

Kanav Shrivastava

ST. FROEBEL SENIOR SECONDARY SCHOOL
A-3 BLOCK, PASCHIM VIHAR, NEW DELHI-110063
MID TERM EXAMINATION (2025-26)

ACCOUNTANCY (055)

CLASS: XII

Time: 3 Hours

MM: 80

General Instructions:

- (i) This question paper contains 34 questions. All questions are compulsory.
- (ii) Marks are indicated against every question.
- (iii) Show working notes neatly wherever required.

Q1	Name any two tools of analysis of financial statements.	1
Q2	Which item is assumed to be 100 while preparing common size statement of profit and loss?	1
Q3	Which of the following is cash flow from Operating activities for a finance company: (A) Conversion of debentures into equity shares (B) Dividend received (C) Dividend paid (D) Purchase of building	1
Q4	Pawan, Kavita and Gaurav were partners in a firm. The firm was dissolved. Creditors took over furniture of book value of ₹ 60,000 at 10% less than the book value in part settlement of their amount of ₹ 60,000. The balance amount was paid to them through cheque. The amount paid through cheque will be : (A) ₹ 5,000 (B) ₹ 6,000 (C) ₹ 54,000 (D) Nil	1
Q5	Renu, Trilok and Mansi were partners in a firm sharing profits and losses in the ratio of 9 : 6 : 5. Hina was admitted as a partner for $\frac{1}{10}$ th share in the profits which she acquired equally from Renu and Trilok. The new profit sharing ratio after Hina's admission will be : (A) 5 : 5 : 2 : 8 (B) 5 : 5 : 8 : 2 (C) 8 : 2 : 5 : 5 (D) 8 : 5 : 5 : 2	1
Q6	Anmol, Bhavya and Chanakya were partners in a firm sharing profit and losses in the ratio of 5:3:2. Chanakya retired and his capital balance after adjustments regarding reserves, accumulated profit & losses and his share of gain on revaluation was ₹ 2,50,000. Chanakya was paid ₹ 3,22,000 including his share of goodwill. The amount credited to Chanakya's capital account on his retirement, for goodwill will be: A. ₹ 72,000 B. ₹ 7,200 C. ₹ 24,000 D. ₹ 36,000	1
Q7	Section 37 of the Partnership Act states that the outgoing partner is entitled to :- A. Proportionate share in profits B. Interest on Loan dues @ 6% p.a C. Immediate payment of dues D. Either of A or B	1

	<p>profit or losses was to be calculated on the basis of previous year's profit or loss. Loss for the year ended 31st March 2023 was ₹8,10,000. Which of the following is correct option:</p> <p>A. C to be debited by ₹ 2,70,000 B. C to be debited by ₹ 90,000 C. C to be credited by ₹ 2,70,000 D. C to be credited by ₹ 90,000</p>	
Q14	<p>Workmen Compensation Reserve was appearing in the Balance Sheet at ₹ 4,00,000. At the time of admission of partner Sohail, claim for workmen compensation was ₹ 4,50,000. Determine the amount to be shown in Revaluation Account.</p> <p>A. Debited ₹ 4,50,000 B. Credited ₹ 4,00,000 C. Debited ₹ 50,000 D. Credited ₹ 50,000</p>	1
Q15	<p>Realisation expenses amounted to ₹ 15,000 were paid by partner Rahul. Vijay, another partner was appointed to look after dissolution process for which he was allowed remuneration of ₹ 8,000 and Vijay was to bear realization expenses. What amount will be debited to realisation account for the above?</p> <p>A ₹ 15,000 B ₹ 8,000 C ₹ 23,000 D ₹ 7,000</p>	1
Q16	<p>Assertion (A) :- Gross Profit Ratio is always higher than Net Profit Ratio. Reason (R) :- To calculate Net Profit, Indirect Expenses are subtracted from Gross Profit and Indirect Incomes are added to Gross Profit. Choose the correct option from the following :</p> <p>(A) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (B) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). (C) Assertion (A) is correct, but Reason (R) is incorrect. → (D) Assertion (A) is incorrect, but Reason (R) is correct.</p>	1
Q17	<p>Read the following Statements:</p> <p>Statement I: Rent received by a real estate company is an operating activity. Statement II: Dividend paid by a finance company is financing activity. Statement III: Current Investment is considered as Cash and Cash Equivalents while preparing cash flow statement. Choose the correct option:</p> <p>A. Only statement I and II are correct B. Only statement II and III are correct → C. Only statement I and III are correct D. All statements are correct</p>	1
Q18	<p>Which of the following transactions will result in cash outflow from operating activities ?</p> <p>(A) Payment to creditors (B) Proceeds from sale of investments</p>	1

	(C) Dividend received by a non-finance company (D) Depreciation charged on furniture	1
Q19	Income tax paid is classified under : (A) Operating activities (C) Financing activities	(B) Investing activities (D) Cash and cash equivalents
Q20	Quick assets do not include: (A) Cash in hand (C) Prepaid expenses	(B) Marketable securities (D) Trade receivables
Q21	Raju and Rinku were partners sharing profits and losses in the ratio 3:2. They admitted Sumit as a new partner for 1/3 share. On the date of admission Capitals of Raju and Rinku were ₹ 5,50,000 and ₹ 6,50,000 respectively, also, General Reserve of ₹ 3,00,000 and Profit and Loss (Dr.) balance of ₹ 1,00,000 were appearing in the books of accounts. Firm made an average profits of ₹ 2,40,000 during the last few years and the normal rate of earning was expected to be 12%. Calculate the Goodwill of the firm by Capitalisation Method.	3
Q22	Inventory Turnover Ratio of company was 5 times. The firm had Revenue from operations of ₹ 5,00,000 and Gross Profit was 25% of Cost of Revenue from Operations. Determine the amount of Opening Inventory if Closing Inventory was ₹ 60,000	3
Q23	Riddhi, Siddhi and Vidhi were partners sharing profits and losses in the ratio of 7:5:3. w.e.f 01 April, 2023 they decided to share future profits and losses in the ratio of 5:4:1. Goodwill of the firm on the date of reconstitution was valued at ₹ 3,00,000. The following balances were also appearing on the date of reconstitution. General Reserve ₹ 2,40,000 Deferred Revenue Expenditure ₹ 1,80,000 Profit and Loss (Dr.) Balance ₹ 7,20,000 Partners decided to continue with above three balances in the books of the firm. Pass necessary entries I in the books of the firm. Show your working clearly.	3
Q24	Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013 : (a) Copyrights (b) Interest Accrued on investments (c) Long-term investment in shares	3
Q25	X Ltd. has a Current ratio of 3.5 : 1 and Quick ratio of 2 : 1. If excess of Current Assets over Quick Assets is represented by inventories of ₹ 16,000 and prepaid expenses of ₹ 8,000, calculate : (a) Current Liabilities (b) Current Assets (c) Quick Assets	3
Q26	Alok and Manish were partners sharing profits and losses in the ratio of 5:3. For the year ended March 31, 2023 it was observed that profits of ₹ 80,000 were distributed equally without providing for Salary of ₹ 5,000 p.m. to Alok and Commission of ₹	3

	40,000 to Manish. You are required to pass necessary adjustment entry. Show working notes clearly.																																											
Q27	<p>Fill up the missing figures: Comparative Statement of Profit & Loss For the years ended 31st March, 2022 and 2023</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Note No.</th> <th>2022</th> <th>2023</th> <th>Absolute Change</th> <th>% Change</th> </tr> </thead> <tbody> <tr> <td>I Revenue from Operation</td> <td></td> <td>40,00,000</td> <td>?</td> <td>20,00,000</td> <td>?</td> </tr> <tr> <td>II Less Expenses:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cost of Material Consumed</td> <td></td> <td>?</td> <td>30,00,000</td> <td>10,00,000</td> <td>?</td> </tr> <tr> <td>Other Expenses</td> <td></td> <td>4,00,000</td> <td>?</td> <td>?</td> <td>150</td> </tr> <tr> <td>Total Expenses</td> <td></td> <td>?</td> <td>?</td> <td>?</td> <td>?</td> </tr> <tr> <td>III Profit Before Tax</td> <td></td> <td>?</td> <td>?</td> <td>?</td> <td>?</td> </tr> </tbody> </table>	Particulars	Note No.	2022	2023	Absolute Change	% Change	I Revenue from Operation		40,00,000	?	20,00,000	?	II Less Expenses:						Cost of Material Consumed		?	30,00,000	10,00,000	?	Other Expenses		4,00,000	?	?	150	Total Expenses		?	?	?	?	III Profit Before Tax		?	?	?	?	4
Particulars	Note No.	2022	2023	Absolute Change	% Change																																							
I Revenue from Operation		40,00,000	?	20,00,000	?																																							
II Less Expenses:																																												
Cost of Material Consumed		?	30,00,000	10,00,000	?																																							
Other Expenses		4,00,000	?	?	150																																							
Total Expenses		?	?	?	?																																							
III Profit Before Tax		?	?	?	?																																							
Q28	<p>Prepare Common Size Statement of Profit and Loss from the following information of Amateur Ltd. for the year ended March 31, 2023.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (in ₹)</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>250 % of Employee Benefit Expenses</td> </tr> <tr> <td>Purchases of Stock in Trade</td> <td>2,50,000</td> </tr> <tr> <td>Opening Inventory</td> <td>80,000</td> </tr> <tr> <td>Closing Inventory</td> <td>1,55,000</td> </tr> <tr> <td>Employee Benefit Expenses</td> <td>6,00,000</td> </tr> <tr> <td>Other Income</td> <td>3,00,000</td> </tr> <tr> <td>10% Debentures</td> <td>6,00,000</td> </tr> <tr> <td>Depreciation on Tangible Assets</td> <td>75,000</td> </tr> <tr> <td>Amortisation of Intangible Assets</td> <td>15,000</td> </tr> <tr> <td>Tax rate</td> <td>20%</td> </tr> </tbody> </table>	Particulars	Amount (in ₹)	Revenue from Operations	250 % of Employee Benefit Expenses	Purchases of Stock in Trade	2,50,000	Opening Inventory	80,000	Closing Inventory	1,55,000	Employee Benefit Expenses	6,00,000	Other Income	3,00,000	10% Debentures	6,00,000	Depreciation on Tangible Assets	75,000	Amortisation of Intangible Assets	15,000	Tax rate	20%	4																				
Particulars	Amount (in ₹)																																											
Revenue from Operations	250 % of Employee Benefit Expenses																																											
Purchases of Stock in Trade	2,50,000																																											
Opening Inventory	80,000																																											
Closing Inventory	1,55,000																																											
Employee Benefit Expenses	6,00,000																																											
Other Income	3,00,000																																											
10% Debentures	6,00,000																																											
Depreciation on Tangible Assets	75,000																																											
Amortisation of Intangible Assets	15,000																																											
Tax rate	20%																																											
Q29	<p>Amit, Sumit and Pulkit were partners sharing Profit & Loss in the ratio 5:3:2. Their Capitals were ₹ 8,00,000; ₹ 7,00,000 and ₹ 5,00,000 respectively. According to Partnership Deed:-</p> <p>(a) Interest on Capital @ 10% p.a. (b) Salary to Amit ₹ 10,000 p.m and Pulkit ₹ 15,000 per quarter. (c) Commission to Sumit ₹ 70,000. (d) Sumit was being guaranteed that his share of profits will not be less than ₹ 65,000. Deficiency if any will be borne by Amit and Pulkit equally.</p> <p>Ignoring the above terms the profits of ₹ 6,00,000, for the year ended March 31, 2025 were divided equally between partners. You are required to pass necessary adjustment entry. Show your workings clearly.</p>	4																																										
Q30	<p>Sonia and Rohit were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2023 their Balance Sheet was as follows :</p>	6																																										

Balance Sheet of Sonia and Rohit as at 31st March, 2023

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals :	1,60,000	Building	2,00,000
Sonia 70,000		Machinery	1,40,000
Rohit <u>90,000</u>		Furniture	80,000
General Reserve	80,000	Debtors	1,20,000
Sonia's Loan	1,30,000	Stock	60,000
Bank Loan	2,20,000	Cash at Bank	60,000
Creditors	70,000		
	6,60,000		6,60,000

The firm was dissolved on the above date on the following terms :

- (i) Building, machinery and furniture realised ₹ 3,44,000.
 - (ii) Debtors realised 90% only.
 - (iii) Creditors took away half of the stock in full settlement of their account.
 - (iv) Remaining stock realised ₹ 72,000.
 - (v) Realisation expenses amounting to ₹ 14,000 were paid by Rohit.
- Prepare Realisation Account

Q31 From the following particulars of Ruparel Ltd., calculate 'Cash Flow from Investing Activities'. Show your working clearly

6

Particulars	31.03.2025 (₹)	31.03.2024 (₹)
Goodwill	3,00,000	1,00,000
Patents	1,60,000	2,80,000
Machinery	12,40,000	10,20,000
10% Investments	1,60,000	60,000

Additional Information :

- (i) Patents of ₹ 1,20,000 were sold at book value.
- (ii) Depreciation charged during the year on machinery was ₹ 1,40,000.

A machine having a book value of ₹ 80,000 was sold for ₹ 50,000.
 (iii) On 31.03.2023, 10% investments were purchased for ₹ 1,80,000 and some investments were sold at a profit of ₹ 20,000.
 Interest received on investments was ₹ 6,000.

Q32

Pankaj, Rajat and Samay were partners in a firm sharing profits and losses in the ratio of 7 : 2 : 1. Their Balance Sheet as at 31st March, 2023 was as follows :
 Balance Sheet of Pankaj, Rajat and Samay as at 31st March, 2023

6

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals :		Machinery	2,10,000
Pankaj 3,00,000	6,00,000	Furniture	1,00,000
Rajat 2,00,000		Stock	1,50,000
Samay <u>1,00,000</u>		Debtors	1,60,000
General Reserve	1,00,000	Bank	2,50,000
Creditors	1,70,000		
	<u>8,70,000</u>		<u>8,70,000</u>

Rajat died on 30th June, 2023. It was agreed between his executors and remaining partners that :

(i) Goodwill be valued at two years purchase of average profits of the previous four years which were ₹ 5,00,000.

(ii) Share of profit up to the date of death will be on the calculated on the basis of average profits of the past four years. Rajat's share of profit amounted to ₹ 25,000.

(iii) Interest on capital is to be provided @ 10% p.a.

(iv) Half the amount due to Rajat is to be paid immediately.

Prepare Rajat's Capital Account and Rajat's Executor's Account as on 30th June, 2023.

Q33

Asha and Vihu were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 was as follows :

Balance Sheet of Asha and Vihu as at 31st March, 2023

6

Liabilities	Amount(₹)	Assets	Amount(₹)
Creditors	80,000	Cash	40,000
General Reserve	50,000	Debtors 36,000	
Investment Fluctuation Fund	10,000	Less Provision for Doubtful debts 2,000	34,000
Capitals :		Stock	30,000
Asha 1,44,000		Investments	40,000
Vihu 80,000	2,24,000	Plant and Machinery	2,20,000
	<u>3,64,000</u>		<u>3,64,000</u>

On 1st April, 2023, Mani was admitted into partnership for 1/5th share in the profits of the firm on the following terms :

- (i) Mani brought ₹ 20,000 as her share of goodwill and proportionate capital.
- (ii) Provision for doubtful debts was to be maintained at 10% on debtors.
- (iii) Market value of investments was ₹ 35,000.
- (iv) The value of Plant and Machinery be increased by ₹ 6,600.

Prepare Revaluation Account and Partners' Capital Accounts.

Q34 Trisha, Urvi and Varsha were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. Their Balance Sheet as at 31st March, 2023 was as follows :

Balance Sheet of Trisha, Urvi and Varsha as at 31st March, 2023

Liabilities	Amount (₹)	Assets	Amount (₹)
Capitals :		Fixed Assets	2,00,000
Trisha 2,00,000		Stock	1,00,000
Urvi 1,30,000		Debtors	1,50,000
Varsha 1,00,000	4,30,000	Cash	2,00,000
General Reserve	1,50,000		
Creditors	2,70,000		
	8,50,000		8,50,000

Trisha retired on 1st April, 2023 and the partners agreed to the following terms :

- (i) Fixed Assets were found overvalued by ₹ 80,000.
- (ii) Stock was taken over by Trisha at ₹ 80,000.
- (iii) Goodwill of the firm was valued at ₹ 1,00,000 on Trisha's retirement and Trisha's share by goodwill was adjusted through the Capital Accounts of remaining partners.
- (iv) New profit sharing ratio between the remaining partners was agreed at 2 : 3.
- (v) Trisha was paid ₹ 50,000 on retirement and the balance was transferred to her loan account.

Pass necessary journal entries in the books of the firm on Trisha's retirement.

6