

**KENDRIYA VIDYALAYA SANGATHAN, LUCKNOW REGION**  
**FIRST PRE-BOARD EXAM 2022-23**  
**SUBJECT: ACCOUNTANCY**  
**CLASS: XII**

**Time: 03 Hours**

**MM:80**

**GENERAL INSTRUCTIONS:**

1. This question paper contains 34 questions. All questions are compulsory.
2. Questions 1 to 20 carry 01 mark each.
3. Questions 21 to 26 carry 03 mark each.
4. Questions 27 to 29 carry 04 mark each.
5. Questions 30 to 34 carry 06 mark each.
6. There is no overall choice. However, an internal choice has been provided in 07 questions of One mark, 02 questions of Three marks, 01 question of Four marks and 02 questions of Six marks.

**Q1:** If, at the time of admission, the revaluation A/c shows a profit, it should be credited to:

- (A) Old partners capital accounts in the old profit sharing ratio.
- (B) All partners capital accounts in the new profit sharing ratio.
- (C) Old partners capital accounts in the new profit sharing ratio.
- (D) Old partners capital accounts in the sacrificing ratio.

**Q2: Assertion:** Sohan wants that profits should be distributed in the ratio of capitals as he has invested more capital than Mohan this dispute arises as the partnership deed was not there.

**Reason:** As there is no partnership deed Indian Partnership Act, 1932 applies and as per partnership Act, Profits are to be distributed equally.

- (A) Both A and R true and R is the correct explanation of A.
- (B) Both A and R are true but R is not the correct explanation of A
- (C) A is true and R is false
- (D) A is false and R is true

**Q3:** Roshni Ltd. Purchased business from Ujala Ltd. by paying Rs.15 lakh for the assets worth Rs.18 lakh and liabilities of Rs.4 lakh. Then\_ will be debited by Rs.1 lakh.

- (A) Capital Reserve A/c
- (B) Asset A/c
- (B) Goodwill A/c
- (D) Vendor's A/c

**OR**

When a company gives an option to its employees, whole time directors right to subscribe at a future date, the securities offered at a pre-determined price is called-

- (A) Right issue
- (B) Private placement of shares
- (C) Bonus shares
- (D) Employees Stock Option Plan (ESOP)

**Q4:** A, B and C are partner sharing profits in the ratio of 2:4:6. On 1-4-2022 they decided to share the profits equally. On the date there was a credit balance of Rs.1,20,000 in their Profit and Loss Account and a balance of Rs.1,80,000 in General Reserve Account. Instead of closing the General Reserve Account and Profit and Loss Account, it is decided to record an adjustment entry for the same. In The necessary adjustment entry to give effect to the above arrangement:

- (A) Dr. A by Rs. 50,000; Cr. B by Rs. 50,000
- (B) Cr. A by Rs. 50,000; Dr. B by Rs. 50,000
- (C) Dr. A by Rs. 50,000; Cr. C by Rs. 50,000
- (D) Cr. A by Rs. 50,000; Dr. C by Rs. 50,000

**Q5:** Capital employed in a business is Rs. 2,00,000. Normal Rate of Return on capital employed is 15%. During the year, the firm earned a profit of Rs. 48,000. Goodwill on the basis of 3 years' purchase of Supper Profit will be.....

- (A) Rs. 54,000
- (B) Rs. 60,000
- (C) Rs. 50,000
- (D) None of these

**OR**

The value of Goodwill can be defined as excess of amount paid for business over and above its

- (A) Total Assets
- (B) Current Assets
- (C) Net worth
- (D) Working capital

**Q6:** ABC Ltd. purchased net assets of Rs.9,50,000 from PQR Ltd. and issued 9% debentures of Rs.100 each at a discount of 5%. Number of debentures issued for consideration other than cash are:

- (A) 9,000
- (B) 10,000
- (C) 9,500
- (D) 10,100

**Q7:** XYZ Ltd. issued 2,500, 9% Debentures of Rs.100 each at a discount of 5% redeemable after 4 years at a premium of 6%. Loss on issue of debentures A/c will be debited by:

- (A) Rs.27,500
- (B) Rs 25,000
- (C) Rs. 2,000
- (D) Rs. 29,500

**Q8:** When debentures issued as collateral security is recorded in the books of accounts, ..... account is debited.

- (A) Goodwill
- (B)Capital reserve
- (C)Debenture redemption
- (D)Debenture suspense

**OR**

Loss on issue of debentures can be written off from:

- (A)Securities Premium Reserve
- (B)Statement of profit and loss
- (C)Both (A) and (B)
- (D)None of the above

**Q9:** Z limited issued shares of Rs.100 each at a premium of 10%. Mr. Q purchased 500 shares and paid Rs.20 on application but did not pay the allotment money of Rs.30. If the company forfeited his 30% shares, the forfeiture account will be credited by :

- (A) Rs.4500
- (B) Rs.3500
- (C) Rs.1650
- (D) Rs.3000

**Q10:** A, B and C are partners in a firm. They wanted to change their profit sharing ratio into 4 : 3 : 2. The goodwill was valued at Rs. 90,000. The adjusting journal entry will be:

- (A) Dr. A's Capital A/c and Cr. C's Capital A/c by Rs.10,000
- (B) Dr. B's Capital A/c and Cr. A's Capital A/c by Rs.10,000

- (C) Dr. C's Capital A/c and Cr. A's Capital A/c by Rs.10,000  
 (D) Dr. C's Capital A/c and Cr. B's Capital A/c by Rs.10,000

**Q11:** A,B and C are sharing profits in the ratio of 3:2:1. B retires and on the day of B's retirement Goodwill is valued at Rs 60,000. A and C decided to share future profit in the ratio of 3:2. Journal Entry will be

- (A) A's Capital A/c Dr. 18000  
       C's Capital A/c Dr. 42000  
       To B's Capital A/C 60,000  
 (B) A's Capital A/c Dr. 6000  
       C's Capital A/c Dr. 14000  
       To B's Capital A/C 20,000  
 (C) A's Capital A/c Dr. 36,000  
       C's Capital A/c Dr. 24,000  
               To B,s Capital A/c 60,000  
 (D) A's Capital A/c Dr. 8,000  
       C's Capital A/c Dr. 12,000  
               To B's Capital A/c 20,000

**OR**

A, B and C were partners in a firm sharing profit and losses in the ratio of 2:2:1. The capital balance are Rs. 50,000 for A, Rs. 70,000 for B, Rs. 35,000 for C. B decided to retire from the firm and balance in reserve on the date was Rs. 25000. If goodwill of the firm was valued at Rs. 30,000 and profit on revaluation was Rs. 7,500, then, what amount will be payable to B?

- (A) Rs. 70,820  
 (B) Rs. 76,000  
 (C) Rs. 75,000  
 (D) Rs. 95,000

**Read the following hypothetical situation, Answer question No 12 & 13.**

Deepti, Tanuja and Renu were partners in a firm trading in hand sanitizer. They were sharing profits in the ratio of 3:3:2. Their Fixed capitals on 1st April, 2020 were Rs. 2,00,000, Rs. 3,00,000 and Rs. 6,00,000 respectively.

During the COVID pandemic, all partners decided to help the poor daily workers personally. For this, Deepti withdrew Rs. 20,000 from the firm on 15th September, 2020. Tanuja instead of withdrawing cash from the firm took hand sanitizer amounting to Rs. 24,000 from the firm and distributed those to the worker's families. On the other hand, Renu withdrew Rs. 1,00,000 from her capital on 1st January, 2021 and provided a mobile medical van in the containment Zone.

The partnership deed provides for charging interest on drawings @ 6% p.a and allowing interest on capital @ 9% p.a. The net profit of the firm for the year ended on 31st March, 2021 before providing for any of the above adjustments was Rs. 1,57,500. Based on the above information you are required to answer the question No.12 & 13.

**Q12:** Interest on Tanuja's Drawing will be:

- (A) Rs. 1,440  
 (B) Rs. 720  
 (C) NIL  
 (D) Rs. 240

**Q13:** Interest on Partners drawing will be debited to:

- (A) Profit and Loss A/c  
 (B) Partners' Capital A/c

(C) Profit and Loss Appropriation A/c (D) Partner's Current A/c

**Q14:** Discount allowed on reissue of forfeited shares is debited to:

- (A) Discount on Issue of Shares (B) Share Forfeited Account  
(C) Statement of Profit and Loss (D) General Reserve

**Q15:** 250 shares of Rs.20 each on which first and final call of Rs.6 per share is not paid is forfeited. Out of these, 200 shares are reissued for Rs.14 per share fully paid up. The amount transferred to capital reserve will be:

- (A) Rs.1,800 (B) Rs.1,200  
(C) Rs.2,800 (D) Rs.1,600

**OR**

If 50 shares of Rs.10 each, Rs.9 called (including a premium of Rs.2) is forfeited due to non-payment of first call of Rs.2 per share, then share capital will be debited by:

- (A) Rs.250 (B) Rs.350  
(C) Rs.500 (D) Rs.450

**Q16:** On retirement of a partner, the existing goodwill in the Balance Sheet is written off and debited to:

- (A) All Partners' Capital A/c in old ratio  
(B) Remaining Partners' Capital A/c in new ratio  
(C) Remaining Partners' capital A/c in gaining ratio  
(D) None of these

**OR**

P, Q and R are partners sharing profits in the ratio 4 : 3 : 2. R retires and he surrenders  $\frac{2}{3}$  of his share in favour of P and  $\frac{1}{3}$  share in favour of Q. The new profit sharing ratio of P and Q would be:

- (A) 16 : 11 (B) 15 : 12  
(C) 17 : 10 (D) None of these

**Q17:** A and B are partners sharing profits in the ratio of 2 : 1. C is admitted for  $\frac{1}{4}$  th share of profits which he acquired equally from A and B. C brings Rs.30,000 as goodwill, it will be credited to old partners as:

- (A) Rs.15,000 each  
(B) Rs.20,000, Rs.10,000 respectively  
(C) Rs.10,000, Rs.20,000 respectively  
(D) None of these

**Q18:** The portion of authorised capital of a company which can be called up only during winding up is called \_\_\_\_\_.

- (A) Issued Capital (B) Subscribed Capital  
(C) Capital Reserve (D) Reserve Capital

**Q19:** Gain on reissue of forfeited shares is credited to:

- (A) General Reserve (B) Capital Reserve  
(C) Share Forfeiture A/c (D) Share Calls A/c

**Q20:** If vendors are issued fully paid shares of Rs.6,00,000 in consideration of net assets Rs.8,00,000. Then the balance of Rs.2,00,000 will be:

- (A) Debited of Statement of Profit and Loss  
(B) Debited to Goodwill Account  
(C) Credited to Capital Reserve Account  
(D) Credited to Securities Premium Account

**OR**

Raj ltd purchased assets of Rs 9,90,000 from Y ltd. Payment was made by issuing 8% debentures of Rs 100 at a discount of 10%. Discount on issue of debenture A/c will be debited with—

- (A) Rs 1,10,000 (B) Rs 90,000

(C) Rs 99,000

(D) Rs 10,000

**Q21:** Asgar, Chaman and Dholu are partners in a firm. Their capital accounts stood at Rs. 6,00,000; Rs. 5,00,000 and Rs. 4,00,000 respectively on 1st April, 2021. They shared profits and losses in the proportion of 4 : 2 : 3. Partners are entitled to interest on capital @ 8% per annum and salary to Chaman and Dholu @ Rs. 7,000 per month and Rs. 10,000 per quarter respectively as per the provision of the partnership deed. Dholu's share of profit (excluding interest on capital but including salary) is guaranteed at a minimum of Rs. 1,10,000 p.a. Any deficiency arising on that account shall be met by Asgar. The profits for the year ended 31st March, 2022 amounted to Rs. 4,24,000. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2022.

**OR**

Zee and Vee are partners in a firm. Their capital accounts showed the balance on 1st April, 2022 as Rs. 20,000 and Rs. 15,000 respectively. During the year 2022-23, Zee introduced additional capital of Rs. 10,000 on August 1, 2022 and Vee introduced Rs. 15,000 on 1st October, 2022. Interest on capital is allowed @ 6% p.a. on the capital. Calculate interest on capital of each partner.

**Q22:** Guru Ltd. invited applications for issuing 5,00,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share. Because of favourable market conditions, the issue was oversubscribed and applications for 15,00,000 shares were received.

Suggest the alternatives available to the Board of Directors for the allotment of shares.

**Q23:** The Directors of a company forfeited 400 shares of Rs. 10 each issued at a premium of Rs. 2 per share, for the non-payment of the first call money of Rs. 3 per share. The final call of Rs. 2 per share has not been made. Half the forfeited shares were reissued at Rs. 2,000 fully paid. Record the Journal Entries for the forfeiture and reissue of shares.

**Q24:** R and T are partners in a firm sharing profits in the ratio of 3 : 2. S joins the firm, R gave him 1/4th of his share and T gave him 1/5th of his share. Find the new profit sharing ratio of partners.

**Q25:** A business earned average profits of Rs. 6,00,000 during the last few years. The normal rate of profits in the similar type of business is 10%. The total value of assets and liabilities of the business were Rs. 22,00,000 and Rs. 5,60,000 respectively.

Calculate value of goodwill of the firm by super profit method if the goodwill is valued at 2½ years' purchase of super profits.

**Q26:** Mamta, Seema and Rakhee are in partnership sharing profits in the ratio 3 : 2 : 1. There is no goodwill account in the books of the firm. As from April 1, 2022 it was agreed that Seema should give only part of time to the business and as a consequence she should receive in future only one half of previous share, the remaining half being divided equally between Mamta and Rakhee. For this purpose goodwill was valued at Rs. 60,000. Calculate new profit sharing ratio and give necessary journal entry for the above arrangement.

**Q27:** Ram and Shyam were partners in a firm. After adjusting the profits of the year Rs. 2,00,000 and drawings in their Capital Accounts, the balances of their capital were Ram Rs. 4,00,000 and Shyam Rs. 3,00,000. During the year Ram withdrew Rs. 80,000 and Shyam Rs. 1,00,000. It was found that interest on Capital and Drawings @ 10% p.a. as provided in the partnership agreement had not been allowed and charged to the partners' capital accounts. Pass the necessary adjustment entry.

**Q28:** G, S and T are partners in a firm sharing profits in the ratio of 3:2:1. On March 31, 2022, they decided to admit W as a new partner with 1/6th share of profits. On that date the book of the firm shows following balances:

(i) General reserve Rs. 30,000

(ii) Profit & Loss Account Rs. 12,000 (Dr. balance)

**(iii) Contingency Reserve Rs. 18,000**

Record necessary journal entries in the books of the firm on W's admission.

**Q29:** Prakash Ltd. purchased assets with Rs. 2,20,000 and also took over the liabilities (creditors) of Rs. 40,000 of Ajay Ltd. for purchase consideration of Rs.1,92,000. Prakash Ltd. paid the purchase consideration by issuing 12% debentures of Rs. 100 each at a premium of 20%. Pass necessary journal entries in the books of Prakash Ltd.

**OR**

Vishesh Ltd. issued 10,000, 10% debentures of Rs. 100 each on 1st April 2022. The issue was fully subscribed. According to the terms of issue, interest on the debentures is payable half-yearly on 30th September and 31st March and the tax deducted at source is 10%. Pass necessary journal entries related to the debenture interest for the half-yearly ending 31st March, 2023 and transfer of interest on debentures of the year to the Statement of Profit and Loss.

**Q30:** A, B and C sharing profits and losses in the ratio of 2:2:1. D was admitted as a new partner with 1/5 share in profit in the firm on 31-03-2022. An extract of their Balance Sheet as at 31st March, 2022 was as follows:

Liabilities	Amount	Assets	Amount
Investment Fluctuation Fund	90,000	Investment	3,00,000

Show the accounting treatment investment fluctuation fund in each of the following alternative cases:

Case 1. If there is no other information.

Case 2. If the market value of investments is Rs.2,60,000.

Case 3. If the market value of investments is Rs.2,00,000.

Case 4. If the market value of investments is Rs.3,50,000

**Q.31** Niyati, Kartik and Ratik were partners in a firm sharing profits and losses in the ratio of 5:3:2. The firm was dissolved on 31st March, 2021 by the order of the court. After transfer of assets (other than cash) and external liabilities to Realisation Account, the following transactions took place:

(a) An unrecorded liability of the firm of Rs. 45,000 was paid by Niyati.

(b) Creditors, to whom Rs. 67,000 were due to be paid, accepted furniture at Rs. 35,000 and the balance was paid to them in cash.

(c) Kartik had given a loan of Rs. 18,000 to the firm which was paid to him.

(d) Stock worth Rs. 85,000 was taken over by Ratik at Rs. 72,000.

(e) Expenses on dissolution amounted to Rs. 6,000 and were paid by Kartik

(f) Loss on dissolution amounted Rs. 40,000.

Pass the necessary journal entries for the above transactions in the books of the firm.

**Q.32** You are required to pass the journal entries relating to the issue of the debentures in the books of X Ltd., under the following cases:

(1) 120, 8% debentures of Rs. 1,000 each are issued at 5% discount and repayable at par. Balance in Securities Premium Reserve is Rs. 10,000.

(ii) 150, 7% debentures of Rs. 1,000 each are issued at 5% discount and repayable at premium of 10%. Balance in Securities Premium Reserve is Rs. 25,000.

(iii) 80, 9% debentures of Rs. 1,000 each are issued at 5% premium.

**Q.33** X Ltd. issued for public subscription 40,000 equity shares of Rs.10 each at premium of Rs.2 per share payable as under:

On application Rs. 4 per share

On allotment Rs.5 per share (including premium)

On call 3 per share

Applications were received for 60,000 shares. Allotment was made pro-rata to the applicants for 48,000 shares, the remaining applications being rejected. Money overpaid on application was applied toward sums due on allotment.

Shri Chitnis, to whom 1,600 shares were allotted, failed to pay the allotment money and Shri Jagdale, to whom 2,000 shares were allotted, failed to pay the call money. These shares were subsequently forfeited.

Record journal entries in the books of the company to record the above transactions.

**OR**

Garima Limited issued a prospectus inviting applications for 3,000 shares of Rs.100 each at a premium of Rs.20 payable as follows:

On Application Rs.20 per share

On Allotment Rs.50 per share (Including premium)

On First call Rs.20 per share

On Second call Rs.30 per share

Applications were received for 4,000 shares and allotments made on pro-rata basis to the applicants of 3,600 shares, the remaining applications being rejected, money received on application was adjusted on account of sums due on allotment.

Renuka to whom 360 shares were allotted, failed to pay allotment money and calls money, and her shares were forfeited.

Kanika, the applicant of 200 shares failed to pay the two calls, her shares were also forfeited. All these shares were sold to Naman as fully paid for Rs.80 per share. Show the journal entries in the books of the company.

**Q34:** Achla and Bobby were partners in a firm sharing profits and losses in the ratio of 3:1. On 31st March, 2021, their balance was as follows:

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Creditors	1,10,000	Cash at bank	60,000
General Reserve	40,000	Debtors	40,000
Workmen's Compensation reserve	50,000	Stock	45,000
Capitals:		Furniture	1,55,000
Achla                      4,00,000		Land and	5,00,000
Bobby <u>2,00,000</u>	6,00,000	Building	
	8,00,000		8,00,000

On 1 April, 2021, they admitted Vihaan as a new partner for 1/5 share in the profits of the firm on the following terms:

(a) Vihaan brought Rs.1,00,000 as his capital and the capitals of Achla and Bobby were to be adjusted

on the basis of Vihaan's capital; any surplus or deficiency was to be adjusted by opening current accounts.

(b) Goodwill of the firm was valued at Rs.4,00,000. Vihaan brought the necessary amount in cash for his share of goodwill premium, half of which was withdrawn by the old partners.

- (c) Liability on account of workmen's compensation amounted to Rs.80,000.  
 (d) Achla took over stock at Rs.35,000.  
 (e) Land and building was to be appreciated by 20%.

Prepare Revaluation Account and Partners' Capital Accounts.

**OR**

Gita, Radha and Garv were partners in a firm sharing profits and losses in the ratio of 3:5:2. On 31st March, 2022, their balance sheets was as follows:

Balance Sheet of Gita, Radha and Garv  
*as on 31 March 2022*

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Sundry Creditors	60,000	Cash	50,000
General Reserve	40,000	Debtors	40,000
Capitals:		Stock	80,000
Gita                      3,00,000		Investments	30,000
Radha                    2,00,000		Buildings	5,00,000
Garv <u>1,00,000</u>	6,00,000		
	7,00,000		7,00,000

Radha retired on the above date and it was agreed that:

- a) Goodwill of the firm be valued at Rs.3,00,000 and Radha's share be adjusted through the capital accounts of Gita and Garv.  
 b) Stock was to be appreciated by 20%.  
 c) Buildings were found undervalued by Rs.1,00,000.  
 d) Investments were sold for Rs. 34,000.  
 e) Capital of the new firm was fixed at Rs. 5,00,000 which will be in the new profit sharing ratio of the partners; the necessary adjustments for this purpose were to be made by opening current accounts of the partners.

Prepare Revaluation Account and Partners' Capital Accounts.

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