S.R. Study Material

S R SAMPLE PAPER 2

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. A and B are partners in a firm. They admit C as a partner with $\frac{1}{5}$th share in the profits of the firm. C brings ₹ 1,50,000 as his share of capital. The value of the total assets of the firm is ₹ 5,50,000 and outside liabilities are valued at ₹ 70,000 on that date. C's share of hidden goodwill will be: **[1]**

   a) ₹ 2,70,000 b) ₹ 24,000

   c) ₹ 1,20,000 d) ₹ 54,000

2. **Assertion (A):** Partners are principals but not the agents of other partners. **[1]**
   Reason (R): Partners are principals as well as agents of other partners.

   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. Priyanka Ltd. issued 10,000 Equity Shares of ₹ 10 each at a premium of 20%. Company has forfeited 250 shares on non-payment of allotment amount of ₹ 5 (including premium), first and final call of ₹ 3 is not yet called up. Calculate the amount to be shown in call-in-arrears account at the time of forfeiture of shares? **[1]**

   a) 1,750 b) 2,000

   c) 2,500 d) 1,250

   OR

What is the Maximum discount limit on issue of debentures as per law?

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

4. Who is a sacrificing partner: **[1]**

a) Whose share has increase as a result of a change
b) Whose share has does not get affected as a result of a change
c) Whose share has increase as well as decrease as a result of a change
d) Whose share has decreased as a result of a change

OR

If any loan or advance is provided by partner then, balance of such Loan Account should be transferred to:

a) Partner's Current A/c
b) Partner's Capital A/c
c) B/S Assets side
d) B/S Liability Side

5. The Agreement of Partnership may be: **[1]**

a) Oral and Written
b) Written
c) Oral
d) None of these

6. **A** Limited purchased the assets from **B** Limited for ₹ 5,40,000. **A** Limited issued 10% debentures of ₹ 100 each at 20% premium against the payment. The number of debentures received by **B** Limited will be: **[1]**

a) 45,000
b) 5,400
c) 4,500
d) 6,000

OR

Debentures for a longer period which are secured by either fixed charge or floating charge on assets they are called ________.

a) Secured Debentures
b) Unsecured Debentures
c) Un-registered Debentures
d) Bearer Debentures

7. **Assertion (A):** Preliminary expenses are not shown in the balance sheet. **[1]**
Reason (R): Preliminary expenses are written-off in the same year.

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. When will old partners capital account is debited and goodwill account is credited? **[1]**

a) When existing Goodwill is given
b) To Find out the amount due to outgoing partner
c) When goodwill shown after balance sheet
d) To Calculate the retiring partner's share of Goodwill

OR

For calculation of capital in the beginning what should be added in the capital at the end of the year:

a) Drawing
b) Additional capital

c) Salary

d) Profit

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

Mohit and Sonu are equal partner Their capitals as on 1st April, 2020 are 1,00,000 and 2,00,000 respectively. Profits for the year 2020-21 were ₹ 90,000. As per the agreement, interest on capitals was ₹ 10,000 and ₹ 20,000 respectively and interest on drawings was ₹ 6,000 and ₹ 10,000 respectively. Mohit's salary was ₹ 2,000 p.m. and Sonu's salary was ₹ 5,000 p.a.

Accountant, however, committed the mistake and credited the profit in the capital ratio, Without interest on capitals, drawings and salary.

9. With what amount was Sonu's account credited with initially?

a) ₹ 45,000

b) ₹ 30,000

c) ₹ 60,000

d) 90,000

10. What was the total salary required to be credited?

i. ₹ 70,000
ii. ₹ 84,000
iii. ₹ 29,000
iv. ₹ 48,000

a) Option (iv)

b) Option (ii)

c) Option (i)

d) Option (iii)

11. In the absence of partnership deed, partners share profits or losses: **[1]**

a) equally

b) in the ratio of time devoted

c) in the ratio decided by the court

d) in the ratio of their capitals

12. Pass necessary journal entry for reissue of forfeited shares at discount. **[1]**

a) Bank A/c ... Dr.
Share Forfeiture A/c ... Dr.
To Share Capital A/c

b) Bank A/c ... Dr.
To Share Capital A/c

c) Share Capital A/c ... Dr.
Share Forfeited A/c ... Dr.
To Bank A/c

d) Bank A/c ... Dr.
Share Capital A/c ... Dr.
To Share Forfeited A/c

13. What is the alternative name of Authorized share capital? **[1]**

a) Paid-up capital

b) Issued capital

c) Subscribed capital

d) Nominal Capital

14. P and Q are partners sharing Profits in the ratio of 2 : 1 with fixed capitals of ₹ 10,00,000 and ₹ 5,00,000 respectively. After closing the accounts for the year ending 31st March 2022 it was discovered that interest on Drawings was Charged from P is ₹ 600 but partnership deed is silent on interest on Drawings. **[1]**
In the adjusting entry, Q's Current Account will be:

a) Neither debited nor credited because there is no interest on drawings of Q

b) Credited with 200

c) Debited with 200

d) Credited with 400

15. If a new partner is unable to bring in his share of goodwill, How will you deal **[1]**

a) New Partner's A/c ... Dr.
To Gainer Partner'sCapital A/c

b) New Partner's A/c ... Dr.
To All Partner'sCapital A/c

c) New Partner's A/c ... Dr.
To Old Partner's Capital A/c

d) New Partner's Capital A/C OR Current A/C ... Dr.
To Sacrificing Partner's Capital / current A/c

OR

An incoming partner is liable for all the acts of the firm done:

a) Both (before his admission) and (after his admission)

b) after his admission

c) before his admission

d) None of these

16. A loan of ₹10,000 advanced by a partner to the firm was refunded. What journal entry should be recorded for the same? **[1]**

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

17. A and B were partners in a firm sharing profits and losses in the ratio of 2 : 1. With effect from 1st April, 2023 they agreed to share profits and losses equally. Calculate the individual partner's gain or sacrifice due to change in ratio. **[3]**

18. X and Y were sharing profits in the ratio of 2 : 1. On 1st April, 2022 they admitted Z for $\frac{1}{4}$th share in the profits. Z is guaranteed a minimum profit of ₹ 1,00,000 for the year. Any deficiency in Z's share is to be borne by X and Y in the ratio of 3 : 2. Losses for the year ending 31st March, 2023 amounted to ₹ 1,20,000. Record necessary entries. **[3]**

OR

Ram, Ravi and Raja are partners in a firm. Their profit-sharing ratio is 5 : 3 : 2. Raja is guaranteed a minimum profit of ₹ 10,000 every year. Any deficiency arising is to be met by Ravi. Profits for the two years ended 31st March, 2023 and 2024 were ₹ 40,000 and ₹ 60,000 respectively.
Prepare Profit & Loss Appropriation Account for the two years.

19. Venus Ltd. is a real estate company. To discharge its Corporate Social Responsibility, it decided to construct a night shelter for the homeless. The company took over assets of ₹ 10,00,000 and liabilities of ₹ 1,80,000 of Cineline Ltd. for ₹ 7,60,000. Venus Ltd., issued 9% Debentures of ₹ 100 each at a discount of 5% in full satisfaction of the purchase consideration in favour of Cineline Ltd.
Pass necessary Journal entries in the books of Venus Ltd. for the above transactions. **[3]**

OR

CTW Ltd. invited applications for 50,000 shares of ₹ 10 each payable ₹ 3 on application, ₹ 4 on allotment and balance on first and final call. Applications were received for 60,000 shares. Applications were accepted for 50,000 shares and remaining applications were rejected. All calls were made and received except First and Final call on 500 shares.

Pass the Journal entries in the books of CTW Ltd.

20. Ajay and Sarthak were partners sharing profits and losses in the ratio of 2 : 1. They admitted Sundar as a partner for $\frac{1}{5}$th share in profits. For this purpose Goodwill of the firm was to be valued on the basis of three years' purchase of last five years' average profit. Profits for the last five years ended 31^{st} March, were: **[3]**

Year	**2019**	**2020**	**2021**	**2022**	**2023**
Profit (₹)	1,25,000	1,00,000	1,87,500	(62,500)	1,25,000

Calculate Goodwill of the firm after adjusting the following:

Profit of 2019-20 was calculated after charging ₹ 25,000 for abnormal loss of goods by fire.

21. Complete the missing figures in the following Extract of Balance Sheet: **[4]**

Morning Stores Ltd.

Balance Sheet (Extract) as at...

Particulars	**Note No.**	**(Rs.)**
Equity And Liabilities		
1. Shareholders' Funds Share Capital	1	----

Notes to Accounts

Share Capital	
Authorised Capital	
4,00,000 Equity Shares of Rs. 10 each	----
10,000 Preference Shares of Rs. 100 each	----

Issued Capital	
3,00,000 Equity Shares of Rs. 10 each	
10,000; 10% Preference Shares of Rs. 100 each	---
Subscribed Capital	
Subscribed and fully paid-up. 2,50,000 Equity Shares of Rs. 10 each	---
Subscribed but not fully paid-up 10,000; 10% Preference Shares of Rs. 100 each; Rs. 80 called-up	---

22. Explain the accounting treatment at the time of dissolution of a partnership firm, of the assets and liabilities not already recorded in the books of the firm. **[4]**

23. Ram Ltd. invited applications for issuing 50,000 Equity Shares of ₹ 10 each. The amount was payable as follows: **[6]**

On Application - ₹ 3 per share,

On Allotment - ₹ 5 per share, and

On First and Final call - Balance.

Applications for 70,000 shares were received. Allotment was made to all applicants on pro-rata basis. Excess money received on application was adjusted towards sums due on allotment. Rajesh, who had applied for 700 shares, did not pay the allotment money and on his failure to pay the allotment money his shares were forfeited. Afterwards, the first and the final call was made. Arun, who had been allotted 500 shares, did not pay the first and final call. His shares were also forfeited. Out of the forfeited shares 900 shares were reissued at₹ 8 per share as fully paid-up. The reissued shares included all the shares of Rajesh. Pass necessary Journal entries for the above transactions in the books of the company.

OR

Rathore Ltd., was formed for the purpose of purchasing Mahendra Ltd. and was registered with a nominal capital of ₹ 2,00,000 divided into 2,000 equity shares of ₹ 100 each. 1,000 shares were issued as fully paid to the vendors in payment of the purchase consideration. The remaining 1,000 shares were offered for public subscription at a premium of ₹ 5 per share payable as under: On Application ₹ 30 per Share; On Allotment ₹ 25 per Share (including premium); On First Call ₹ 20 per Share and on Final Call ₹ 30 per share.

Applications were received for 900 shares which were duly allotted, and the allotment money was duly received. At the time of the first call, a shareholder who held 100 shares failed to pay the first call money and his shares were forfeited. These shares were re-issued at ₹ 60 per share, ₹ 70 per share paid. Final call has not been made.

You are required to:

i. give necessary journal entries to record the above transactions, and
ii. show how share capital would appear in the Balance Sheet of the Company.

24. Atal and Madan were partners in a firm sharing profits in the ratio of 5 : 3. On 31st March, 2011 they admitted Mehra as a new partner for 1/5th share in the profit. The new profit sharing ratio was 5 :3 :2 . On Mehra’s admission, the balance sheet of the firm was as follows **[6]**

Balance Sheet

as at 31st March, 2011

Liabilities		Amt(Rs)	Assets	Amt(Rs)
Provision for Bad Debt		1,200	Land and Building	1,50,000
Creditors		20,000	Machinery	40,000
Workmen Compensation Fund		32,000	Patents	5,000
Capital A/cs			Stock	27,000
Atal	1,50,000		Debtors	47,000
Madan	90,000	2,40,000	Cash	4,200
			Profit and Loss A/c	20,000
		2,93,200		2,93,200

On Mehra’s admission, it was agreed that

1. Mehra will bring Rs 40,000 as his capital and Rs 16,000 for his share of goodwill premium, half of which was withdrawn by Atal and Madan.
2. A provision of 2.5% for bad and doubtful debt was to be created.
3. Included in the sundry creditors was an item of Rs 2,500 which was not to be paid.
4. A provision was to be made for an outstanding bill for electricity Rs 3,000.
5. A claim of Rs 325 for damages against the firm was likely to be admitted. Provision for the same was to be made.

   After the above adjustment, the capitals of Atal and Madan were to be adjusted on the basis of Mehra's capital. Actual cash was to be brought in or to be paid off to Atal and Madan, as the case may be. Prepare revaluation account, capital accounts of the partners and the balance sheet of the new firm.

OR

Narang, Suri, and Bajaj are partners in the firm sharing profits and losses in the proportion of $\frac{1}{2}$, $\frac{1}{6}$ and $\frac{1}{3}$ respectively. The Balance Sheet of the firm as at 31st March 2023 was as follows :

Balance Sheet

as at 31st March 2023

Liabilities		**(₹)**	**Assets**		**(₹)**
Capital Accounts:			Freehold Premises		40,000
Narang	30,000		Machinery		30,000
Suri	30,000		Furniture		12,000
Bajaj	28,000	88,000	Stock		22,000
Bills Payable		12,000	Sundry Debtors	20,000	
Sundry Creditors		18,000	*Less*: Provision for Bad Debts	(1,000)	19,000
General reserve		12,000	Cash		7,000
		1,30,000			1,30,000

Bajaj retires from the business on the above date and the partners agree to the following:

a. Freehold premises and stock were to be appreciated by 20% and 15% respectively.
b. Machinery and furniture were to be depreciated by 10% and 7% respectively.
c. Provision for Bad debts was to be increased by ₹ 1,500.
d. On Bajaj's retirement goodwill of the firm was valued at ₹ 21,000.
e. The continuing partners decided to adjust their capitals in their new profit-sharing ratio after the retirement of Bajaj. The surplus/deficit, if any, in their capital accounts was to be adjusted through their current accounts.

Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm.

25. X, Y and Z are partners sharing profits and losses in the ratio of 3 : 2 : 1. Balance Sheet of the firm as at 31st March, 2023 was as follows: **[6]**

Liabilities	**₹**	**Assets**		**₹**
Creditors	21,000	Cash at Bank		5,750
Workmen Compensation Reserve	12,000	Debtors	40,000	

Investments Fluctuation Reserve		6,000	*Less*: Provision for Doubtful Debts	(2,000)	38,000
Capital A/cs;			Stock		30,000
X	68,000		Investment (Market Value ₹ 17,600)		15,000
Y	32,000		Patents		10,000
Z	21,000	1,21,000	Machinery		50,000
			Goodwill		6,000
			Advertisement Expenditure		5,250
		1,60,000			**1,60,000**

Z retired on 1st April, 2023 on the following terms:

i. Goodwill of the firm is to be valued at ₹ 34,800.
ii. Value of Patents is to be reduced by 20% and that of machinery to 90%.
iii. Provision for doubtful debts is to be created @ 6% on debtors.
iv. Z took over the investment at market value.
v. Liability for Workmen Compensation to the extent of ₹ 750 is to be created.
vi. A liability of ₹ 4,000 included in creditors is not to be paid.
vii. Amount due to Z to be paid as follows:
₹ 5,067 immediately, 50% of the balance within one year and the balance by a draft for 3 Months.

Give necessary Journal entries for the treatment of goodwill, prepare Revaluation Account, Capital Accounts and the Balance Sheet of the new firm.

26. On 1st April, 2022, MP Ltd. issued ₹ 10,00,000; 9% Debentures of ₹ 100 each at a discount of 10% payable ₹ 50 on application and balance on allotment. These debentures were redeemable at a premium of 5% after four years. Pass necessary Journal entries for issue of debentures and prepare 9% Debentures Account. **[6]**

Part B :- Analysis of Financial Statements

27. The Real object of Analysis of Financial Statement is ………… **[1]**

a) To assess the total liabilities of the firm
b) To assess the total expenses of the firm
c) To know about historical cost concept
d) To measure the financial strength of the business

OR

While preparing the balance sheet of a company which item is shown under the head **Long term Borrowings**?

a) Trade Payables
b) None of these
c) Security Premium Reserve
d) 6% Debentures

28. Average Inventory 1,25,000; Inventory turnover ratio 4 times; Gross profit 10% of cost of revenue from operation. Gross profit will be: **[1]**

a) 40,000
b) 12,500
c) 80,000
d) 50,000

29. UAE Ltd. has balance in Provision for Tax Account of ₹ 50,000 and ₹ 75,000 as on 31st March, 2022 and 2023 respectively. It made a provision for tax during the year of ₹ 65,000. The amount of tax paid during the year was: **[1]**

a) ₹ 40,000
b) ₹ 50,000
c) ₹ 75,000
d) ₹ 60,000

OR

WXZ Ltd. has Machinery written down value of which on 1st April, 2022 was ₹ 8,60,000 and on 31st March, 2023 was ₹ 9,50,000. Depreciation for the year was ₹ 40,000. In the beginning of the year, a part of machinery was sold for ₹ 25,000, which had a written down value of ₹ 20,000. Calculate the amount of purchase of Machinery.

a) ₹ 4,50,000
b) ₹ 3,00,000
c) ₹ 1,50,000
d) ₹ 50,000

30. Loose tools and Stores and spares are the part of **[1]**

a) Inventory
b) Current Assets
c) Cash and Cash Equivalents
d) Investment

31. State under which major headings and sub-headings the following items will be presented in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013: **[3]**

i. Capital Reserve;
ii. Calls-in-Advance;
iii. Loose Tools; and
iv. Bank Overdraft.

32. Calculate Debt Equity Ratio from the following: **[3]**

	₹
Property, Plant and Equipment	24,50,000
Intangible Fixed Assets	3,00,000
Current Assets	3,34,000
Current Liabilities	84,000
Long term Borrowings	16,00,000
Long term Provisions	1,50,000

33. From the following information provided, prepare a comparative statement for the period 2008 and 2009. **[4]**

Particulars	**2008 Amt (Rs.)**	**2009 Amt (Rs.)**
Revenue from Operations	6,00,000	8,00,000
Gross Profit	40% on Revenue from Operations	50% on Revenue from Operations
Administrative Expenses	20% of Gross Profit	15% of Gross Profit
Income Tax	50%	50%

OR

Prepare common size statement of profit and loss from the following information:

Particulars	**Note No.**	**2022-23 (₹)**	**2021-22 (₹)**
Revenue from operations		16,00,000	8,00,000

Cost of material consumed (% of revenue from operations)		60%	50%
Operating expenses		80,000	40,000
Income Tax Rate		40%	30%

34. From the following particulars, calculate Cash Flow from Operating Activities: **[6]**

Particulars	**31st March 2023 (₹)**	**31st March 2022 (₹)**
General Reserve	1,50,000	1,00,000
Surplus, i.e., Balance in Statement of Profit and Loss	70,000	(60,000)
10% Debentures	3,10,000	2,10,000
Trade Payables	11,75,000	75,000
Cash and Cash Equivalents	1,30,000	90,000
Goodwill	80,000	1,00,000
Machinery	4,60,000	5,00,000
10% Non-current Investments	1,60,000	60,000
Inventories	2,45,000	60,000
Provision for Doubtful Debts	1,50,000	1,00,000
Trade Receivables	21,00,000	10,00,000