# KENDRIYA VIDYALAYA SANGATHAN

### **DELHI REGION**

#### II PRE-BOARD EXAMINATION

2022-23

#### **CLASS-XII**

## **SUB-ACOUNTANCY (055) SET 2**

Time Allowed: 03 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. (i) Analysis of Financial Statements
- 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

#### **PART A**

#### (Accounting for Partnership Firms and Companies)

S.NO	QUESTIONS					MARK
1	Ajit and Sujit are partners running a garments business. To expand their business they decided to admit Rohit for 1/5 <sup>th</sup> share of profits. The journal entry for adjustment of					
	General Reserve was as follows:  Particulars	L.F.	Dr.	Cr.	٦	
	General Reserve A/c Dr.	L.F.	36,000	Cr.	_	
	To Ajit's Capital A/c		30,000	24,000		
	To Sujit's Capital A/c			12,000		
	(Being General Reserve written off at			12,000		
	the time of admission of partner)					
	The new profit sharing ratio of Ajit, Sujit and	Rohit v	vill be:			
	(a) 17:7:6 (b) 8:4:3					
	©2:1:2 (d)5:3:2					
2.	Assertion (A): Rent payable to a partner is de debited to Profit and Loss Appropriation Acco		Profit & I	Loss Accoun	t and not	1
	<b>Reason</b> (R): Rent payable to partner is a charprofit.	ge agai	nst profit a	nd not an ap	opropriation of	
	a) (A) is correct but (R) is wrong					
	b) Both (A) and (R) are correct, but (	R) is no	ot the corr	ect explana	ation of (A)	
	c) Both (A) and (R) are incorrect. the correct explanation of (A)	d)Both	(A) and (	R) are corr	ect, and (R) is	
3	A company forfeited 4,000 shares of `Rs10 each been paid. Out of these 2,000 shares were reise transferred to capital reserve. Calculate the ra	sued as	fully paid t	ip and `Rs 2	,000 has been	1
	a) Rs 10 b) Rs 9 c) I	Rs 11	<b>d</b> )	Rs 8		
						1

	When debentures are issued at discount h	out redeemable at par, which of the following			
	account will be debited at the time of issu	<b>.</b> ,			
	a) Discount on issue of debentures a/c				
	b) Premium on redemption of debentures	s a/c			
	c) Security Premium Reserve				
4	X, Y and Z are partners in a firm sha	<b>.</b> .	1		
		•			
	1	,			
	,	· ·			
	(C) Cr. X by ₹45,000; Cr. Y by ₹30,0	00; Cr. Z by ₹15,000			
	(D) Cr. X by ₹30,000; Cr. Y by ₹30,0	00; Cr. Z by ₹30,000			
	_	· · · · · · · · · · · · · · · · · · ·			
	members in firm . list the categories o	f individual other than minors who cannot be			
	admitted by them.				
5	A firm saving Dal 10 000 The manual vate	of notes in 100/. The eggets of the firm emergeted	1		
	· /				
		o. value of goodwill by capitalisation of average			
	<u> </u>				
		00			
			4		
6					
	<u> </u>				
6					
	a) 10%	b) 16%			
	c) 6%	d) 4%			
	() 676	u) 470			
		<u>,                                      </u>			
	to Rs11,00,000 and liabilities to Rs1,00,000. Value of goodwill by capitalisation of average actual profit will be:  (a) Rs 2,00,000 (b) Rs 5,000 (c) Rs 10,000 (d) Rs 1,00,000  Ashima Ltd. issued 50,000, 8% Debentures of ₹ 100 each at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹ 3,00,000. At what rate of premium, these debentures were issued?  (a) 10% (b) 16% (c) 6% (d) 4%  OR  Smita Ltd. issued 80,000, 10% Debentures of ₹ 100 each at certain rate of discount and were to be redeemed at 20% premium. Existing balance of Securities Premium before issuing of these debentures was ₹ 25,00,000 and after writing off Loss on Issue of Debentures, the balance in Securities Premiumwas ₹ 1,00,000. At what rate of discount, these debentures were issued?  (a) 10% (b) 5%				
	of Debentures, the balance in Securi	res of ₹ 100 each at certain rate of premium At the time of writing off Loss on Issue of ss was debited with ₹ 3,00,000. At what rate ed?  b) 16% d) 4%  res of ₹ 100 each at certain rate of discount rate. Existing balance of Securities Premium 25,00,000 and after writing off Loss on Issue of Premiumwas ₹ 1,00,000. At what rate of			
	discount, these debentures were issued	d?			
	a) 10%	b) 5%			
	250/	1) 450/			
	c) 25%	d) 15%			
7	Dinach I to issued a prospectus invit	ing applications for 15 000 shares of ₹10 each	1		
,	·	,	1		
		2 7 2			
	, <u> </u>				
	a) \ 50,000	0) 1 43,000			
	c) ₹ 50,000	d) ₹ 40500			
8			1		
	-	· · · · · · · · · · · · · · · · · · ·			
d) Profit and Loss a/c.  X. Y and Z are partners in a firm sharing profits in the ratio of 3: 2: 1. They decided to share future profits equally. The Profit and Loss Account showed a Credit balance of ₹60,000 and a General Reserve of ₹30,000. If these are not to be shown in balance sheet, in the journal entry: (A) Cr. X by ₹15,000: Cr. Z by ₹15,000 (B) Dr. X by ₹15,000: Cr. Z by ₹15,000 (C) Cr. X by ₹45,000: Cr. Z by ₹30,000; Cr. Z by ₹15,000 (D) Cr. X by ₹30,000; Cr. Y by ₹30,000; Cr. Z by ₹30,000 OR Sharma and Verma were partners in a firm. They wanted to admit two more members in firm. list the categories of individual other than minors who cannot be admitted by them.  A firm carns Rs1,10,000. The normal rate of return is 10%. The assets of the firm amounted to Rs11,00,000 and liabilities to Rs1,00,000. Value of goodwill by capitalisation of average actual profit will be: (a) Rs 2,00,000 (c) Rs 10,000 (d) Rs 1,00,000 (e) Rs 10,000 Ashima Ltd. issued 50,000, 8% Debentures of ₹100 each at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with ₹3,00,000. At what rate of premium, these debentures were issued?  a) 10% b) 16% c) 6% d) 4%  OR Smita Ltd. issued 80,000, 10% Debentures of ₹100 each at certain rate of discount and were to be redeemed at 20% premium. Existing balance of Securities Premium before issuing of these debentures was ₹25,00,000 and after writing off Loss on Issue of Debentures, the balance in Securities Premium was ₹1,00,000. At what rate of discount, these debentures were issued?  a) 10% b) 5% c) 25% d) 15%  Dinesh Ltd, issued a prospectus inviting applications for 15,000 shares of ₹10 each payable ₹3 on application, ₹5 on allotment and balance on call. Publichad applied for certain number of shares and applications money was received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines?  a) ₹36,000 b					

	Before charging interest on loan. What amount of profit or loss will be transferred to	
	partners?	
	A). 38500 B)40,000	
	C) 41500 D) no amount	
	OR	
	X, Y, and Z are partners in a firm. At the time of division of profit for the year, there was dispute between the partners. Profit before interest on partner's capital was ₹6,00,000 and Z demanded minimum profit of ₹5,00,000 as his financial position was not good. However, there was no written agreement on this point.  (A) Other partners will pay Z the minimum profit and will share the loss equally.  (B) Other partners will pay Z the minimum profit and will share the loss in capital ratio.  (C) X and T will take ₹50,000 each and Z will take ₹5,00,000.	
	(D) ₹2,00,000 to each of the partners.	
	Read the following case and answer Q.No. 9 and 10:  A and B are partners with capitals of Rs.10,00,000 and Rs. 6,00,000 respectively. Interest on Capital is agreed @5% p.a. B is to be allowed a salary of Rs. 10,000 per month. During the year 2020-21, the profits prior to the calculation of interest on capital but after charging B's salary amounted to Rs. 3,00,000. Manager is to be allowed a commission of 5% of the net profit after charging such commission.  Based on the above information you are required to answer the following questions:	
9	based on the above information you are required to answer the following questions.	1
	Manger's commission will be recorded: a) in Profit & Loss Account b) in Profit & Loss Appropriation Account c) in Revaluation Account d) in Realization Account	
10	Net Profit before charging Manager Commission is 2,20,000. Manager commission is 10% of net profit after charging such commission. Manager's commission amounted to be: a) 22,000 b) 20,000 c)8571 d)16,190	1
11	Amit, Sumit and Punit are partners in a firm sharing profits in the ratio of 3:2:1. Sumit is guaranteed a minimum profit of ₹ 20,000. Net Profit for the year is ₹ 45,000. The deficiency of Sumit's profit would be:  a) ₹ 15,000 b) ₹ 5,000 c) ₹ 10,000 d) ₹ 20,000	1
12	A company issued 60,000 shares of Rs. 50 each. The amount to be paid as: Rs. 15 on application, Rs. 20 on allotment, Rs. 5 on first call and balance on the final call. Final call is not yet made. The company forfeited 1200 shares for non payment of first call money. On forfeiture of shares the share capital account will be:  a) debited by Rs.48,000 b) debited by Rs. 60,000 c) credited by Rs.48,000 d)credited by Rs.60,000	1
13.	Security Premium can not be used for  A. Issue of fully paid bonus shares B. Writing of preliminary expenses C. Buying back of shares D. Issue of partly paid bonus share	1
14.	In PK Ltd., P and K are partners sharing profits in the ratio of 3:2. R is admitted for 1/5 <sup>th</sup> share and he brings in Rs. 1,68,000 as his share of goodwill which is credited to the capital accounts of P and K respectively with Rs. 1,26,000 and Rs. 42,000. New profit sharing ratio will be:	1

	a) 3:1:5	b) 3:2:5	
	c) 9:7:4	d) 7:9:4	
15	Interest on dr drawings amo a) ₹8,000		1
	b) ₹ 60,000		
	c) ₹ 7,000		
	d) ₹ 5,000		
	OR		
	· · · · · · · · · · · · · · · · · · ·	partner withdrew ₹ 5,000 in the beginning of each quarter and	
		awings was calculated as ₹ 1,500 at the end of accounting year 31 What is the rate of interest on drawings charged?	
	a) 6% p.a.		
	b) 8% p.a.		
	c) 10% p.a		
	d) 12% p.a	a.	
16		of a firm, its Balance Sheet revealed total creditors ₹50,000; Total 0; Cash Balance ₹3,000. Its assets were realised at 12% less. Loss on be:	1
	(A) ₹6,000		
	(B) ₹11,760		
	(C) ₹11,400		
	(D) ₹3,600		
17	5:3:2. Their bool	Pranjal are partners in a firm sharing profits and losses in the ratio of ks are closed on 31st March every year. Ajay died on September 30th,	3
		ors were entitled to: His share of profit up to his date of death on the basis	
		of death. Sales for the year ended 31st March, 2019 was ₹ 2,00,000 and	
	_	ne year was 10% on sales. Sales shows a growth trend of 20% and ofit earnings is reduced by 1%. Journalise the transaction along with the	
	working notes.	ont earnings is reduced by 170. Journainse the transaction along with the	
18	, , , , , , , , , , , , , , , , , , ,	d Shyam are partners in a firm sharing profits and losses in the ratio 5:3:2.	3
	·	guaranteed profit of Rs. 30,000 irrespective of his actual share. Any	
	_	o this arrangement is borne by Pratap and Ram equally. During the year	
	the partners	profit of the firm was Rs. 1,40,000. Show the distribution of profit among	
	OR		
	*	nd Vidhi are partners in a firm sharing profits and losses in the ratio 3:3:2.  1 their capital balances stood at Rs. 90,000 Rs. 80,000 and Rs. 70,000	
	_	e partnership deed provides interest on capital at 12% p.a. During the year	
		Profit of the firm was Rs. 1,20,000 distributed equally among the partners	
	without providing	ng interest on capital. You are required to pass an adjustment journal entry	
	to rectify the erro	ors. Show your working	
19		ok over assets of Rs 8,40,000 and liabilities of Rs.80,000 of Sahil Ltd at an	3
	O	Rs.7,20,000. Anubhav Ltd paid to Sahil Ltd by issue of 9% Debentures of premium of 20%. Pass the necessary journal entries to record the above	
		he books of Anubhav Ltd.	
		OUT OF THE PROPERTY AND THE PROPERTY OF THE PR	
	OR		

	<u> </u>		1		
	R Ltd. purchased a running b	usiness from P Ltd for a sum of Rs.12,00,000 payable by			
	issue of equity shares of Rs.10	each at a premium of Rs. 2 per share.			
	The Assets and liabilities were	following:			
	Plant	4,00,000			
	Furniture				
		2,00,000			
	Building	4,00,000			
	Stock	3,00,000			
	<b>Sundry Creditors</b>	1,00,000			
	Record necessary Journal enti	ries in the books of R Ltd.			
20	A R and C are nartners shari	ng profits and losses equally. They agree to admit D for equal	3		
20	· ·	vill is to be valued at 3 years' purchase of average profits of			
	Year ending on 31-3-2018	60,000 (profit)			
	Year ending on 31-3-2019	1,50,000 (profit)			
	Year ending on 31-3-2020 Year ending on 31-3-2021	20,000 (loss) 2,00,000 (profit)			
	Year ending on 31-3-2022	1,85,000 (profit)			
	Ü	ter costing Rs. 40,000 was purchased and debited to office			
	expenses account on which depreciation is to be charged @25% p.a. by Straight line				
	method. Calculate the value of	f goodwill. The treatment of Goodwill at the time of admission of D's			
	admission.	treatment of Goodwin at the time of admission of D's			
21	On 1st April 2022, Shivani Ltd	d was registered with share capital of Rs 10,00,000 divided into	4		
	1,00,000 equity shares of Rs10 each. The company issued prospectus inviting applicants for				
		ipany received applications for 85000 shares. During the first d. Rati holding 1000 shares and Arti holding 2000 shares did			
		nare. Arti's shares were forfeited and later on 1500 shares			
		e, 8 called up. Show how 'Share capital' will be disclosed in			
	the balance sheet as per sched	ule III of Companies act 2013. Also prepare Notes to Accounts			
22.	•	es for the following transactions on dissolution of the firm of	4		
	,	2022 after various assets (other than cash) and third party			
	liabilities have been transferred to Realisation Account. They shared profit and losses in the ratio of 3:2.				
	a) Amit, an old customer whose account for Rs. 60,000 was written off as bad debt in the				
	previous year, paid 90%.				
	b) creditors of Rs. 40,000, accepted furniture valued at Rs. 38,000 in full settlement of their				
	claim. c) Land and Building was sold for Rs. 3,00,000 through a broker who charged 2%				
	commission.				
22	d) Profit on Realization was R	,	(6)		
23					
	3 per share. The amount was payable as follows-				
		t-= Rs 8 per share (including premium)			
	On First and final call- Balance	ce			
	Applications were received for 3,00,000 shares. Applications of 50,000 shares were rejected				
l	and management of Change	vere allotted on pro-rata basis to the remaining applicants.			

First and final call was made and received except on 2500 shares applied by Kanwar. His shares were forfeited. The forfeited shares were reissued at Rs 7 per share fully paid up. Journalise

OR

Pass the journal entries for forfeiture and re-issue of shares in both the following Cases:-

- (a) Janata Ltd. forfeited 1,500 shares of Rs. 10 each at a premium of Rs. 2 each due to non-payment of First call of Rs. 3. The final call of Rs. 2 is not yet made. Out of these 900 shares were re-issued at Rs. 6, Rs. 8 called up.
- (b) Aakash Ltd. forfeited 5,000 shares of Rs. 10 each (issued at Rs. 2 premium) for non-payment of first call of Rs. 2 per share. Final call of Rs. 3 per share was not yet made. Out of these 2,000 shares were re-issued at Rs. 10 per share as fully paid.

## 24 X, Y and Z are partners in 2:2:1. Following is their balance sheet:

**Balance Sheet (31.3.2022)** 

Liabilities	Rs.	Assets	Rs.
S. Creditors	50,000	Cash at Bank	60,000
General Reserve	20,000	S. Debtors :1,15,000	1,10,000
Capitals:		Less: Prov. 5,000	
X : 2,00,000		Stock	80,000
Y:1,50,000		Furniture	40,000
Z : 1,00,000	4,50,000	Other Fixed Assets	2,00,000
		Goodwill	30,000
	5,20,000		5,20,000

On the above date X retired from the firm on the following conditions:

- i. Goodwill of the firm is valued at Rs. 3,00,000.
- ii. Write off bad debts amounting to Rs.15,000.
- iii. Depreciate furniture by 25%.
- iv. Other fixed assets revalued at Rs. 2,40,000.
- v. Capital of the new firm after X's retirement was fixed at Rs. 1,50,000. It was also decided to re-adjust the capital in new ratio by opening current account.

Prepare Revaluation account and Partners' capital account.

Monu and Namit are partners in a firm sharing profits and losses in the ratio of 2:3. Their balance Sheet as on  $31^{st}$  03 2021 was

Liabilities	Amt.	Assets	Amt
Bills Payable	1,50,000	Building	3,00,000
<b>General Reserve</b>	30,000	Machinery	2,80,000
Capital		Stock	80,000
Monu 5,20,000		Debtor	
Namit 3,00,000		3,00,000	
	8,20,000	Less Provision for	2,90,000
		<b>Doubtful Debt</b>	50,000
		10,000	
		Bank	
	10,00,000		10,00 000

They decided to admit Gauri on 1st April , 2021 and the profit sharing ratio will be 2:3:5

Gauri brings Rs 4,00,000 as her capital and her share of goodwill.

Goodwill of the firm is valued at Rs, 3,00,000

Building was found undervalued by Rs. 26,000

Provision for Doubtful Debt to be made equal to 5% of the debtors

6

	amar, Akbar and Akshay	•	• 9•	ofits and losses in the ra	ntio 5:3:2.
or	1 31 <sup>st</sup> March 2021, their				
	Liabilities	Amount Rs.	Assets	Amount Rs.	
	<b>Sundry Creditors</b>	24,000	Cash at Bank	34,000	
	General Reserve	30,000	Debtors	40,000	
	Workmen		Stock	50,000	
	Compensation Reserve	10,000	Plant &	30,000	
	Capital :		Machinery	50,000	
	Amar : 50,000		Building		
	Akbar 50,000				
	Akshay <u>40,000</u>				
		1,40,000			
		2,04,000		2,04,000	
fo Ti W	n 31st December 2021, Alkshay. In the event of de dlowing: he executor of deceased jith interest on capital at is share in the accumula	ath of a partr partner is ent 10% p.a.	ner the partnership	deed inter alia provide	s the ce sheet
T1 T1 31	he goodwill of the firm is he profit to be estimated he profits of the firm for 1.03.2019 Rs. 36,000; 31 uring the year 2021 his o	on the basis of the past thre 3.2020 Rs. 44	of the average profi e years were: 4,000 and 31.3.2021	t of past 3 years.  1 Rs. 40,000.	
60 w	00. Prepare Akbar's cap as settled immediately.	ital account, I	Executor's Account	assuming that the entire	e amount
	eliable company decided edeemable at 20% premi	•	•	-	iuiii alla
	sued on 01 October, 202	·		ies were	
131					

	existing balance of Securities Premium Account of Rs. 2,80,000.			
	(c) Pass entries for Interest on debentures on March 31, 2022 assuming			
	interest is payable on 30 <sup>th</sup> September and 31 <sup>st</sup> March every year.			
	PART- B			
27	The Balance Sheet provides information about financial position of an enterprise:  a) over a period of time b) during a period of time c) for a period of time d) at a point of time	1		
	OR			
	The quick ratio of a company is 0.75: 0.50. Will credit purchase of goods Rs. 10,000 increase, decrease or not change the ratio? Give reason in support of your answer.			
28	Given that:	1		
	Opening inventory Rs 1,20,000			
	Purchases Rs 9,00,000			
	Return Outward Rs 40,000			
	and the closing inventory is Rs 20,000 less than opening inventory, then, Inventory Turnover Ratio is:			
	(a) 5 times (b) 7 times (c) 8 times (d) 10 times			
29	Which of the following is an Operating Activity for a finance company?	1		
-	(a) Purchase of investment			
	(b) Dividend received			
	(c) Interest received on Loan			
	(d) All of these			
	OR			
	Paid Rs. 4,00,000 to acquire shares in RY Ltd. and received a dividend of Rs. 40,000 after acquisition. These transaction will result in: a) cash used in investing activities Rs. 4,00,000 b) cash generated from financing activities Rs 4,40,000 c) cash used in investing activities Rs. 3,60,000 d) cash generated from financing activities Rs, 3,60,000			
30	From the following information, determine the inflow of cash from sale of machinery:			
	particulars 31-03-2022 31-3-2021			
	Machinery 5,00,000 3,00,000			
	Additional information:			
	Depreciation for the year ended 31-3-2022 was Rs. 50,000			
	Purchase of machinery during the year Rs. 4,00,000			
	Part of machinery was sold at a profit of Rs. 50,000 a) 2,00,000 b) 2,50,000			
	c)3,00,000 d) 3,50,000			
31	Classify the following items under Major heads and Sub-head (if any) in the	3		
	Balance Sheet of a Company as per schedule III of the Companies Act 2013.			
	(i) Loose tools			
	(ii) Long term Provisions			
	(iii) Provision for Warranties			
	(iv) Income received in advance			
	(v) Capital Advances			
	(vi) Advances recoverable in cash within the operation cycle			
	(1) Maraness recoverable in cash within the operation cycle			

32	Explain the significance of Finance 'Creditors'.	cial Statemo	ents to 'Managen	ient', 'Investor	s' and	3	
33	(a) Calculate values of Opening and Closing Inventories from the following information: Revenue from operations: Rs. 6,00,000; Gross Profit 25% of Revenue from Operations. Inventory Turnover Ratio = 5 times. Closing Inventory is Rs. 12,000 more than the open Inventory.						
	(b) Quick Assets Rs. 3,00,000, Inv capital Rs. 2,40,000. Calculate Cu	•	· · · · ·	Expenses Rs. 20	,000, working		
	OR						
	Current Ratio of a company is 2:1 improve, reduce or not change the	_	ing rasons, which	of the followin	g would		
	(i) Repayment of a current liabilit	y					
	(ii) Purchasing goods on credit						
	(iii) Sale of motor vehicle at a pro-	fit of 10%.					
	(iv) Sale of goods at a profit of 10°	%					
34	Read the following hypothetical t		_			6	
	Profit for the year ended 31-03-20	22 of AB I	<b>Ltd. was Rs. 10,00</b>	,000 after acco	unting the		
	following:						
	Particulars	Rs.					
	Amortization	50,000					
	Profit on sale of marketable securities	of marketable 10,000					
	Interest on investment (long term)	15,000					
	Tax refund	10,000					
	Additional Information:						
	Particulars		31-3-2022	31-3-2021			
	Share capital		15,00,000	15,00,000			
	8% Pref. Share Capital		2,00,000	0			
	Securities Premium	5,00,000	7,00,000				
	General Reserve	2,50,000	2,50,000				
	Goodwill	2,50,000	3,00,000				
	Furniture  Marketable Securities		80,000	1,00,000			
	Marketable Securities 10% non current investment		25,000 2,00,000	50,000 1,50,000			
	Cash in hand and at bank		50,000	1,00,000			
	Bank overdraft		5,00,000	7,00,000			
	Provision for tax	1,00,000	75,000				
	(a) 8% Preference shares were issued on 01-04-2021.						
	(a) 8 76 Treference shares were issued on 01-04-2021. (b) interim dividend during the year ended 31-03-2022 was Rs.50,000.						
	You are required to:						
	1. Determine Net Profit Before Tax and Extra ordinary items.						
	2. Determine Operating Profit bel		0 1	s.			
	3. Determine Cash flow from investing activities.						
	4. Determine Cash flow from Financing Activities.						
	5. Determine increase/decrease Cash and Cash Equivalents.						