	INDIAN SCHOOL AL WADI AL KABIR

CLASS XII ASSESSMENT I -2022-23

DATE: 20/09/22 **ACCOUNTANCY (055)** **MARKS: 80**

General Instructions: -

1) *All questions in both the sections are compulsory.*
2) *Marks for questions are indicated each.*
3) *All parts of a question should be answered at one place.*

PART A: ACCOUNTING FOR PARTNERSHIP FIRMS

Q. NO.	QUESTIONS	MARKS
1	A, B & C are partners in a firm. B used firms' property personally and incurred loss. He wants the firm to share the loss. A & C do not agree to it. You are required to solve the dispute.	1
2	On 1st April 2021 the opening capital of a partner is ₹1,00,000, On 1st October 2021 he withdrew capital of ₹ 40,000. As partnership deed interest on capital @10% p.a. On 31st March 2022, he will receive interest of: A.₹10,000 B. ₹8,000 C.₹7,000 D. ₹4,000	1
3	E, F and G are partners sharing profits in the ratio of 3:3:2. According to the partnership agreement, G is to get a minimum amount of ₹80,000 as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March 2021 amounted to ₹3,12 ,000. Calculate the amount of deficiency to be borne by E? A ₹1,000 B ₹4,000 C ₹8,000 D ₹2,000	1
4	In the absence of partnership deed, a partner is entitled to an interest on the amount of additional capital advanced by him to the firm at a rate of: A. entitled for 6% p.a. on their additional capital, only when there are profits. B. entitled for 10% p.a. on their additional capital C. entitled for 12% p.a. on their additional capital D. not entitled for any interest on their additional capitals.	1

5	A, B and C are partners, their partnership deed provides for interest on drawings at 8% per annum. B withdrew a fixed amount at the middle of every quarter and his interest on drawings amounted to ₹4,800 at the end of the year. What was the amount of his quarterly drawings? A. ₹10,000. B.₹30,000. C. ₹1,20,000. D. ₹48,000.	1
6	When a partnership firm gives loan to its partner then interest on loan will be debited in profit and loss account. State TRUE or FALSE	1
7	Salary to a partner under fixed capital account is credited to: A. Partner's Capital A/c B. Partners current A/C C. Profit & Loss A/c D. Partner's Loan A/c	1
8	If Average Profit =₹ 1, 60,000, Actual Capital Employed = ₹ 5,00,000. If rate of Normal Profit = 20%. What is the amount of Super Profit? A. ₹ 60,000 B. ₹ 1,00,000 C. ₹ 20,000 D. ₹ 80,000	1
9	Which of the following factor affect the Goodwill of a firm? A. Nature of business B. Location C. Efficiency of management. D. All of these	1
10	State the 2 rights acquired by a newly admitted partner.	1
11	X, Y, Z shared profits as 3:2:1. On April 1, 2021 they decided to change the ratio to equal ratio. What will be the effect due to change in profit sharing ratio? A. X gains $^{1}/_{6}$ B. Y gains $^{1}/_{6}$ C. Z gains $^{1}/_{6}$ D. Z sacrifices $^{1}/_{6}$	1
12	If the new partner brings his share of goodwill in cash , it will be shared by old partner in : A. Sacrificing ratio B. Old profit sharing Ratio C. New Ratio D. Capital ratio	1

13	A and B are partners sharing profits in the ratio of 7:3. C is admitted as a new partner with 1/6 share. The Sacrificing Ratio will be: A. 1:1 B. 3:7 C. 7:3 D. None of these	1
14	A firm has three partners P, Q and R. They admit a new partner S. At the time of admission of D, the firm has Investment Fluctuation Reserve of ₹4,000 when Investments (Market Value ₹19,000) appears in the book at ₹20,000. The Investment Fluctuation Reserve credited to partners' Capital A/c will be: A.P- ₹2000; Q – ₹1000; R – ₹1000 B. P- ₹1000; Q – ₹1000; R – ₹1000; S – ₹1000 C. P- ₹1000; Q – ₹1000; R – ₹1000 D. P- ₹4000; Q – ₹4000; R – ₹4000; S - ₹4000	1
15	When goodwill is not recorded in the books at all on admission of a partner: A. If paid privately B. If brought in cash C. If not brought in cash D. If brought in Kind	1
16	A 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 ₹12,000. Show the distribution of profits. Also show your workings clearly.	3
17	Anil and Bimal are partners sharing profits in the ratio of 2:1. They admit Chandan for 1/4th share in profits. C brings in ₹30,000 for his capital and ₹8,000 out of his share of ₹10,000 for goodwill. Before admission, goodwill appeared in books at Rs.18,000. Give journal entries to give effect to the above arrangement.	3
18	Kunal and Yash are partners sharing profits and losses in the ratio of 3:2. They admit Rakesh into partnership. Kunal gives 1/3rd of his share while Yash gives 1/10th from his share to Rakesh. Calculate new profit-sharing ratio and sacrificing ratio.	3
19	Hardik and Rahul are partners sharing profit and loss in the ratio 3:2 and their capital balances are ₹4,65,000 and ₹2,45,000 respectively. They admitted Rohit into the partnership for $1/5^{th}$ share of profit. He brings ₹2,20,000 as his share of capital. Calculate the Firm's Goodwill and Rohit's share of goodwill.	3
20	Alfa and Beta are partners sharing profits in the ratio 3:1. Gama is admitted in the firm for $1/4^{th}$ share in profits which he gets equally from Alfa and Beta. The total capital of the firm was agreed upon as ₹1,60,000 and Gama to bring in capital in cash equivalent to $1/4^{th}$ of this amount. The capital of other partners to be adjusted in the new profit sharing ratio. The capitals of Alfa and Beta after all the adjustments were ₹60,000 and ₹30,000 respectively. Calculate the new capital of the partners and also the amount of excess or deficiency for any partner(s).	3

<table>
<tr><td>21</td><td>P Q and R were partners in a firm sharing profits/loss equally. Their respective fixed capitals were P- ₹4,00,000; Q- ₹5,00,000 and R- ₹6,00,000.
The partnership deed provided for allowing interest on capital @ 10% p.a.
Interest on drawings will be charged @ 18% p.a. The interest on drawings were P- ₹700; Q- ₹500 and R- ₹1,800.
Both the interest was omitted while preparing the accounts.
Pass necessary journal entry to rectify the above errors showing your workings clearly.</td><td>4</td></tr>
<tr><td>22</td><td>A business has earned average profit of ₹ 4,00,000 during the last few years and the normal rate of return in similar business is 10%. Find value of goodwill by:
(i) Capitalisation of Super Profit Method, and
(ii) Super Profit Method if the goodwill is valued at 3 years' purchase of super profits.
Assets of the business were ₹ 40,00,000 and its external liabilities ₹ 7,20,000.</td><td>4</td></tr>
<tr><td>23</td><td>Ramesh, Sreyash and Harish are partners sharing profit equally. Their Balance Sheet as on 31.03.2022 as follows:
<table>
<tr><th>Liabilities</th><th>₹</th><th>Assets</th><th>₹</th></tr>
<tr><td>Creditors</td><td>18,000</td><td>Bank</td><td>40,000</td></tr>
<tr><td>Employee’s Provident Fund</td><td>20,000</td><td>Bills Receivable</td><td>6,000</td></tr>
<tr><td>General Reserve</td><td>30,000</td><td>Debtors 15,000
-PBDD 1,000</td><td>14,000</td></tr>
<tr><td rowspan="4">Capitals:
Ramesh 50,000
Sreyash 30,000
Harish 27,000</td><td rowspan="4">1,07,000</td><td>Stock</td><td>50,000</td></tr>
<tr><td>Furniture</td><td>20,000</td></tr>
<tr><td>Machinery</td><td>30,000</td></tr>
<tr><td>Profit/Loss A/c</td><td>15,000</td></tr>
<tr><td></td><td>1,75,000</td><td></td><td>1,75,000</td></tr>
</table>
On 1.4.2022 partners decided to share profit in the ratio 3:2:1. For this purpose, it was agreed that.
i. Goodwill of the firm should be valued at ₹12,000.
ii.Furniture is depreciated to ₹19,000.
iii.Provision for doubtful debt to be increased to 10%.
iv.Machinery is appreciated by 20% and Creditors to an extent of ₹3,500 not likely to be claimed.
v.The was a claim for compensation for workers ₹2,000.

Prepare: Revaluation A/c and Partners’ Capital A/c.</td><td>6</td></tr>
<tr><td>24</td><td>Akshay , Vishal and Sumit were partners sharing profit and loss in the ratio 3:4:3. The capital of the partners on 1.4.2021 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. Commission of 2% on sales to Sumit. The sales for the year ₹10,00,000.
v. Vishal was guaranteed a profit of ₹80,000 by other two partners.</td><td>8</td></tr>
</table>

	Sumit's house was rented for the firm from 1.12.2021 at a monthly rent of ₹2,500. 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 profit before any charges and interest is ₹3,10,000 Prepare Profit/Loss Appropriation A/c for the year ended 31.03.2022 and also partners' capital A/c.	
25	On 31st March, 2022 the Balance Sheet of A and B who share profits and losses in the ratio of 3 : 2 was as follows :	8

LIABILITIES	₹	ASSETS	₹.
Creditors	10,000	Plant & Machinery	10,000
General Reserve	15,000	Land & Building	8,000
Workmen Compensation Fund	5,000	Debtors 12,000 *Less:*Provision 1,000	11,000
A's capital	10,000	Stock	12,000
B's capital	10,000	Cash	4,000
		Goodwill	5,000
	50,000		**50,000**

They decided to admit C on 1st April, 2022 for 1/5th share of profit on the following terms :
(i) Provision for doubtful debt is increased by ₹2,000
(ii) Land & Building is increased to ₹26,000.
(iii) Value of Stock is increased by ₹4,000.
(iv) The liability against workmen compensation reserve is determined at ₹2,000.
(v)C brought ₹24,000 as capital and ₹6,000 for his share of premium.

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

PART B- ANALYSIS OF FINANCIAL STATEMENT

26	Which one of the following is not a limitation of financial statement analysis? A.Historical Analysis B.Free from bias C.Ignores Price level changes D.Variation in accounting practices.	1
27	There are some liabilities which may or may not occur in future. Th happening of such liabilities depends on the outcome of an uncertain event. Such liabilities are shown as foot notes to the Balance sheet. Name the type of liability defined above.	1

28	Long Term Loans and Advances are shown under the main heading Current Liabilities in a Company's Balance sheet. State TRUE or FALSE.	1
29	The Current Ratio is 2:1. Sale of a machine at a loss of ₹1,000 would A. Increase the ratio B. Decrease the ratio C. Not change the ratio D. None of these	1
30	Which of the following have no effect on Debt Equity Ratio? A. Purchase of fixed assets by obtaining a long term loan B. Conversion of Debentures into shares C. Issue of bonus Shares D. Issue of Equity Shares	1
31	The Current Ratio is 3:1 and the Quick Ratio is 1.2:1. The working capital is ₹1,80,000. Calculate Current Assets; Current Liabilities and Inventories (assuming there is no prepaid expenses)	3
32	Under which major headings and sub- headings the following items are shown in the Balance Sheet of the Company as per Schedule III of Companies Act 2013 (a) Stores & Spares (b) Bank Overdraft (c) Securities Premium Reserve (d) Provision for tax	4
33	Calculate any **two** of the following ratios: Debt Equity Ratio; Total Assets to Debt ratio; Proprietary Ratio Long Term Debt: ₹8,00,000; Capital employed: ₹18,00,000; Current Liabilities: ₹ 2,00,000.	4
34	Find the Interest Coverage ratio from the following details: Net Profit after tax: ₹24,000 10%Debentures: ₹80,000 12% Long term Loan: ₹50,000 Tax Rate: 40%	4