹ 20 (including premium) on allotment and balance on first and final call. How much minimum application money, the company must receive to allot the shares?

(a) ₹ 10,00,000 (b) ₹ 9,00,000 (c) ₹ 8,00,000 (d) ₹ 22,50,000

Or

Which of the following statements does not relate to 'Reserve Capital'?

(a) It is a part of uncalled capital of a company.

(b) It cannot be used during the lifetime of a company.

(c) It can be used for writing off capital losses.

(d) It is a part of subscribed capital. 1

Q – 4 **Assertion (A):** Self-generated Goodwill should be adjusted through partners' Capital Accounts at the time of reconstitution of a partnership firm.

Reason (R): As per AS – 26, goodwill should be recorded in the books of accounts only when consideration in money or money's worth is paid for it.

In the context of above two statements, which of the following is correct?

(a) Assertion (A) is correct but Reason (R) is wrong.

(b) Both Assertion (A) and Reason (R) are true and Reason (R) is correct explanation of Assertion (A).

(c) Both Assertion (A) and Reason (R) are correct.

(d) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A). 1

Q – 5 Ayush Ltd. issued 50,000, 8% Debentures of ₹ 100 each at par redeemable at a premium. Loss on issue of Debentures was written off - ₹ 5,00,000 from Securities Premium and Statement of Profit & Loss each. At what rate these debentures will be redeemed?

(a) ₹ 105 (b) ₹ 110 (c) ₹ 115 (d) ₹ 120

Or

Nominal Share Capital is:

(a) that part of authorised capital which is issued by the company.

(b) the amount of capital which is actually applied by prospective shareholders.

(c) the amount of capital which is paid by the shareholders.

(d) the maximum amount of capital that a company is authorise to issue. 1

Q – 6 Creditors in Balance Sheet before dissolution were ₹ 2,50,000. Half of the creditors accepted furniture of ₹ 1,50,000 at 10% less than the book value and cash of ₹ 10,000 in full settlement of their claims. Remaining creditors were paid availing discount of 5%. What will be the amount with which bank will be credited in the Realisation Account for payment to creditors?

(a) ₹ 1,18,750 (b) ₹ 1,35,000 (c) ₹ 1,28,750 (d) ₹ 1,25,000 1

Q – 7 Interest on debentures issued as collateral security is paid on:

(a) Nominal or Face value of debentures (b) Paid up Value of debentures

(c) Issue price of debentures (d) No interest is paid 1

Q – 8 The interest on Ram's drawings for the year is ₹ 3,600. He withdrew fixed amount in each quarter for the year ended 31 March, 2022. Interest on drawings is charged @ 12% p.a. His quarterly drawing is

(a) ₹ 20,000 (b) ₹ 15,000 (c) ₹ 30,000 (d) ₹ 35,000

Or

Utkarsh, a partner withdrew ₹ 5,000 in the end of each quarter and interest on drawings was calculated as ₹ 300 at the end of accounting year 31st March, 2022. What is the rate of interest on drawings charged?

(a) 4% p.a. (b) 8% p.a. (c) 10% p.a. (d) 12% p.a. 1

Read the following hypothetical situation, Answer Question No. 9 and 10

On 1st April, 2021, Ishu, Vishu and Nishu entered into partnership with fixed capitals of ₹ 1,50,000; ₹ 1,25,000 and ₹ 1,00,000 respectively. On 1st October, 2021, Nishu gave a loan of ₹ 6,00,000 to the firm. Partnership deed provides for the following:

(a) Interest on drawings to be charged @ 5% p.a.

(b) Ishu is to get rent of ₹ 2,000 per month for allowing the firm to carry on the business in his premises.

Vishu withdrew ₹ 10,000 at the end of month for the last six months.

Manager of the firm is entitled to a commission of 10% of Net Profit after charging such commission and salary of ₹ 10,000 per annum to Nishu. Profit of the firm for the year ended 31st March, 2022 before providing any of the above adjustments was ₹ 1,62,000.

Q – 9 Net Profit transferred to Profit and Loss Appropriation Account will be

(a) ₹ 1,00,000 (b) ₹ 1,05,000 (c) ₹ 1,10,000 (d) ₹ 1,20,000 1

Q – 10 Interest on drawings charged from Vishu will be

(a) ₹ 725 (b) ₹ 825 (c) ₹ 625 (d) ₹ 925 1

Q – 11 At the time of dissolution of firm, creditors are ₹ 3,00,000; Firm's Capital is ₹ 5,00,000; Cash balance is ₹ 80,000. Other assets realised ₹ 6,50,000. Gain/Loss in the Realisation Account will be

(a) ₹ 50,000 (gain) (b) ₹ 70,000 (loss)
(c) ₹ 70,000 (gain) (d) ₹ 50,000 (loss) 1

Q – 12 A and B are partners in a firm having capital balances of ₹ 90,000 and ₹ 80,000 respectively. General Reserve appeared in their books at ₹ 60,000 and advertisement suspense at ₹ 30,000. They admit C for 1/5th share and C is to bring proportionate amount of capital. The capital amount of C will be:

(a) ₹ 60,000 (b) ₹ 75,000 (c) ₹ 50,000 (d) ₹ 1,00,000

Or

In case of retirement, if full or part of the amount payable to retiring partner still remains to be paid, and there is no agreement among the partners then retiring partner will get:

(i) Interest @ 6% p.a. on the Balance Amount.
(ii) Share of profit earned proportionate to his amount outstanding to total capital of the firm.
(iii) Interest @ 9% p.a. on the Balance Amount.

Which out of the above is correct?

(a) (i) (b) (ii) (c) (iii) (d) Have a choice to get either (i) or (ii) 1

Q – 13 Chary and Divya are partners sharing profits and losses in the ratio of 2:1 with capitals of ₹ 3,00,000 and ₹ 2,00,000 respectively. The partnership deed provides for interest on capital @ 6% p.a. and trading profits for the year are ₹ 24,000. How much interest on capital will be allowed?

(a) Charu ₹ 18,000 and Divya ₹ 12,000 (b) Charu ₹ 16,000 and Divya ₹ 8,000
(c) Charu ₹ 9,600 and Divya ₹ 14,400 (d) Charu ₹ 14,400 and Divya ₹ 9,600 1

Q – 14 A company purchased machinery for ₹ 1,80,000 and in consideration issued shares at 20% premium. What will be the face value of shares issued:

(a) ₹ 1,50,000 (b) ₹ 1,44,000 (c) ₹ 1,80,000 (d) ₹ 2,16,000 1

Q – 15 Under the capitalisation method, the formula for calculating the goodwill is:

(a) Super profits multiplied by the rate of return
(b) Average profits multiplied by the rate of return
(c) Super profits divided by the rate of return
(d) Average profits divided by the rate of return 1

Q – 16 Zero Coupon Bonds are issued:

(a) At Zero Interest Rate (b) With Specified Rate of Interest
(c) Without Specified Rate of Interest (d) None of these 1

Q – 17 Farhan, Hina and Dolly are partners in a firm sharing profits in the ratio of 5:3:2. On 1st April, 2022, capitals of partners were: ₹ 5,00,000; ₹ 3,00,000 and ₹ 2,00,000 respectively. The firm closes its books on 31st March every year. Dolly died on 5th April, 2022. On that date:

(i) Goodwill of the firm was valued at ₹ 30,000; and
(ii) Dolly's share of profit till the date of her death was calculated at ₹ 200.

Prepare Dolly's Capital Account to be rendered to her executors. Pass the necessary journal entry for the treatment of goodwill. 3

Q – 18 Ravi and Mohan were partners in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi ₹ 10,00,000 and Mohan ₹ 7,00,000. The partnership deed provided for the following:

(i) Interest on capital @ 12% p.a.
(ii) Ravi's salary ₹ 6,000 per month and Mohan's salary ₹ 60,000 per year.

Profit for the year ended 31st March, 2022 was ₹ 5,04,000 which was distributed equally without providing for the above. Pass an adjustment entry.

Or

Faiz and Kartik are partners in a firm. Their fixed capitals are ₹ 3,00,000 and ₹ 4,00,000 respectively. They admitted Jatin as a partner for 1/4th share in the profits. According to the conditions of the partnership deed, Jatin was given a guarantee of profit of ₹ 50,000 and deficiency if any, will be borne by Faiz ajd Kartik in the ratio of 3:2. The firm earned profit of ₹ 1,60,000 for the year ended 31st March, 2022.
Prepare Profit and Loss Appropriation Account and show your working. 3

Q – 19 Apple Orchards Ltd. purchased Apple Grading Machinery for ₹ 10,00,000 from Prabhat on 1st January, 2022. It paid the amount as follows:
(i) By issuing 7,500, 7% Debentures of ₹ 100 each at 10% Discount, redeemable at 10% premium after 5 years.
(ii) Balance by cheque dated 1st March, 2022.
It does not have balance in Securities Premium in the books.
Pass the journal entries in the books of Apple Orchards Ltd.

Or

Bisleri Ltd. purchased Machinery from a vendor for ₹ 25,00,000. An advance of ₹ 5,00,000 was given to vendor and balance consideration was paid by issuing a cheque. It took a loan of ₹ 20,00,000 from its bank. The machinery was mortgaged to the bank and in addition it issued 20,000, 10% Debentures of ₹ 100 each as collateral security.
You are required to pass journal entries for the above transactions, including issue of debentures as collateral security. 3

Q – 20 Lal, Bal and Pal sharing profits and losses in the ratio of 3:1:2, decide to share profits and losses in the ratio of 3:2:1 with effect from 1st April, 2022. An extract of their Balance Sheet as at 31st March, 2022 is as follows:

Liabilities	**₹**	**Assets**	**₹**
Workmen Compensation Reserve Investment Fluctuation Reserve	16,000 24,000	Investment	50,000

Show the accounting treatment under the following cases:
(a) Claim against workmen compensation amounted to ₹ 4,000.
(b) Market value of investment is ₹ 56,000. 3

Q – 21 Paryag Ltd. has an authorised capital of ₹ 20,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 60,000 shares. Applications for 58,000 shares were received.
All calls were made and were duly received except the final call of ₹ 3 per share on 2,000 shares. These shares were forfeited.
(a) Present the share capital in the Balance Sheet of the company as per Schedule III of the Companies Act, 2013/
(b) Also prepare 'Notes to Accounts' for the same. 4

Q – 22 The firm of L, P and G was dissolved on 31-3-2022. Pass necessary journal entries for the following if various assets (other than cash) and third party liabilities had been transferred to realisation account.
(a) P agree to pay his wife's Loan of ₹ 8,000.
(b) Loan from G of ₹ 10,000 given a piece of furniture of ₹ 15,000 in full settlement.
(c) A machine that was not recorded in the books was taken over by L at ₹ 4,000 whereas its expected value was ₹ 5,000.
(d) The firm had a debit balance of ₹ 6,000 in profit and loss account on the date of dissolution. 4

Q – 23 Z Ltd. was registered with an authorised capital of ₹ 10,00,000 divided into 10,000 shares of ₹ 100 each. The company offered 5,000 of these shares to the public, which were payable ₹ 25 per share on application, ₹ 50 per share on allotment and the balance three months later. Applications for 7,100 share were received on which the directors allotted as follows:

Applications for 4,000 shares	Full
Applications for 3,000 shares	1,000
Applications for 100 shares	NIL

₹ 1,85,000 was realised on account of allotment money (excluding the amount carried from application money) and ₹ 1,15,000 on account of call. The directors decided to forfeit those shares on which allotment money was overdue.
Show the entries in the books of Z Ltd.

Or

K Ltd. issued for public subscription 50,000 equity shares of ₹ 10 each at a premium of 30% payable as under:

₹ 4 on application
₹ 5 on allotment (including premium)
₹ 4 on first and final call

Applications were received for 1,00,000 shares. Allotment was made pro-rata to the applicants for 80,000 shares, the remaining applications being refused. Money overpaid on application was utilised towards sums due on allotment.
Manish, to whom, 1,000 shares were allotted, failed to pay the allotment and call money and the shares were subsequently forfeited. Half of the forfeited shares were reissued as fully paid at a discount of 10%. Show journal entries to record the above transactions in the books of K Ltd. 6

Q – 24 Anil and Sunil share profits in the ratio of 5:3. Their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities	₹	Asset	₹
Creditors	15,000	Cash at Bank	5,000
Provident Fund	10,000	Sundry Debtors 20,000	
Workmen Compensation		Less: Provision 600	19,400
Reserve	5,800	Stock	25,000
Capitals:		Fixed Assets	80,000
Anil	70,000	Profit & Loss A/c	2,400
Sunil	31,000		
	1,31,800		**1,31,800**

They admit Gopal into partnership on 1st April, 2022 with 1/8th share in profits. Gopal brings ₹ 20,000 as his capital and ₹ 12,000 for goodwill in cash. Gopal acquires his share entirely from Anil. Following revaluations are also made:

1. Provident fund is to be increased by ₹ 5,000.
2. Debtors are all good. Therefore, no provision is required on debtors.
3. Stock includes ₹ 3,000 for obsolete items.
4. Creditors to be paid ₹ 1,000 more.
5. Fixed assets are to be revalued at ₹ 70,000.

Pass necessary journal entries and prepare Opening Balance Sheet after the admission of Gopal.

Or

P, Q and R were partners sharing profits and losses in the ratio of 5:3:2 respectively. As at 31st March, 2022 the Balance Sheet of the firm stood as follows:

Liabilities	₹	Asset	₹
Sundry Creditors	5,300	Fixed Assets	25,000
Expenses Outstanding	700	Stock	11,000
Reserve	3,000	Book Debts	9,000
Capitals:		Cash at Bank	2,000
P	20,000		
Q	10,000		
R	8,000		
	47,000		**47,000**

On this date Q decided to retire and for this purpose:
(a) Goodwill was valued at ₹ 19,000.
(b) Fixed assets were valued at ₹ 30,000.
(c) Stock was considered as worth ₹ 10,000.

Q was to be paid through cash, brought in by P and R in such a way as to make their capitals proportionate to their new profit sharing ratio which was to be P 3/5 and R 2/5. Prepare Revaluation Account, Partners Capital Accounts and Balance Sheet. 6

Q – 25 A, B and C are partners sharing profits and losses in the ratio of 2:2:1. They agree to dissolve the firm. Their Balance Sheet as at 31st March, 2022, is as under:

Liabilities	**₹**	**Asset**	**₹**
Bank Overdraft	4,000	Debtors	40,000
Creditors	30,000	Stock	50,000
B/P	6,000	Furniture	2,000
B's Wife Loan	10,000	Computer	8,000
Capitals:	70,000	Fixed Assets	41,000
A	70,000	Prepaid Expenses	1,000
B		Profit & Loss A/c	40,000
		C's Capital	8,000
	1,90,000		**1,90,000**

1. Assets realised as follows: Stock ₹ 32,000; Fixed Assets ₹ 45,000 and full amount was received from debtors.
2. A agreed to take over furniture at ₹ 1,600 and also agree to make the payment of B/P.
3. B agreed to discharge his wife's loan.
4. There was an unrecorded asset of ₹ 10,000, which was taken over by C at ₹ 7,000.
5. A B/R for ₹ 5,000 was received from a customer Mohan and the bill was discounted from the bank. Mohan became insolvent and 60 paise in a rupee has been received from his estate.
6. Creditors were paid at a discount of ₹ 1,500.

Prepare Realisation Account. 6

Q – 26 Fitness Club Ltd. has paid up share capital of ₹ 1,00,00,000 (divided into 5,00,000 Equity Shares of ₹ 20 each) and 10,000, 6% Debentures of ₹ 100 each.

On 1st October, 2021, it further issued 6% debentures at a discount of 10% redeemable at par to meet the long term funds requirements of ₹ 45,00,000. The issue price was payable along with application.

Balance in Securities Premium Account was ₹ 5,00,000, Loss for the year ended 31st March, 2022 is ₹ 7,50,000.

You are required to:

(a) Pass Journal Entries for issue of debentures;
(b) Prepare Discount on issue of debentures Account; and
(c) Pass Journal Entries for interest on debentures, interest is payable on 30th September and 31st March each year. 6

PART – B
(Analysis of Financial Statements)
(Option – I)

Q – 27 Objective of analysis of financial statements is

(a) To determine liquidity and long-term solvency of the enterprise.
(b) To determine operating efficiency with which resources are utilised in generating revenue.
(c) To determine profitability with respect to sales and investment.
(d) All of the above.

Or

An operating cycle is the time between the ___________

(a) Production and sales.
(b) Procuring of raw material and production of goods.
(c) Financing and selling of products.
(d) Acquiring of raw material for processing and its realisation into cash and cash equivalents. 1

Q – 28 From the following information, Working Capital Turnover Ratio will be:

Revenue from operations	₹ 48,00,000
Non – Current Assets	₹ 20,00,000
Capital Employed	₹ 32,00,000

(a) 3 Times (b) 4 Times (c) 5 Times (d) 8 Times 1

Q – 29 Increase in Bank Overdraft is

(a) Increase in Cash and Cash Equivalents (b) Decrease in Cash and Cash Equivalents

(c) Inflow from Financing Activities (d) Outflow from Financing Activities 1

Q – 30 Atul Industries Ltd. had an accident in the factory due to which a machine of book value ₹ 5,00,000 was completely damaged. It was insured and insurance claim of ₹ 4,50,000 was received. The resulting loss of ₹ 50,000 was transferred to Statement of Profit & Loss. It will be adjusted in preparing Cash Flow Statement as follows:

(a) Deducted ₹ 50,000 from Net Profit before Tax and Extra-Ordinary items under cash flow from operating activities.

(b) Added ₹ 50,000 to Net Profit before Tax and Extra-Ordinary Items under cash flow from operating activities and ₹ 4,50,000 as inflow under investing activities.

(c) Added ₹ 50,000 to Net Profit before Tax and Extra-Ordinary Items under cash flow from operating activities and ₹ 4,50,000 as inflow under investing activities as Extra-Ordinary Item.

(d) No adjustment will be made.

Or

A company issued 5,000, 7% Debentures of ₹ 100 each at a discount of ₹ 5 per debenture, redeemable at par. Discount of ₹ 25,000 was written off from Securities Premium. It will be adjusted in preparing cash flow statement as follows:

(a) Added ₹ 25,000 to Net Profit before Tax and Extra-Ordinary Items under cash flow from operating activities and ₹ 4,75,000 inflow from issue of debentures at net amount under investing activities.

(b) Added ₹ 25,000 to Net Profit before Tax and Extra-Ordinary Items under cash flow from operating activities and ₹ 5,00,000 inflow from issue of debentures at gross amount under investing activities.

(c) Added ₹ 25,000 to Net Profit before Tax and Extra-Ordinary Items under cash flow from operating activities and ₹ 4,75,000 show debentures at net amount received as inflow under investing activities

(d) Amount of discount on issue of debentures ₹ 25,000 will not be added to Net Profit before Tax and Extra-Ordinary Items under cash flow from operating activities while inflow from debentures will be shown as at net ₹ 4,75,000 received under cash flow from financing activities. 1

Q – 31 As a tool of financial analysis, differentiate between 'Current Ratio' and 'Quick Ratio' (Any three points of differences) 3

Q – 32 Classify the following items under Major Head and Sub-Head (if any) in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013: 3

(a) Loose Tools
(b) Capital work-in-progress
(c) Provision for Taxation
(d) Patents
(e) Calls in Advance
(f) Mature Debentures

Q – 33 Calculate Net Assets Turnover Ratio from the following information:

Property, Plant & Equipment and Intangible Assets ₹ 2,00,000
Non-Current Investments ₹ 40,000
Current Assets ₹ 2,90,000
Current Liabilities ₹ 30,000
Cost of Revenue from Operations ₹ 12,80,000
Gross Profit 25% of Cost

Or

Debt to Capital Employed Ratio of a Company is 0.4:1. State giving reasons, which of the following will increase, decrease or not change the ratio?

(a) Sale of Machinery at a loss of ₹ 50,000.
(b) Purchase of Stock-in-trade on credit of two months for ₹ 80,000.
(c) Conversion of Debentures into Equity Shares of ₹ 5,00,000.
(d) Purchase of Fixed Assets for ₹ 4,00,000 on long-term deferred payment basis. 4

Q – 34 Cash Flow from Operating Activities of Pinnacle Ltd. for the year ended 31st March, 2022 was ₹ 28,000. The Balance Sheet along with notes to accounts of Pinnacles Ltd. as at 31st March, 2022 is given below:

Balance Sheet as at 31-3-2022

Particulars	**Note No.**	**31-3-2022 (₹)**	**31-3-2021 (₹)**
I. Equity and Liabilities:			
1. Shareholders' Funds			
(a) Share Capital		9,00,000	5,00,000
(b) Reserve & Surplus	1	90,000	1,10,000
2. Non-Current Liabilities:			
Long-term Borrowings	2	3,00,000	2,00,000
3. Current Liabilities:			
Trade Payables		60,000	80,000
Total		**13,50,000**	**8,90,000**
II. Assets:			
1. Non-Current Assets:			
Property, Plant & Equipment and Intangible Assets:			
(i) Property, Plant & Equipment	3	7,46,000	5,24,000
(ii) Intangible Asset	4	36,000	76,000
2. Current Assets:			
(a) Current Investments		1,30,000	20,000
(b) Inventories		2,00,000	1,30,000
(c) Cash & Cash Equivalents		2,38,000	1,40,000
Total		**13,50,000**	**8,90,000**

Notes to Accounts:	**31-3-2022 (₹)**	**31-3-2021 (₹)**
1. Reserve & Surplus:		
Surplus i.e. Balance in statement of P&L	90,000	1,10,000
2. Long-term Borrowings:		
9% Debentures	3,00,000	2,00,000
3. Property, Plant & Equipment:		
Plant & Machinery	8,86,000	6,04,000
Accumulated Depreciation	(1,40,000)	(80,000)
	7,46,000	5,24,000
4. Intangible Assets:		
Goodwill	36,000	76,000

You are given the following additional information:

(i) A Machinery of the book value of ₹ 90,000 (accumulated depreciation charged on it was ₹ 23,000) was sold at a profit of ₹ 12,000.

(ii) 9% debentures were issued on 1st April, 2021.

Prepare Cash Flow Statement. 6

PART – B
(Computerised Accounting)
(Option – II)

Note: Questions of this options are not given as this option is not for you.