INDIAN SCHOOL AL WADI AL KABIR

First Rehearsal Examination 2022-23

Accountancy (055)

(SET-1)

Date: 04/12/2022 Time Allowed :3 hours

Class: XII Maximum Marks: 80

General Instructions:

1. This question paper comprises two Parts – A and B. There are 34 questions in the question paper. All questions are compulsory.
2. Part-A is compulsory for all candidates.
3. Part- B has two options i.e. . (i) Analysis of Financial Statements and (ii) Computerized Accounting. Students must attempt only one of the given options.
4. Question nos. 1 to 16 and 27 to 30 carries 1 mark each.
5. Question nos. 17 to 20, 31 and 32 carries 3 marks each.
6. Question nos. 21, 22 and 33 carries 4 marks each.
7. Question nos. 23 to 26 and 34 carries 6 marks each.
7. There is no overall choice. However, an internal choice has been provided.

	Part A - Accounting for Partnership firms and Companies)	
1	On 1st April 2021 a partner has a capital of ₹1,00,000, On 1st July 2021 he introduced in the firm additional capital ₹ 50,000. As partnership deed interest on capital @10% p.a. On 31st March 2022, he will receive interest of: (A)₹15,000 (B)₹13,750 (C)₹10,000 (D)₹12,500	1
2	If equal amount is withdrawn by a partner at the end of each month during a period of 9 months, interest on drawings will be calculated for ………………… . (A) 4 months (B) 3 months (C) 4.5 months (D) 5 months **OR** If equal amount is withdrawn by a partner at the beginning of each quarter during a year, then the interest on drawings will be calculated for ………………… . A) 7.5months (B) 4.5months (C) 6.5 months (D) 5.5 months	1

3	Given below are two statements, one labelled as Assertion (A) and other labelled as Reason (R) : Assertion (A): Partners distribute profits and losses in their profit-sharing ratio and not in the ratio of their capitals. Reason (R): If the amount of appropriations, as per Partnership Deed are more than the amount of profit available for distribution, profit is distributed in the ratio of appropriations. In the context of above two statements, which of the following is correct? (A) Both (A) and Reason (R) are correct but the (R) is not the correct explanation of (A). (B) Both (A) and Reason (R) are correct and (R) is the correct explanation of (A). (C) (A) is correct but the (R) is not correct. (D) Both (A) and (R) are not correct.	1
4	Goodwill of the firm was valued at ₹4,50,000, being valued at 3 years' purchase of Super profits. If Capital Employed was ₹20,00,000 and the normal rate of return is 10%. What is the amount of average profit? (A) ₹2,00,000 (B) ₹5,00,000 (C) ₹1,50,000 (D) ₹3,50,000	1
5	Hiral and Kanishka are partners their capital are ₹6,00,000 and ₹4,00,000 respectively. During the year ended 31.3.2022 the firm earned a profit of ₹3,00,000. Assuming the normal rate of return as 20%. Calculate goodwill by capitalization of average profit. (A) ₹6,00,000 (B) ₹5,00,000 (C) ₹3,00,000 (D) ₹10,00,000	1
6	Rahul and Virat were partners sharing profits and losses in the ratio of 7:5. Shami was admitted in the firm as a new partner. Rahul and Virat sacrificed $^1/_{12}$ each from their profit shares. The new profit sharing ratio among Rahul: Virat: Shami will be: (A) 7 : 5 : 2 (B) 7 : 5 : 1 (C) 3 : 2 : 1 (D) 4 : 3 : 1 **OR** A and B are sharing profits and losses in the ratio of 3:2. They admit C as partner for 1/3rd share in the profits. He takes this share 3/15th from A and 2/15th from B. New profit-sharing ratio will be: (A) 5 : 6 : 3 (B)2 : 4 : 6 (C)6 : 4 : 5 (D)18 : 24 : 38	1
7	Madan and Mohan are partners sharing profit and loss in the ratio 3:2. They admitted Gopal for ¼ the share of profit. Gopal is to bring capital ¼th of the total capital of the firm after all adjustments. The total adjusted capital of Madan & Mohan is ₹1,50,000. What is the amount of Gopal's capital? (A) ₹48,000 (B) ₹50,000 (C) ₹37,500 (D) ₹22,500	1

	OR Arvind and Bharat are partners in a firm with capitals of ₹1,80,000 and ₹2,00,000respectively. Milind was admitted for $^{1}/_{3}$ share of profit and brings in ₹3,40,000 as capital. The amount of firm's goodwill is __________. (A) ₹2,40,000 (B) ₹3,00,000 (C) ₹1,50,000 (D) ₹1,00,000	
8	Vimal, Kapil and Nirmal were partners sharing profit and loss in the ratio of 3:2:1. Vimal died on 30th September 2022. The partnership deed provides that the share of profit of the deceased partner was to be calculated on average profit of last three years. The average profit for the last three years was ₹90,000. What is the share of Vimal's profit till death? (A) ₹22,500 (B) ₹7,500 (C) ₹45,000 (D) ₹60,500	1
9	In the absence of any provision in the partnership deed, interest on amount remaining unpaid to the executor of deceased partner __________. (A)will not be allowed (B)will be allowed as per demand of the executor (C)will be allowed @6% p.a (D)will be allowed @10% p.a	1
10	Asha, Jyoti and Meenal were partners sharing profits in the ratio 5:4:1. Jyoti retired from the firm. Her capital account on retirement after making all the adjustments for reserves and revaluation was ₹1,40,000. Asha and Meenal agreed to pay her ₹1,75,000 in full settlement of her claim. What is Jyoti's of goodwill on retirement? (A) ₹35,000 (B) ₹70,000 (C) ₹25,000 (D) ₹56,000	1
11	Shiv, Mohan and Hari were partners in a firm sharing profits in the ratio of 5:5:4. Mohan retired and his share was divided equally between Shiv and Hari. What will be new profit sharing ratio between Shiv and Hari? (A)5:4 (B)11:15 (C)9:5 (D)15:13	1
12	As per Section 52 of Companies Act 2013, Securities Premium Reserve cannot be utilised for: (A) Issue of bonus shares. (B) Writing off trading losses. (C) Writing off discount on issue of securities. (D) Writing off preliminary expenses.	1

13	The company may offer to its employees, whole-time directors the right to purchase shares at a price lower than the market price to boost their caliber and sense of belongingness, this is called as _______. (A)Right Issue (B)Buy-back of shares (C)Private Placement (D)Employees stock option Plan **OR** Fill in the blank for the details of share capital shown in notes to the Balance sheet for a company: Subscribed and fully Paid up Share Capital + Subscribed but not fully paid up share capital + ______________ = Subscribed Capital (A) Calls in Arrears (B) Securities Premium Reserve (C) Reserves and Surplus. (D) Share Forfeited Account.	1
14	Yash is a holder of 600 shares by a Good Luck Ltd. The shares were of ₹10 each and issued at a premium of 10%. He had paid application money of ₹3 per share (including premium) but could not pay allotment money of ₹5 per share. First and final call of ₹3 per share was not yet made by the company. His shares were forfeited. The following entry will be passed: Equity Share Capital A/c Dr ? To share Forfeited A/c ? To Calls in arrear A/c ? (A) ₹ 6,000; ₹3,000; ₹3,000 respectively. (B) ₹ 9,000; ₹2,700; ₹6,300 respectively. (C) ₹ 4,200; ₹3,000; ₹1,200 respectively. (D) ₹ 6,600; ₹1,800; ₹4,800 respectively.	1
15	AP Ltd forfeited 4,000 shares of ₹20 each, fully called up, on which only application money of ₹6 has been paid. Out of these 2,000 shares were reissued and ₹8,000 has been transferred to capital reserve. Calculate the rate at which these shares were reissued. (A) ₹20 Per share (B) ₹18 Per share (C) ₹22 Per share (D) ₹8 Per share	1
16	A Company invited applications for 1,00,000 shares and it received applications for 1,50,000 shares. Applications for 30,000 shares were rejected and the remaining were allotted shares on prorata basis. How many shares an applicant for 3,000 shares will be allotted : (A) 2,500 Shares (B) 3,600 Shares (C) 4,500 Shares (D) 2,000 Shares	1

17	A, B and C are partners sharing in the ratio of 7:5:8. D was admitted to 1/4th of the future profits. The sacrificing ratio between A and C 3:1. D brings ₹1,20,000 as his capital but nothing for goodwill which was valued at ₹ 2,00,000 for the firm. Calculate new profit sharing ratio and pass the necessary journal entries for D's admission.	3
18	Ram, Mohan and Sohan were partners sharing profits in the ratio of 2 : 1 : 1. Ram withdrew ₹3,000 every month and Mohan withdrew ₹ 4,000 every month. Interest on drawings @ 6% p.a. was charged, whereas the partnership deed was silent about interest on drawings. Showing your working clearly, pass the necessary adjustment entry to rectify the error. **OR** A, B and C were partners in a firm. On 1st April, 2021 the balance in their capital accounts stood at ₹80,000, ₹60,000 and ₹40,000 respectively. As per the provisions of the partnership deed, partners were entitled to interest on capital @ 5% p.a. A's share of profit, excluding interest on capital, was guaranteed at ₹5,000 p.a. Any deficiency arising on that account was to be met by C. The profits of the firm for the year ending 31st March, 2022 amounted to ₹21,600. Prepare Profit and Loss Appropriation Account for the year ending 31st March, 2022.	3
19	Casio Ltd. acquired a business for a purchase consideration of ₹25,00,000. It made cash payment of ₹7,00,000 and issued its shares of ₹10 each at a premium of ₹2 per share. Pass the necessary journal entries. **OR** Newfound Ltd took over business of Old Land Ltd and paid for it by issue of 3,000, Equity Shares of ₹100 each at a par along and a cheque of ₹8,00,000. What was the total agreed purchase consideration payable to Old Land Ltd and also pass the necessary journal entries.	3
20	Nandan, John and Rosa are partners sharing profits in the ratio of 4 : 3: 2. On 1st April, 2022, John gave a notice to retire from the firm. Nandan and Rosa decided to share future profits in the ratio of 1 : 1. The capital accounts of Nandan and Rosa after all adjustments showed a balance of ₹43,000 and ₹80,500 respectively. The total amount to be paid to John was ₹95,500. This amount was to be paid by Nandan and Rosa in such a way that their capitals become proportionate to their new profit sharing ratio. Pass necessary journal entries in the books of the firm for the above transactions. Show your working clearly.	3
21	Ashok Ltd issued 1,00,000 equity shares of ₹10 each, payable ₹4 on application; ₹4 on allotment and the balance on final call. Issue was undersubscribed by 10,000 shares. Allotment was made to all applicants. Mr. Kumar, a shareholder, who was allotted 500 shares paid the allotment money with final call & Mr. Ratan another shareholder holding 1,000 shares paid the final call amount along with the allotment money. Pass journal entry for receipt of allotment and final call money.	4

22 Abhishek Ltd. is registered with capital of ₹50,00,000 divided into 50,000 equity shares of ₹ 100 each, The Company issued 25,000 equity shares for subscription. Subscription was received for 23,750 shares and all the due amount was duly received, except the first and final call of ₹ 20 per share on 600 shares. 4

Show the 'Share Capital' in the Balance Sheet of the company.

23 X, Y and Z were partners in a firm sharing profits in the ratio of 5 : 3 : 2. The firm closes its books on 31st March every year. On 30.9.2022, Z died. 6

The partnership deed provided that on the death of a partner his executors will be entitled to the following :

(i)Balance in his capital account and interest on capital @ 12% per annum. On 1.4.2021 balance in Z's Capital account was ₹80,000.

(ii)His share in the profits of the firm in the year of his death, which will be calculated on the basis of rate of net profit on sales of the previous year which was 25%. The sales of the firm till 30.9.2022 were ₹4,00,000.

(iii)His share in the goodwill of the firm. The goodwill of the firm on Z's death was valued at ₹3,00,000.

(iv)Z had withdrawn ₹30,000 till 30.9.2022 and Interest on drawings was calculated as ₹2,000.

Z's executor was paid ₹50,800 immediately and the balance was transferred to executor's Loan A/c.

Prepare Z's capital A/c and his executor's A/c on the date of death.

24 Kalpana and Kanika were partners in a firm sharing profits in the ratio of 3 : 2. On 1st April, 2021, they admitted Karuna as a new partner for 1/5th share in the profits of the firm. 6

The Balance Sheet of Kalpana and Kanika as on 1st April, 2021 was as follows:

LIABILITIES	₹	ASSETS	₹.
Capital A/cs: Kalpana: 4,80,000 Kanika: 2,10,000	6,90,000	Land and Building	2,10,000
General Reserve	60,000	Plant	2,70,000
Workmen's Compensation Fund	1,00,000	Stock	2,10,000
Creditors	90,000	Debtors 1,32,000 Less: Provision (12,000)	1,20,000
		Cash	1,30,000
	9,40,000		**9,40,000**

It was agreed that:

(a) the value of Land and Building will be appreciated by 20%.

(b) the value of plant be increased by ₹60,000 and stock was valued at ₹1,98,000

(c) Karuna will bring ₹80,000 for her share of goodwill premium.

(d) the liabilities of Workmen's Compensation Fund were determined at ₹60,000.
(e) Karuna will bring in cash as capital to the extent of 1/5th share of the total capital of the new firm.
Prepare Revaluation Account, Partners' Capital Account.

OR

P, Q and R were partners sharing profits in 3:2:1 on 1 April,2022, 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	62000	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% and Patents are valued at ₹8,000.
(iv)An amount of ₹1,000 to be written off as bad and provision for doubtful debt to be created @10%.
(v)The total capital of the new firm will be fixed at ₹ 50,000 to be contributed by partners in profit sharing ratio and any excess or shortfall adjusted through current A/c.
Prepare Revaluation Account and partners' Capital accounts

25 X, Y and Z share profits as 5 : 3 : 2. They decide to share their future profits as 4 : 3 : 3 with effect from 1st April, 2022. 6

(i)On this date the following revaluations have taken place:
(a) Land & Building was revalued to ₹50,000; the book value being ₹40,000.
(b) Plant and Machinery having a book value of ₹30,000 was now to be valued at 10% less.
(c) Trade creditors were increased by ₹6,000
(d) Investments were brought to ₹22,000 from ₹25,000.

(ii) There was Workmen Compensation Reserve of ₹20,000.
(iii) The goodwill of the firm be valued at ₹36,000.
Pass the necessary journal entries on the reconstitution of the firm.

26	Anshika Ltd. issued applications for 2,00,000 equity shares of ₹10 each, at a premium of ₹2 per share. The amount was payable as follows: On application ₹4; On allotment ₹8(including the premium). Applications for 3,00,000 shares were received. Allotment was made to all the applicants on pro-rata basis. Mehak to whom 400 shares were allotted, failed to pay allotment. These shares were forfeited. All the forfeited shared were reissued @ ₹8 per share as fully paid up. Pass necessary journal entries in the books of Anshika Ltd. for the above transactions and prepare shares forfeited account. **OR** (i)Jupiter Ltd forfeited 50 shares of ₹10 each issued at 10% premium (to be paid at the time of allotment) on which shares first call of ₹3 was not received , the final call of ₹2 per share is not yet called. The company reissued 20 of these shares at ₹7 per share as ₹8 paid up. Pass the entries in the books of Jupiter Ltd. (ii)Idea Ltd forfeited 180 shares of ₹10 each, ₹8 called-up, issued at a premium of ₹2 per share to R for non-payment of allotment money of ₹5 per share (including premium). Out of these, 160 shares were re-issued to Sanjay as ₹8 called up for ₹10 per share. Pass the journal entries in the books of Idea Ltd.	6
	PART B- ANALYSIS OF FINANCIAL STATEMENT	
27	Analysis of financial statement is significant because (A)measures efficiency (B)ignores price level changes (C)it lacks qualitative aspect (D)cannot assess potential growth of the business	1
28	The tools used for financial analysis is/are: (A)Ratio Analysis (B)Comparative Statement (C)Cash Flow Statement (D)All of the above	1
29	The person or institution who have advanced amount to the business for longterm basis will be interested in: (A) Liquidity Ratios (B) Solvency Ratios (C) Turnover Ratios (D) Activity Ratios	1
30	Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): Assertion (A): Current Ratio will always increase when amount is paid to Creditors. Reason (R): Amount paid to Creditors will cause decrease in Current Assets as well as Current Liabilities. (A) Both A and R are true, but R is not the explanation of A.	1

	(B) Both A and R are true and R is a correct explanation of A. (C) A is incorrect but R is correct. (D) Both A and R are incorrect.	
31	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) Loose Tools (b) Calls in arrears (c) Factory Building under construction	3
32	Calculate Opening and Closing Inventory from the following details: Inventory Turnover Ratio 6 times. Inventory at the end is ₹6,000 more than the inventory at the beginning. Revenue from operations ₹2,40,000. Gross profit ratio is 25%.	3
33	From the information given below calculate: (i) Interest Coverage ratio and (ii)Return on investment. Net Profit after interest & tax: ₹1,00,000, 10% Debentures: ₹4,00,000, Shareholders fund: ₹6,00,000, Tax rate: 20%.	4
34	Calculate: (i)Total Assets to Debt ratio; (ii) Working Capital Turnover Ratio; (iii) Debt to Capital Employed Ratio from the following details: Non-current Assets: ₹7,50,000 Current assets: ₹4,00,000 2% Long Term Borrowings: ₹8,00,000 Net Profit before tax : ₹44,000 Current Liabilities: ₹2,70,000 Revenue from operation: ₹6,50,000	6