** SINDHI HIGH SCHOOL, HEBBAL**

**II Pre-Board Examination [2024-25]**

**Subject: Accountancy (055)**

**Class: XII Max Marks: 80**

**Date: 04.01.2025 SET - B Reading Time: 8:30 - 8:45 am  
No. of Sides: 06 Writing Time: 8:45 - 11:45 am** *General Instructions:*

1. *This question paper contains 34 questions. All questions are compulsory.*
2. *This question paper is divided into two parts: Part A & B.*
3. *Part – A: Accounting for Partnership Firms & Companies.*

*Part – B: Analysis of Financial Statements.*

1. *Question Nos.1 to 16 & 27 to 30 carries 1 mark each.*
2. *Questions Nos. 17 to 20, 31 & 32 carries 3 marks each.*
3. *Questions Nos. from 21 ,22 & 33 carries 4 marks each.*
4. *Questions Nos. from 23 to 26 & 34 carries 6 marks each.*
5. *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 & 2 questions of six marks.*

**PART A (Accounting for Partnership Firms & Companies)**

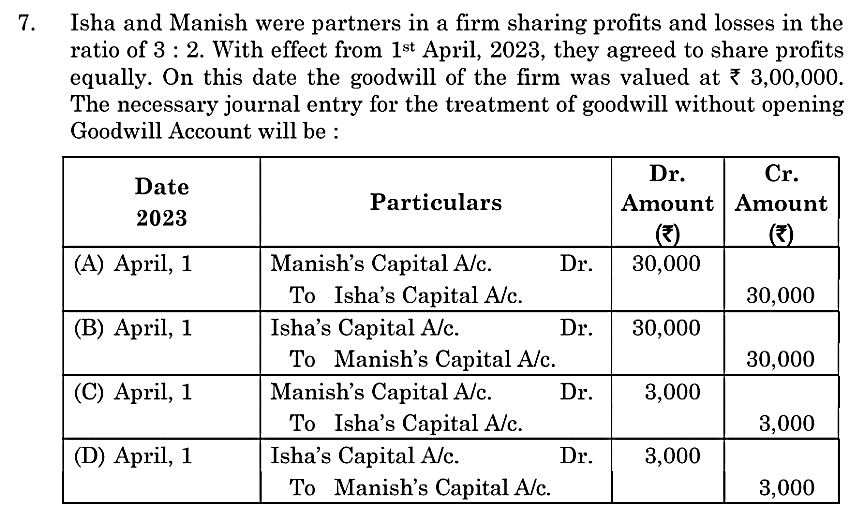
1. Interest on capital is provided to partners, when: **(1)**

(a) Capitals are more than ₹5,00,000   
(b) A loan is provided by partner

(c) Drawings are not made by partners   
(d) It is provided in the partnership deed

1. When a company issues shares at a premium, the company can collect securities premium along with the following: **(1)**a) Application Money b) Allotment Money c) Call Money d) Any of the above
2. 200 equity shares of ₹10 each issued at par were forfeited for non-payment of first call of ₹3 per share. Final call of ₹2 per share was not yet called.   
   By which amount the share capital will be debited on forfeiture? **(1)**

(a) ₹20,000 (b) ₹1,600 (c) ₹1,000 (d) ₹2,200

1. **** Isha & Manisha were partners in a firm sharing profits & losses in the ratio of 3:2. With effect from 1st April 2024 they agreed to share profits equally. On this date, the Goodwill of the was valued at ₹3,00,000. The journal entry for treatment of goodwill without opening goodwill A/c will be: **(1)**

1. A & B are partners sharing profits & losses in the ratio of 3:2. C is admitted for **⅟4**th share in profit & for which ₹30,000 & ₹10,000 are credited as a premium for goodwill to A & B respectively.   
   The new profit-sharing ratio of A, B & C will be:   
   (a) 3:2:1 (b) 12:8:5 (c) 9:6:5 (d) 33:27:20 **OR (1)**

Aditi, Sukriti & Niti were partners sharing profits in the ratio of 2:21. Sukriti died on 30th June, 2024. Net profit for the year ended 31st March, 2024 was ₹4,50,000. If the deceased partner's share of profit is to be calculated on the basis of previous year's profit, the amount of profit credited to Sukriti's Capital A/c will be:   
(a) ₹90,000 (b) ₹45,000 (c) ₹1,80,000 (d) ₹1,12,500

1. Asha & Nisha were partners in a firm sharing profits & losses in the ratio 3:1. Charu was admitted as a new partner for 1/4th share in the profits of the firm which she acquired equally from Asha & Nisha.   
   The new profit sharing ratio of Asha, Nisha & Charu will be: **(1)**a)3:1:4 b)1:1:2 c) 5:1:2 d) 1:2:1
2. Anu, Banu & Chanu are partners. Chanu has been given a guarantee of minimum profit of ₹8,000 by the firm. Firm suffered a loss of ₹5,000 during the year.   
   Capital A/c of Banu will be \_\_\_\_\_\_\_\_\_ by ₹\_\_\_\_\_\_\_\_\_. **(1)**

(a) Credited, ₹6,500 (b) Debited, ₹6,500   
(c) Credited, ₹1,500 (d) Debited, ₹1,500

1. **Assertion:** Batman, a partner in a firm with four partners, has advanced a loan of ₹50,000 to the firm for last six months of the financial year without any agreement. He claims an interest on loan of ₹3,000 despite the firm being in loss for the year. **(1)**  
   **Reason (R):** In the absence of any agreement/provision in the partnership deed, provisions of Indian Partnership Act, 1932 would apply.
2. Both A & R are correct, & R is the correct explanation of A.
3. Both A & R are correct, but R is not the correct explanation of A.
4. A is correct but R is incorrect.
5. A is incorrect but R is correct.
6. A company forfeited 3,000 shares of ₹10 each, on which only ₹5 per share (including ₹1 premium) has been paid. Out of these, few shares were reissued at a discount of ₹1 per share & ₹6,000 were transferred to Capital Reserve.   
   How many shares were re-issued?

(a) 3,000 shares (b) 1,000 shares (c) 2,000 shares (d) 1,500 shares  
 **OR (1)**

Elite Ltd. issued 20,000, 9% Debentures of ₹100 each at a discount of 10%, redeemable at a premium. On issue of these debentures, ‘Loss on issue of debentures A/c’ was debited with ₹4,00,000.   
The premium on redemption of debentures is:   
a) ₹4,00,000 b) ₹2,00,000 c) ₹6,00,000 d)₹10,00,000

1. On the reconstitution of a firm, the value of the Land was appreciated by ₹2,00,000 and Plant & Machinery reduced to ₹7,00,000 from ₹10,00,000.   
   Gain or loss on revaluation will be:  
   a) Gain ₹1,00,000 b) Loss ₹1,00,000 c) Loss ₹5,00,000 d) Gain ₹5,00,000

**OR (1)**

Amit & Sumit were partners in a firm with fixed capital of ₹6,00,000 & ₹4,00,000 respectively. Kavi was admitted as a new partner for **⅕**th share in the profit of the firm. Kavi brought ₹40,000 as his share of goodwill premium & ₹3,00,000 as his capital.   
The amount of goodwill premium credited to Sumit will be:   
a) ₹20,000 b) ₹24,000 c) ₹16,000 d) ₹40,000

1. The profit earned by a firm after retaining ₹15,000 to its reserve was ₹75,000. The firm had total tangible assets worth ₹10,00,000 & outside liabilities ₹3,00,000. The value of the goodwill as per capitalization of average profit method was valued as ₹50,000.   
   Determine the rate of Normal Rate of Return. **(1)**  
   a) 10 % b) 5 % c) 12% d) 8%
2. If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹3 per share & only 7,000 of these shares were re-issued @ ₹11 per share as fully paid up, then what is the minimum amount that the company must collect at the time of re-issue of the remaining 3,000 shares?

(a) ₹21,000 (b) ₹9,000 (c) ₹16,000 (d) ₹30,000

**OR (1)**

On 1st April 2022, Galaxy Ltd. had a balance of ₹8,00,000 in Securities Premium A/c. During the year, company issued 20,000 Equity shares of ₹10 each as bonus shares & used the balance amount to write off ‘Loss on Issue of Debentures A/c’ of ₹2,00,000 on issue of 9% Debentures of ₹100 each at a discount of 10% redeemable @ 5% Premium. The amount to be charged to Statement of P&L for the year for Loss on issue of Debentures would be:

(a) ₹30,00,000 (b) ₹22,00,000 (c) ₹24,00,000 (d) ₹20,00,000

1. Alexa Ltd. purchased Building from Siri Ltd. for ₹8,00,000. The consideration was paid by issue of 6% Debentures of ₹100 each at a discount of 20%.   
   The 6% Debentures A/c is credited with: **(1)**

(a) ₹10,40,000 (b) ₹10,00,000 (c) ₹9,60,000 (d) ₹6,40,000

1. Pawan, a partner was appointed to look after the process of dissolution of firm for which he was allowed a remuneration of ₹75,000. Pawan agreed to bear the dissolution expenses. Actual dissolution expenses ₹60,000 was paid by Pawan.   
   Pawan's capital A/c will be credited by:

(a) ₹75,000 (b) ₹60,000 (c) ₹15,000 (d) ₹10,000

**OR (1)**

On dissolution of a partnership firm, if realisation expenses are paid by the firm on behalf of a partner, then such expenses are debited to which of the following A/c:

a) Realisation A/c b) Partners’ Capital A/c c) Partner’s Loan A/c d) Bank A/c

1. A & B are partners. B draws a fixed amount at the end of every quarter. Interest on drawings is charged @ 15% p.a. At the end of the year, interest on B's drawings amounted to ₹9,000.   
   Drawings of B were: **(1)**

(a) ₹24,000 per quarter (b) ₹40,000 per quarter (c) ₹30,000 per quarter (d) ₹80,000 per quarter

1. Total assets of a partnership firm, which was dissolved were ₹30,00,000 & its total liabilities were ₹6,00,000. Assets were realised at 80% & liabilities were settled at 5% less.   
   If the dissolution expenses were ₹30,000, the profit or loss on dissolution was: **(1)**

a) profit ₹18,00,000 b) loss ₹6,00,000 c) profit ₹6,00,000 d) loss ₹18,00,000

1. Rishi, a partner of a firm under dissolution was to get a remuneration of 2% of the Total Assets realised other than Cash & 10% of the amount distributed to the partners. Sundry assets (including Cash ₹8,000) realised at ₹1,16,000 & Sundry Liabilities to be paid ₹31,340. Calculate Rishi’s remuneration & Show your workings clearly. Also pass necessary journal entry for remuneration. **(3)**
2. Nisha, Priya & Rajat were partners in a firm sharing profit in the ratio of 2:2:1. The firm closes its books on 31st March every year. Priya died on 1st July 2022. On Priya’s death, the goodwill of the firm was valued at ₹3,00,000 & her share in the profits of the firm till the time of her death was to be calculated on the basis profit which was ₹6,00,000.   
   Pass necessary journal entries for the treatment of goodwill & Priya’s share of profit at the time of her death. **OR (3)**

Maya & Shreya were partners in a firm. They earned an average profit of ₹2,00,000 during the last few years. The normal rate of profit in the similar type of business is 10%. The value of assets & liabilities of the business where ₹18,00,000 & ₹3,00,000 respectively. Calculate the value of goodwill of the firm by super profit method if it is valued at 3 years purchase of super profit.

1. On 1st October, 2022 Ninza Ltd. issued 4,000, 8% debentures of ₹100 each at a discount of 10%. The company had a balance of ₹50,000 in Security Premium A/c on the same date.   
   Pass necessary journal entries for issue of debentures & to write off discount on issue of debentures.   
    **OR (3)**

Chavi Ltd. purchased machinery from Neo Ltd. It was agreed that the purchase consideration will be paid by issuing 10000 equity shares of ₹10 each at a premium of 10% & a bank draft ₹50,000.   
Pass the necessary journal entries in the books of Chavi Ltd. for the above transactions.

1. Pooja, Seema & Meenu were partners sharing profits & losses in equal ratio. From last year due to medical reason Seema devoted less time in the business. Finally Pooja & Meenu decided to reduce her share in profit to which Seema agreed. With effect from 1st April, 2024, they mutually agreed to share profits & losses in the ratio of 2:1:2. On that date, there was an Investment Fluctuation Fund of ₹45,000 in the books of the firm. It was agreed that:

(i) Market value of investment is decreased by ₹15,000.

(ii) Profit & Loss A/c (Dr.) appear in the books of ₹21,000.

(iii) Goodwill of the firm be valued at ₹1,20,000.

(iv) Profit on revaluation of assets & reassessment of liabilities amounted to ₹39,000.   
Pass necessary Journal entries for the above transactions in the books of the firm. **(3)**

1. Pass necessary journal entries for the forfeiture & reissue of shares in the following case:   
   AXN Ltd. forfeited 2,400 shares of ₹10 each for non-payment of final call of ₹3 per share. Out of the forfeited shares, 800 shares were reissued at ₹8 per share as fully paid-up. **(4)**
2. Blue, Yellow and Green were partners sharing profits in ratio of 5:3:2. On 1st October, 2020, Yellow died & on this date after all adjustments his amount due from firm was calculated at ₹88,000. It was agreed that ₹8,000 will be paid immediately to his executors and remaining will be paid in four equal yearly instalments with interest @ 10% p.a. on outstanding amount. Prepare Yellow’s Executor’s Loan A/c till the loan is paid off assuming the year ending as 31st March every year. **(4)**
3. Ganga Ltd. Invited applications for issuing 10,000 equity shares of ₹10 each. The amount per share was payable as follows: ₹2 on application, ₹3 on allotment, ₹3 on first call & ₹2 on second & final call. Applications were received for 15,000 shares. The applications for 3,000 shares were rejected & application money refunded. The shares were allotted on pro-rata basis to the applicants of 12,000 shares. Excess money received with applications was adjusted towards amount due on allotment. All shareholders paid the allotment money except one shareholder who was allotted 200 shares. These shares were forfeited. The first call was made thereafter & duly received. The second & final call was not yet made. Pass Journal entries for the above transactions in the books of Ganga Ltd.   
    **OR (6)**

**a)** Pass the necessary journal entries for 'Issue of Debenture' for the following:   
**i.** Arman Ltd. issued 750, 12% Debentures of ₹100 each at a discount of 10% redeemable at a premium of 5%.   
**ii.** Sohan Ltd. issued 800, 9% Debentures of ₹100 each at a premium of ₹20 per debenture redeemable at a premium of ₹10 per Debenture.   
**b)** X Ltd. obtained a loan of ₹4,00,000 from IDBI Bank. The company issued 5,000, 9% Debentures of ₹100 each as a collateral security for the same. Show how these items will be presented in the Balance Sheet of the company.

1. Radhika, Ridhima & Rupanshi were partners in a firm sharing profits & losses in the ratio of 3:5:2. On 31st March 2022 their balance sheet was as follows:   
    Balance Sheet of Radhika, Ridhima & Rupanshi as on 31st March 2022

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | (₹) | Assets | (₹) |
| Sundry Creditors General Reserve Capitals:   Radhika 3,00,000  Ridhima 2,00,000  Rupanshi 1,00,000 | 60,000 40,000  6,00,000 | Cash Stock Debtors  Investment Buildings | 50,000  80,000  40,000  30,000 5,00,000 |
| 7,00,000 | 7,00,000 |

Ridhima retired on the above date & it was agreed that:  
a) Goodwill of the firm be valued at ₹3,00,000;

1. Building was valued at ₹6,20,000;
2. Capital of the new firm was fixed at ₹5,00,000, which will be in the new profit sharing ratio of the partners. The necessary adjustments for this purpose were to be made by opening current A/cs of partners. Prepare Revaluation A/c & Partners Capital A/c on Ridhima’s retirement.

**OR (6)**Varun & Vivek were partners in a firm sharing profits in the ratio of 3:2. The balance in their capital & current A/cs as on 1st April, 2022 were as under:

|  |  |  |
| --- | --- | --- |
| Particulars | Varun (₹) | Vivek (₹) |
| Capital Accounts  Current Accounts | 3,00,000 (Cr.)  1,00,000 (Cr.) | 2,00,000 (Cr.)  28,000 (Dr.) |

The partnership deed provided that Varun was to be paid a salary of ₹5,000 p.m. whereas Vivek was to get a commission of ₹30,000 for the year. Interest on capital was to be allowed @ 8% p.a. whereas interest on drawings was to be charged @ 6% p.a. The drawings of Varun were ₹3,000 at the beginning of each quarter while Vivek withdrew ₹30,000 on 1st September, 2022. The net profit of the firm for the year, 2022-23, before making the above adjustments was ₹1,20,000.   
Prepare Profit & Loss Appropriation A/c & Partners' Capital & Current A/cs.

1. Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Tanay & Mehak after various assets (other than cash) & external liabilities have been transferred to Realisation A/c: **(6)**
2. Creditors of ₹60,000 accepted stock valued at ₹59,000 in full settlement of their claim.
3. Tanay agreed to pay off his wife's loan of ₹12,000.
4. The firm had a debit balance of ₹18,000 in the Profit & Loss A/c on the date of dissolution.
5. An unrecorded liability of ₹20,000 was paid by partner, Mehak, at a discount of 10%.
6. Tanay's loan of ₹4,000 was paid through a cheque.
7. Expenses on dissolution amounted to ₹11,000, which were paid by Mehak.
8. Mukund Ltd. invited applications for issuing 50,000 Equity Shares of ₹10 each at 10% premium. The amount per share was payable as follows: ₹3 on application, ₹3 (including premium) on allotment & balance amount on first & final call. Applications were received for 1,20,000 shares & shares were allotted on pro-rata basis to all the applicants. The excess money received on application was adjusted towards amount due on allotment only. Application money in excess of amount due on allotment was refunded. A shareholder, who had applied for 6,000 shares, could not pay the call money & his shares were forfeited. Journalise the above transactions in the books of Mukund Ltd. **(6)**

**Part-B (Analysis of Financial Statements)**

1. Analysis of Financial Statements is useful and significant to different users. Which of the following users is particularly interested in the firm’s ability to meet their claims over a very short period of time?   
   a) Labour Unions b) Trade Payables   
   c) Top Management d) Finance Manager  
    **OR (1)**The Quick Ratio of a company is 1:2. Which of the following transactions will result in an increase in this ratio?   
   (a) Cash received from debtors   
   (b) Sold goods on credit   
   (c) Purchased goods on credit   
   (d) Purchased goods on cash
2. \_\_\_\_\_\_\_\_\_\_\_ Ratios are calculated to determine the ability of the business to service its debt in the long run. **(1)**a) Liquidity b) Turnover c) Solvency d) Profitability
3. **(i)**The transaction ‘Acquisition of machinery by issue of equity shares of ₹5,00,000’ will result in:   
   (a) Cash inflow of ₹5,00,000 from financing activities  
   (b) Cash outflow of ₹5,00,000 from financing activities   
   (c) Cash outflow of ₹5,00,000 from investing activities   
   (d) No flow of cash   
    **OR (1)**

**29.(ii)** The transaction ‘Capital Gains Tax paid on sale of fixed assets’ is classified under which of the following:   
a) Operating Activities b) Investing Activities   
c) Financing Activities d) Cash and Cash Equivalents

1. Identify which of the following transaction will result in ‘Cash Flow from Operating Activities’: **(1)**  
   a) Payment to creditors   
   b) Interest received by a non-finance company  
   c) Dividend received by a non-finance company   
   d) Amount received from debtors
2. Under which major heads & sub heads will the following items be placed in the balance sheet of a Company as per schedule III of the Companies Act 2013: **(3)**(a) Long Term Loans from Bank   
   (b) Loose Tools   
   (c) Outstanding Expenses

1. Prepare a common size balance sheet of Geox Ltd from the following information **(3)**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Note No. | 31.03.2023(₹) | 31.03.2024(₹) |
| 1. **Equity & Liabilities**  1) Shareholder`s fund  (a) Share Capital    1. Non- current Liabilities  (a) Long-term Borrowings    2. Current Liabilities  (a) Trade Payables |  | 2,50,000  1,50,000  1,00,000 | 4,00,000    2,00,000    2,00,000 |
| **Total** |  | **5,00,000** | **8,00,000** |
| 1. **Assets**   1) Non- current assets  (a)Property, Plant & Equipment & Intangible Assets  2. Current Assets   (a) Inventories   (b) Trade Receivables |  | 3,50,000  70,000  80,000 | 4,00,000    2,00,000  2,00,000 |
| **Total** |  | **5,00,000** | **8,00,000** |

1. **i)** From the given information, calculate :   
   **(a)** Quick Ratio   
   **(b)** Inventory Turnover Ratio

|  |  |
| --- | --- |
| Particulars | Amount (₹) |
| Current Assets  Inventory  Current Liabilities  Net Profit Before Tax  Revenue from Operations  Gross Profit Ratio 20% | 4,00,000  1,00,000  2,00,000  7,20,000  10,00,000 |

**OR (4)  
ii)** From the given information, calculate :   
**(a)** Current Ratio   
**(b)** Return on Capital Employed

|  |  |
| --- | --- |
| Particulars | Amount (₹) |
| Liquid Assets  Inventory  Current Liabilities  Net Profit Before Tax  10% Debentures  Shareholders’ Funds | 8,00,000  2,00,000  4,00,000  12,80,000  12,00,000  16,00,000 |

1. From the following Information of BM Ltd. calculate ‘Cash flows from Operating Activities’ clearly showing the working notes: **(6)**

|  |  |
| --- | --- |
| Particulars | Amount (₹) |
| Decrease in Current Liabilities  Depreciation  Dividend Received on Investments  Gain on Sale of Investments  Income Tax Paid  Increase in Current Assets (other than cash and cash equivalents)  Increase in Current Liabilities  Loss on Sale of Machinery  Proposed Dividend for the previous year  Provision for Tax  Surplus i.e. Balance in Statement of Profit and Loss | 64,000  1,40,000  6,000  20,000  1,18,000  6,00,000  1,61,000  30,000  72,000  1,50,000  6,28,000 |

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