SET A

COIMBATORE SAHODAYA SCHOOLS COMPLEX

COMMON EXAMINATION TERM I (SEP – 2022)

Class XII – ACCOUNTANCY

Time Allowed: 3 hours **Maximum Marks: 80**

General Instructions:

- **This Question paper is divided into five sections - Section A,B,C,D and E**
- **All questions are compulsory**
- **Section-A: Question no. 1 to 20 carries 1 mark each**
- **Section-B: Question no. 21 to 22 carries 3 marks each**
- **Section-C: Question no. 23 to 27 carries 4 marks each**
- **Section-D: Question no. 28 to 30 carries 6 marks each**
- **Section-E: Question no. 31 to 32 carries 8 marks each**

Section A

1. Interest on capital is calculated on **[1]**

a) Closing capital b) Profit

c) Both Closing capital and Profit d) Opening capital

2. A, B and C are partners sharing profits equally. A and B has given a minimum guarantee of Rs. 8,000 to the C. How much amount of profit C will get when the profit of the firm is Rs.30,000. **[1]**

a) 22,000 b) 10,000

c) 30,000 d) 8,000

3. When partners accounts are fixed where the drawings will be recorded? **[1]**

a) Neither in Current account nor in Capital account b) Capital account

c) Both Current account and Capital account d) Current account

4. Annual profit shown by a business is Rs.20,000. The normal rate of return 10%. **[1]**

Total assets of the business firm Rs.2,40,000 and liabilities Rs.80,000. Value of Goodwill will be:

a) Rs.40,000 b) Rs.30,000

c) Rs.20,000 d) No Goodwill of Business

5. A, B and C were partner in a firm sharing Profit in the ratio of 3:2:1 during the **[1]**

year the firm earned profit of ₹ 84,000. Calculate the amount of Profit or Loss transferred to the

Capital A/c of B.

(a) Loss ₹ 87,000 (b) Profit ₹ 87,000
(c) Profit ₹ 28,000 (d) Profit ₹14,000

6. The average net profits expected of a firm in future are Rs.68,000 per year and capital invested in the business by the firm is Rs.3,50,000. The rate of interest expected from Capital invested in this class of business is 12%. The remuneration of the partners is Estimated to be Rs.8,000 for the year. You are required to find out the super profit. **[1]**

a) Rs.18000 b) Rs.35000

c) Rs.36000 d) Rs.20000

7. Poonam, Pooja and Priya are partners in a firm sharing profits and losses in the ratio of 5:3:2. They decide to share future profits and losses in the ratio of 3:2:1. Each partner's gain or sacrifice due to the change in the ratio will be: **[1]**

a) Poonam Nil; Pooja Sacrifice $\frac{1}{30}$; Priya Gain $\frac{1}{30}$

b) Poonam Nil; Pooja Gain $\frac{1}{30}$; Priya Sacrifice $\frac{1}{30}$

c) Poonam Sacrifice $\frac{1}{30}$; Pooja Gain $\frac{1}{30}$; Priya Nil

d) Poonam Gain $\frac{1}{30}$; Pooja Nil ; Priya Sacrifice $\frac{1}{30}$

8. Goodwill of the firm is 30,000. The gain of A is $\frac{1}{6}$ and Sacrifice of B is $\frac{1}{6}$. How will goodwill adjust? **[1]**

a) Debit Goodwill with Rs.10,000 and Credit A and B with Rs.5,000 each

b) Debit A and Credit B with Rs. 5,000

ci) Debit B and Credit A with Rs. 5,000

d) Debit A and B with Rs. 15,000 each and Credit Goodwill with Rs. 30,000

9. A business has earned Super profit of ₹ 1,00,000 during the last few years and Normal rate of returns in 10% Calculate goodwill.

(a) ₹10,00,000 (b) ₹ 54,000
(c) ₹ 20,000 (d) ₹ 36,000

10. Revaluation Account or Profit and Loss Adjustment Account is a: **[1]**

a) None of these b) Real Account

c) Personal Account d) Nominal Account

11. X and Y are partners sharing profits in the ratio of 3 : 2. Z is admitted for $\frac{1}{4}$ th share in **[1]** profit which he acquires equally from X and Y. The new ratio will be:

a) 3 : 3 : 2 b) 19 : 11 : 10

c) 9 : 6 : 5 d) None of these

12. 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

13. Decrease in the value of assets at the time of retirement of a partner is: **[1]**

a) Debited to Profit and Loss Account b) Shown in balance sheet

c) Credited to Revaluation Account d) Debited to Revaluation Account

14. Gaining Ratio is applicable in the calculation of: **[1]**

a) For the distribution of Reserves and profits b) For distribution of existing goodwill among partners

c)Retiring partner's share of goodwill only d) For the Calculation of profit

15. L, M and N are partners sharing profit and losses in the ratio of 25:15:9. L retires. It is **[1]** decided that the profit- sharing ratio between remaining partner will be the same as existing between M and N after the retirement of L. Calculate Gaining ratio.

a) 75:40 b) 80:45

c)75:45 d) 75:55

16. Which account is prepared to transfer amount due to a deceased partner shown by his Capital Account? **[1]**

a) Continuing Partners Account b) Partner's Executor's Account

c)Retired Partners Account d) Retired partners loan Account

17. Z one partner was paid remuneration (including expenses) of ₹9,000 to carry out the **[1]** dissolution of the firm. Actual realization expenses were ₹11,500. How will you record this?

a)

Realisation A/c	Dr.	2,500	
To Z's Capital A/c			2,500

b)

Realisation A/c	Dr.	11,500	
To Z's Capital A/c			11,500

c)

Realisation A/c	Dr.	9,000	
To Z's Capital A/c			9,000

d) No Entry

18. At the time of dissolution of the firm, loan from partner is: **[1]**

a) not transferred to Realisation Account b) transferred to Realisation Account

c)transferred to the Partner's Capital Account d) Transferred to credit side of cash a/c

19. One Creditor worth ₹4,500 took over stock valued at Rs.5,200 in full satisfaction of his claim. **[1]**

a)No Entry is required

b)

Creditors A/c	Dr.	4,500	
To Bank A/c			4,500

c)

Creditors A/c	Dr.	4,500	
To Realisation A/c			4,500

d)

Creditor A/c	Dr.	5,400	
To Assets A/c			5,400

20. Rohan, Mohan and Sohan were partners sharing profits equally. At the time of dissolution of the partnership firm, Rohan's loan to the firm will be : **[1]**

(A) Credited to Rohan's Capital Account. (B) Debited to Realisation Account.

(C) Credited to Realisation Account. (D) Credited to Bank Account

Section B

21. Arun and Barun are partners in a firm sharing profits and losses equally. Their capitals on 1st April, 2015 were₹4,80,000 and ₹5,40,000. On 1st October 2015, they decided that the total capital of the firm should be ₹10,00,000 to be contributed equally by both of them. According to the partnership deed, interest on capital is allowed to the partners @6% p.a. **[3]**

You are required to compute interest on capital for the year ending 31st March, 2016.

22. Kabir and Farid are partners in a firm sharing profits in the ratio of 3:1 on 1-4-2019 they admitted Manik into a partnership for th share in the profits of the firm. Manik brought his share of goodwill premium in cash. Goodwill of the firm was valued on the basis of 2 years purchase of the last years average profits. The profits for the last three years were: **[3]**

2016-17	₹ 90,000
2017-18	₹ 1,30,000
2018-19	₹ 86,000

Profit of 2018-19 is calculated after deducting the loss of ₹ 30,000 due to fire. Calculate the value of goodwill and pass the necessary journal entries for the treatment of goodwill.

Section C

23. Ankit, Bobby and Kartik were partners in a firm sharing profits in the ratio 4:3:3. The firm was dissolved on 31-3-2018. Pass the necessary Journal entries for the following transactions after various assets (other than cash and bank) and third party liabilities had been transferred to Realisation Account: **[4]**

(i) The firm had stock ofRs80,000. Ankit took over 50% of the stock at a discount of 20% while the remaining stock was sold off at a profit of 30% on cost.

(ii) A liability under a suit for damages included in creditors was settled atRs32,000 as against onlyRs13,000 provided in the books. Total creditors of the firm wereRs50,000.

(iii) Bobby's sister's loan ofRs20,000 was paid off along with interest ofRs2,000.

(iv) Kartik's Loan of₹ 12,000 was settled atRs12,500.

24. Abhay and Beena are partners in a firm. They admit Chetan as a partner with $\frac{1}{4}$ th share in the profits of the firm. Chetan brings ₹2,00,000 as his share of capital. The value of the total assets of the firm is ₹5,40,000 and outside liabilities are valued at ₹1,00,000 on that date. Give the necessary entry to record goodwill at the time of Chetan's admission. Also, show your working notes. **[4]**

25. Asha, Deepa and Lata are partners in firm sharing profits in the ratio of 3 : 2 : 1. Deepa retires. After making all adjustments relating to revaluation, goodwill and accumulated profit, etc., the capital accounts of Asha and Lata showed a credit balance of ₹ 1,60,000 and ₹ 80,000 respectively. It was decided to adjust the capitals of Asha and Lata in their new profit sharing ratio. You are required to calculate the new capitals of the partners and record necessary journal entries for bringing in or withdrawal of the necessary amounts involved. **[4]**

26. Gaurav, Saurabh, and Vaibhav were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1 They decided to dissolve the firm on 31st March 2018. After transferring Sundry assets (other than cash in hand and cash at Bank) and third party liabilities to realisation account, the assets were realized and liabilities were paid off as follows: **[4]**

a. A machinery with a book value of Rs.6,00,000 was taken over by Gaurav at 50% and stock worth Rs.5,000 was taken over by a creditor of Rs.9,000 in full settlement of his claim.

b Land and building (book value Rs.3,00,000) was sold for Rs.4,00,000 through a broker who charged 2% commission.

c The remaining creditors were paid Rs.76,000 in full settlement of their claim and the remaining assets were taken over by Vaibhav for Rs.17,000. iv. Bank loan of Rs.3,00,000 was paid along with interest of Rs.21,000.

Pass necessary journal entries for the above transactions in the books of the firm.

27. Arun and Arora were partners in firm sharing profits in the ratio of 5: 3. Their fixed capitals on 1st April 2019 were: Arun: ₹ 60,000 and Arora: ₹ 80,000. They agreed to allow interest on capital @ 12% per annum and to charge on drawings @ 15% per annum. The profit of the firm for the year ended 31st March 2020 before all the above adjustments were ₹ 12,600. The drawings made by Arun were ₹ 2,000 and by Arora ₹ 4,000 during the year.

Prepare profit and loss appropriation account of Arun and Arora. Show your calculations clearly. The interest on capital will be allowed even if the firm incurs a loss. **[4]**

Section D

28. J and K are partners in a firm. Their capitals are : J : Rs 3,00,000 and K : Rs 2,00,000. During the year ended 31st March, 2010 the firm earned a profit of Rs 1,50,000. Assuming that the normal rate of return is 20%, calculate the value of goodwill of the firm : **[6]**

i. By Capitalisation Method; and

ii. By Super Profit Method if the goodwill is valued at 2 years' purchase of super profit.

29. Ashok, Bhim and Chetan were partners in a firm sharing profits in the ratio of 3 : 2 : 1. Their balance sheet as at 31st March, 2019 was as follows **[6]**

Balance Sheet

as at 31st March, 2019

Liabilities		**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors		1,00,000	Land	1,00,000
Bills payable		40,000	Building	1,00,000
General Reserve		60,000	Plant	2,00,000
Capital A/cs			Stock	80,000
Ashok	2,00,000		Debtors	60,000
Bhim	1,00,000		Bank	10,000
Chetan	50,000	3,50,000		
		5,50,000		5,50,000

Ashok, Bhim and Chetan decided to share the future profits equally, with effect from 1st April, 2019. For this it was agreed that

i. Goodwill of the firm be valued at ₹3,00,000.

ii. Land be revalued at ₹1,60,000 and building be depreciated by 6%.

iii. Creditors of ₹12,000 were not likely to be claimed and hence be written off.

Prepare revaluation account, partners' capital accounts and balance sheet of the reconstituted firm.

30. A and B are partners in a firm sharing profits and losses in the ratio 3 : 1. They admit C for 1/4th share on 31st **[6]** March, 2014 when their Balance Sheet was as follows:

Liabilities		₹	Assets		₹
Employees' Provident Fund		17,000	Cash		6,100
Workmen Compensation Reserve		6,000	Stock		15,000
Investment Fluctuation Reserve		4,100	Debtors	50,000	
Capital A/cs: A	54,000		Less: Provision for Doubtful Debts	2,000	48,000
B	35,000	89,000	Investments		7,000
			Goodwill		40,000
		1,16,100			**1,16,100**

The following adjustments were agreed upon:

i. C brings in ₹16,000 as goodwill and proportionate capital.

ii. Bad debts amounted to ₹3,000. iii. Market value of investment is ₹4,500.

iv. Liability on account of Workmen Compensation Reserve amounted to ₹2,000.

Prepare Revaluation Account and Partners' Capital Accounts.

Section E

31. Amit, Balan and Chander were partners in a firm sharing profits in the proportion of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. Chander retired on 1st April, 2014. The balance sheet of the firm on the date of Chander's retirement wa a follows: **[8]**

Balance Sheet

as on 1st April, 2014

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Sundry Creditors		12,600	Bank		4,100
Provident Fund		3,000	Debtors	30,000	
General Reserve		9,000	(-)Provision for Doubtful Debts	(1,000)	29,000
Capital A/cs			Stock		25,000
Amit	40,000		Investments		10,000
Balan	36,500		Patents		5,000
Chander	20,000	96,500	Machinery		48,000
		1,21,100 ========			1,21,100 =======

It was agreed that:

i. Goodwill will be valued at Rs 27,000.

ii. Depreciation of 10% was to be provided on machinery. iii. Patents were to be reduced by 20%. iv. Liability on account of provident fund was estimated at Rs 2,400.

v. Chander took over investments for Rs 15,800.

vi. Amit and Balan decided to adjust their capitals in proportion of their profit sharing ratio by opening current accounts.

Prepare revaluation account and partners' capital accounts on Chander's retirement.

32. Kumar, Shy am and Ratan were partners in a firm sharing profits in the ratio of 5: 3 : 2 respectively.

They decided to dissolve the firm with effect from 1st April, 2013. On that date, the balance sheet of the firm was as follows **[8]**

Balance Sheet
as at 1st April, 2013

Liabilities		**Amt (Rs.)**	**Assets**	**Amt (Rs.)**
Creditors		1,20,000	Plant	80,000
Capital A/cs			Furniture	45,000
Kumar	68,000		Motor Van	25,000
Shyam	50,000		Stock	30,000
Ratan	27,000	1,45,000	Debtors	71,000
			Cash	14,000
		2,65,000		2,65,000

The dissolution resulted in the following

i. Plant of Rs. 40,000 was taken over by Kumar at an agreed value of Rs. 45,000 and remaining plant realised Rs. 50,000.

ii. Furniture realised Rs. 40,000.

iii. Motor van was taken over by Shyam for Rs. 30,000. iv. Debtors realised Rs. 1,000 less.

v. Creditors for Rs. 20,000 were untraceable and the remaining creditors were paid in full.

vi. Realisation expenses amounted to Rs. 5,000.

Prepare the ealisation account, capital accounts of partners and bank account of the firm.