

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, 31 and 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. On the reconstitution of a firm the value of furniture increased from ₹ 7,00,000 to ₹ 8,00,000 and stock reduced to ₹ 4,00,000 from ₹ 4,20,000. Gain or loss on revaluation will be: **[1]**
 - a) Loss ₹ 1,20,000
 - b) Gain ₹ 8,00,000
 - c) Loss ₹ 80,000
 - d) Gain ₹ 80,000
2. Aman and Chaman are partners in a firm. On 1st July, 2021 Aman advanced a loan of ₹ 6,00,000 to the firm. **[1]**

There is no partnership deed. On 31st March, 2022, Aman was entitled to get the following amount as interest on loan:

 - a) ₹ 36,000
 - b) ₹ 27,000
 - c) ₹ 9,000
 - d) ₹ 18,000
3. Chavi Ltd. forfeited 5,000 equity shares of ₹ 10 each issued at a premium of ₹ 5 per share for non-payment of first and final call of ₹ 4 per share. On forfeiture, 'Share Forfeiture Account' will be credited by: **[1]**
 - a) ₹ 20,000
 - b) ₹ 30,000
 - c) ₹ 50,000
 - d) ₹ 55,000

OR

Diksha Ltd. issued 4,000, 9% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium. **Discount on Issue of Debentures** and **Premium on Redemption of Debentures** were accounted for through **Loss on Issue of**

Debentures Account. If the amount of **Loss on Issue of Debentures Account** was ₹ 60,000, then the amount of premium on redemption was:

- a) ₹ 60,000
- b) ₹ 40,000
- c) ₹ 80,000
- d) ₹ 20,000

4. Milan, Khilan and Silam were partners sharing profits in the ratio of 2 : 2 : 1 . They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1st April, 2019. After the revaluation of assets and re-assessment of liabilities, Revaluation account showed a loss of ₹ 15,000. The amount to be debited in the capital account of Milan because of loss on revaluation will be: [1]

- a) ₹ 6,000
- b) ₹ 15,000
- c) ₹ 7,000
- d) ₹ 5,000

OR

Mohit and Rohit were partners in a firm with capitals of ₹ 80,000 and ₹ 40,000 respectively. The firm earned a profit of ₹ 30,000 during the year. Mohit's share in the profit will be:

- a) ₹ 18,000
- b) ₹ 15,000
- c) ₹ 20,000
- d) ₹ 10,000

5. In the absence of Partnership Deed, interest on loan of a partner is allowed: [1]

- a) at 8% per annum
- b) no interest is allowed
- c) at 12% per annum
- d) at 6% per annum

6. Maira Ltd. took over assets of ₹ 12,00,000 and liabilities of ₹ 4,00,000 of Subav Ltd. for an agreed purchase consideration of ₹ 9,00,000. The amount was payable by issue of 11% debentures of ₹ 100 each at 10% discount. The number of debentures issued will be: [1]

- a) 8,000
- b) 9,000
- c) 10,000
- d) 11,000

OR

Sujata Ltd. issued 5,000, 7% Debentures of ₹ 100 each at a premium of 10%. According to the terms of issue, 40% of the amount was payable on application and the balance on allotment. The issue was fully subscribed and all amounts were duly received. The amounts received on application and allotment respectively were:

- a) ₹ 2,00,000 and ₹ 3,00,000
- b) ₹ 2,50,000 and ₹ 3,00,000
- c) ₹ 2,00,000 and ₹ 3,50,000
- d) ₹ 2,00,000 and ₹ 2,50,000

7. Aysha Ltd. forfeited 1,10,000 shares of ₹ 10 each issued at 20% premium for the non-payment of first call of ₹ 2 per share and final call of ₹ 3 per share. Share Forfeited Account will be credited with: [1]

- a) ₹ 2,20,000
- b) ₹ 5,00,000
- c) ₹ 5,50,000
- d) ₹ 7,70,000

8. X, Y and Z were partners in a firm sharing profits in the ratio of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. Z decided to retire from the firm. On the date of his retirement, **Workmen Compensation Reserve** of ₹ 1,20,000 was appearing in the Balance Sheet of the firm. The claim on account of Workmen Compensation was determined at ₹ 67,500. Excess of claim amount over the reserve will be: [1]

- a) Debited to Revaluation Account
c) Credited to Revaluation Account

- b) Credited to Partners' Capital Accounts
d) Debited to Partners' Capital Accounts

OR

A and **B** were partners in a firm sharing profits and losses in the ratio of 7 : 1. **A** withdrew a fixed amount of ₹ 12,000 at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. The journal entry for charging interest on drawings at the end of the year will be:

a)

Interest on drawings A/c Dr.	₹ 1,800
To A's Current A/c	₹ 1,800

b)

Profit and Loss Appropriation A/c Dr.	₹ 1,800
To Interest on drawings A/c	₹ 1,800

c)

A's Capital A/c Dr.	₹ 1,800
To Interest on drawings A/c	₹ 1,800

d)

Interest on drawings A/c Dr.	₹ 1,800
To A's Capital A/c	₹ 1,800

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

[2]

X and Y started business on 1st April, 2020 with capitals of ₹ 5,00,000 each. As per the partnership Deed, both X and Y are to get the monthly salary of ₹ 10,000 each and interest on capital is ₹ 50,000 each. Interest on drawings are as follows X: ₹ 3,000 and Y: ₹ 5,000.

During the year, the firm incurred a loss of ₹ 2,00,000.

9. What is the amount to be transferred to Profit and Loss Appropriation Account?

- a) ₹ 2,00,000
b) ₹ 1,50,000
c) ₹ 5,00,000
d) ₹ 3,00,000

10. What is the total amount of salary to be credited to Partners' capital account?

- a) ₹ 2,40,000
b) No salary will be given
c) ₹ 1,80,000
d) ₹ 1,20,000

11. Which of the following items **cannot** be recorded in the capital account of partners if the capital accounts of partners are fixed?

[1]

- a) Drawings
b) Introduction of additional capital
c) Opening balance of capital
d) Withdrawal of capital

12. If a share of ₹ 10 issued at a premium of ₹ 2 per share, on which ₹ 8 (including premium) has been called and ₹ 6 (including premium) has been paid by the shareholder, is forfeited, then Share Capital Account will be debited with:

[1]

- a) ₹ 8
b) ₹ 4
c) ₹ 6
d) ₹ 10

13. X Ltd. forfeited 100 shares of ₹ 10 each, ₹ 8 called-up for non-payment of allotment money of ₹ 5 per share (including premium of ₹ 2 per share). Out of these, 70 shares were reissued to Ashok as ₹ 8 called-up, for ₹ 10 per share. On forfeiture, **Share Forfeiture Account** will be:

[1]

- a) Debited by ₹ 200
b) Credited by ₹ 700

c) Credited by ₹ 500

d) Debited by ₹ 500

14. A and B were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2021 the balances in their capital accounts were ₹ 1,50,000 and ₹ 2,00,000 respectively. The partnership deed provided that interest on partners capital will be allowed @ 10% per annum. During the year ended 31st March, 2022, the firm incurred a loss of ₹ 10,000. Interest on A's capital will be: [1]

a) ₹ 6,000

b) Nil

c) ₹ 15,000

d) ₹ 9,000

15. Aditya and Shiv were partners in a firm with capitals of ₹ 3,00,000 and ₹ 2,00,000, respectively. Naina was admitted as a new partner $\frac{1}{4}$ th share in the profits of the firm. Naina brought ₹ 1,20,000 for her share of goodwill premium and ₹ 2,40,000 for her capital. The amount of goodwill premium credited to Aditya will be: [1]

a) ₹ 30,000

b) ₹ 72,000

c) ₹ 40,000

d) ₹ 60,000

OR

Saurabh, Shirin and Somesh are partners in a firm sharing profits and losses in the ratio of 3:2:1. Somesh retires and the new profit sharing ratio between Saurabh and Shirin is 3:2. The gaining ratio between Saurabh and Shirin will be:

a) 3 : 1

b) 2 : 1

c) 3 : 2

d) 1 : 1

16. In which of the following cases is the business of a firm **not** dissolved by court? [1]

a) When a partner is guilty of misconduct which is likely to adversely affect the business of the firm

b) When a partner becomes permanently incapable of performing his duties as a partner

c) When a partner becomes insane

d) With the consent of all the partners

17. Aman, Bobby and Chandani were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. From 1st April, 2022 they decided to share profits equally. The revaluation of assets and re-assessment of liabilities resulted in a loss of ₹ 5,000. The goodwill of the firm on its reconstitution was valued at ₹ 1,20,000. The firm had a balance of ₹ 20,000 in General Reserve. [3]

Showing your workings clearly pass necessary journal entries on the reconstitution of the firm.

18. A, B and C were partners in a firm. On 1st April, 2008, their fixed capitals stood at Rs 50,000, Rs 25,000 and Rs 25,000 respectively. As per the provisions of the partnership deed [3]

i. B was entitled for a salary of Rs 5,000 per annum.

ii. All the partners were entitled to interest on capital at 5% per annum.

iii. Profits were to be shared in the ratio of capitals.

The net profit for the year ending 31st March 2009 of Rs33,000 and 31st March, 2010 of Rs45,000 was divided equally without providing for the above terms. Pass an adjustment journal entry to rectify the above error.

OR

Mohan, Suhaan and Adit were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Their fixed capitals were: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. For the year ended 31st March, 2023, interest on capital was credited to their accounts @ 8% p.a. instead of 5% p.a.

Pass necessary adjusting journal entry. Show your workings clearly.

19. M Ltd. issued 10,000, 8% Debentures of ₹ 100 each at 6% discount. The amount was payable as ₹ 60 on application and the balance on allotment. All money was duly received. Pass necessary journal entries in the books of M Ltd. [3]

OR

What is meant by **over-subscription** of shares? With the help of an example, briefly explain the alternatives available for allotment of shares in case of over-subscription.

20. Pearl and Ruby were partners in a firm with a combined capital of ₹ 2,50,000. The normal rate of return was 10%. The profits of the last four years were as follows: [3]

	₹
2019 - 20	35,000
2020 - 21	25,000
2021 - 22	32,000
2022 - 23	33,000

The closing stock for the year 2022 - 23 was overvalued by ₹ 5,000.

Calculate goodwill of the firm based on three years' purchase of the last four years' average super profit.

21. **Vinay Ltd.** was registered with an authorised capital of ₹ 40,00,000 divided into 4,00,000 equity shares of ₹ 10 each. 70,000 of these shares were issued as fully paid to **M/s. Starline Ltd.** for building purchased from them. 2,00,000 shares were issued to the public and the amounts were payable as follows: [4]

On Application	₹ 3 per share
On Allotment	₹ 2 per share
On First Call	₹ 2 per share
On Second and Final Call	₹ 3 per share

The amounts received on these shares were as follows:

On 1,00,000 shares	Full amount called
On 60,000 shares	₹ 7 per share
On 30,000 shares	₹ 5 per share
On 10,000 shares	₹ 3 per share

The directors forfeited 10,000 shares on which only ₹ 3 per share were received. These shares were reissued at ₹ 12 per share fully paid. Pass necessary Journal entries for the above transactions in the books of Vinay Ltd.

22. Pass the necessary journal entries for the following transactions on the dissolution of the firm of S and T after the various assets (other than cash) and outside liabilities have been transferred to realisation account. [4]
- S agreed to pay off her husband's loan Rs. 1,900.
 - A debtor whose debt of Rs. 930 was written off as bad debts in the books paid Rs. 750 in full settlement.
 - T took over all investments at Rs. 1,330.
 - Sundry creditors Rs. 1,000 were paid at 9% discount.
 - Realisation expenses Rs. 340 were paid by S for which she was allowed Rs. 300.
 - Loss on realisation Rs. 940 was divided between S and T in 3: 2 ratio.
23. i. R.P. Ltd. forfeited 1,500 shares of Rahim of ₹ 10 each issued at a premium of ₹ 3 per share for non-payment [6]

of allotment and first call money. Rahim had applied for 3,000 shares. On these shares, amount was payable as follows:

On application - ₹ 3 per share

On allotment (including premium) - ₹ 5 per share

On first call - ₹ 3 per share

On final call - Balance

Final call has not been called up. 1,000 of the forfeited shares were reissued for ₹ 8,500 as fully paid-up.

Record the necessary journal entries for the above transactions in the books of R.P. Ltd.

- ii. Max Ltd. forfeited 500 shares of ₹ 100 each for non-payment of first call of ₹ 20 per share and final call of ₹ 25 per share. 250 of these shares were re-issued at ₹ 50 per share fully paid-up.

Pass the necessary journal entries in the books of Max Ltd. for forfeiture and re-issue of shares. Also prepare the Share Forfeiture Account.

OR

Sunstar Ltd. invited applications for issuing 2,00,000 equity shares of ₹ 50 each. The amount was payable as follows:

On Application - ₹ 15 per share

On Allotment - ₹ 10 per share

On First and Final Call - ₹ 25 per share

Applications for 3,00,000 shares were received. Allotment was made to the applicants as follows:

Category	No. of Shares Applied	No. of Shares Allotted
I	2,00,000	1,50,000
II	1,00,000	50,000

Excess money received with applications was adjusted towards sums due on allotment and calls. Namita, a shareholder of Category I, holding 3,000 shares failed to pay the allotment money. Her shares were forfeited immediately after allotment. Manav, a shareholder of Category II, who had applied for 1,000 shares failed to pay the first and final call. His shares were also forfeited. All the forfeited shares were reissued at ₹ 60 per share fully paid up.

Pass necessary journal entries and prepare Cash Book for the above transactions in the books of Sunstar Ltd.

24. Leena and Rohit are partners in a firm sharing profits in the ratio of 3 : 2. On 31st March, 2022, their Balance Sheet was as follows: [6]

Balance Sheet of Leena and Rohit as at 31st March, 2022

Liabilities		Amount (₹)	Assets		Amount (₹)
Sundry Creditors		80,000	Cash		42,000
Bills Payable		38,000	Debtors	1,32,000	
General Reserve		50,000	Less: Provision for doubtful debts	<u>2000</u>	1,30,000
Capitals:			Stock		1,46,000
Leena	1,60,000		Plant and Machinery		1,50,000
Rohit	<u>1,40,000</u>	3,00,000			
		<u>4,68,000</u>			<u>4,68,000</u>

On the above date Manoj was admitted as a new partner for $\frac{1}{5}$ the share in the profits of the firm on the following terms:

- Manoj brought proportionate capital. He also brought his share of goodwill premium of ₹ 80,000 in cash.
- 10% of the general reserve was to be transferred to provision for doubtful debts.
- Claim on account of workmen's compensation amounted to ₹ 40,000.
- Stock was overvalued by ₹ 16,000.
- Leena, Rohit and Manoj will share future profits in the ratio of 5 : 3 : 2.

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

OR

Radha, Manas and Arnav were partners in a firm sharing profits and losses in the ratio of 3 : 1 : 1. Their Balance Sheet as at 31st March, 2019 was as follows:

Balance Sheet of Radha, Manas and Arnav

as at 31st March, 2019

Liabilities		(₹)	Assets	(₹)
Capitals:			Furniture	4,60,000
Radha	4,00,000		Investments	2,00,000
Manas	3,00,000		Stock	2,40,000
Arnav	<u>2,00,000</u>	9,00,000	Sundry Debtors	2,20,000
Investment Fluctuation Fund		1,10,000	Less: Provision for Doubtful Debts	<u>(10,000)</u>
Creditors		<u>2,50,000</u>	Cash	<u>1,50,000</u>
		<u>12,60,000</u>		<u>12,60,000</u>

Manas retired on 1st April, 2019. It was agreed that:

- Stock was to be appreciated by 20%
- Provision for doubtful debts was to be increased to ₹ 15,000.
- Value of furniture was to be reduced by ₹ 3,000.
- Market value of investments was ₹ 1,90,000.
- Goodwill of the firm was valued at ₹ 2,00,000 and Manas's share was adjusted in the accounts of Radha and Arnav.
- Manas was paid ₹ 68,000 in cash and the balance was transferred to his loan account.
- Capitals of Radha and Arnav were to be in proportion to their new profit sharing ratio. Surplus/deficit, if any, in their capital accounts was to be adjusted through current accounts.

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

25. B, C and D were partners in a firm sharing profits in the ratio of 5 : 3 : 2. On 31st March, 2023, their Balance Sheet was as follows: [6]

Liabilities		₹	Assets	₹
Creditors		43,000	Cash	10,200
Bills Payable		17,000	Stock	24,500

General Reserve		70,000	Debtors	27,300
Capitals:			Land and Building	1,40,000
B	40,000		Profit and loss	70,000
C	50,000			
D	<u>52,000</u>	1,42,000		
		2,72,000		2,72,000

B died on 30th June, 2023. The partnership deed provided for the following on the death of a partner.

- Goodwill of the firm was to be valued at 3 years' purchase of the average profits of last 5 years. The profits for the years ending 31st March, 2023, 31st March, 2022, 31st March, 2021 and 31st March, 2020 were ₹ 70,000, ₹ 60,000, ₹ 50,000 and ₹ 40,000 respectively.
- B's share in the profit or loss of the firm till the date of his death was to be calculated on the basis of the net profit or loss for the year ending 31st march, 2023.

You are required to calculate the following:

- Goodwill of the firm and B's share of goodwill at the time of his death.
- B's share in the profit and loss of the firm till the date of his death.
- Prepare B's capital account at the time of his death to be presented to his executors.

26. Pass necessary journal entries for the issue of debentures in the following cases: [6]

- Issued ₹ 75,00,000, 9% debentures of ₹ 100 each at a premium of 10% redeemable at a premium of 5% after 3 years.
- Issued 8,000, 9% debentures of ₹ 100 each at a discount of 6% redeemable at a premium of 3% after 5 years.
- Issued 90,000, 9% debentures of ₹ 100 each at par, redeemable at par after 4 years.

Part B :- Analysis of Financial Statements

27. Which of the following is not a limitation of financial analysis? [1]

- | | |
|--------------------------------|--------------------------|
| a) Subjectivity | b) Window dressing |
| c) Qualitative aspects ignored | d) Inter-firm comparison |
- OR

A Statement of Assets (Current and Non-current), Liabilities (Current and Non-current), and Equity (i.e., Shareholders' Funds) indicating the financial position of an enterprise at a given date is known as

- | | |
|---------------------|-------------------------|
| a) Balance Sheet | b) Cash Flow Statement |
| c) Income Statement | d) Funds Flow Statement |

28. _____ helps to assess the short-term solvency of a business. [1]

- | | |
|--------------------|------------------------|
| a) Solvency Ratio | b) Turnover Ratio |
| c) Liquidity Ratio | d) Profitability Ratio |

29. The transaction **Capital Gains Tax paid on sale of fixed assets** is classified under which of the following: [1]

- | | |
|------------------------------|-------------------------|
| a) Cash and Cash Equivalents | b) Financing Activities |
| c) Operating Activities | d) Investing Activities |

OR

Dividend paid by a financial enterprise will come under which kind of activity from the following while preparing cash flow statement:

- a) Investing Activity
c) Both (b) and (c)
- b) Operating Activity
d) Financing Activity

30. Which of the following will result in flow of cash? [1]

- a) Cheques of ₹ 20,000 deposited in the bank b) Cash withdrawn from the bank ₹ 50,000
- c) ₹ 2,00,000, 9% debentures issued to vendors d) ₹ 30,000 received from debtors
- of machinery

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

- i. Prepaid Insurance
- ii. Investment in Debentures
- iii. Calls-in-arrears
- iv. Unpaid dividend
- v. Capital Reserve
- vi. Loose Tools
- vii. Capital work-in-progress
- viii. Patents being developed by the company.

32. It is a technique which involves regrouping of data by application of arithmetical relationships. Identify the technique highlighted in the above statement and state its any two objectives. **[3]**

33. From the following information, prepare a Common Size Balance Sheet: [4]

	Particulars	Note No.	31.3.2020 ₹	31.3.2019 ₹
I	Equity and Liabilities :			
1.	Shareholder's Funds		4,00,000	2,00,000
2.	Non-Current Liabilities		2,50,000	1,00,000
3.	Current Liabilities		1,50,000	1,00,000
	Total		8,00,000	4,00,000
II	Assets :			
1.	Non-Current Assets		5,00,000	2,50,000
2.	Current Assets		3,00,000	1,50,000
	Total		8,00,000	4,00,000

OR

From the following information, prepare a Comparative Statement of Profit and Loss:

Particulars	2019-20 ₹	2018-19 ₹
Revenue from Operations	60,00,000	45,00,000

Employee Benefit Expenses	30,00,000	20,00,000
Other Expenses	15,00,000	10,00,000
Tax Rate	60%	60%

34. From the following information, calculate cash flow from operating activities

[6]

Particulars	31st March, 2023 (₹)	31st March, 2022 (₹)
Surplus (i.e., Balance in the Statement of Profit and Loss)	71,000	89,000
Inventory	12,000	4,000
Trade Receivables	58,000	45,000
Outstanding Expenses	14,600	10,000
Goodwill	57,000	27,000
Cash in Hand	9,000	12,000
Machinery	82,000	56,000

- i. A piece of machinery costing ₹ 50,000 on which depreciation of ₹ 20,000 had been charged was sold for ₹ 10,000. Depreciation charged during the year was ₹ 18,000.
- ii. Income tax ₹ 23,000 was paid during the year.
- iii. Interim Dividend paid during the year was ₹ 36,000.

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