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STUDENT ID

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**MID-TERM EXAMINATION (2024-25)**  
**CLASS : XII**  
**SUBJECT : ACCOUNTANCY (055)**

Time Allowed : 3 hours  
समय : 3 घंटे

Maximum Marks : 80  
अधिकतम अंक : 80

सामान्य निर्देश:

1. प्रश्न पत्र में 34 प्रश्न हैं।
2. सभी प्रश्न अनिवार्य हैं।
3. प्रश्न 1 से 20 प्रत्येक 1 अंक के हैं।
4. प्रश्न 21 से 26 प्रत्येक 3 अंक के हैं।
5. प्रश्न 27 से 29 प्रत्येक 4 अंक के हैं।
6. प्रश्न 30 से 34 प्रत्येक 6 अंक के हैं।
7. कोई समग्र विकल्प नहीं है। हालांकि, 1 अंक के 7 प्रश्नों में, 3 अंक के दो प्रश्नों में, 4 अंक के एक प्रश्न में तथा 6 अंक के 2 प्रश्नों में आंतरिक विकल्प प्रदान किया गया है।

General Instructions:

1. Question paper contains 34 questions.
2. All questions are compulsory.
3. Question 1 to 20 carries 1 mark each.
4. Question 21 to 26 carries 3 mark each.
5. Question 27 to 29 carries 4 mark each.
6. Question 30 to 34 carries 6 mark each.
7. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of 3 marks, 1 question of 4 marks and 2 questions of 6 marks.

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1. Interest on partner's loan is credited to -

- (a) Partner's Fixed Capital Account (b) Partner's Current Account  
(c) Partner's Loan Account (d) Partner's Drawing Account

2. Liability taken by a partner at the time of dissolution of partnership firm is recorded in - 1

- (a) Debit side of Realisation A/c (b) Credit side of Realisation A/c  
(c) Debit side of Bank A/c (d) Credit side of Bank A/c

OR

Realisation Account is -

- (a) Nominal Account (b) Personal Account  
(c) Real and Nominal Account (d) Real Account

3. Tarun and Rupesh are partners, Naresh is admitted for  $\frac{1}{3}$  share in profits. In future, Tarun and Rupesh profit sharing ratio would be 2:3. New profit showing ratio of Tarun, Rupesh and Naresh - 1

- (a) 4:3:2 (b) 6:5:4  
(c) 3:6:4 (d) 4:6:5

OR

Akshat and Baman were partner's sharing profits in the ratio 11:4. Saksham was admitted. Akshat surrendered  $\frac{1}{11}$  of his share and Baman surrendered  $\frac{1}{4}$  of this share in favour of Saksham. Sacrificing ratio will be - 1

- (a) 1:1 (b) 2:1  
(c) 11:4 (d) 4:1

4. Bindu and Chandu are partner's. Their Capital stand at ₹ 70,000 and ₹ 80,000 respectively. Pappu is admitted for  $\frac{1}{4}$  share. He brings ₹ 60,000 as his capital. There is a credit balance of ₹ 20,000 in Profit and Loss Account. Goodwill of the firm will be valued at -

- (a) ₹ 8,000 (b) ₹ 7,000  
(c) ₹ 5,000 (d) ₹ 10,000



5. On Chancel's retirement, Plant and Machinery appeared in the books of the firm at ₹ 1,40,000. On revaluation, it was found Plant and Machinery is under-valued by 20%. What will be revalued value of Plant and Machinery?

- (a) ₹ 1,80,000 (b) ₹ 1,75,000  
(c) ₹ 1,60,000 (d) ₹ 1,70,000

OR

A, B and C are partner's sharing profits and losses in the ratio 3:2:1. B retires, and after B retirement A and C decided to share profits in the ratio of 2:1 their gaming ratio will be –

- (a) 1:1 (b) 2:1  
(c) 1:2 (d) 3:1

6. Assertion (A) – Fixed Capital Accounts of partner's always show credit Balances even when the firm incurring losses year after year.

Reason (R) – Current Accounts of partners are maintained under fluctuating Capital Account.

- (a) Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).  
(b) Both Assertion (A) and Reason (R) are correct but (R) is not the correct explanation of (A).  
(c) Assertion (A) is correct, but Reason (R) is incorrect.  
(d) Assertion (A) is incorrect, but Reason (R) is correct.

7. If a fixed amount is withdrawn by a partner on the last day of every month, interest on the amount is charged for \_\_\_\_\_ months.

- (a) 12 months (b) 5.5 months  
(c) 6 months (d) 6.5 months

OR

Shyam and Sunder are partners and their profit-sharing ratio is 3:2. Their capital is ₹ 3,00,000 and ₹ 2,00,000 respectively. Interest capital is to be allowed @ 5% p.a. firm incurred a loss of ₹ 30,000 for the year ended 31<sup>st</sup> March, 2024. Interest on capital will be –

- (a) ₹ 15,000, ₹ 10,000 (b) ₹ 75,000, ₹ 5000  
(c) ₹ 10,000, ₹ 15,000 (d) No interest allowed



8. Yogesh, Neema and Manu were partner's sharing profit and losses in the ratio 4:3:2. On 31<sup>st</sup> March, 2024, the firm was dissolved. Neema was appointed to complete the dissolution process for which she was allowed a remuneration of ₹ 25,000./ Neema also agreed to bear dissolution expenses. Actual expenses on dissolution amounted to ₹ 20,000. Which were paid by Neema. Neema Capital Account will be credited by - 1

- (a) ₹ 20,000 (b) ₹ 25,000  
(c) ₹ 5,000 (d) ₹ 45,000

9. Forfeiture of shares results in the reduction of - 1

- (a) Subscribed Capital (b) Reserve Capital  
(c) Authorised Capital (d) Current Assets

OR

Maximum limit on premium on shares -

- (a) 10% (b) 5%  
(c) 100% (d) No limit

10. Assertion (A) - Private property of partners can be used to pay of firm debts. 1

Reason (R) - Liability of partners in a firm is unlimited.

- (a) Both Assertion (A) and Reason (R) are correct and (R) is the correct explanation of (A).  
(b) Both Assertion (A) and Reason (R) are correct but (R) is not the correct explanation of (A).  
(c) Assertion (A) is correct, but Reason (R) is incorrect.  
(d) Assertion (A) is incorrect, but Reason (R) is correct.

11. Vikas, Anjan and Surekha and partners in a firm sharing profits in the ratio 3:2:1. If Anjan share of profit is ₹ 1,80,000 at the end of the year, what will be Surekha share of profit? 1

- (a) ₹ 90,000 (b) ₹ 1,00,000  
(c) ₹ 80,000 (d) ₹ 1,20,000



Read the following hypothetical situation and answer Q.No. 12 and Q.No. 13

Devender and Raj Kumar were partners in a firm sharing profits in the ratio 3:2. Their capitals were ₹ 4,00,000 and ₹ 1,50,000 respectively. Profit of the firm was ₹ 1,25,000 at the end of the year 31<sup>st</sup> March, 2024 before making any following adjustments -

- (i) Interest on capital @ 5% p.a.
- (ii) Firm borrowed a loan of ₹ 80,000 on 1<sup>st</sup> December, 2023 from Devender.
- (iii) Firm used the property of Raj Kumar for business purposes. Rent is payable to him @ ₹ 11,000 p.m.

12. Interest on Devender loan will be -

- (a) ₹ 1,500
- (b) ₹ 1,800
- (c) ₹ 1,400
- (d) ₹ 1,6000

13. Rent due to Raj Kumar will be recorded in -

- (a) Profit and Loss Adjustment
- (b) Profit and Loss Account
- (c) Revaluation Account
- (d) Realisation Account

14. Tannu Ltd. forfeited 900 shares of ₹ 10 each, ₹ 7 called up for non-payment of ₹ 2 per share on first call out of these 1/3 of shares were reissued for ₹ 5 per share, ₹ 7 paid-up. \_\_\_\_\_ will be transferred to Capital Reserve Account.

- (a) ₹ 700
- (b) ₹ 800
- (c) ₹ 600
- (d) ₹ 900

OR

For what purpose securities premium Account cannot be utilised?

- (a) Issue of fully paid bonus shares
- (b) Buy back of own shares
- (c) Amortization of preliminary expenses
- (d) Distribution of dividend



15. Anil, Sanjay and Salman were partner in a firm sharing profits in the ratio 3:2:1. They admitted Amir into partnership with affect from 1<sup>st</sup> April, 2024. New profit ratio among partners will be 1:2:3:4. An extract of their Balance Sheet as at 31<sup>st</sup> March, 2024 is given below –

Liabilities	₹	Assets	₹
Investment Fluctuation Reserve	40,000	Investment (Market Value of Investment ₹ 2,80,000)	3,00,000

Anil Account will be credited by –

- (a) ₹ 20,000 (b) ₹ 15,000  
(c) ₹ 10,000 (d) ₹ 8,000
6. Ansh and Vansh are partner's in a firm sharing profits in the ratio 2:3. Neeta was admitted for  $\frac{1}{3}$  share in the profits. She brought ₹ 3,00,000 as Capital and ₹ 1,00,000 as her share of goodwill. Find the capital of each partner in proportion to new profit-sharing ratio taking Neeta Capital as bare capital.

- (a) ₹ 2,40,000; ₹ 3,60,000; ₹ 3,00,000  
(b) ₹ 2,80,000; ₹ 3,20,000; ₹ 3,00,000  
(c) ₹ 3,00,000; ₹ 3,00,000; ₹ 3,00,000  
(d) ₹ 3,80,000; ₹ 2,20,000; ₹ 3,00,000

OR

If at the time of admission of a partner, there is some unrecorded liability it will be recorded in –

- (a) Debited to Revaluation A/c (b) Credited to Revaluation A/c  
(c) Credited to partner's capital A/c (d) Debited to goodwill A/c



17. Capital employed by a firm is ₹ 10,00,000. Average profit of the firm ₹ 1,00,000. Normal rate of return is 7%, What is amount of super profit? 1

- (a) ₹ 20,000 (b) ₹ 30,000  
(c) ₹ 40,000 (d) ₹ 35,000

18. Which of the following will be transferred to Realisation Account? 1

- (a) Balance of Cash Account (b) Profit and Loss Account  
(c) Amount received from sale of Assets (d) Reserve

19. G, M and N are partner's sharing profits in ratio of 1:2:3, decided to share future profits and losses in the ratio of 2:2:1 with effect from 1<sup>st</sup> April, 2024. Following is the extract of their Balance sheet on 1<sup>st</sup> April, 2024. 1

Liabilities	₹	Assets	₹
Workmen Compensation Reserve	90,000		

If a claim on account of Workman Compensation is estimated at ₹ 15,000. M's Account will be credited by - 1

- (a) ₹ 20,000 (b) ₹ 30,000  
(c) ₹ 25,000 (d) ₹ 40,000

20. Stock has been shown at ₹ 20,000 in the books of the firm. It is taken over by one of the partners at ₹ 24,000. It will be recorded in - 1

- (a) Credit side of Revaluation A/c by ₹ 24,000.  
(b) Debit side of Revaluation A/c by ₹ 4,000.  
(c) Credit side of Revaluation A/c by ₹ 4,000.  
(d) Partner's Capital A/c by ₹ 20,000.



21. Naveen, Kailash and Manu were partners in a firm sharing profits in the ratio 5:3:2. According to partnership deed, Manu was guaranteed an amount of ₹ 1,50,000 as his share of profits. The net profit for the year ended 31<sup>st</sup> March, 2024 amounted to ₹ 5,00,000.

Prepare profit and loss appropriation for the year ended 31<sup>st</sup> March, 2024.

3

OR

Janki and Parbha were partner's in a firm sharing profits in the ratio 2:1. Their capital is ₹ 3,00,000 and ₹ 2,00,000 respectively. According to partnership agreement, interest on capital is to be allowed @ 5% p.a. The Net profit for the year ended 31<sup>st</sup> March, 2024 is ₹ 10,000. Prepare Profit and Loss Appropriation Account to distribute profits. Show your working clearly.

22. Divi Enterprises Ltd. purchased Assets ₹ 25,00,000 and Liabilities ₹ 7,00,000 from Rahul Ltd. for a purchase consideration of ₹ 30,00,000. According to purchase agreement, Rahul Ltd. issued shares of ₹ 100 each at a premium of 20% for it.

3

Pass necessary Journal entries in the books of Divi Enterprises Ltd.

23. Ishita, Radhika and Sita were partner's in a firm sharing profits in the ratio 1:2:2. The firm closes its books on 31<sup>st</sup> March every year. On 30<sup>th</sup> Sep, 2023 Sita died. Her share of profit till the date of death is to be calculated on the basis of current rate or profit on turnover. Profit and turnover for the year ended 31<sup>st</sup> March, 2023 were ₹ 60,000 & ₹ 2,40,000 respectively. Sales showed uptrend of 25% from 1st April to 20 Sep. 2023 but profit grew by same percentage as in the last year pass necessary Journal entry. Show your working clearly.

3

24. X and Y were partner's sharing profit in the ratio 3:2. They admitted Z for 1/3 share in the profits. Pass necessary Journal entries at the time of Z admission -

3

- (i) Building has been reduced to 90% (Book value ₹ 2,00,000)
- (ii) Furniture has been reduced by 20% (Book value ₹ 1,60,000)
- (iii) Land has been valued at 150% of book value (Book Value ₹ 10,00,000)

25  
12  
37



25. From the following information, calculate the value of goodwill on the basis of 2 years purchase of average profits of last three years; 3

Profit	₹
2024	50,000
2023	80,000 (including gain on sale of Machinery ₹ 20,000)
2022	1,00,000 (including loss of stock ₹ 30,000 by earthquake)

OR

Samir and Salman were partner. They shared profits in the ratio 4:3. Their books showed that the capital employed on 31<sup>st</sup> March, 2024 was ₹ 20,00,000. The average profits earned by the firm were ₹ 2,00,000. Calculate the value of goodwill on the basis of 3 years' purchase of super profits assuming normal rate of return is 8%.

Shiv, Naresh and Narender were partners in a firm sharing profits in 1:2:3. From 1<sup>st</sup> April, 2024, they decided to share profits 4:3:2. On that date, there were a balance of ₹ 5,00,000 in General Reserve; ₹ 3,00,000 in Contingency Reserve; ₹ 4,00,000 Profit & Loss A/c (Cr.) and ₹ 3,00,000 in Advt. Suspense Account. Pass single adjustment entry for the above on account of change an Profit-sharing ratio. Show your working clearly. 3

On 1<sup>st</sup> April 2024, Sayali Ltd. was formed with an authorized capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The company invited applications for issuing 90,000 equity shares. The company received applications for 85,000 equity shares. ₹ 7 per share were called and final call of ₹ 3 per shares has not been made yet. Radha holding 5000 share didn't pay first call of ₹ 2 per share. All the shares of Radha were forfeited after the first call. 4

Present the Share Capital in the Balance Sheet and also prepare Notes to Accounts.



OR

- (a) Write any two difference between Reserve Capital and Capital Reserve.  
 (b) Distinguish between over-subscription and under subscription of shares.

28. Pass necessary Journal entries in the following cases on dissolution of a firm - 4

- (i) Building was sold for ₹ 10,00,000 through a broker who charged 2% commissions.  
 (ii) Sundry Creditor amounting to ₹ 60,000 were settled at a discount of 5%  
 (iii) Realisation expenses amounting to ₹ 15,000.  
 (iv) An unrecorded asset ₹ 20,000 was taken over by Dvij, a partner.

29. The partners of a firm, Sharmila, Nisha and Usha distributed profits for the year ended 31<sup>st</sup> March, 2024 ₹ 80,000 in the ratio of 4:3:1 without providing for the following adjustments- 4

- (i) Sharmila and Nisha were entitled to a commission of ₹ 18,000 each.  
 (ii) Usha was entitled to a salary of ₹ 1,000 p.m.

Pass necessary Journal entry for the above adjustments in the books of the firm. Show your working clearly.

30. Lalu, Vinay and Vijay were partners sharing profits in the ratio 2:2:1. Their Balance Sheet as at 31<sup>st</sup> March, 2023 was as follows - 6

Liabilities		₹	Assets		₹
Creditor		80,000	Cash		40,000
General Reserve		80,000	Debtor		90,000
Profit (2022-23)		40,000	Investment		1,00,000
Capital			land		1,80,000
Lalu	90,000		Plant		80,000
Vinay	1,20,000		Advt. Suspense Account		30,000
Vijay	1,10,000	3,20,000			
		5,20,000			5,20,000



Vinay died on Sep 30, 2023. According to partnership deed, his legal representative is entitled to the following –

- (i) Balance in his account
- (ii) Share of profit upto the date of death to be calculated on the basis of last year profit
- (iii) Share of Goodwill calculated on the basis of two years purchase of average profits of last three years. Profits for the year 2021-21 - ₹ 80,000; 2020-21 - ₹ 30,000
- (iv) Interest on Capital @ 8% p.a.
- (v) His drawing upto the date of death was ₹ 1,500 p.m. Interest on drawing will be charged @ 5% p.a.

Prepare Vinay Capital Account to be presented to his legal representative,

31. Mili and Maharaj are partners sharing profits equally and their capital on 1<sup>st</sup> April 2023 are ₹ 4,00,000 and ₹ 2,50,000 respectively. It was decided that -

- (i) Interest on Capital @ 5% p.a.
- (ii) Mili would get a salary of ₹ 10,000 p.m.
- (iii) Maharaj would get commission of @ 5% of net profit.
- (iv) 10% of Net profit would be transferred to General Reserve.
- (v) Net profit for the year ended, after charging Mili salary, is ₹ 4,80,000.

Prepare profit & loss Appropriation Account and Capital Account of partner's at the end of the year.

32. Pahari Ltd. forfeited 800 shares of ₹ 100 each for non payment of find call of ₹ 40 per share.

All the forfeited shares were reissued at a discount of 20%.

Pass necessary journal entries and prepare share forfeiture Account.

$$\begin{array}{r}
 800 \\
 60 \\
 \hline
 14 \quad 860 \\
 48000 \\
 \hline
 48860 \\
 104500 \\
 120000 \\
 \hline
 224500
 \end{array}$$

$$\begin{array}{r}
 480000 \\
 224500 \\
 \hline
 255500
 \end{array}$$



33. Rajinder and Vijay were partners in a firm sharing profits in the ratio 3:2. On 31<sup>st</sup> March 2023 their balance sheet was follows -

6.

Liabilities	₹	Assets	₹
Capital Accounts -		Fixed Assets	3,60,000
Rajinder 3,00,000		Goodwill	50,000
Vijay <u>1,50,000</u>	4,50,000	Investments	40,000
Current Accounts		Stock	74,000
Rajinder 50,000		Debtor 1,00,000	
Vijay <u>10,000</u>	60,000	Less: Provisions <u>4,000</u>	96,000
Creditor	75,000	Bank	25,000
General Reserve	60,000		
	6,45,000		6,45,000

With an aim to expand business, it is decided to admit Ranvijay as a partner on 1<sup>st</sup> April 2023 on the following terms -

- Provision for doubtful debts is to be increased to 6% of Debtor.
- An outstanding bill for repairs ₹ 50,000 is to be accounted in the books.
- Unaccounted interest accrued of ₹ 7,500 to be provided for.
- Investments were sold at book value.



- (v) Half of stock was taken by Rajinder at ₹ 42,000 and remaining stock was to be revalued at ₹ 40,000.
- (vi) New profit sharing ratio of partners will be 5:3:2.
- (vii) Ranvijay will bring ₹ 1,00,000 as capital and his share of Goodwill which was valued at thrice the average profit of last three years ended 31<sup>st</sup> March 2023, 2022, 2021 were ₹ 1,50,000, ₹ 1,30,000 and ₹ 1,70,000 respectively.

Pass necessary Journal entries.

OR

The Balance Sheet of Arun, Barun and Charan who were sharing profits in 2:1:2 on 31<sup>st</sup> March 2024 was as follows –

Liabilities	₹	Assets	₹
Creditor	16,900	Bank	11,900
Investment Fluctuation Reserve	20,000	Debtor	60,000
Capitals		Less: Provision	<u>4,000</u>
Arun	2,00,000		56,000
Barun	1,00,000	Stock	30,000
Charan	<u>50,000</u>	Investment	1,60,000
	3,50,000	Land and Building	1,29,000
	3,86,900		3,86,900



Barun retired on 1<sup>st</sup> April, 2024 and the following was agreed upon –

- (i) Stock was depreciated by 5%.
- (ii) Provision for doubtful debts be brought upto 5% of Debtors.
- (iii) Land and Building was appreciated by 20%.
- (iv) Provision of ₹ 1,800 was made in respect of outstanding legal charges.
- (v) Goodwill of the firm be valued at ₹ 10,800.
- (vi) Amount due to Barun will be transformed to his loan A/c.
- (vii) Capital of New firm be fixed at ₹ 2,80,000 to be shared between Arun and Charan in the ratio 3:2, actual cash to be brought in or paid as the case may be.

Prepare Revaluation A/c and partners' Capital Accounts.

34. Pass necessary Journal entries for forfeiture and reissue of forfeited shares in the following cases -

6

- (i) Karun Limited forfeited low shares of ₹ 10 each issued at a premium of ₹ 2 per share, for nonpayment of second and final call of ₹ 3 per share out of there 800 shares were reissued at ₹ 8 per share fully paid-up.



- (ii) Vardhman Ltd. forfeited 600 shares of ₹ 10 each, ₹ 6 per share called-up, for non-payment of first call of ₹ 2 per share. All the forfeited shares were reissued for ₹ 11 per share fully paid-up.

OR

Mistry Ltd. invited applications for issuing 80,000 equity shares of ₹ 10 each payable as follows –

₹ 2 on Application

₹ 3 on Allotment

₹ 2 on First Call

₹ 3 on Final Call

Applications were received for 1,20,000 equity shares. It was decided to adjust excess amount received on account of over subscription till allotment only. Hence allotment was made as under.

- (i) To applicants for 20,000 shares - Full
- (ii) To applicants for 40,000 shares - 10,000 shares
- (iii) To applicants for 60,000 shares – 50,000 shares