

**O. P. JINDAL SCHOOL, SAVITRI NAGAR****Half Yearly Examination - (2023 – 2024)**

Class / Section: XII Comm

MM:80

Subject: ACCOUNTANCY (055)

Time: 3Hrs.

Name: \_\_\_\_\_

Roll No: \_\_\_\_\_

(Fifteen Minutes Extra will be given for reading the Question Paper.)

**GENERAL INSTRUCTIONS:**

- This question paper contains 34 questions. All questions are compulsory.
- Question No.: 1 to 20 are Short Answer Type - I Questions carrying 1 mark each.
- Question No.: 21 to 26 are Short Answer Type - II Questions carrying 3 marks each.
- Question No.: 27 to 29 are Long Answer Type - I Questions carrying 4 marks each.
- Question No.: 30 to 34 are Long Answer Type - II Questions carrying 6 marks each.

Q.N.	QUESTIONS	Marks
1	The interest on capital accounts of partners under the fluctuating capital account method is credited to: a) Interest Account b) Profit and Loss Account c) Partners' Capital Accounts d) None of these	1
2	Ram and Mohan, two partners, drew for their personal use ₹ 1,20,000 and ₹ 80,000. Interest is chargeable @ 6% p.a. on the drawings. What is the amount of interest chargeable from each partner? a) 3600 RS., 2400 Rs. b) 6300 RS., 4200 Rs. c) 2400 RS., 3600 Rs. d) None of these	1
3	A part of the uncalled capital of a company to be called only in the event of winding up of the company is known as _____ capital.	1
4	On the dissolution of a firm a creditor of Rs. 75,000 accepted furniture at Rs, 60,000 in full settlement of his claim. Pass the necessary Journal Entry.	1
5	If goodwill already existing in the _____, it should be written off by debiting old partners in their old profit-sharing ratio a) Trading account b) Balance sheet	1

- c) Trial Balance  
d) Profit and loss account
- 6 Assets taken over by a partner at the time of dissolution of a firm should be- 1  
a) Credited to realization Account  
b) Credited to Partner's Capital Account  
c) Debited to realization Account  
d) Debited to Partner's Capital Account
- 7 Average profit of a firm during the last few years is Rs. 1,50,000. In similar 1  
business, the normal rate of return is 10% of the capital employed. What will be the  
value of goodwill by capitalization of super profit method of the firm are Rs. 5,000.  
a) Rs. 5,00,000  
b) Rs. 50,000  
c) Rs. 5,20,000  
d) Rs. 2,50,000
- 8 Assertion: Batman, a partner in a firm with four partners has advanced a loan of 1  
₹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.  
Reasoning: In the absence of any agreement / provision in the partnership deed,  
provisions of Indian Partnership Act, 1932 would apply.  
a) Both A and R are correct, and R is the correct explanation of A.  
b) Both A and R are correct, but R is not the correct explanation of A.  
c) A is correct but R is incorrect.  
d) A is incorrect but R is correct.
- 9 A and B share profit and loss in the ration  $\frac{2}{3}$  and  $\frac{1}{3}$ . Admit C as a partner 1  
giving him  $\frac{1}{4}$  share. The new profit-sharing ratio will be  
a)  $\frac{1}{2}$ ,  $\frac{1}{4}$ ,  $\frac{1}{4}$   
b)  $\frac{1}{3}$ ,  $\frac{1}{3}$ ,  $\frac{1}{4}$   
c)  $\frac{3}{8}$ ,  $\frac{3}{8}$ ,  $\frac{2}{8}$   
d) None of the above
- 10 Kamal and Rahul are partner's in a firm sharing profits and losses in the ratio of 1  
 $7:3$ . They admit Kaushal as a partner for  $\frac{1}{5}$ th share. Kaushal acquires his share  
from Kamal and Rahul in the ratio of  $3:2$ . The goodwill of the firm has been  
valued at Rs.25000. Kaushal paid Rs.10000 privately to X and Y as his share of  
goodwill. What should be the journal entry  
a) No entry will be passed  
b)

Rahul A/c Dr.  
Kamal A/c Dr.  
To Kaushal A/c

c)

Kamal A/c Dr.  
Cash A/c Dr.  
To Goodwill A/c

d)

Rahul A/c Dr.  
Loan A/c Dr.  
To Cash A/c

- 11 If 10,000 shares of ₹10 each were forfeited for non-payment of final call money of ₹3 per share and only 7,000 of these shares were re-issued @ ₹11 per share as fully paid up, then what is the minimum amount that company must collect at the time of re-issue of the remaining 3,000 shares? 1
- a) ₹ 21,000  
b) ₹ 9,000  
c) ₹ 16,000  
d) ₹ 30,000

**OR**

On 1st April 2022, Galaxy Ltd. had a balance of ₹8,00,000 in Securities Premium account. During the year company issued 20,000 Equity shares of ₹10 each as bonus shares and used the balance amount to write off Loss on issue of Debenture on account of issue of 2,00,000, 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
- 12 Debentures that are transferred by mere delivery are called \_\_\_\_\_. 1
- a) Registered debentures  
b) First debentures  
c) Bearer debentures  
d) None of the above



- 13 Shares allotment account is, 1
- Personal Account
  - Nominal Account
  - Fictitious Account
  - Real Account
- 14 Discount on the issue of debentures should be written off \_\_\_\_\_. 1
- Out of securities premium account
  - Out of capital profits
  - Out of statements of profit and loss
  - In the above order over the period of debentures
- 15 Premium received on the issue of shares is shown on, 1
- Equity and liabilities part of the balance sheet
  - Assets part of the balance sheet
  - Credit side of the statement of profit and loss
  - Debit side of the statement of profit and loss
- 16 A, B and C who were sharing profits and losses in the ratio of 4:3:2 decided to share the future profits and losses in the ratio to 2:3:4 with effect from 1st April 2023. An extract of their Balance Sheet as at 31st March 2023 is: 1

Liabilities	Amount(₹)	Assets	Amount(₹)
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Workmen

Compensation Reserve 65,000

At the time of reconstitution, a certain amount of Claim on workmen compensation was determined for which B's share of loss amounted to ₹5,000. The Claim for workmen compensation would be:

- ₹15,000
- ₹70,000
- ₹50,000
- ₹80,000

**OR**

A, B and C are in partnership business. A used ₹2,00,000 belonging to the firm without the information to other partners and made a profit of ₹35,000 by using this amount. Which decision should be taken by the firm to rectify this situation?

- A need to return only ₹2,00,000 to the firm.
- A is required to return ₹35,000 to the firm.
- A is required to pay back ₹35,000 only equally to B and C.
- A need to return ₹2,35,000 to the firm.

- 17 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 re-issued at a discount of ₹1 per share were and ₹6,000 were transferred to Capital Reserve. How many shares were re-issued? 1
- a) 3,000 shares
  - b) 1,000 shares
  - c) 2,000 shares
  - d) 1,500 shares
- 18 Shyam, Gopal & Arjun are partners carrying on garment business. Shyam withdrew ₹ 10,000 in the beginning of each quarter. Gopal, withdrew garments amounting to ₹ 15,000 to distribute it to flood victims, and Arjun withdrew ₹ 20,000 from his capital account. The partnership deed provides for interest on drawings @ 10% p.a. The interest on drawing charged from Shyam, Gopal & Arjun at the end of the year will be 1
- a) Shyam- ₹ 4,800; Gopal- ₹ 1,000; Arjun- ₹ 2,000.
  - b) Shyam- ₹ 4,800; Gopal- ₹ 1,000; Arjun- ₹ 2,000.
  - c) Shyam- ₹ 2,500; Gopal- ₹ 750; Arjun- Nil.
  - d) Shyam- ₹ 4,800; Gopal- Nil; Arjun- Nil
- 19 Assertion (A) :- A Company is Registered with an authorised Capital of 5,00,000 Equity Shares of ₹10 each of which 2,00,000 Equity shares were issued and subscribed. All the money had been called up except ₹2 per share which was declared as 'Reserve Capital'. The Share Capital reflected in balance sheet as 'Subscribed and Fully paid up' will be Zero. Reason ( R ) :- Reserve Capital can be called up only at the time of winding up of the company. 1
- a) Both Assertion (A) and Reason (R) are Correct and Reason (R) is the correct explanation of Assertion (A)
  - b) Both Assertion (A) and Reason (R) are Correct, but Reason (R) is not the correct explanation of Assertion (A)
  - c) Assertion (A) is incorrect, but Reason (R) is Correct.
  - d) Assertion (A) is correct, but Reason (R) is incorrect
- 20 To whom dividend is given at a fixed rate in a company? 1
- a) To equity shareholders
  - b) To preference shareholders
  - c) To debenture holders
  - d) To promoters
- 21 Ram and Mohan are partners in a business. Their capitals at the end of the year were ₹ 24,000 and ₹ 18,000 respectively. During the year, Ram's drawings and 3

- Mohan's drawings were ₹ 4,000 and ₹ 6,000 respectively. Profit (before charging interest on capital) during the year was ₹ 16,000. Calculate interest on capital @ 5% p.a. for the year ended 31st March, 2019
- 22 X and Y are partners in a firm sharing profit and losses in the ratio of 3:2 Z is admitted as partner in the firm for 1/6th share in profits. Z acquires his share from X and Y in the ratio of 2 : 1 Calculate new profit sharing ratio of partners. 3
- 23 A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. They admit C into partnership for 1/5 share. C brings Rs. 30,000 as capital and Rs. 10,000 as goodwill. At the time of admission of C, goodwill appears in the balance sheet of A and B at Rs. 3,000. New Profit sharing ratio of partners shall be 5:3:2. Pass necessary entries 3
- 24 Zee Ltd. Took over the following assets and liabilities of business of Usha Ltd. Assets : Machinery-Rs.1,00,000, Furniture Rs.1,80,000 Stock Rs.20,000 Liabilities-Creditors Rs.80,000. The purchase price was agreed at Rs.1,08,000. This is to be settled by issue of 12% Debentures at premium of 20% pass necessary Journal entries. 3
- 25 Sunil & Anil are partners sharing profit in the ratio 3:2. They admit Deepak into partnership. It was agreed to value goodwill at three years purchase on the basis of average profit of the past five years. The Profits for these 5 years were Year Ended Profit (Rs.) 31st March 2015 1,80,000 31st March 2016 1,60,000 31st March 2017 2,50,000 31st March 2018 3,00,000 31st March 2019 3,50,000 Following additional information is given: (i) An abnormal gain of Rs. 20,000 was earned in the year ended 31st March, 2016. (ii) Expenses of Rs. 50,000 incurred to overhaul a machine on 1st April, 2017 was debited to P&L A/c instead of being debited to Machinery Account. Depreciation is charged on machinery @ 20 % on Written Down Value Method. (iii) The closing stock for the year ended 31st March, 2018 was undervalued by Rs. 20,000. Calculate the value of goodwill. 3
- 26 The director of Poly Plastic Limited resolved that 200 equity shares of Rs.100 each be forfeited for non-payment of the second and final call of Rs.30 per share. Out of these, 150 shares were re-issued at Rs.60 per share to Mohit. Show the necessary journal entries. 3
- 27 Pass the Journal Entries for the following Conditions: 4
1. White Ltd. Issued Rs.60,000 Debenture at par and redeemable at 10% premium.
  2. Green Ltd. Issued Rs.80,000, 9% Debenture at a premium of 5% redeemable at par.



3. assuming the face value of 10% debentures at Rs.100 issued at Rs.105 and repayable at Rs.110.
4. Claris Life Sciences Ltd. issued 5,000 14% Debentures of Rs. 100 each at a discount of 10% and Redeemed at a premium of 5%.

**28** P, Q and R were partners with fixed capital of ₹ 40,000, ₹32,000 and ₹ 24,000. After distributing the profit of ₹48,000 for the year ended 31st March 2022 in their agreed ratio of 3: 1: 1 it was observed that: 4

- (1) Interest on capital was provided at 10% p.a. instead of 8% p.a.
- (2) Salary of ₹ 12,000 was credited to P instead of Q.

You are required to pass a single journal entry in the beginning of the next year to rectify the above omissions.

**OR**

Cheese and Slice are equal partners. Their capitals as on April 01, 2022 were Rs. 50,000 and Rs. 1,00,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 6% per annum and salary to Cheese @ ₹5,000 per annum, as provided in the partnership deed has not been credited to the partners' capital accounts before distribution of profits.

You are required to give necessary rectifying entries using P&L adjustment account.

**29** Atishyokti Ltd. company was registered with an authorized capital of ₹ 20,00,000 divided into 2,00,000 Equity Shares of ₹ 10 each, payable ₹ 3 on application, ₹ 6 on allotment (including ₹ 1 premium) and balance on call. The company offered 80,000 shares for public subscription. All the money has been duly called and received except allotment and call money on 5,000 shares held by Manish and call money on 4,000 shares held by Alok. Manish's shares were forfeited and out of these 3,000 shares were re-issued ₹ 9 per share as fully paid up. Show share capital in the books of the company. Also prepare notes to accounts. 4

**30** Sajal and Kajal are partners sharing profits and losses in the ratio of 2 : 1. On 1st April, 2018 their Capitals were: Sajal – ₹ 50,000 and Kajal – ₹ 40,000. Prepare Profit and Loss Appropriation Account and the Partners' Capital Accounts at the end of the year after considering the following items: 6

- a) Interest on Capital is to be allowed @ 5% p.a.
- b) Interest on the loan advanced by Kajal for the whole year, the amount of loan being ₹ 30,000.
- c) Interest on partners' drawings @ 6% p.a. Drawings: Sajal ₹ 10,000 and Kajal ₹ 8,000.

d) 10% of the divisible profit is to be transferred to Reserve.

Net profit for the year ended 31st March, 2019 is ₹ 68,460.

- 31 Following is the Balance Sheet of A, B and C sharing profits and losses in the ratio of 6:5:3 respectively.

6

Liabilities	(Rs.)	Assets	(Rs.)
Creditors	37,000	Cash	3,700
Bill payable	12,600	Debtors	52,920
General reserve	21,000	Stock	58,800
A's capital	70,000	Furniture	14,700
B's capital	59,800	Land and Building	90,300
C's capital	29,100	Goodwill	10,500
	2,31,000		2,31,000

They agreed to be taken D into partnership giving 1/8th share in profits on the following terms:

- Furniture to be depreciated by Rs. 1,840 and Stock by 10%
- A provision of Rs. 2,640 to be made for an outstanding bill for repairs.
- That land and building be brought up to Rs. 1,19,700.
- That the goodwill is valued at Rs. 28,140.
- That D should bring in Rs. 35,400 as his capital and for his share of goodwill.
- After making the above adjustments the capital of old partners be adjusted in proportion to D's Capital by bringing in cash or excess to be paid off.

Prepare Revaluation Account, Capital Account of Partners and Balance Sheet of new firm.

- 32 Following is the Balance sheet of Karan and Sandeep who share profits and losses equally as on 31st march 2010

6

Liabilities	Rs	Assets	Rs
Capitals–		Bank	40,000
Karan	1,00,000	Debtors	25,000
Sandeep	50,000	Stock	35,000
Creditors	30,000	Machinery	60,000
Workmen compensation fund	15,000	Furniture	40,000
Bank loan	5000		
	2,00,000		2,00,000

The firm was dissolved on the above date.



1. Karan agreed to take over 50% of the stock at 10% less on its book value, the remaining stock was sold at a gain of 15%. Furniture and machinery realized for Rs 30,000 and 50,000 respectively.
  2. There was unrecorded Investments which was sold for Rs 25,000.
  3. Debtors realized Rs 31,500 (with interest) and Rs 1200 was recovered for bad debts written off last year.
  4. There was an outstanding bill for repairs which had to be paid Rs 2000.
- Prepare necessary Ledger accounts to close the books of the firm.

- 33 The Directors of Rockstar Ltd. invited applications for 2,00,000 Shares of ₹ 10 each, issued at 20% premium. Share was payable as ₹ 5 on application, ₹ 4 (including premium) on allotment and balance on call. Public had applied for 3,20,000 shares out of which applications for 20,000 shares were rejected and remaining were allotted on pro-rata basis. Simba, an applicant of 15,000 shares failed to pay allotment and call money. His shares were forfeited and out of these 6,000 shares were reissued at a discount of ₹2 per share. Journalise. 6

**OR**

Shaktimaan Ltd. invited applications for issuing 1,00,000 Shares of ₹ 10 each at a premium of ₹2 per share. The amount was payable as ₹ 4 on application (including premium); ₹ 5 on Allotment and balance on call. Applications were received shares for 1,80,000 of which Applications for 30,000 shares were rejected and remaining applicants were allotted on pro-rata basis. Manthan, holding 5,000 shares failed to pay call money and his shares were forfeited. Out of these 2,000 shares were re-issued at premium of ₹ 3 per share. Prepare Cash Book and pass necessary entries.

- 34 L, M and N were partners in a firm sharing profit & losses in the ratio of 2:2:3 . 6  
On 31st March 2023, their Balance Sheet was as follows:

Liabilities	Amount(₹)	Assets
Amount(₹) Creditors	80,000	Land
and Building	5,00,000	Bank overdraft
Machinery	2,50,000	Long term debts
Furniture	3,50,000	Capital A/C s:
L-6,25,000		
M -4,00,000		
N -5,25,000	15,50,000	Investments
1,00,000 Employees provident fund	38,000	Stock
4,00,000		

		Debtors
2,00,000		
		Bank
20,000		
		Deferred
Advertisement		
		Expenditure
70,000	TOTAL	18,90,000
TOTAL	18,90,000	

On 31st March 2023 , M retired from the firm and remaining partners decided to carry on business. It was decided to revalue assets and liabilities as under :

- a) Land and Building be appreciated by ₹ 2,40,000 and Machinery be depreciated 10%.
- b) 50% of investments were taken by the retiring partner at book value.
- c) Provision for doubtful debts was to be made at 5% on debtors.
- d) Stock will be valued at market price which is ₹ 1,00,000 less than the book value.
- e) Goodwill of the firm be valued at ₹ 5,60,000. L and N decided to share future profits and losses in the ratio of 2:3.
- f) The total capital of the new firm will be ₹ 32,00,000 which will be in proportion of profit - sharing ratio of L and N.
- g) Gain on revaluation account amounted to ₹ 1,05,000.

Prepare Partner's Capital accounts and Balance sheet of firm after M's retirement.

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