Sample Paper 2022-23

SAMPLE PAPER 1

Class 12 - Accountancy

Time Allowed: 3 hours **Maximum 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. **Part - A is compulsory for all candidates**.
4. Part **-** B has two options i.e. **(i) Analysis of Financial Statements and (ii) Computerised Accounting**. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31and 32 carries 3 marks each.
7. Questions from 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

1. Calculate interest on the drawing if Partner withdrew Rs. 6,000 at the end of each quarter. Rate of interest on drawings is 10% p.a. and the accounting period is 1st January to 31st December. **[1]**

    a) Rs.900 b) Rs. 1,800

    c) Rs. 975 d) Rs. 950

2. **Assertion (A):** it is right of the new partner on the firm's Assets and Liabilities. **[1]**
    Reason (R): Old partners of the firm sacrifice some profit according to the new profit sharing ratio in favour of incoming partner.

    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. Match the following **[1]**

1. Average Profit	(a) Internally generated goodwill
2. Purchase Goodwill	(b) Acquired by making payment
3. Generated Goodwill	(c) Normal business profits

    a) 1.(a) , 2. (b), 3. (c) b) 1.(c) , 2. (b), 3. (a)

c) 1.(b) , 2. (c), 3. (a)

d) 1.(b) , 2. (b), 3. (a)

OR

In the case of going concern when business is not to be sold, it becomes necessary to value goodwill whenever the mutual rights of the partners change. A party which is making a sacrifice must be compensated and that is normally on the basis of ______.

a) Goodwill

b) Loss

c) Interest

d) Profit

4. Which type of capital will be written after the authorized capital in the balance sheet? **[1]**

a) Subscribed Capital

b) Issued Capital

c) Paid-up Capital

d) Called up Capital

OR

Amount of Calls in Arrears will be deducted from ________ under share capital.

a) Subscribe but not fully paid-up

b) Subscribed but fully paid-up capital

c) Authorised capital

d) Issued Capital

5. Sushma Limited issued 1,000, 13% debentures of Rs.100 each at a premium of 10%. Applications were received for 900 debentures only. All applications were accepted and debentures were allotted. What amount is to be credited to the Securities Premium Account? **[1]**

a) 1,000

b) 10,000

c) 900

d) 9,000

6. At the time of dissolution of the firm, the assets and liabilities appearing in the Balance Sheet are transferred to: **[1]**

a) None of these

b) Partners' Capital Accounts

c) Realisation Account

d) Revaluation Account

OR

Match the following:

When assets are sold for cash	(i)Bank A/cDr To Realisation A/c
When an asset is taken over by a partner	(ii)No entry
When the assets are given to any of the creditors towards the payment of his dues	(iii) Partner CapitalA/cDr To Realisation A/c

a) a(iii), b(ii), c(i)

b) a(i), b(iii), c(ii)

c) a(ii), b(iii), c(i)

d) a(i), b(ii), c(iii)

7. Premium on issue of shares can be used for: **[1]**

a) writing off discount/loss on Issue of debentures.

b) issue of fully paid bonus shares.

c) All of these

d) writing off preliminary expenses.

8. A Company can issue its debentures at ________. **[1]**

a) Par only
b) Par, Premium and Discount
c) Par and Premium only
d) Premium and Discount only

OR

INDO Limited offered 20,000 debentures @ 100 each at a premium of 10%. Total applications received 60000. The company made full allotment to 4,000 applicants and pro-rata allotment to the applicants of 36,000 debentures and remaining applications rejected. What amount is to be credited to the Securities premium account?

a) 4,00,000
b) 40,000
c) 6,00,000
d) 2,00,000

Question No. 9 to 10 are based on the given text. Read the text carefully and answer the questions: **2.0**

U, V and W are partners sharing profits in the ratio of 2:2:1. They decided to share future profits in the ratio 5:3:2. On that date the profit and loss account showed the credit balance of ₹ 90,000. Instead of closing the profit and loss account, it was decided to record an adjustment entry reflecting the change in profit sharing ratio They also decide to record the effect of the following revaluations and reassessments without affecting the book values of assets and liabilities by passing a single adjustment entry:

	Book Value (₹)	**Revised Value (₹)**
Land and Building	2,50,000	3,00,000
Furniture	2,00,000	1,75,000
Sundry Creditors	90,000	75,000
Outstanding Salaries	15,000	25,000

9. The single adjustment entry on revaluations and reassessments without affecting the book values of assets and liabilities will be:

a) Dr. U capital a/c ₹ 3,000 and Cr. V capital a/c ₹ 3,000
b) Dr. V capital a/c ₹ 30,000 and Cr. U capital a/c ₹ 30,000
c) Dr. W capital a/c ₹ 30,000 and Cr. V capital a/c ₹ 30,000
d) Dr. W capital a/c ₹ 3,000 and Cr. U capital a/c ₹ 3,000

10. Record an adjustment entry reflecting the change in profit sharing ratio when the profit and loss account is not closed:

a) Dr. U capital a/c ₹ 9,000 and Cr. V capital a/c ₹ 9,000
b) Dr. W capital a/c ₹ 9,000 and Cr. U capital a/c ₹ 9,000
c) Dr. W capital a/c ₹ 90,000 and Cr. V capital a/c ₹ 90,000
d) Dr. V capital a/c ₹ 90,000 and Cr. U capital a/c ₹ 90,000

11. What is the Maximum discount limit on issue of debentures as per law? **[1]**

a) 6%
b) 10%
c) Not Fixed
d) 15%

12. Hem and Nem are partners in a firm sharing profits in the ratio of 3:2. Their capitals were ₹80,000 and ₹50,000 respectively. They admitted Sam on Jan. 1, 2007 as a new partner for $\frac{1}{5}$ share in the future profits. Sam brought ₹60,000 as his capital. With what amount Nem's capital account will be credited? **[1]**

a) 13,200

b) 22,000

c) 8,800

d) 66,000

13. Accounting Standard ________ requires goodwill should be recorded in the books of accounts only when some money or money's worth is paid for it. **[1]**

a) 27

b) 10

c) 26

d) 23

14. Profit and Loss Appropriation Account is prepared to: **[1]**

a) Find out Net Profit

b) Find out Divisible Profit

c) Create Reserve Fund

d) None of these

15. Profit and loss suspense account of the deceased partner's share of profit is shown in: **[1]**

a) Credit side of his capital account only

b) Credit side of his capital account and in the B/S asset side

c) Debit side of his capital account only

d) Credit side of his capital account and in the B/S liability side

OR

Which ratio is calculated to share future profit and losses by continuing partners after the retirement of a partner.

a) New share = old share + acquired gaining share

b) New share = Old share + acquired Sacrificing share

c) New share = acquired gaining ratio

d) New share = old share - acquired gaining share

16. Z is a new partner and acquires his $\frac{1}{5}$ share of profit from X, an existing partner and present value of a firm's goodwill is Rs. 50,000. In this case, Z is required to pay to X. **[1]**

a) ₹10,000

b) ₹2,000

c) ₹5,000

d) ₹25,000

17. A, B, C and D were partners sharing profits in the ratio of 5 : 3 : 2 : 2. B died on 1st March, 2018. Goodwill of the firm was valued at ₹ 6,00,000. A, C, and D decided to share future profits equally. Give the necessary journal entry. **[3]**

18. A B and C are partners in firm sharing profits and losses in the ratio of 3 : 2 : 1. They decide to take D into a partnership for 1/4th share on 1st April 2017. For this purpose, goodwill is to be valued at 3 times the average annual profits of the previous four or five years whichever is higher. The agreed profits for goodwill purpose of the past five years are as follows: **[3]**

	₹
Year ending on 31st March 2013	1,30,000
Year ending on 31st March 2014	1,20,000
Year ending on 31st March 2015	1,50,000
Year ending on 31st March 2016	1,10,000
Year ending on 31st March 2017	

Calculate the value of Goodwill.

OR

Form the following particulars, calculate value of goodwill of a firm by applying Capitalisation of Average Profit Method:

i. Profits of last five consecutive years ending 31st March are: 2019 - ₹ 54,000; 2018 - ₹ 42,000; 2017 - ₹ 39,000; 2016 - ₹ 67,000 and 2015 - ₹ 59,000.
ii. Capitalisation rate 20%.
iii. Net assets of the firm ₹ 2,00,000.

19. Romi Ltd. acquired assets of ₹20 lakhs and took over creditors of ₹2 lakhs from Kapil Enterprises. Romi Ltd. issued 8% Debentures of ₹100 each at a premium of 25% as purchase consideration. Record necessary Journal entries in the books of Romi Ltd. **[3]**

[**Hint:** Difference between the value of assets and liabilities taken over is treated as purchase consideration.]

OR

On 1st January, 2017, Raha Ltd. issued 6,000, 8% Debentures of nominal (face) value of ₹100 each redeemable at 5% premium in equal proportions at the end of 5, 10 and 15 years. It has a balance of ₹10,000 in Securities Premium Reserve. Pass Journal entries. Also give Journal entries for writing off Loss on Issue of Debentures.

[**Hint:** Dr. Securities Premium Reserve A/c by ₹ 70,000 and Statement of Profit and Loss by ₹20,000; Cr. Loss on Issue of Debentures A/c by ₹30,000.]

20. X, Y and Z are partners sharing profits and losses in the ratio of 5 : 3 : 2, decided to share future profits and losses equally with effect from 1st April, 2019. On that date, the goodwill appeared in the books at ₹12,000. But it was revalued at ₹30,000. Pass Journal entries assuming that goodwill will not appear in the books of account. **[3]**

21. Sony Media Ltd. issued 50,000 shares of ₹ 10 each payable ₹ 3 on the application, ₹ 4 on allotment and balance on first and final call. Applications were received for 1,00,000 shares and allotment was made as follows: **[4]**

i. Applicants for 60,000 shares were allotted 30,000 shares,
ii. Applicants for 40,000 shares were allotted 20,000 shares,

Anupam to whom 1,000 shares were allotted from category (i) failed to pay the allotment money. Pass journal entries up to allotment.

22. Does the change in profit sharing ratio result in the dissolution of the partnership firm? Give reason in support of your answer. **[4]**

23. Golden Jute Ltd. made an issue of 10,000 shares of ₹ 10 each payable ₹3 on Application, ₹3 on Allotment, ₹2 on First Call and ₹ 2 on Second Call, All the amounts were received, except the following: **[6]**

A Who holds 100 shares has paid Application, Allotment and First Call.

Y Who holds 200 shares has paid Application and Allotment.

Z Who holds 300 shares has paid only Application money.

The Company forfeited the shares of defaulting shareholders and re-issued 200 of the above shares at a discount of 2%, credited as fully paid. Prepare Cash Book and Forfeited Shares A/c.

OR

X Ltd. issued for Public subscription 1,00,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share payable as under:

On Application ₹ 5

On Allotment ₹ 7 (including premium ₹ 5)

On First & Final Call ₹ 3

Applications were received for 1,50,000 shares. Allotment was made pro-rata to all the applicants and the money overpaid on application was utilised towards sums due on allotment.

Suruchi, who applied for 1,800 shares failed to pay the allotment and call money and the shares were subsequently forfeited. Two-third of the forfeited shares were re-issued to Supriya as fully paid up at ₹ 8 per share. Show the journal entries to record the above transactions.

24. A, B and C are partners sharing profits and losses in the ratio of 2 : 2 : 1. From 1st April, 2019 they decided to share future profits and losses equally. **[6]**

Following balances appeared in their books:

	₹
Profit and Loss A/c (Cr.)	20,000
Advertisement Suspense A/c (Dr.)	15,000
Workmen Compensation Reserve	60,000

It was agreed that:

i. Goodwill should be valued at two year’s purchase of super profits. Firm’s average profits. Firm’s average profits are ₹ 75,000. Capital invested in the business is ₹ 6,00,000 and normal rate of return is 10%.
ii. Furniture (book value of ₹ 50,000) be reduced to ₹ 30,000.
iii. Computers (book value of ₹ 40,000) be reduced by ₹ 10,000.
iv. Claim on account of Workmen’s Compensation amounted to ₹ 50,000.
v. Investments (book value of ₹ 30,000) were revalued at ₹ 25,000.

Pass necessary journal entries for the above.

OR

A, B and C are sharing profits and losses in the ratio of 5 : 3 : 2. They decided to share future 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 revaluations without affecting the book values of the assets and liabilities by passing an Adjustment Entry:

	Book Values (₹)	Revised Values (₹)
Land and Building	5,00,000	5,50,000
Plant and Machinery	2,50,000	2,40,000
Sundry Creditors	60,000	55.000
Outstanding Expenses	60,000	75,000

Pass necessary Single Adjustment Entry.

25. A, B and C were partners sharing profits in the ratio of 4 : 3 : 2. Their Balance Sheet as at 31st March, 2018 was as follows: **[6]**

Liabilities		**₹**	**Assets**		**₹**
Sundry Creditor		20,000	Cash		6,400
Expenses Owing		5,000	Debtors	20,000	
Reserve Fund		18,000	Less: Provision	400	19,600
Capitals:			Stock		30,000

A	60,000		Patents		8,000
B	50,000		Machinery		1,20,000
C	40,000	1,50,000	Goodwill		9,000
		1,93,000			**1,93,000**

B retired on the above date upon the following terms:

i. Goodwill of the firm be valued at ₹ 63,000.
ii. Machinery be written down by 10% and the patents written up by 25%.
iii. Provision for doubtful debts be brought upto 5% on debtors and a provision of $2\frac{1}{2}\%$ on creditors be made for discount.
iv. Expenses owing are to be brought down to ₹ 3,900.
v. B is to be paid ₹ 30,000 immediately, which is to be contributed by A and C in their new profit sharing ratio which is 3 : 2.

Give journal entries to record the above and the Balance Sheet of the firm after B's retirement.

26. Meghnath Limited took a loan of ₹1,20,000 from a bank and deposited 1,400, 8% debentures of ₹100 each as collateral security along with primary security worth ₹2 lakhs. Company again took a loan of ₹80,000 after two months from a bank and deposited 1,000, 8% debentures of ₹100 each as collateral security. Record necessary journal entries. How will you show the issue of Debentures and Bank Loan in the balance sheet of the company. **[6]**

Part B :- Analysis of Financial Statements

27. Which of the following is not considered as Cash Equivalents? **[1]**

a) Investment
b) Commercial papers
c) Short term deposits in bank
d) Treasury bills

OR

Balance i.e. Surplus in Statement of Profit and Loss is part of ________.

a) Operating Activities
b) Financing Activities
c) Not concerned with any activity
d) Investing Activities

28. Shareholders are interested in the analysis of financial statement because…. **[1]**

a) For the assessment of tax
b) For the payment to the financial institutions
c) They want to judge the present and future earning capacity of the business.
d) For Research

29. The various activities operating, investing and financing classified as per ________ related to cash flow statement. **[1]**

a) AS - 5 (revised)
b) AS - 4 (revised)
c) AS - 6 (revised)
d) AS - 3 (revised)

OR

How will you deal increase in the balance of Securities Premium Reserve while preparing a Cash Flow Statement?

a) Cash flow from Investing activities
b) Cash Equivalent
c) Cash flow from Financing activities
d) Cash flow from operating activities

30. Which of the following is not a limitation of Financial Statements Analysis? **[1]**

a) Ignores price level changes

b) It is affected by personal bias

c) Inter-firm comparative study possible

d) Lack of qualitative analysis

31. Compute Cost of Materials Consumed from the following: **[3]**

		₹
Opening Inventory	Materials	5,50,000
	Finished Goods	2,50,000
Materials Purchased		22,50,000
Closing Inventory	Materials	4,50,000
	Finished Goods	1,50,000

32. From the following Balance Sheet of Defence Brokers Ltd., compute Debt to Equity Ratio: **[3]**

BALANCE SHEET as at 31st March, 2019

Particulars	**Note No.**	**₹**
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital		15,00,000
(b) Reserves and Surplus (Surplus, i.e., Balance in Statement of Profit and Loss)		(2,30,000)
2. Non-Current Liabilities		
(a) Long-term Borrowings		15,00,000
(b) Long-term Provisions		2,85,000
3. Current Liabilities		
{a) Short-term Borrowings		55,000
(b) Trade Payables		1,15,000
(c) Other Current Liabilities		25,000
Total		32,50,000
II. ASSETS		
1. Non-Current Assets		
(a) Fixed Assets:		
(i) Tangible Assets		11,00,000
(ii) Intangible Assets		1,30,000
(b) Non-current Investments	1	2,60,000
2. Current Assets		
(a) Current Investments	2	1,90,000
(b) Inventories		7,50,000

(c) Trade Receivables		3,00,000
[d) Cash and Cash Equivalents		5,20,000
Total		32,50,000

Notes to Accounts:

Particulars	**₹**
1. Non-Current Investments	
Trade Investments	2,60,000
2. Current Investments	
Government Securities	50,000
Other Investments (Trade)	1,40,000
	1,90,00

33. State giving reason, whether the Current Ratio will improve or decline or will have no effect in each of the following transactions if Current Ratio is 2 : 1: **[4]**

a. Cash paid to Trade Payables.
b. Bills Payable discharged.
c. Bills Receivable endorsed to a creditor.
d. Payment of final Dividend already declared.
e. Purchase of Stock-in-Trade on credit.
f. Bills Receivable endorsed to a Creditor dishonoured.
g. Purchases of Stock-in-Trade for cash.
h. Sale of Fixed Assets (Book Value of ₹ 50,000) for ₹ 45,000.
i. Sale of Fixed Assets (Book Value of ₹ 50,000) for ₹ 60,000.

OR

Assuming That the Debt to Equity Ratio is 2 : 1, state giving reasons, which of the following transactions would (i) increase; (ii) Decrease; (iii) Not alter Debt to Equity Ratio:

i. Issue of new shares for cash.
ii. Conversion of debentures into equity shares.
iii. Sale of a fixed asset at profit.
iv. Purchase of a fixed asset on long-term deferred payment basis.
v. Payment to creditors.

34. Balance Sheets of Kewal Ltd. as at 31st March, 2018 and 31st March, 2017 were as follows : **[6]**

Particulars	**Note No.**	**31.3.2018**	**31.3.2017**
I. EQUITY AND LIABILITIES :			
(1) Shareholder’s Funds :			
(a) Share Capital		10,00,000	7,00,000
(b) Reserve and Surplus		2,50,000	1,50,000
(2) Current Liabilities :			

Trade Payables		50,000	40,000
TOTAL		**13,00,000**	**8,90,000**
II. ASSETS :			
(1) Non-Current Assets :			
Fixed Tangible Assets	1	8,00,000	5,00,000
(2) Current Assets :			
{a) Current Investments (Short term Investments)		60,000	45,000
(b) Inventory		1,00,000	75,000
(c) Cash & Bank Balances		3,40,000	2,70,000
TOTAL		**13,00,000**	**8,90,000**

Notes:

(1) Fixed Tangible Assets:	₹	₹
Plant & Machinery	8,00,000	5,00,000

Additional Information :

a.

Contingent Liabilities:	31.3.2018	31.3.2017
Proposed Dividend (₹)	50,000	40,000

b. ₹ 50,000 depreciation has been charged to Plant and Machinery during the year 2017-18.

c. A Piece of machinery costing ₹ 12,000 (book value ₹ 5,000) was sold at 60% profit on book value. Prepare Cash Flow Statement.