	INDIAN SCHOOL AL WADI AL KABIR **DEPARTMENT OF COMMERCE**

ASSESSMENT- I -2024-25

ACCOUNTANCY (055)

CLASS: XII **MARKS: 80**

DATE: 24/09/2024 **TIME: 3 HOURS**

General instructions:

1. All questions are compulsory.

2. While answering MCQ's write the no followed by the answer.

1	Ravi and Jeetu are partners, Ravi has withdrawn equal amount at the end of each month interest on drawings will be calculated for _______ months A. 4 months B. 5 months C. 4.5 months D. 5.5 months	1
2	Khusi and Chameli are partners in a firm. On 1st October, 2023 Khusi advanced a loan of 1,00,000 to the firm. There is no partnership deed. On 31st March, 2024, Khusi was entitled to get the following amount as interest on loan: A. ₹10,000 B. ₹5,000 C. ₹3,000 D. ₹6,000	1
3	R and B are equal partners with capitals of ₹2,00,000 and ₹1,00,000 respectively. As per deed, they are allowed an interest @ 8% on capital. During the year the firm earned a profit of ₹15,000. Interest on capital allowed to A and B will be: A. R-₹16,000 and B-₹8,000 B. R-₹10,000 and B-₹5,000 C. R-₹4,000 and B-₹6,000 D. R-₹7,500 and B-₹7,500	1
4	Which one of the following items does not appear in the Profit and Loss Appropriation A/c? A. Salary to partner B. Interest on capital C. Interest on drawings D. Drawings	1

5.	Goodwill of the firm on the basis of 2 years purchase of average profit of last 3 years is ₹30,000. What is the average profit? A. ₹10,000 B. ₹12,000 C. ₹15,000 D. ₹20,000	1
6	ASSERTION: Goodwill of a firm is affected by location of the business. REASON: Purchased Goodwill is only recorded in the books of accounts. A. Assertion is correct; Reason is wrong B. Both Assertion and Reason are correct but reason is not the correct explanation of assertion. C. Both Assertion and Reason are wrong. D. Both Assertion and Reason are correct and reason is the correct explanation of assertion.	1
7	Sanjay and Vijay are partners in a firm sharing profit and loss in the ratio3:2. They Decided to share future profit equally. Calculate Sanjay's gain or sacrifice due to change in profit sharing ratio? A. Gain 1/10 B. Sacrifice 4/10 C. Gain 3/10 D. Sacrifice 1/10	1
8	X:Y and Z shared profit in the ratio 2:2:2. They decided to change the ratio to 5:3:2. On the date of change in profit sharing ratio a firm has Investment Fluctuation Reserve of ₹10,000. The book value of investment was ₹80,000. The market value decreased to ₹76,000. What is the amount to be debited to Revaluation A/c? A. Nil B. ₹4,000 C. ₹10,000 D. ₹80,000	1
9	K,L and M are partners sharing profit in the ratio 4:3:2. N is admitted for 1/3 share in the future profits. What will be the sacrificing ratio? A. 3:2:5 B. 1:1:1 C. 4:3:2 D. 5:2:2	1
10	Kamini, Lata and Meera were partners in a firm sharing profits and losses equally. Neel was admitted as a new partner for an equal share in the profits of the firm. Neel brought his share of capital and premium for goodwill in cash. On the date of admission of Neel, goodwill appeared in the books at ₹ 1,20,000. The existing goodwill is to be written off among: A. Old partners in old ratio. B. New partners in new ratio. C. Sacrificing partners in sacrificing ratio. D. Old partners in sacrificing ratio.	1

11	X and Y are partners sharing profit in the ratio 3:2. C is admitted for 1/5th share. He is to bring proportionate capital in the firm. The capitals of X and Y after all adjustments are X- ₹2,00,000 and Y- ₹1,60,000. C's capital will be: A. ₹72,000. B. ₹60,000. C. ₹90,000. D. ₹82,000.	1
12	Akash, Vinay and Prakash are partners sharing profits in the ratio 4:3:1. Akash retires and his share was acquired by Vinay and Prakash equally. Calculate new profit sharing ratio of Vinay and Prakash. A.1:1 B.4:3 C.3:1 D.5:3	1
13	T, C and S are partners in a firm, sharing profit in the ratio 2:2:1. C retired from the business, her capital account stood as ₹50,000. The balance in general reserve was ₹30,000 and revaluation profit was ₹15,000. What is the amount payable to C on her retirement? A. ₹68,000 B. ₹59,000 C. ₹56,000 D. ₹95,000	1
14	Sunita, Vrinali and Amrita are partners sharing profit 5:3:2. The firm closes its books on 31st March every year. Amrita died on 30.9.2023. Her share of profit of the firm in the year of death was calculated on the basis of sales. The rate of net profit earned in the previous year was 25%. The sales of the firm from 1.4.2023 to 30.9.2023 were ₹4,00,000. Find the share of profit for Amrita on her death? A.50,000 B.10,000 C.20,000 D.40,000	1
15	Which one of the following statement are true on death of a partner? i. Interest on capital is credited to Deceased partner's capital A/c at the given rate. ii. The payment of deceased partner is received by his/her executor. iii. The deceased partner is not entitled for any revaluation profit. A. Only i B. i and ii C. ii and iii D .i, ii and iii	1

Read the following case and answer the questions: 16 to 18.
Raghav, Kunal and Bipul have been partners in a firm manufacturing alarm clocks. During recent years they saw a decline in the demand as mobile phones started to serve the purpose of alarm clock. All the partners voluntarily decided to dissolve the firm through mutual consent on 31.03.2024. Various assets (other than cash and bank) and third party liabilities have been transferred to Realisation A/c.

Kunal agreed to pay of his wife's loan of ₹5,000. Creditors of the firm ₹10,000 accepted a machine of ₹8,000 in full settlement of their claim. The realisation expenses of ₹6,000 was paid by the firm on behalf of the Raghav.		
16	What is the reason for dissolving the firm? A. consent of all the partners B. death of a partner C. the business is illegal D. adjudication of a partner as insolvent	1
17	What will be journal entry for the discharge of Kunal's wife's loan? A. Realisation A/c…..dr To Cash A/c B. Cash A/c………dr To Realisation A/c C. Kunal's Capital A/c……dr To Realisation A/c D. Realisation A/c……dr To Kunal's Capital A/c	1
18	Name the account to be credited for entry of realisation expense. A. Raghav's Capital A/c B. Cash A/c C. Realisation A/c D. Creditor's A/c	1
19	A company issued 1,20,000 shares of ₹10 each for public subscription, which was payable ₹2 on application, ₹5 on allotment and ₹3 on final call. What is the minimum number of applications the company must receive to proceed for the allotment of shares? A. 1,00,000 B. 1,08,000 C. 1,16,000 D. 1,20,000	1
20	The securities premium cannot be used for ___________________. A.to issue fully paid bonus shares B. to write off the preliminary expenses C. to write off revenue loss D. all of the above	1
21	Payal, Himani and Rachna were partners in a firm sharing profits/loss equally. Their respective fixed capitals were Payal- ₹10,000; Himani- ₹20,000 and Rachna- ₹10,000. The partnership deed provided for allowing interest on capital @ 10% p.a. Interest on drawings will be charged @ 10% p.a. The interest on drawings were Payal- ₹500; Himani- ₹600 and Rachna- ₹500. Both interest on capital & interest on drawings were omitted while preparing the accounts. Pass necessary journal entry to rectify the above errors showing your workings clearly.	3

	OR A, B and C are partners sharing profit in the ratio 5:4:1. C is given a guarantee that his share of profit in any year would be at least Rs.5,000. Any deficiency would be borne by A and B equally. The loss for the year ended 31st march 2023 was Rs.40,000. Pass the necessary journal entries in the books of the firm.	
22	The total capital of the firm of Rupesh and Sudhir is ₹6,00,000. The market rate of interest is 15%. The profit for last three years were ₹1,50,000; ₹1,80,000 and ₹2,10,000. Goodwill of the firm is to valued on the basis of two years' purchase of the average super profit of 3 years. Calculate the goodwill of the firm.	3
23	Vinay and Naman are partners sharing profit in the ratio of 4 : 1. Their capitals were ₹ 90,000 and ₹ 70,000 respectively. They admitted Pranit for 1/3 share in the profits. Pranit brought ₹ 1,00,000 as his capital. Calculate the Share of Pranit's goodwill and pass the necessary journal entries on Pranit's admission.	3
24	Prateek, Charu and Sima were partners in a firm sharing profits in the ratio of 3 : 2 : 1. Prateek retired from the firm on 31 March, 2024. Charu and Sima decided that the capital of the new firm will be ₹6,30,000. The capital accounts of Charu and Sima after all adjustments on the date of retirement showed a credit balance of ₹4,35,000 and ₹1,89,000 respectively. Calculate the amount of actual cash to be brought into the firm or to be withdrawn by the partners and journalize. **OR** X, Y and Z were partners sharing profits in the ratio 3:2:1. X retired and his dues towards the firm including Capital balance, Accumulated profits and losses share, Revaluation Gain amounted to ₹ 6,80,000. X was being paid ₹ 8,00,000 in full settlement. Pass necessary journal entry for the treatment of goodwill on retirement of X.	3
25	Soham, Ashish, Vishesh and Rashi were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2 : 1. With effect from 1 st April, 2023, they decided to share profits and losses in the ratio of 2 : 1 : 1 : 1. Their Balance Sheet showed a General Reserve at ₹80,000. The goodwill of the firm was valued at ₹5,00,000. Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.	3
26	Pawan, Dipak and Ranjeet are partners sharing profit in the ratio 1:2:1. The firm closes its book on 31st March every year. Dipak died on 31.3.2023. The firm had a General Reserve of ₹20,000, there was a revaluation loss of ₹8,000 and his share of goodwill was ₹12,000. Pass the journal entries for above items on the date of death of Dipak.	3
27	Srikanth Ltd. purchased building worth ₹ 20,000, plant and machinery worth ₹ 2,00,000, furniture worth ₹ 40,000 and took over liabilities of ₹ 30,000 from Mahindra Ltd. for a purchase consideration of ₹ 4,40,000. The purchase consideration was paid by issuing equity shares of ₹ 10 each at a premium of 10%. Pass the necessary journal entries in books of Srikanth Ltd. to record the above transactions.	4

28	A and B are partners sharing in the ratio of 7:5. C was admitted to 1/4th of the future profits. The new ratio between A:B:C 7:5:4. C brings ₹1,00,000 as his capital and ₹ 24,000 in cash as goodwill out of his share of ₹ 36,000. Pass the necessary journal entries for C's admission.	4
29	Anurag, Virat and Amit were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet on 31st March, 2024 was as follows :	4

LIABILITIES	₹	ASSETS	₹
Capital A/c: Anurag 80,000 Virat 70,000 Amit 60,000	2,10,000	Investments	80,000
General Reserve	30,000	Plant	1,00,000
Creditors	60,000	Stock	40,000
		Debtors	50,000
		Bank	30,000
	3,00,000		**3,00,000**

The firm was dissolved on the above date.

(i) Assets were realised as follows:
Debtors: ₹40,000 Stock: ₹50,000; Plant: ₹60,000

(ii) 25% of the Investments were taken over by Virat at ₹18,000. Remaining Investments were taken over by Amit at 10% less than its book value.

(iii) Expenses of realisation ₹20,000 were paid by Amit.

Prepare Realisation Account.

30	Akshay , Vishal and Sumit were partners sharing profit and loss in the ratio 3:4:3. The capital of the partners on 1.4.2023 were Akshay: ₹6,00,000; Vishal: ₹4,00,000 and Sumit: ₹2,00,000. Their Partnership Deed provided for the following: i. Interest on capital @6% p.a ii. Interest on drawings @12% p.a iii. Annual Salary to Akshay ₹24,000. iv. Vishal was guaranteed a profit of ₹80,000 by other two partners. v. Drawings for the partners were as follows: Akshay withdrew ₹2,000 at the end of every month. Vishal withdrew ₹5,000 at the beginning of every quarter. Sumit withdrew ₹15,000 during the year. The net profit of the firm was ₹3,00,000 Prepare Profit/Loss Appropriation A/c for the year ended 31.03.2024	6

31	U and V are partners in 3:1. Following is their Balance sheet as on 31.3.2024.	6

LIABILITIES	₹	ASSETS	₹
Capitals U : 1,80,000 V: 1,00,000	 2,80,000	Land & Buildings Furniture Stock Debtors	2,00,000 80,000 50,000 80,000
General Reserve	60,000	Cash at Bank	20,000
Workmen Comp. Reserve	40,000		
Creditors	50,000		
	4,30,000		**4,30,000**

They decided to admit W as a partner for 1/4th share.
Following adjustments were also made:
a) Make a provision equal to 5% on debtors for doubtful debts.
c) Land and building were appreciated to 2,50,000.
d)Creditors of 6,000 was likely to be written off.
d) W brought ₹1,20,000 as his capital and ₹40,000 as his share of goodwill in cash.
e) It was also decided to re-adjust the capitals of old partners on the basis of new ratio by taking W's capital as base. Necessary adjustments were made by introducing or withdrawing cash.
Prepare: Revaluation account and Partners' capital account.

OR

P, Q and R were partners sharing profits in 3:2:1 on 1 April,2024, Q retired. On that date Balance Sheet was as follows:

LIABILITIES	₹	ASSETS	₹.
General Reserve	12,000	Plant	60,000
Expenses Owing	4,000	Patents	6,000
Bills Payable	10,000	Debtors	19,000
Creditors	20,000	Stock	22,000
Capital A/c P: 24,000 Q: 20,000 R: 18,000	62,000	Cash	1,000
	1,08,000		**1,08,000**

The terms of retirement were:
(i)Goodwill of the firm be valued at ₹24,000 and Q's share of goodwill be adjusted in the accounts of P and R.
(ii)Expenses owing are to be brought down to ₹3,000
(iii) Plant is to be depreciated by 10%.
(iv)An amount of ₹1,000 to be written off as bad and provision for doubtful debt to be created @10%.

<table>
<tr><td></td><td>(v)The capitals of the partners were to be adjusted in new ratio and any excess or shortfall adjusted through current A/c.
Prepare Revaluation Account and partners’ Capital accounts.</td><td></td></tr>
<tr><td>32</td><td>Gulmohor Ltd issued 40,000 shares for public subscription of ₹10 each at a premium of 10%. The amount was payable as follows:
₹3 on application
₹5 on allotment (including the premium)
₹3on final call.
All calls were made. Chandan, a shareholder of 200 shares failed to pay the allotment money and also the final call money. Another shareholder Dev, holding 100 shares paid the call money along with the allotment.

Pass the necessary journal entries in the books of the company.</td><td>6</td></tr>
<tr><td>33</td><td>Pankaj, Rajat and Samay were partners in a firm sharing profits and losses in the ratio of 7 : 2 : 1. Their Balance Sheet as at 31st March, 2023 was as follows :

<table>
<tr><td>LIABILITIES</td><td>₹</td><td>ASSETS</td><td>. ₹</td></tr>
<tr><td>Creditors</td><td>1,70,000</td><td>Machinery</td><td>2,10,000</td></tr>
<tr><td>Capitals
Pankaj 3,00,000
Rajat 2,00,000
Samay 1,00,000</td><td>6,00,000</td><td>Furniture</td><td>1,00,000</td></tr>
<tr><td>General Reserve</td><td>1,00,000</td><td>Stock</td><td>1,50,000</td></tr>
<tr><td></td><td></td><td>Debtors</td><td>1,60,000</td></tr>
<tr><td></td><td></td><td>Bank</td><td>2,50,000</td></tr>
<tr><td></td><td>8,70,000</td><td></td><td>8,70,000</td></tr>
</table>

Rajat died on 30th June, 2023. It was agreed between his executors and remaining partners that :
(i) Goodwill be valued at two years purchase of average profits of the previous four years which were ₹ 5,00,000.
(ii) Share of profit up to the date of death will be on the calculated on the basis of average profits of the past four years.
(iii) Interest on capital is to be provided @ 10% p.a.
(iv) Half the amount due to Rajat is to be paid immediately.

Prepare Rajat’s Capital Account and Rajat’s Executor’s Account as on 30th June, 2023.</td><td>6</td></tr>
<tr><td>34</td><td>Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Sharma and Verma after the various assets (other than cash and bank balance) and outside liabilities have been transferred to Realisation Account :
(i) Stock of ₹1,40,000 was taken by Verma at a discount of 30%.
(ii) Creditors to whom the firm owed ₹ 40,000 accepted stock at ₹24,000 and the balance amount was paid to them by a cheque.</td><td>6</td></tr>
</table>

	(iii) Sharma took unrecorded furniture at 81,000. (iv) Sharma had given a loan of ₹1,00,000 to the firm, which was settled by paying ₹96,000 to him through a cheque. (v) ₹24,000 were recovered from a debtor which was written off as bad debt in the previous year. (vi)Verma was appointed to look after the dissolution work for which he was allowed a remuneration of ₹26,000. Verma agreed to bear the dissolution expenses. Actual dissolution expenses of ₹30,000 paid by Verma.	