

XII-B
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LT COL. MEHAR LITTLE ANGEL SR SEC SCHOOL
MID TERM EXAMINATION (2025-26)
ACCOUNTANCY (055)
CLASS-XII

Time allowed: 3 Hrs

MM:80

General Instructions-

- This question paper contains 34 questions. All questions are compulsory.
- There is no overall choice. However, internal choice has been provided.
- Draw proper formats and show your workings clearly.

PART A

Question 1- 16 carries 1 mark each

Question 17-22 carries 3 marks each

Question 23-24 carries 4 marks each

Question 25-28 carries 6 marks each

PART B

Question 29-32 carries 1 mark each

Question 33 carries 4 marks each

Question 34 carries 6 marks

PART A

Q1. **Assertion:** A partner who contributes only capital is called a sleeping partner.

Reason: Sleeping partners take part in daily business activities.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q2. **Assertion:** Salary to partners is an appropriation of profit.

Reason: Partners are owners, not employees.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.

- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q3. A and B are partners. A withdrew ₹24,000 equally at the beginning of each month. Firm charges 10% p.a. as interest on drawings. What is interest on drawings of A?

Options:

- (a) ₹1,200
- (b) ₹1,300
- (c) ₹1,000
- (d) ₹1,500

Q4. Assertion (A): Goodwill is valued only when a partner retires or dies.

Reason (R): Goodwill has no value during admission of a partner.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q5. Firm's average profit = ₹60,000, capital employed = ₹4,00,000, Normal rate of return is 15%. Calculate goodwill on 4 years purchase of super profit.

Options:

- (a) ₹0
- (b) ₹2,40,000
- (c) ₹60,000
- (d) ₹1,20,000

Q6. Assertion (A): The partner who gains more share is called the gaining partner.

Reason (R): Gaining partner compensates the sacrificing partner for goodwill.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q7. A, B, and C are partners sharing profits in 3:2:1. They decide to change the ratio to 2:2:2. Who is the gaining partner?

Options:

- (a) A only
- (b) B only
- (c) C only
- (d) A and B

Q8. Assertion (A): Goodwill brought in cash by the new partner is shared by all partners including the new partner.

Reason (R): Goodwill is an asset of the firm and belongs to all partners.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q9. A and B have profit sharing ratio 5:3. C was admitted with $\frac{1}{4}$ th share. Goodwill is valued at ₹40,000. A sacrifices $\frac{2}{5}$ and B sacrifices $\frac{3}{5}$. Find B's share.

Options:

- (a) ₹4,000
- (b) ₹6,000
- (c) ₹8,000
- (d) ₹10,000

Q10. Goodwill brought by new partner is credited to which account?

Options:

- (a) New partner's capital account
- (b) Goodwill account
- (c) Old partners' capital accounts
- (d) Reserve account

Q11. Which ratio is calculated to compensate old partners for sacrifice?

Options:

- (a) Sacrificing ratio
- (b) Gaining ratio
- (c) Old ratio
- (d) New ratio

Q12. Assertion (A): Excess application money is adjusted towards allotment.

Reason (R): As per law, the company must refund or adjust excess application money.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q13. On forfeiture of 100 shares of ₹10 each, ₹6 was called up and ₹4 received. How much is transferred to Forfeited Shares A/c?

Options:

- (a) ₹400
- (b) ₹600
- (c) ₹200
- (d) ₹1,000

Q14. A company reissued 200 forfeited shares of ₹10 each, originally issued at par, at ₹8 each.
✓ Calculate discount allowed?

Options:

- (a) ₹200
- (b) ₹400
- (c) ₹600
- (d) ₹800

Q15. **Assertion (A):** Debentures can be issued at discount but redeemed at premium.
Reason (R): Companies Act allows both conditions.

Choose the correct option:

- (a) Both Assertion and Reason are true, and Reason is the correct explanation.
- (b) Both are true, but Reason is not the correct explanation.
- (c) Assertion is true, but Reason is false.
- (d) Assertion is false, but Reason is true.

Q16. When debentures are issued as collateral, how are they recorded?

Options:

- (a) Not recorded at all
- (b) Recorded as contingent liability only in notes
- (c) Recorded by passing an entry and also in notes
- (d) Recorded as an expense

✓ Q17. Anubha and Yuvika were partners in a firm sharing profits and losses in the ratio 3:2. From 1st April, 2024 they decide to share future profits and losses in the ratio 2:3. On this date, their balance sheet showed a balance of ₹ 50,000 in general reserve and a debit balance of ₹ 2,50,000 in profit and loss account. Partners decided to write off profit and loss account but decided not to distribute general reserve.

Pass the necessary journal entries for the above transactions on the reconstitution of the firm. Show your workings clearly.

✓ Q18. Sunny and Ujjwal were partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April, 2024 Timmy was admitted as a new partner for 1/5th share in profits which he acquired equally from Sunny and Ujjwal.

On the date of Timmy's admission, the balance sheet of Sunny and Ujjwal showed investments at ₹ 5,00,000 and a balance of ₹ 2,00,000 in investment fluctuation reserve.

Pass the necessary journal entries for the treatment of investment fluctuation reserve on the date of Timmy's admission in each of the following cases:

- i. Market value of investments was ₹ 5,00,000
- ii. Market value of investments was ₹ 3,00,000
- iii. Market value of investments was ₹ 2,00,000

✓ Q19(a) Apoorv Ltd. acquired building worth ₹ 15,50,000, machinery worth ₹ 11,40,000 and furniture worth ₹ 1,10,000 from Dhruv Ltd. and took over liabilities of ₹ 2,00,000. for a purchase consideration of ₹ 25,00,000. Apoorv Ltd. paid the purchase consideration by issuing 12% debentures of ₹ 100 each at a premium of 25%.

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

OR

✓ (b) Ajanta Ltd. purchased machinery worth ₹ 36,00,000 from Sujata Ltd. paid half of the amount to Sujata Ltd. by bank draft and the balance by issuing 8% debentures of ₹ 100 each at a discount of 10%.

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

✓ Q20(a) Aakash and Baadal entered into partnership on 1st October, 2023 with capitals of ₹ 80,00,000 and ₹ 60,00,000 respectively. They decided to share profits and losses equally. Partners were entitled to interest on capital @10% per annum as per partnership deed.

Baadal is given a guarantee that his share of profit, after charging interest on capital will not be less than ₹ 7,00,000 per annum.

Any deficiency raising on that account shall be met by Aakash. The profit of the firm for the year ended 31st March 2024 amounted to ₹ 13,00,000.

Prepare profit and loss appropriation account.

OR

✓ (b) Parul and Rajul were partners in a firm, sharing profits and losses in the ratio 5:3. The balance in their fixed capital accounts on 1st April, 2023 were: Parul ₹ 6,00,000 and Rajul ₹ 8,00,000. The partnership deed providing for allowing interest on capital 12% per annum.

The net profit for the year ended 31st March, 2024 was ₹ 1,26,000.

Prepare profit and loss appropriation account for year ended 31st March 2024 and show your workings clearly.

✓ Q21. Jeevan and Kavi were partners in a firm with capitals of ₹12,00,000 and ₹15,00,000 respectively.

Annual salary of the partners was ₹ 2,00,000 each. The market rate of interest was 10%. During the previous three years the profits were ₹8,00,000, ₹ 9,00,000 and ₹7,00,000. The goodwill of the firm is to be valued at 2 years' purchase of the last 3 years' average super profits.

Calculate the goodwill of the firm.

✓ Q22. SK Ltd. forfeited 6,000 equity shares of ₹10 each issued at a premium of 2 per share for the nonpayment of first call of ₹2 per share. The second and final call of ₹ 2 per share had not yet been made. The forfeited shares were reissued at a discount of ₹ 3 per share fully paid up.

Pass necessary journal entries for the above transactions in the books of the company. Also prepare 'Share forfeiture account.

Q23. Mita and Viraj were partners in a firm sharing profits and losses in the ratio 3:2. On 31st March, 2024 their balance sheet was as follows:

Balance Sheet of Mita and Viraj
 As at 31st March, 2024

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	2,00,000	Cash	50,000
Capitals:		Sundry debtors	2,00,000
Mita	4,00,000	Less: provision for	7,000
Viraj	3,00,000	Doubtful debts	1,93,000
	7,00,000	Stock	2,50,000
		Plant and machinery	3,50,000
		Patents	57,000
	9,00,000		9,00,000

On the above date, Zen was admitted as a new partner for 4/15th share in profits on the following terms:

- i. Zen will bring ₹ 3,00,000 as his capital and his share of goodwill in cash. On the date of Zen's admission, the goodwill of the firm was valued at ₹ 4,12,500.
- ii. The provision for bad debts will be maintained at 5 % of debtors
- iii. Stock will be valued at ₹ 2,00,000; plant and machinery at ₹ 4,00,000 and patents at ₹ 1,20,000.
- iv. There was a bill of ₹ 30,000 which was omitted from the books.

Pass the necessary journal entries for the above transactions in the books of firm on Zen's admission.

Q24. X and Y are partners in a firm sharing profits in the ratio of 5: 3. On March 1st, 2025 they admitted Z as a new partner. The new profit-sharing ratio will be 4: 3: 2. Z brought in ₹1,00,000 in cash as his share of capital but could not bring any amount for goodwill in cash. The firm's goodwill on Z's admission was valued at ₹ 1,80,000. X and Y decided that Z can bring his share of premium for goodwill later or it can be adjusted against his share of profits. At the time of Z's admission goodwill existed in the books of the firm at ₹ 2,40,000. You are required to pass necessary journal entries in the books of the firm on Z's admission.

Q25. Following is the extract of balance sheet of Vikalp Ltd. as per Schedule-III, Part-I of Companies Act, 2013 as at 31st March 2024, along with note to accounts:

Vikalp Ltd.

Balance sheet as at 31st March 2024

Particulars	Note no.	31-03-2024(₹)	31-03-2023(₹)
I Equity and liabilities:			
I. Shareholders' Funds:			
a) Share capital	1	59,60,000	50,00,000

*Notes to accounts' as at 31st March, 2023

Note no.	Particulars	31-03-2023(₹)
1.	Authorised Capital: 9,00,000 Equity Shares of ₹10 each	90,00,000
	Issued Capital: 5,00,000 Equity Shares of ₹10 each	50,00,000
	Subscribed Capital: Subscribed and Fully Paid up: 5,00,000 Equity Shares of ₹10 each	50,00,000
	Subscribed but not Fully Paid up	Nil
		50,00,000

*Notes to accounts' as at 31st March, 2023

Note no.	Particulars	31-03-2023(₹)
1.	Authorised Capital: 9,00,000 Equity Shares of ₹10 each	90,00,000
	Issued Capital: 6,00,000 Equity Shares of ₹10 each	60,00,000
	Subscribed Capital: Subscribed and Fully Paid up: 5,80,000 Equity Shares of ₹10 each	5,80,00,000
	Subscribed but not Fully Paid up 20,000 Equity Shares of ₹10 each	2,00,000
	Less: Calls in arrears @ ₹ 2 per share	40,000
		1,60,000
		59,60,000

Answer the following questions-

1. The total face value of equity shares issued during the year 2023-2024 was

- i ₹10,00,000
- ii ₹9,80,000
- iii ₹ 4,20,000
- iv ₹11,00,000

2. The number of shares on which the called up amount was not received were

- i ₹ 1,00,000
- ii ₹ 80,000
- iii ₹ 3,00,000
- iv ₹ 20,000

3. On 1st April, 2024 Vikalp Limited forfeited all the shares on which the called up amount was not received. On forfeiture, 'share capital' account will be debited by

- i ₹ 1,60,000
- ii ₹ 40,000
- iii ₹ 2,00,000
- iv ₹ 2,40,000

4. On forfeiture, 'share forfeiture account' will be credited with

- i ₹ 1,60,000
- ii ₹ 40,000
- iii ₹ 2,00,000
- iv ₹ 2,40,000

5. If all the forfeited shares are reissued at ₹ 8 per share fully paid up, the amount credited to 'Capital reserve account' will be

- i ₹ 40,000
- ii ₹ 1,60,000
- iii ₹ 00,000
- iv ₹ 1,20,000

6. If the forfeited shares are reissued at the minimum permissible price, the amount credited to 'capital reserve account' will be

- i ₹ 2,00,000
- ii ₹ 1,60,000
- iii ₹ 40,000
- iv Nil

Q26. DDG Ltd. invited applications for issuing 75,000 equity shares of ₹ 75 each at a premium of ₹ 25 per share. The amount was payable as follows:

On application and allotment- ₹ 40 per share

On first and final call- balance (including premium)

Applications for 1,25,000 shares were received. Applications for 25,000 shares were rejected, the application money was refunded. Shares were allotted to the remaining applicants on pro rata basis.

Excess money received with applications was adjusted towards sums due on first and final call. Govind, to whom 1,500 shares were allotted, failed to pay the first and final call.

Namita, who had applied for 2,000 shares, also failed to pay the first and final call. Shares of both Govind and Namita were forfeited. 1800 shares were reissued at ₹ 65 each which included entire shares of Namita.

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

Q27. Bittu and Chintu were partners in a firm sharing profits and losses in the ratio 4:3. Their balance sheet as at 31st march, 2024 was as follows:

Balance Sheet of Bittu and Chintu
 As at 31st March, 2024

168 000
 130 000
 38 000

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals:		Fixed assets	15,40,000
Bittu	8,00,000	Stock	3,50,000
Chintu	6,00,000	Debtors	1,40,000
	14,00,000	Bank	70,000
General reserve	2,10,000		
Creditors	4,90,000		
	21,00,000		21,00,000

On 1st April, 2024, Diya was admitted for 1/7th share in the profits on the following terms:

- New profit-sharing ratio between Bittu, Chintu and Diya will be 3:3:1
- Fixed assets were found to be overvalued by ₹ 1,40,000
- Creditors were paid ₹ 4,20,000 in full settlement
- Stock has to be revalued at 120%.
- Make provision for doubtful debts at 20%.
- Diya brought proportionate capital and ₹ 5,60,000 as her share of goodwill premium by cheque.

350 000 x 20 / 100
 6 0000

Prepare revaluation account and partners' capital accounts.

Q28. Shivam, Tara, Uvan and Vikram were partners in a firm sharing profits and losses in the ratio of 4:3:2:1. On 1st April, 2024, their Balance Sheet was as follows:

Balance sheet of Shivam, Tara, Uvan and Vikram
 As at 1st April, 2024

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital:			Fixed assets		4,40,000
Shivam	2,00,000		Current Assets		2,00,000
Tara	1,50,000				
Uvan	1,00,000				
Vikram	50,000	5,00,000			
Sundry Creditors		80,000			
Workmen compensation reserve		60,000			
		6,40,000			6,40,000

From the above date partners decided to share the future profits in 3: 1: 2: 4 ratio. For this purpose, goodwill of the firm was valued at ₹ 90,000. The partners also agreed for the following:

- (i) The claim for workmen compensation has been estimated at ₹ 70,000.
- (ii) To adjust the capitals of the partners according to new profit-sharing ratio by opening Partners' Current Accounts.

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

PART B

- Q29. Give the main head and sub head of short-term loans?
- Q30. Under which main head is general reserve found in the balance sheet?
- Q31. Give any 2 items coming under the head of equity and liabilities.
- Q32. Give 2 example of indirect expenses coming in statement of profit and loss.

Q33. Prepare common-size Statement of profit and loss from the following information:

Particulars	31-03-2025	31-03-2024
Revenue from operations	₹ 10,00,000	₹ 7,50,000
Other income	₹ 1,00,000	₹ 75,000
Purchase of stock in trade	₹ 7,50,000	₹ 6,00,000
Change in inventories of stock in trade	₹ (50,000)	₹ 10,000
Other expenses	₹ 10,000	₹ 7,500
Rate of Income Tax	50%	50%

Q34. From the following balance sheet, prepare comparative balance sheet of Amrit Ltd.

Particulars	Note No.	31-03-2025 ₹	31-03-2024 ₹
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
i) Share Capital		3,00,000	2,00,000
ii) Reserve and surplus		2,00,000	2,00,000
2. Non-Current Liabilities			
Long term borrowings		1,60,000	40,000
3. Current Liabilities			
Trade Payables (Creditors)		1,00,000	60,000
Total		7,60,000	5,00,000
II ASSETS			
1. Non-Current Assets			
i) Property, plant and equipment and intangible assets:			
Property plant and equipment		5,60,000	3,60,000
ii) Non-current Investments		40,000	40,000
1. Current Assets			
i) Trade receivables		1,20,000	80,000
ii) Cash and cash equivalents		40,000	20,000
		7,60,000	5,00,000