**NAAHAR PUBLIC SCHOOL CBSE SENIOR SECOUNDARY**
**ACADEMIC YEAR (2022-2023)**
**FULL REVISION 1**

**CLASS:XII.** **DATE:02.12.2022**
**SUBJECT: ACCOUNTANCY.** **DURATION:3hrs**
**SUBJECT TEACHER:B.SUGANTHI.** **MARKS:80**

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**GENERAL INSTRUCTIONS:**
**1.This question paper contains 33 questions. All questions are compulsory.**
**2. Question 1 to18 carries 1 mark each.**
**3. Questions 19 to 24, carries 3 marks each.**
**4. Questions from 25 to 29 carries 4 marks each**
**5. Questions from 30 to 33 carries 6 marks each**

**(Accounting for Partnership Firms and Companies)**

**I.MULTIPLE CHOICE QUESTION:-** **18×1=18**

1.In case of reconstitution of the firm the following will happen
a) firm will be closed. b) agreement will be changed
c) both a & b d) none of the above

**2.** X, Y, Z shared profits as 3:2:1. On January 1, 2010 they decided to change the ratio to equal ratio. Goodwill was valued at ₹ 24,000. What will be journal entries to give effect to the change in ratio.

| | |
|---|---|
| a) Z's Cap A/c Dr. 4,000.<br>To X's Capital A/c 4,000 | b) X's Cap A/c Dr. 4,000<br>To Z's Cap A/c 4 ,000 |
| c) Goodwill A/c Dr. 24,000<br>To X capital A/c 12,000<br>To Y capital A/c 8,000<br>To Z's Capital A/c 4,000 | d) none of the above |

**3.** Reconstitution of a partnership firm, can take place on which occasion?
a) Change in profit sharing ratio b) Admission of partner
c) Retirement and death of partner d) all of the above

**4.** In case of change in profit sharing ratio, workmen compensation reserves existing in the Balance sheet is transferred to Capital Alc of partners
a) after providing for claim of workmen if any b) ignoring the claim of workmen (if any)
c) both a & b the above d) none of the above

**5 .Assertion** : In case of Admission of Partner , Change in Profit sharing ratio etc. old agreement is cancelled and new agreement is prepared .
**Reason :** Profit and Loss Adjustment A/c (Revaluation A/c ) is prepared to Revalue the assets and Reassessment of liabilities
(a) Assertion and Reason both are correct and reason is the correct explanation of assertion .
(b) Assertion and Reason both are correct but reason is not the correct explanation of assertion .
(c) Assertion is true but reason is false .
(d) Assertion is false but Reason is true

**6. Assertion :** A minor can become a partner in a partnership firm .
**Reason :** The Indian Partnership Act ,1932 provides that minor can be admitted for the benefits in the partnership firm
(a) Assertion and Reason both are correct and reason is the correct explanation of assertion .
(b) Assertion and Reason both are correct but reason is not the correct explanation of assertion .
(c) Assertion is true but reason is false .
(d) Assertion is false but Reason is true .

**7.Assertion :** The ratio in which old partners sacrifice their share in favour of new partner at the time of his/ her admission is known as Sacrificing Ratio .
**Reason :** The Sacrificing ratio is calculated by taking out difference between new share and old share .
(a) Assertion and Reason both are correct and reason is the correct explanation of assertion .
(b) Assertion and Reason both are correct but reason is not the correct explanation of assertion .
(c) Assertion is true but reason is false .
(d) Assertion is false but Reason is true .

**8.** S, T& W were partners in a firm. They admitted V as a new partner. S and T sacrifice $1/3^{rd}$&$1/4^{th}$ of their share respectively in favour of V. Calculate the new profit sharing ratio of S, T, W &V.
a) 8:9:10:10. b) 8:9:12:7 c) 8:9:7:10 d) 8:7:9 :10

**9.** Super profit can be calculated:-
(a) Average profit-Normal profit (b) Net profit – Average profit
(c) Capital Employed –Net Profit (d) Net Profit – Capital Employed

**10.** Which step is not involved in valuing the goodwill according to Super Profit Method:
(a) Ascertain Average profit (b) Multiply Super Profit with Number of years purchased
(c) Ascertain Normal Profit. (d) Ascertain Super Profit
**11.** 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.
**12.** If Goodwill is ₹ 1,20,000, Average Profit is ₹ 60,000 Normal. Rate of Return is10% on CapitalEmployed ₹ 4,80,000. Calculate Capitalized Value of the firm:-
(a) ₹ 6,00,000 (b) ₹ 5,00,000 (c) ₹ 4,00,000 (d) ₹ 7,00,000.
**13.** Tangible Assets of the firm are ₹ 14,00,000 and Outside liabilities are ₹ 4,00,000, Profit of the firm is ₹ 1,50,000 and Normal Rate of Return is 10% Calculate Capital Employed
(a) ₹ 10,00,000 (b) ₹ 1,00,000 (c) ₹ 50,000 (d) ₹ 20,000**.**
**14.** A Company forfeited 4,000 shares of ₹10 each on which application money of ₹3 has been paid. Out of these 2,000 shares were reissued as fully paid-up and ₹4,000 has been transferred to capital reserve.Calculate the rate at which these shares were reissued.
A) ₹ 10 per share B) ₹ 9 per share C) ₹ 11 per share D) ₹ 8 per share
**15.** A Company invited Applications for1,00,000 shares and it Recevied application for 1,50,000sharesApplication for 30,000 shares were rejected and the remaining shares were alloted on pro- rata 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
**16.** Balance of share forfeiture account is shown in the Balance Sheet under the item:
(a) Current Liabilities and Provisions. (b) Reserves and Surplus
(c) Share Capital (d) Unsecured Loans
**17.** Which document is an invitation offer to public to subscribe for company's share?
a)Red herring prospectus (b) Prospectus (c) In lieu of prospectus. (d) None of these
**18.**Maximum limit of premium on shares is:
(a) 5%. (b) 10%. (c) No limit. (d) Not more than 100%

**II.ANSWER THE FOLLOWING: 6×3=18**

**19.**A & B are two partners in 3:2 ratio. Their capitals are ₹ 1, 20,000 and ₹ 1, 00,000 respectively. C is admitted for 1/5$^{th}$ share and he is bringing ₹ 80,000 as his capital. Calculate the value of goodwill.
**20.**Anil and Vishal are partners sharing profits in the ratio of 3:2. They admitted Sumit as a new partner for 1/5th share in the future profits of the firm. Calculate new profit sharing ratio of Anil, Vishal and Sumit
**21.**The net profit of X, Y and Z for the year ended 31$^{st}$ March, 2021 was ₹ 60, 000 and the same was distributed among them in their agreed ratio of 3:1:1. It was subsequently discovered that the under mentioned transactions were not recorded in the books
i) Interest on Capital @ 5% p.a
(ii) Interest on drawings amounting to X ₹ 700, Y ₹ 500 and Z ₹ 300.
(iii) Partner's Salary: X ₹1, 000, Y ₹1,500 p.a.
The capital accounts of partners were fixed as: X ₹ 1, 00,000, Y ₹ 80, 000and Z ₹ 60, 000. Record the adjustment entry
**22.**Nathiya Textiles Ltd. Forfeited 100 shares of ₹ 10 each, ₹ 8 called up, on which Mayuri had paid application and allotment money of ₹6 per share. Of these 75 shares were re-issued to Soundarya by receiving ₹ 7 per share paid up as ₹ 8 per share. Pass journal entries for forfeiture and reissue.
**23.**Jand K are partners in a firm. Their capitals are: j ₹ 3,00,000 and ₹ 2,0000. During the year ended 31st March, 2010 the firm earned a profit of ₹ 1,50,000. Assuming the normal rate of return is 20%, calculate the value of goodwill of the firm:
i) By Capitalisation Method; and
(ii) By Super Profit Method if the goodwill is valued at 2 years' purchase of per profit.
**24**.A, B and C started a firm on 1st October, 2019 sharing profits equally. A drew regularly ₹ 4,000 in the beginning of every month for the six months ended 31st March, 2020. B drew regularly ₹ 4,000 at the end of every month for the six months ended 31st March, 2020. C drew regularly ₹4,000 in the middle of every month for the six months ended 31st March, 2020. Calculate interest on drawings @ 5% p.a. for the period ended 31st March, 2020.

**III.ANSWER THE FOLLOWING: 5×4=20**

**25.**A, B, C and D were partners in a firm sharing profits and losses equally. E was admitted as a new partner for 1/3$^{rd}$ share in the profits of the firm which he acquires equally from C and D. On E's admission, the goodwill of the firm was valued at ₹ 3,00,000. Calculate the new profit sharing ratio on E's admission. Also pass necessary journal entry on E's admission, assuming that he failed to bring his share of goodwill in cash.
**26.**Jay, Vijay and Karan were partners of an architect firm sharing profits in the ratio of 2:2:1.Their Partnership Deed provided the following:

(1) A monthly salary of ₹15,000 ach to Jay and Vijay.
(ii) Karan was guaranteed a profit of ₹ 5,00,000 and Jay guaranteed that he will earn an annual fee of 2,00,000. Any deficiency arising because of guarantee to Karan will be borne by Jay and Vijay in the ratio of 3:2.During the year ended 31st March, 2018 jay earned fee of ₹ 1,75,000 and the profits of the firm amounted to ₹ 15,00,000.Showing your workings clearly prepare Profit and Loss Appropriation Account for the year ended 31st March, 2018.

**27.**MCS Ltd. issued 40,000 shares of ₹ 10 each payable as₹ 2 per share on application, ₹4 per share on allotment and the balance in two equal installments. Applications were received for 80,000 shares and the allotment was made as follows:
(a) Applicants of 50,000 shares were allotted 30,000 shares.
(b) Applicants of 30,000 shares were allotted 10,000 shares.
Neeraj, to whom 600 shares were allotted from Category (a), failed to pay the allotment money. Pass necessary Journal entries up to allotment only.

**28.**On 1st January, 2018, Bani Ltd. issued 10,000 Equity Shares of ₹ 10 each payable as: on application ₹ 3, on allotment ₹3, on first and final call ₹4 (three months after allotment) Applications were received for 13,000 shares and Directors made allotment in full to the applicants demanding five or more shares and returned money to the applicants for 3,000 shares, One shareholder, who was allotted 200 shares, paid first and final call with allotment money and another shareholder did not pay allotment money on his 300 shares and paid it with first and final call. Journalize the transactions in the books of Bani Ltd. including cash transactions. The company maintains Calls-in-Arrears Account.

**29.**As from 1" April 2017, Vanmathi is admitted into the partnership and the new profit sharing ratio Hari, Madhavan and Kesavan are partners, sharing profits and losses in the ratio of 5:3:2. As from 1" April 2017, Vanmathi is admitted into the partnership and the new profit sharing ratio is decided as 4:3:2:1. The following adjustments are to be made.
(a) Increase the value of premises by ₹ 60,000.
(b) Depreciate stock by ₹ 25,000, furniture by ₹ 2,000 and machinery by ₹2,500.
(c) Provide for an outstanding liability of ₹ 500.
Pass journal entries and prepare revaluation account.

**IV.ANSWER THE FOLLOWING: 4×6=24**

**30**.Amisha Ltd inviting application for 40,000 shares of ₹ 100 each at a premium of ₹ 20per share payable; on application ₹ 40 ; on allotment ₹ 40 (Including premium): on first call ₹ 25 and Second and final call ₹ 15.
Application were received for 50,000 shares and allotment was made on pro-rata basis.Excess money on application was adjusted on sums due on allotment.Rohit to whom 600 shares were allotted failed to pay the allotment money and his shares were forfeited after allotment.
Ashmita, who applied for 1,000 shares failed to pay the two calls and his shares were forfeited after the second call. Of the shares forfeited, 1,200 shares were sold to Kapil for ₹ 85 per share as fully paid, the whole of Rohit's shares being included. Record necessary journal entries.

**31.**Himalaya Company Limited issued for public subscription of 1, 20,000 equity shares of₹ 10 each at a premium of ₹ 2 per share payable as under:
With Application ₹ 3 per share
On allotment (including premium) ₹ 5 per share
On First call ₹ 2 per share
On Second and Final call ₹ 2 per share
Applications were received for 1, 60,000 shares. Allotment was made on pro-rata basis. Excess money on application was adjusted against the amount due on allotment. Rohan, whom 4,800 shares were allotted, failed to pay for the two calls. These shares were subsequently forfeited after the second call was made. All the shares forfeited were reissued to Teena as fully paid at ₹7 per share. Record journal entries in the books of the company to record these transactions relating to share capital. Also show the company's balance sheet.

**(OR)**

On 1st April, 2019, Sangita Ltd. Issued 30,000 Equity Shares of ₹ 10 each at a premium ₹4 per share, payable as follows:
₹6 on application (including₹ 1 premium).
₹2 on allotment (including₹ 1 premium),
₹3 on first call (including ₹1 premium), and
₹3 on second and final call (including ₹ 1 premium).
Applications were received for 45,000 shares, of which applications for 9,000 shares were rejected and their money was refunded. Rest of the applicants were issued shares on pro rata basis andTheir excess money was adjusted towards allotment. Hari, to whom 600 shares were allotted, failed to pay the allotment money and his shares were forfeited after allotment. Mohan, who applied for 1,080 shares failed to pay the two calls and on his such failure, his shares were forfeited. 1,200 forfeited shares were reissued as fully paid-up on receipt of ₹9 per share, the

whole of Mohan's shares being included .Prepare Cash Book and pass necessary Journal entries. Also, show share capital in the Balance Sheet of the company.

**32. A,B, C, partners in a firm sharing profits in the ratio of 3:2:1.On 31st March, 2022 their balance sheet was as follows.**

**BALANCE SHEET OF A,B,AND C as on 31st March ,2022.**

| **Liabilities** | | | |
|---|---|---|---|
| **Creditors** | **84,000** | **Bank** | **17,000** |
| **General reserve** | **21,000** | **Debtors** | **23,000** |
| **Capital of A/cs** | | **Stock** | **1,10,000** |
| **A. 60,000** | | **Investment** | **30,000** |
| **B. 40,000** | | **Furniture and fittings** | **10,000** |
| **C. 20,000** | **1,20,000** | **Machinery** | **35,000** |
| | **2,25,000** | | **2,25,000** |

On the above date, D was admitted as a new partner and it was decided that:

I)The new profit-sharing ratio between A, B, C and D will be 2:2:1:1.

ii)Goodwill of the firm was valued at ₹ 90,000 and D brought his share of goodwill premium in cash.

iii)The market value of investments was ₹24,000.

iv)Machinery will be reduced to₹ 29,000.

V)A creditor₹ 3,000 was not likely to claim the amount and hence to be written off.

vi) D will bring proportionate capital so as to give him 1/6th share in the profits of the firm.

Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the reconstituted firm..

**33. Sanjana and Alok were partners in a firm sharing profits and losses in the ratio 3:2: On 31st March, 2022 their Balance Sheet was as follows.**

**BALANCE SHEET OF SANJANA AND ALOK as on 31st March ,2022**

| **Liabilities** | | | |
|---|---|---|---|
| **Creditors** | **60,000** | **Cash** | **1,66,000** |
| **Workmen's Compensation Fund** | **60,000** | **Debtors. 1,46,000**<br>**Less: provision for Doubtful debts. 2,000** | **1,44,000** |
| **Capitals** | | **Stock** | **1,50,000** |
| **Sanjana. 5,00,000** | | **Investment** | **2,60,000** |
| **Alok. 4,00,000** | **9,00,000** | **Furniture** | **3,00,000** |
| | **10,20,000** | | **10,20,000** |

On 1st April, 2022,they admitted Nidhi as a new partner for 1/4th share in the profits on be following terms:

(a) Goodwill of the firm was valued at ₹ 4,00,000 and Nidhi brought the necessary amount incash for her share of goodwill premium, half of which was withdrawn by the old partners.

(b) Stock was to be increased by 20% and furniture was to be reduced to 90%.

(c) Investments were to be valued at₹ 3,00,000. Alok took over investments at this value.

(d) Nidhi brought ₹3,00,000 as her capital and the capitals of Sanjana and Alok were adjusted in the new profit-sharing ratio. Prepare Revaluation Account, Partners' Capital Accounts and the Balance Sheet of the reconstituted firm on Nidhi's admission