S.R. Study Material

S R SAMPLE PAPER 3

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. Z is admitted to a firm for 1/4th share in the profits for which he brings in ₹10,000 towards premium for goodwill. It will be taken by the old partners in: **[1]**

   a) the sacrificing ratio
   b) the new profit-sharing ratio
   c) the old profit-sharing ratio
   d) none of these

2. **Assertion (A):** Under the fluctuating capital method, the balance in the capital account fluctuates from time to time. **[1]**
   Reason (R): Under the fluctuating capital method, all the adjustments such as share of profit and loss, interest on capital, drawings, interest on drawings etc. are recorded directly in the capital accounts of the partners.

   a) (A) is correct but (R) is wrong.
   b) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
   c) Both (A) and (R) are incorrect.
   d) Both (A) and (R) are correct and (R) is the correct explanation of (A).

3. ________ is transferred to capital reserve. **[1]**

   a) Profit on forfeiture of shares
   b) Premium on issue of shares
   c) Profit from sale of fixed assets
   d) All of these

   OR

The loss on issue of Debentures is written-off from:

a) Reserve Capital
b) Share Premium Reserve Accoun
c) Secret Reserve
d) Capital Reserve

4. VK, MK and JK are partners sharing profits equally. Now they have decided to share future profits in their capital ratio i.e. 5:3:2. Identify, the partners who are sacrificing. **[1]**

a) MK and JK
b) VK and MK
c) Only VK is sacrificing
d) VK and JK

OR

After closing accounts, it was found that interest on capital of Mr. Rehan @ 12% p.a. was omitted:

His capital (Fluctuating) balance as on 31.03.2021 is	5,00,000
Additional capital introduced on 01.07.2020 is	100,000
Drawing against profit on 01.10.2020 is	60,000
Mr. Rehan's salary is	80,000 p.a.
Mr. Rehan's commission is	10,000
Interest on drawing (Mr. Rehan)	5,000 p.a

Interest on his capital will be:

a) 60,000
b) 50,400
c) 50,000
d) 54,000

5. A, B and C were partners in a firm. As per the partnership deed, interest on drawings is to be charged @ 10% per annum. B withdrew a fixed amount at the end of every quarter. Interest on his drawings amounted to ₹ 9,000. The amount of his drawings per quarter were: **[1]**

a) ₹ 2,40,000
b) ₹ 1,80,000
c) ₹ 60,000
d) ₹ 80,000

6. The debentures whose principal amount is not repayable by the company during its life time, but the payment is made only at the time of Liquidation of the company, such debentures are called: **[1]**

a) Irredeemable Debentures.
b) Bearer Debentures
c) Redeemable Debentures
d) Non-Convertible Debentures

OR

Excess value of net assets over purchase consideration at the time of purchase of business is:

a) Credited to the Vendor's Account
b) Credited to the Capital Reserve
c) Debited to the Goodwill Account
d) Credited to the General Reserve Account

7. **Assertion (A):** If a company does not receive the amount called by it on shares, it can forfeit the shares, if authorised by its Articles of Association. **[1]**

Reason (R): Forfeited shares can be reissued by the company on the terms as decided by it.

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.

8. Retiring partner is compensated by the continuing partners in their **[1]**

a) Sacrificing Ratio

b) Gaining Ratio

c) Capital Ratio

d) Profit-sharing Ratio

OR

Need of profit and loss adjustment account is for:

a) rectification of errors of omissions

b) appropriation of profits

c) charge against profits

d) None of these

Question No. 9 to 10 are based on the given text. Read the text carefully and answer the questions: **[2]**

Mohit, Dev and Sumit are equal partners with capitals of ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Mohit withdrew ₹ 60,000 in the beginning of each quarter for the year ended 31st March, 2020. Dev withdrew ₹ 60,000 at the end of each quarter for the year ended 31st March, 2020. Sumit withdrew ₹ 90,000 in the middle of each quarter for the year ended 31st March, 2020. Interest on drawings is charged @ 10% p.a.

9. What is the total amount of drawings of all the partners?

a) ₹ 9,00,000

b) ₹ 8,60,000

c) ₹ 9,20,000

d) ₹ 8,40,000

10. What is the average period of Dev's drawings?

a) 6 months

b) 12 months

c) 7.5 months

d) 4.5 months

11. Partner's salary is debited to: **[1]**

a) Trading A/c

b) Profit and Loss Appropriation A/c

c) None of these

d) Profit and Loss A/c

12. Voluntary return of shares for cancellation by the shareholders is called: **[1]**

a) None of these

b) Forfeiture of shares

c) Surrender of shares

d) Cancellation of shares

13. X Ltd. forfeited 500 shares of ₹ 10 each, ₹ 7 called up, issued at a premium of ₹ 2 per share to be paid at the time of allotment for non-payment of first call of ₹ 2 per share. Entry on forfeiture will be: **[1]**

a)

Share Capital A/c	Dr.	3,500	
To Share First Call A/c			1,000
To Share Forfeiture A/c			2,500

b)

Share Capital A/c	Dr.	3,500	
To Share First Call A/c			1,000
To Share Forfeiture A/c			3,500

c)

Share Capital A/c	Dr.	4,500	
Securities Premium Reserve A/c	Dr.	1,000	
To Share First Call A/c			1,000

d)

Share Capital A/c	Dr.	3,500	
Securities Premium Reserve A/c	Dr.	1,000	
To Share First Call A/c			1,000

To Share Forfeiture A/c			4,500	To Share Forfeiture A/c			3,500

14. Net profit of a firm is ₹ 79,800. Manager is entitled to a commission of 5% of profits after charging his commission. Manager's Commission will be: **[1]**

a) ₹ 3,800
b) ₹ 380
c) ₹ 3,990
d) ₹ 4,200

15. A and B are partners sharing profit or loss in the ratio of 3 : 2. C is admitted into partnership as a new partner. A sacrifices $\frac{1}{3}$rd of his share. B sacrifices $\frac{1}{4}$th of his share in favour of C. What will be the C's share in the firm. **[1]**

a) $\frac{3}{10}$
b) $\frac{2}{10}$
c) None of these
d) $\frac{1}{5}$

OR

Bharati and Astha were partners sharing profits and losses in the ratio of 3 : 2. They admitted Dinkar as a new partner for $\frac{1}{5}^{th}$ share in the future profits of the firm which he got equally from Bharati and Astha.
New profit sharing ratio:

a) 3 : 2 : 1
b) 5 : 3 : 2
c) 5 : 3 : 1
d) 1 : 1 : 1

16. Which of the following is not the mode of dissolution of the firm? **[1]**

a) On happening of an event
b) Dissolution by court
c) Retirement of a partner
d) By Mutual Agreement

17. Mita, Geeta and Mohit were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. With effect from 1st April, 2022, they mutually agreed to share profits and losses in the ratio of 2 : 2 : 1. It was agreed that: **[3]**

i. Goodwill of the firm was valued at ₹ 1,40,000.
ii. Profit on revaluation of assets and re-assessment of liabilities amounted to ₹ 1,20,000.

Pass necessary journal entries for the above transactions in the books of the firm. Show your working notes clearly.

18. A and B are partners sharing profits and loss in the ratio of their capitals which were ₹ 6,00,000 and ₹ 4,00,000 respectively on 1st April 2022. The partnership deed provides that: **[3]**

i. Both partners will get a monthly salary of ₹ 20,000 each;
ii. Interest on capital will be allowed @ 8% p.a.;
iii. A will get a quarterly rent of ₹ 24,000 for the use of his property by the firm.

On 1st July 2022, A and B granted loans of ₹ 1,00,000 and ₹ 50,000 respectively to the firm. During the year ended 31st March 2023, the firm incurred a loss of ₹ 17,250 before any adjustment is made as per the partnership deed.
Prepare an account showing the distribution of profit/loss.

OR

Amit, Babita and Sona form a partnership firm, sharing profits in the ratio of 3 : 2 : 1, subject to the following:

i. Sona's share in the profits, guaranteed to be not less than ₹ 15,000 in any year.
ii. Babita gave guarantee to the effect that gross fee earned by her for the firm shall be equal to her average gross fee of the proceeding five years, when she was carrying on profession alone (which is ₹ 25,000). The net profit for

the year ended March 31, 2017, is ₹ 75,000. The gross fee earned by Babita for the firm was ₹ 16,000.

You are required to prepare Profit and Loss Appropriation Account.

19. Y Ltd. purchased Machinery Rs. 55,000 from Z Ltd. 10% was paid by Y Ltd. by accepting a Bill of Exchange in favour of Z Ltd. and the balance was paid by issue of 9% Debentures of Rs. 100 each at par, redeemable after five years. **[3]**

Pass necessary Journal entries in the books of Y Ltd.

OR

20,000 shares of ₹ 10 each were issued for public subscription at a premium of 10%. Full amount was payable on application. Applications were received for 30,000 shares and the Board decided to allot the shares on a pro rata basis. Pass Journal entries.

20. Form the following particulars, calculate value of goodwill of a firm by applying Capitalisation of Average Profit Method: **[3]**

i. Profits of last five consecutive years ending 31^{st} March are: 2023 - ₹ 54,000; 2022 - ₹ 42,000; 2021 - ₹ 39,000; 2020 - ₹ 67,000 and 2019 - ₹ 59,000.
ii. Capitalisation rate 20%.
iii. Net assets of the firm ₹ 2,00,000.

21. Kumar Ltd. purchased assets of ₹ 6,30,000 from Bhanu Oil Ltd. Kumar Ltd. issued equity share of ₹ 100 each fully paid in consideration. What journal entries will be made, if the shares are issued, (a) at par, and (b) at premium of 20%. **[4]**

22. Record necessary journal entries to realize the following unrecorded assets and liabilities in the books of Paras and Priya: **[4]**

i. There was old furniture in the firm which had been written off completely in the books. This was sold for ₹ 3,000,
ii. Ashish, an old customer whose account for ₹ 1,000 was written-off as bad in the previous year, paid 60%, of the amount,
iii. Paras agreed to take over the firm’s goodwill (not recorded in the books of the firm), at a valuation of ₹ 30,000,
iv. There was an old typewriter that had been written off completely from the books. It was estimated to realize ₹ 400. It was taken away by Priya at an estimated price less 25%,
v. There were 100 shares of ₹ 10 each in Star Limited acquired at a cost of ₹ 2,000 which had been written off completely from the books. These shares are valued @ ₹ 6 each and divided among the partners in their profit sharing ratio.

23. S.K. Ltd. invited applications for issuing 70,000 equity shares of ₹ 10 each at a premium of ₹ 35 per share. The amount was payable as follows: **[6]**

On Application	₹ 15 (including ₹ 12 premium)
On Allotment	₹ 10 (including ₹ 8 premium)
On First and Final Call	Balance

Applications for 65,000 shares were received and allotment was made to all applicants. A shareholder Vikash, who was allotted 2,000 shares, failed to pay the allotment money. His shares were forfeited immediately after allotment. Afterwards, the first and final call was made. Rakesh, who had 3,000 shares, failed to pay the first and final call. His shares were also forfeited. Out of the forfeited shares, 4,000 shares were re-issued @ ₹ 50 per share fully paid-up. The re-issued shares included all the shares of Vikash.

Pass necessary journal entries for the above transactions in the books of S.K Ltd.

OR

The Orient Company Limited offered for public subscription 20,000 equity shares of ₹ 10 each at a premium of 10% payable at ₹ 2 on application; ₹ 4 on allotment including premium; ₹ 3 on First Call and ₹ 2 on Second and Final call. Applications for 26,000 shares were received. Applications for 4,000 shares were rejected. Pro-rata allotment was made to the remaining applicants. Both the calls were made and all the money were received except the final call on 500 shares which were forfeited. 300 of the forfeited shares were later reissued as fully paid at ₹ 9 per share. Give journal entries and prepare the balance sheet.

24. A and B are partners in a firm. Their Balance Sheet as at 31st March, 2019 was: **[6]**

Liabilities		**₹**	**Assets**		**₹**
Workmen Compensation Reserve		5,600	Cash		10,000
Outstanding Expenses		3,000	Sundry Debtors	80,000	
Creditors		30,000	Less: Provision for Doubtful Debts	4,000	76,000
Capital A/cs: A	50,000		Stock		20,000
B	60,000	1,10,000	Machinery		38,600
			Profit and Loss A/c		4,000
		1,48,600			1,48,600

On 1st April, 2019, they admitted C as a new partner on the following conditions:

i. C brings in ₹40,000 as his share of capital but he is unable to bring any amount for goodwill. C's Share of goodwill is adjusted by opening his Current Account.

ii. The new profit-sharing ratio between A, B and C will be 3 : 2 : 1.

iii. Claim towards Workmen Compensation is ₹3,000.

iv. Bad Debts amounting to ₹6,000 are to be written off.

v. Creditors are to be paid ₹2,000 more.

vi. ₹2,000 be provided for an unforeseen liability.

vii. Outstanding Expenses be brought down to ₹1,200.

viii. Shikha, an old customer whose account was written off as bad debts, has promised to pay ₹2,500 in settlement of her dues.

ix. Goodwill is valued at $1\frac{1}{2}$ years' purchase of the average profit of last three years, less ₹12,000. The profits of last three years amounted to ₹10,000; ₹20,000 and ₹30,000 respectively.

Prepare Revaluation Account, Capital Accounts of Partners and the Opening Balance Sheet.

OR

A, B and C are partners in a firm, sharing profits and losses as A 1/3,B 1/2, and C 1/6 respectively. The Balance Sheet of the firm as at 31 st March, 2019 was:

Liabilities		**₹**	**Assets**		**₹**
Capital A/cs:			Building		50,000
A	30,000		Plant and Machinery		40,000

B	40,000		Furniture		10,000
C	25,000	95,000	Stock		25,000
General Reserve		16,000	Debtors	18,000	
Sundry Reserve		25,000	Less: Provision for Doubtful Debts	500	17,500
Loan Payable		15,000	Cash in Hand		8,500
		1,51,000			**1,51,000**

C retires on 1 st April, 2019 subject to the following adjustments:

i. Goodwill of the firm be valued at ₹ 24,000. C's share of goodwill be adjusted into the accounts of A and B who are going to share in future in the ratio of 3 :2.
ii. Plant and Machinery to be reduced by 10% and Furniture by 5%
iii. Stock to be appreciated by 15% and Building by 10%.
iv. Provision for Doubtful Debts to be raised to ₹ 2,000.

Pass Journal entries to record the above transactions in the books of the firm and show the Profit and Loss Adjustment Account, Capital Account of C and the Balance Sheet of the firm after Cs retirement.

25. The Balance Sheet of Ram, Shyam, and Hari as at 31.3.2003 stood as follows: **[6]**

Balance Sheet

as at 31.3.2003

Liabilities	**Amt(Rs.)**	**Assets**		**Amt(Rs.)**
Creditors	24,400	Cash		1,00,000
Bills Payable	90,000	Debtors	30,000	
General Reserve	24,000	Less: Provision	1,600	28,400
Investment Fluctuation Reserve	2,000	Stock		4,000
Profit and Loss Account	3,000	Computers		9,000
Ram's Capital	51,000	Building		1,00,000
Shyam's Capital	40,000	Investments		30,000
Hari's Capital	40,000	Goodwill		3,000
	2,74,400			2,74,400

Hari retired on 1.4.2003 and the following adjustments were agreed upon:

a. The building is appreciated by Rs 10,000.
b. Investments are valued 10% less than the book value.
c. All Debtors were good.
d. Stock be reduced to 93%.
e. Goodwill is valued at one year’s purchase of the average profit of the past three years. It was decided not to show goodwill in the balance sheet of the reconstituted firm.
f. Hari shall be paid Rs 13,440 immediately and the balance in four equal yearly installments together with interest @ 10% p.a.
g. New ratio of Ram and Shyam would be 2:1.

The profit for the year 2000-01 and 2001-02 were Rs 9,000 and Rs 6,000 respectively. Prepare Revaluation Account, Partners' Capital Accounts, Hari's Loan Account (till it is paid off) and Balance Sheet as at 1.4.2003 (figure may be rounded off to nearest one rupee.)

26. i. On 15-2-2017 A Ltd. invited applications for issue of 1,00,000, 9% debentures of ₹100 each at a discount of 6%, redeemable at par after 3 years. The full amount was payable on application and the debentures were issued on 15-3-2017. Pass the journal entries for the above transactions. **[6]**

ii. R Ltd. issued 10,000, 12% Debentures of ₹100 each at a discount of 5%. Pass Journal entries.

Part B :- Analysis of Financial Statements

27. Main limitation of analysis of financial statements is **[1]**

a) Affected by window dressing
b) Do not reflect changes in the price level
c) Difficulty in forecasting
d) All of these

OR

Revenue from the sale of Stock-in-Trade is shown in the Statement of Profit and Loss as:

a) Receivables
b) Other Income
c) Revenue from Operations
d) Receipts

28. Trade receivable turnover ratio 6 times; Average trade receivable 80,000; Cash revenue from operation 25% of total revenue from operation. Cash revenue from operation will be: **[1]**

a) 3,20,000
b) 6,40,000
c) 4,80,000
d) 1,60,000

29. Dividend received on shares held for sale by financial enterprise is shown in Cash Flow Statement under **[1]**

a) Investing Activities.
b) Operating Activities
c) General Activities.
d) Financing Activities.

OR

As per Accounting Standard-3, Cash Flow is classified into

a) Operating activities and financing activities
b) Investing activities and financing activities
c) Operating activities and investing activities
d) Operating activities, financing activities and investing activities

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

i. Investing Activities
ii. Financing Activities
iii. Both Investing and Financing Activities
iv. Operating Activities

a) ii and iii
b) i and ii
c) iii and iv
d) only iv

31. Under which major head/sub-head will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2023? **[3]**

i. Computer software

ii. Calls-in-advance

iii. Outstanding salary

iv. Securities Premium Reserve

v. Patents

vi. Interest accrued on Investment

32. Current Ratio 3 : 1; Current Assets ₹ 60,000. Calculate Current Liabilities. **[3]**

33. From the following information prepare Comparative Balance Sheet of X Ltd.: **[4]**

Particulars	**31-3-2023 (₹)**	**31-3-2022 (₹)**
Share Capital	25,00,000	25,00,000
Reserves and Surplus	6,00,000	10,00,000
Long-term Borrowings	16,00,000	15,00,000
Current Liabilities	5,00,000	4,50,000
Property, Plant and Equipment and Intangible Assets	35,00,000	25,00,000
Investments (Non-Current)	10,50,000	15,00,000
Current Assets	6,50,000	14,50,000

OR

Prepare Comparative Balance Sheet of Swan Ltd. from the following Balance Sheet:

Particulars	**Note No.**	**31st March,**	**31st March,**
		2019 (₹)	2018 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital: Equity Share Capital		3,60,000	3,00,000
(b) Reserves and Surplus		1,50,000	1,20,000
2. Non-Current Liabilities		2,55,000	1,70,000
Long-term Borrowings			
3. Current Liabilities			
Trade Payables		1,20,000	1,50,000
Total		8,85,000	7,40,000
II. ASSETS			
1. Non-Current Assets			
Fixed Assets:			
(i) Tangible Assets		6,50,000	5,00,000

(ii) Intangible Assets		1,00,000	1,00,000
2. Current Assets:			
(a) Trade Receivables		1,25,000	1,20,000
(b) Cash and Cash Equivalents		10,000	20,000
Total		8,85,000	7,40,000

34. Prepare a cash flow statement from the following: **[6]**

STATEMENT OF PROFIT AND LOSS

(for the year ended 31st March, 2018)

	Note No.	₹
I. Revenue from Operations		25,40,000
II. Expenses:		
Cost of Materials Consumed		20,60,000
Employee Benefit Expenses		1,36,000
Finance Costs	1	20,000
Depreciation and Amortization Expenses	2	70,000
Total Expenses		22,86,000
III. Profit before Tax (I-II)		2,54,000
Provision for Tax		34,000
Profit after Tax		2,20,000

Notes:

(1)	Finance Costs:	
	Interest on Debentures	20,000
(2)	Depreciation and Amortization Expenses :	
	Depreciation	54,000
	Goodwill written off	16,000
		70,000

BALANCE SHEETS

as at

Particulars	**Note No.**	**31.3.2018 ₹**	**31.3.2017 ₹**
I. EQUITY AND LIABILITIES:			
(1) Shareholder's Funds:			
(a) Share Capital		5,00,000	4,00,000
(b) Reserves & Surplus	1	3,96,000	1,66,000

(2) Non-Current Liabilities:			
Long-term Borrowings	2	1,50,000	2,00,000
(3) Current Liabilities:			
(a) Short-term Borrowings	3	18,000	15,000
(b) Trade Payables		1,06,000	74,000
(c) Short term Provision	4	32,000	25,000
TOTAL		12,02,000	8,80,000
II. ASSETS:			
(1) Non-Current Assets:			
(a) Fixed Assets:			—
(i) Tangible Assets	5	6,18,000	3,60,000
(ii) Intangible Assets	6	24,000	40,000
(b) Long-term Investments		76,000	50,000
(2) Current Assets:			
(a) Current Investments		8,000	10,000
(b) Inventory		2,80,000	2,33,000
(c) Trade Receivables		1,36,000	1,50,000
(d) Cash & Bank Balances		60,000	37,000
TOTAL		12,02,000	8,80,000

Note :

(1)	Reserve & Surplus:	**31.3.2018** **₹**	**31.3.2017** **₹**
	Securities Premium	10,000	—
	Reserve	3,86,000	1,66,000
		3,96,000	1,66,000
(2)	Long-term Borrowings:		
	12% Debentures	1,50,000	2,00,000
(3)	Short-term Borrowings:		
	Bank Overdraft	18,000	15,000
(4)	Short term Provision:		
	Provision for Tax	32,000	25,000
(5)	Tangible Assets:		

	Building	1,88,000	—
	Machinery	4,30,000	3,60,000
		6,18,000	3,60,000
(6)	Intangible Assets:		
	Goodwill	24,000	40,000