



PREBOARD EXAMINATION (2021-22)
TERM I – SET B

Subject: ACCOUNTANCY

Max. Marks:40

Grade: 12

Time:90 min

Name:

Section:

Roll No:

General Instructions: Read the following instructions very carefully and strictly follow them:

- 1. This question paper comprises three PARTS – I and II. There are 55 questions in the question paper.**
- 2. There is an internal choice provided in each Sections.**
I. Part-I contains three Sections -A, B and C. Section A has questions from 1 to 18 and Section B has questions from 19 to 36, you must attempt any 15 questions each in both the sections.
II. Part I, Section C has questions from 37 to 41. You must attempt any four questions.
III. Part II, contains two Sections – A and B. Section A has questions from 42 to 48, you must attempt any five questions and Section B has questions from 49 to 55, you have to attempt any six questions.
- 3. All questions carry equal marks. There is no negative marking.**
- 4. Specific Instructions related to each Part and subdivisions (Section) is mentioned clearly before the questions. Candidates should read them thoroughly and attempt accordingly.**

PART I

SECTION A

Instructions: -From question number 1 to 18, attempt any 15 questions.

- Sacrificing ratio is used to distribute _____ in case of admission of a partner.
a. Goodwill
b. Revaluation Profit or Loss
c. Profit and Loss Account (Credit Balance)
d. Both (b) and (c)
- A company forfeited 5,000 shares of `10 each due to non-payment of allotment money of `5 per share (including premium of `2 per share) . First and final call of `2 per share yet to be called. Out of these 3,000 shares were reissued as fully paid up at `24,000. The amount of Capital Reserve will be:
a. Rs.9,000
b. Rs. 6,000
c. Rs, 15,000
d. None of these
- Securities Premium Reserve A/c cannot be utilized for the purpose of:
a. Writing off preliminary expenses
b. Premium on redemption of Debentures
c. Issue of fully paid-up bonus shares
d. Paying Dividend
- If 100 shares of face value `10 issued at a premium of `3 per share payable along with allotment of `7 per share, on which `3 per share first call was not received and second & final call of `2 per share yet to be called. These shares were forfeited. If company want to reissue these shares, then minimum reissuing price will be

- a. Rs.800 b. Rs.500
c. Rs.700 d. None of these

Balance Sheet (Extract)

If the value of Stock reflected in the balance sheet is overvalued by 25%, find out the value of Stock to be shown in the new Balance Sheet

- a. Rs. 1,60,000 b. Rs. 2,00,000
c. Rs. 2,40,000 d. Rs. 3,00,000
- A, B and C are partners in a firm without any agreement. They have contributed ` 5,00,000, ` 3,00,000 and ` 2,00,000 by way of capital in the firm. A was unable to work for six months in a year due to illness but he wanted interest on capital @ 10% p.a. At the end of the year firm earned a profit of ` 1,50,000 A's share in the divisible profit will be:
- a. Rs. 75,000 b. Rs. 45,000
c. Rs. 50,000 d. None of these
- If at the time of admission if there is some unrecorded assets, it will be ----- to --
Account.
- a. Debited, Revaluation b. Credited, Revaluation
c. Debited, Goodwill d. Credited, Partners capital
- What time would be taken into consideration if equal monthly amount is drawn as drawing at the beginning of each month but only in first 9 months in that year:
- a. 7 months b. 6 months
c. 9.5 months d. 8 months
- Rohit and Mohit share profits & losses equally. Their capitals were ` 1,00,000 and ` 60,000 respectively. There was also a balance of ` 60,000 in General reserve and revaluation gain amounted to ` 30,000. They admit friend Yojit with $\frac{1}{8}$ share. Yojit brings ` 50,000 as capital. The amount of goodwill brought in by Yojit will be:
- a. Rs. 1,60,000 b. Rs. 2,10,000
c. Rs. 23,750 d. Rs. 20,000
- R, S and G are partners sharing profits in the ratio of 4:2:1. According to the partnership agreement, G is to get a minimum amount of ` 70,000 as his share of profits every year and any deficiency on this account is to be personally borne by R. The net profit for the year ended 31st March 2021 amounted to 4,20,000. Calculate the amount of deficiency to be borne by R?
- a. Rs. 40,000 b. Rs. 30,000
c. Rs. 20,000 d. Rs. 10,000

- (b) Revaluation A/c will be debited with ` 18,000. (c) Revaluation A/c will be credited with ` 20,000. (d) Revaluation A/c will be debited with ` 20,000.
- a. Revaluation A/c will be credited with ` 18,000. b. Revaluation A/c will be debited with ` 18,000.
- c. Revaluation A/c will be credited with ` 20,000. d. Revaluation A/c will be debited with ` 20,000.
13. Which of the following items are added to previous year's profits for finding normal profits for valuation of goodwill?
- a. Loss on sale of fixed assets b. Loss due to fire, earthquake etc
- c. Undervaluation of closing stock d. All of the above
14. Daisy Limited forfeited 200 shares ₹10 each who had applied for 500 shares, issued at a premium of 10% for non-payment of final call of ₹3 per share. Out of these 100 shares were issued as fully paid up for ₹15. The profit on reissue is :
- a. Rs.700 b. Rs.6,400
- c. Rs.300 d. Rs.400
15. Amount of money not received out of called up capital is :
- a. Added to share capital b. Subtracted from share capital
- c. Shown as current liabilities d. Shown as current asset
16. Arrange the following in proper sequence as types of "Share Capital"
- (i) Paid up capital (ii) Issued capital
- (iii) Subscribed capital (iv) Called up capital
- The correct Sequence is:
- a. (i), (ii), (iii), (iv) b. (ii), (iii), (i), (iv)
- c. (i), (ii), (iv), (iii) d. (ii), (iii), (iv), (i)
17. A and B were partners sharing profits and losses in the ratio of 4:3. On 1st April, 2021 they admitted C as a new partner and new ratio was decided as 3:3:1. Goodwill of the firm was valued as ` 7,00,000. C brought his required share of goodwill premium in cash. C's share of goodwill credited to A and B Capital Accounts by:
- a. Rs. 1,00,000 and Nil respectively b. Rs. 50,000 and Rs 50,000 respectively
- c. Rs.4,00,000 and Rs 3,00,000 respectively d. Nil and Rs 1,00,000 respectively
18. X, Y and Z are partners sharing profits and losses in the ratio of 2:2:1. They decide to share future profits and losses in the ratio of 5:2:3 with effect from 1st April, 2020. Goodwill of the firm was valued at ` 6,00,000. The adjustment entry will be:
- a. Dr. Y's capital by ` 1,20,000; Cr. X' capital by ` 60,000 and Cr. Z's capital by 60,000 b. Cr. Y's capital by ` 1,20,000; Dr. X' capital by ` 60,000 and Dr. Z's capital by 60,000
- c. Dr. Y's capital by ` 60,000; Cr. X' capital by ` 30,000 and Cr. Z's capital by 30,000 d. Cr. Y's capital by ` 60,000; Dr. X' capital by ` 30,000 and Dr. Z's capital by 30,000

Part – I
Section – B

Instructions:

From question number 19 to 36, attempt any 15 questions.

19. A, and B are partners sharing profits in the ratio of 2:3. Their balance sheet shows machinery at ₹2,00,000; stock ₹80,000, and debtors at ₹1,60,000. C is admitted and the new profit sharing ratio is 6:9:5. Machinery is revalued at ₹1,40,000 and a provision is made for doubtful debts @5%. A's share in loss on revaluation amount to ₹20,000. Revalued value of stock will be:

 - ₹62,000
 - ₹1,00,000
 - ₹60,000
 - ₹98,000

20. Rakesh and Sachin are partners sharing profits in the ratio of 4:1. Vikas was admitted for 1/4 share of which 3/4 was gifted by Rakesh. The remaining was contributed by Sachin. Goodwill of the firm is valued at ₹40,000. How much amount for goodwill will be credited to Sachin's Capital account?

 - Rs. 2,500.
 - Rs. 7,500.
 - Rs.10,000.
 - Rs.30,000.

21. Bajirao and Chulbul were partners in a firm sharing profits in the ratio 3:2. On 31st March 2020 their balance sheet was as follows:
 With an aim to expand business it is decided to admit Rancho as a partner on 1st April 2020 on the following terms:

 - Provision for doubtful debts is to be increased by ₹2,000.
 - An outstanding bill for repairs ₹50,000 to be accounted in the books.
 - Stock is valued at ₹84,000. Value of stock in the book was ₹74,000.

The Journal entry of revaluation profit or loss transferred to Bajirao and Chulbul account will be:

 - Loss will be transferred to debit side of capital Account of Bajirao and Chulbul by ₹25,200 and ₹16,800 respectively.
 - Profit will be transferred to credit side of capital Account of Bajirao and Chulbul by ₹25,200 and ₹16,800 respectively.
 - Loss will be transferred to debit side of current Account of Bajirao and Chulbul by ₹25,200 and ₹16,800 respectively.
 - Loss will be transferred to credit side of current Account of Bajirao and Chulbul by ₹20,200 and ₹16,600 respectively.

22. In the given question, a statement of assertion followed by a statement of reason is given.

Assertion:	The capital account of partner, in case of fixed capital method, always show a credit balance in spite of consistent losses.
Reason:	All losses are debited to Current Account of the partners, so Capital account do not show debit balance.

 - Assertion and Reason are correct but the reason is not the correct explanation of assertion
 - Both assertion and reason are correct and reason is the correct explanation of assertion
 - Assertion is correct but the reason is not correct.
 - Both assertion and reason are not correct.

23. Udit, Ved and Wadhwa were equal partners, they took a decision of sharing profits in the ratio of 2:3:5. They also decide to record the effect of the following revaluations and reassessments without affecting the book values of assets and liabilities by passing a single adjustment entry:

	Book Value (₹)	Revised Value (₹)
Land and Building	3,00,000	3,50,000
Furniture	1,50,000	1,00,000
Sundry Creditors	60,000	20,000
Outstanding Salaries	1,00,000	50,000

The single adjustment entry will

- a. Dr. Wadhwa by ₹15,000 and Cr. Udit and Ved by ₹12,000 & ₹3,000 respectively.
- b. Dr. Udit and Cr. Wadhwa by ₹15,000.
- c. Dr. Ved and Cr. U by ₹10,000.
- d. .None of these.
24. Chetan and Amit are partners in the ratio of 3:2. Their fixed Capital were ₹ 2,00,000 and ₹ 3,00,000 respectively. After the closing of accounts for the year it was observed that the Salary to Amit was given wrongly ₹ 50,000 during the year as there was not any agreement regarding it. By what amount will Chetan's account be affected if partners decide to pass an adjustment entry for the same?
- a. Chetan's Current A/c will be Credited by ₹ 30,000.
- b. Chetan's Capital A/c will be Credited by ₹ 30,000.
- c. Chetan's Current A/c will be Debited by ₹ 30,000.
- d. Chetan's Capital A/c will be debited by ₹ 30,000
25. Sunil, Naresh and Joginder are the partners sharing profits and losses in the ratio of 3:2:1 with capitals of ₹ 2,00,000, ₹ 2,00,000 and ₹ 1,00,000 respectively. Partnership Deed provides for interest on Capital @ 10% p.a. and profit for the year is ₹ 25,000. How much interest will be provided on Sunil's Capital during the year?
- a. Rs. 18,000
- b. Rs. 12,000
- c. Rs. 10,000
- d. Rs. 8,000
26. Assertion (A): Profit or loss on revaluation account is not transferred to incoming partners' capital Account Reason (R) : Profit or loss on revaluation at the time of admission of a Partner belongs to Pre Admission period hence belong to old partners: Give Answer.
- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- b. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- c. Assertion (A) is false, but Reason (R) is true
- d. Assertion (A) is true, but Reason (R) is false
27. Ashok a shareholder of a company allotted shares to whom 12,000 of ₹ 100 each, failed to pay allotment ₹ 30 per share and first & final call ₹ 30 per share. Ashok had paid only application money. Pro-rata allotment proportion is 5:6. What will be the amount of calls-in arrears on allotment, from the following:
- a. ₹ 3,60,000
- b. ₹ 2,64,000
- c. ₹ 96,000
- d. None of these

28. "40,000 shares issued to existing employees of company as per their choice and option at the below price than the market price." Is an example of _____
- Public Issue
 - Private Placement
 - ESOP
 - Issue other than cash
29. P and Q are partners sharing profits and losses in the ratio of 2:1 with capitals ₹1,00,000 and ₹80,000 respectively. The interest on capital has been provided to them @ 8% instead of 10%. In the rectifying adjustment entry, Q will be:
- Debited by ₹400
 - Credited by ₹400
 - Debited by ₹1600
 - Credited by ₹1600.
30. Hans Ltd. Forfeited 40 shares of Rs 10 each issued at a premium of 40 % of Raj who had applied for 48 shares. After having paid Rs 6 (including Rs 2 Premium), he did not pay the allotment of Rs 2(including Rs 1 Premium) and on his subsequent failure to pay the first call of Rs 3(Including Rs 1 Premium) his shares were forfeited. The amount to be credited to forfeited share account is
- Rs 288
 - Rs 200
 - Rs 192
 - Rs. 160
31. In the given question, a statement of assertion followed by a statement of reason is given.

Assertion:	Issued share capital and subscribed share capital are always same.
Reason:	Subscribed share capital is a part of issued share capital, Thus it is always equal to the issued share capital

- Assertion and Reason are correct but the reason is not the correct explanation of assertion.
 - Both assertion and reason are correct and reason is the correct explanation of assertion
 - Assertion is correct but the reason is not correct
 - Both assertion and reason are not correct.
32. Pick the odd one out:
- Rent to a partner
 - Manager's commission
 - Interest on partner's loan
 - Interest on partner's capital.
33. A Ltd. forfeited a share of ` 100 issued at a premium 20% for non-payment of the first call of ` 30 per share and the final call of ` 10 per share. The minimum price at which this share can be reissued is:
- Rs. 60
 - Rs. 40
 - Rs. 100
 - Rs.20
34. When shares are issued for consideration other than cash, which account is debited?
- Securities Premium Reserve A/C
 - Capital Reserve A/C
 - Vendor's A/C
 - Share Capital A/c
35. Match the following:
- | | | | |
|------|------------------------|---|-------------------------------|
| i. | Sacrificing Ratio | A | Nominal Account |
| ii. | Gaining Ratio | B | Reconstitution of Partnership |
| iii. | Revaluation Account | C | New Ratio – Old Ratio |
| iv. | Admission of a Partner | D | Old Ratio – New Ratio |
- i- B, ii-C, iii-A, iv-D
 - i- D, ii-B, iii-A, iv-C
 - i- D, ii-C, iii-A, iv-B
 - i- D, ii-C, iii-B, iv-A
36. Daisy Limited forfeited 200 shares Rs.10 each who had applied for 500 shares, issued at a premium of 10% for nonpayment of final call of Rs.3 per share. Out of these 100 shares were issued as fully

paid up for Rs.15. The profit on reissue is :

- a. Rs. 700
- b. Rs. 6400
- c. Rs. 300
- d. Rs. 400

Part – I

Section – C

Instructions: From question number 37 to 41, attempt any 4 questions.

Read the following text and answer the given questions 37 to 39

Mahima limited has an authorised capital of ₹1,00,00,000 divided into 1,00,000 equity shares of ₹100 each. If offered 90,000 equity shares ₹10 each at a premium of ₹8. The public applied for 81,000 equity shares. Till 31st March 2018, ₹17 (including premium) was called. An applicant holding 5000 shares did not pay first call of ₹2 per share.

As per the above given information:

37. _____ is the amount of share capital to be shown in the balance sheet of the company
- a. Rs. 7,00,000
 - b. Rs. 7,19,000
 - c. Rs. 7,50,000
 - d. Rs. 7,60,000
38. Out of total face value, liability of a shareholder is limited to value of the share allotted to him.
- a. Subscribed capital
 - b. Called-up capital
 - c. Paid up capital
 - d. Authorized capital
39. 1. Match the following :
- | | |
|-------------------------------|--|
| (A) Cumulative Pref. Share | (i) Repaid after some time |
| (B) Participating Pref. Share | (ii) Converts into equity shares |
| (C) Redeemable Pref. shares | (iii) Dividend accumulates if not paid |
| (D) Convertible Pref. shares | (iv) Gets share in surplus profit |
- The correct match is:
- a. A-ii, B-i, C-iii, D-iv
 - b. A-iii, B-iv, C-i, D-ii
 - c. A-iii, B-iv, C-ii, D-i
 - d. A-ii, B-iv, C-iii, D-i

Read the following text and answer the given questions 40 and 41

A, B, C and D are partners sharing profit or loss in the ratio of 3:2:3:2. Their respective capitals on 1st April, 2019 were ` 8,00,000; ` 4,00,000; ` 6,00,000 and ` 2,00,000. According to partnership deed

- (i) A has given guarantee to earn minimum profit of ` 2,00,000 for the firm.
- (ii) C's share in profit (including Interest on Capital) is guaranteed by A ` 2,40,000.
- (iii) Guarantee is given to D regarding minimum profit ` 2,00,000 (including Salary but excluding Interest on Capital).
- (iv) Interest on capital is allowed @ 10% p.a.

(v) Salary is allowed to each partner ` 40,000.

Profits earned by firm during the year 2019-20 were ` 8,00,000 out of which A's earning for the firm was `1,40,000.

40. What will be the amount of deficiency borne by A, B and C due to guarantee of profit to D?

- | | |
|-------------------------------------|-------------------------------------|
| a. A - 12,500, B -5,000, C- 2,500 | b. A - 22,500, B -15,000, C- 22,500 |
| c. A - 20,000, B -15,000, C- 10,000 | d. A - 10,500, B -4,500, C- 6,000 |

41 A's share in divisible profit will be

- | | |
|-----------------|-----------------|
| a. Rs. 85,000 | b. Rs. 1,00,000 |
| c. Rs. 1,27,500 | d. Rs. 75,000 |

Part – II
Section – A

Instructions:

From question number 42 to 48, attempt any 5 questions.

42 Assertion (A)Prepaid Expenses are not considered as liquid assets Reason (R): Prepaid Expenses cannot be converted into cash

- | | |
|--|--|
| a. Both (A) and (R) are true and (R) is the correct explanation of (A) | b. Both (A) and (R) are true and (R) is not the correct explanation of A |
| c. (A) is true, but (R) is false | d. (A) is false, but (R) is true |

43 Which ratios are complimentary to each other:

- | | |
|--|--|
| a. Gross profit ratio and Net profit ratio | b. Operating profit ratio and Net profit ratio |
| c. Operating ratio and Net profit ratio | d. Operating ratio and Operating profit ratio |

44 Assuming that the current ratio is 2:1, purchase of goods on credit would:

- | | |
|-------------------------------|--|
| a. Increase Current Ratio | b. Decrease Current Ratio |
| c. No effect on Current Ratio | d. Either increase or decrease Current Ratio |

45 Which ratio is not a part of (Long term) Solvency Ratio?

- | | |
|-----------------------|--------------------------------|
| a. Current ratio. | b. Debt to Equity Ratio |
| c. Proprietary ratio. | d. Total assets on Debt ratio. |

46 The two basic measures of operational efficiency of a company are

- | | |
|--|--|
| a. Net Profit Ratio and Operating Ratio | b. Current Ratio and Debt Equity Ratio |
| c. Operating Profit Ratio and Gross Profit Ratio | d. Inventory Turnover Ratio and Working Capital Turnover Ratio |

47 Advance Tax is shown under the sub-heading of:

- | | |
|------------------------------|------------------------|
| a. Other Current Liabilities | b. Other Current Asset |
| c. Short term Provision | d. Trade Payable |

48 Cash Revenue from Operations ₹4, 00,000 Credit Revenue, from Operations ₹21,00,000; Revenue from Operations Return ₹1,00,000; Cost of revenue from operations ₹19,20,000. G.P. ratio will be

- | | |
|--------|------------------|
| a. 20% | b. 23.2% |
| c. 80% | d. None of these |

Part – II
Section – B

Instructions:

From question number 49 to 55, attempt any 6 questions.

- 49 Y's profit after tax was rs. 100000. Its current assets were rs. 400000 , current liabilities rs. 200000 , fixe d assets rs. 600000 and 10 % long term debt rs. 400000. The rate of tax was 20%. Return on investment will be:
- a. 18% b. 22.4%
- c. 20.63% d. None of above
- 50 Calculate working capital turnover ratio from the following : Cost of revenue from operations 8,00,000; Current assets 6,00,000; Total Assets 24,00,000; non current liabilities 5,00,000 and shareholders fund 15,00,000. Gross profit Ratio 20% on sales .
- a. 5 times b. 3 times
- c. 6 times d. 15 times
- 51 Financial Analysis can be used for
- a. Security b. Credit Analysis
- c. Debt Analysis d. All of these
- 52 Assertion (A): Liquid ratio reveals strength of liquidity of a business unit. Reason (R): Liquid ratio analyses liquid assets and liquid liabilities of a business unit in order to assess the extent of liquidity.
- a. Both (A) and (R) are true and (R) is the correct explanation of (A) b. Both (A) and (R) are true and (R) is not the correct explanation of A
- c. (A) is true, but (R) is false d. (A) is false, but (R) is true
- 53 Assertion (A) Current ratio establishes relationship between Current Assets & Current liabilities. Reason (R): Current Ratio is a part of Activity Ratios.
- a. a) Both (A) and (R) are true and (R) is the correct explanation of (A) b. Both (A) and (R) are true and (R) is not the correct explanation of A
- c. (A) is true, but (R) is false d. (A) is false, but (R) is true
- 54 Opening inventory 2,00,000; closing inventory 2,40,000; purchases 42,00,000; wages 5,20,000; carriage inwards 60,000; selling expenses 1,20,000; revenue from operations 60,00,000. Gross profit Ratio will be:
- a. 26% b. 29%
- c. 21% d. 19%
- 55 Preliminary expenses are shown in the Balance Sheet under the head:
- a. Non-current assets b. Current assets
- c. Non-current liabilities d. Deducted from securities premium reserve
