



**HALF YEARLY EXAMINATION (2022-23)**

**Subject: Accountancy**

**Max. Marks: 80**

**Grade: XII**

**Time: 3 Hrs.**

**General instructions:**

1. This question paper comprises of 32 questions in the question paper.
2. All questions are compulsory.
3. Marks are indicated against each question.
4. Draw the proper format. Working notes should accompany questions
5. Journal entries should have narrations.

1. A, B and C were partner in a firm sharing Profit in the ratio of 3:2:1 during the year the firm earned profit of Rs. 84,000.  
Calculate the amount of Profit or Loss transferred to the capital A/c of B.  
A) Loss ₹84,000 B) Profit ₹84,000  
C) Profit ₹28,000 D) Loss ₹14,000
2. Liabilities to third parties in case of dissolution of partnership firm do not include : -  
A) Reserves B) Credit balance of P& L account  
C) Partner's loan D) All the above
3. An account prepared to ascertain the gain or loss at the time of death of a partner is called  
A) Realization a/c B) Executor a/c  
C) Revaluation a/c D) Deceased partner's Capital a/c
4. If Goodwill is Rs. 1,20,000, Average Profit is Rs. 60,000 Normal Rate of Return is 10% on Capital Employed Rs. 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
5. A, B and C are equal partners, they wanted to change the profit sharing ratio to 4 : 3 : 2. They raised the goodwill to Rs. 90,000. The effected accounts will be:  
A) C's Capital A/c Dr. 10,000 B) B's Capital A/c Dr. 10,000  
To A's Capital A/c 10,000 To A's Capital A/c 10,000  
C) C's Capital A/c Dr. 10,000 D) A's Capital A/c Dr. 10,000  
To B's Capital A/c 10,000 To C's Capital A/c 10,000
6. A and B are partners sharing profits in the ratio of 7 : 3. C is admitted as a new partner. "A" gave 1/7th of his share and "B" gave 1/3rd of his share to C. New Profit-sharing Ratio will be:  
A) 6:2:2 B) 4:1:1  
C) 3:2:2 D) None
7. X and Y are partners sharing profits in the ratio of 3 : 1. They admit Z as a partner who pays Rs. 4,000 as Goodwill. New Profit-sharing Ratio being 2 : 1 : 1 among X, Y, Z.  
Goodwill will be credited to:  
A) X and Y as Rs. 3,000 and Rs. 1,000 B) X only  
C) Y only D) None

- 8 A, B & C are partners sharing profits in ratio 3:2:1. C retired from the firm. The total capital of new firm is fixed at Rs 60,000. What will be the new capital of A and B :  
 A) Rs 30,000 and Rs 30,000 B) Rs 24,000 and Rs 36,000  
 C) Rs 36,000 and Rs 24,000 D) Rs 40,000 and Rs 20,000
- 9 A, B, C are partners sharing profit and losses in the ratio of 4:3:1. B retires and gives his share of profit to A Rs. 3,600 and C Rs. 4,500. What is the Gaining sharing ratio of A and C?
- 10 A, B and C are partners in a firm sharing profit and losses in 3:4:2. B retire from the firm. The profit on revaluation on that date was Rs. 72,000, New ratio between A and C is 5:3. Give the journal entry for distribution of profit.
- 11 If fixed amount is withdrawn on the last day of every month and interest on drawing charged is 10% p.a. Interest on drawing amounted to ₹2,750 what will be drawing amount per month?
- 12 In the absence of partnership deed mutual relations are governed by the Indian partnership act 2013. (True/False)
- 13 If average capital employed in a firm is Rs. 5,00,000, actual profit is Rs. 70,000 and normal rate of return is 10%, then super profit is: \_\_\_\_\_.
- 14 A, B and C are partners sharing profits and losses in the ratio of 5 : 4 : 1. Calculate new profit-sharing ratio, sacrificing ratio and gaining ratio if C acquires 1/10th share of A and 1/2 share of B.
- 15 At the time of admission, if the book value and the market value of investment is same Investment Fluctuation Reserve is transferred to \_\_\_\_\_ account of the old partners in their \_\_\_\_\_ ratio.
- 16 Why is revaluation of assets on reconstitution of partnership necessary?
- 17 The newly admitted partner brings his / her share of capital for which he will get \_\_\_\_\_ in firm.
- 18 In case of death of a partner the profit may be estimated on the basis of \_\_\_\_\_ and \_\_\_\_\_.
- 19 When Realization expenses are paid by a partner on behalf of the firm, Partner's Capital Account will be \_\_\_\_\_.
- 20 Distinguish between dissolution of partnership and dissolution of partnership firm on the basis of economic relationship.
- 21 Raju and Taju are partners in a firm. Their capitals as on 1<sup>st</sup> April 2021 were 5,00,000 and 3,00,000 respectively. They share profits equally. On 1<sup>st</sup> July 2021, they decided that their capitals should be 4,00,000 each. Interest on capital is allowed @ 5% p.a. Calculate interest on capital for both the partners for the year ended 31<sup>st</sup> March 2022. 3
- 22 The average net profits expected of a firm in future are Rs. 68,000 per year and capital invested in the business by the firm is Rs. 3,50,000. The rate of interest expected from capital invested in this class of business is 12%. The remunerating of the partners is estimated to be Rs. 8,000 for the year. You are required to find out the value of goodwill on the basis of two years' purchase of super profits. 3
- 23 Amar, Akbar and Anthony were partners sharing profits in the ratio of 2:3:5 and they decide to share future profits equally w.e.f. 1.4.2019. For this purpose, they did not want to give any effect to following values appearing in the books of account: 4

- a) The Profit & Loss account was showing a debit balance of Rs.24,000
- b) Deferred Revenue Expenditure account was showing a balance of Rs.12,000
- c) Building was showing a balance of Rs. 1,00,000 and was undervalued by Rs.48,000.

Give an adjustment entry for above.

- 24 A and B are partners in a firm sharing profits in the ratio of 3:2. They admitted C as a partner for  $\frac{1}{5}$ <sup>th</sup> share of future profits on 1<sup>st</sup> April 2019. He brings ₹7,500 as a premium out of his share of ₹10,000. On the date of admission, goodwill existing in the books at 25,000. Pass the necessary journal entries for goodwill at the time of admission. 4
- 25 Neru, Anu and Ashu are partners sharing profit in the ratio of 4 : 3 : 2. Ashu retires. Find the new ratio of Neru and Anu if terms for retirement provide the following : 4
- (i) ratio is not given
  - (ii) equal distribution of Ashu's share
  - (iii) Ashu's share is taken by Neru and Anu in the ratio of 2 : 1
  - (iv) Anu take over the share of Ashu.
- 26 X, Y and Z are partners sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share future profits and losses in the ratio of 2 : 3 : 5 with effect from 1st April 2019. Following item appear in the balance sheet as at 31st March 2019. 4
- Workmen compensation reserve Rs 2,50,000
- Pass the necessary journal entries if:
- a) Claim against WCR is Rs 1,00,000
  - b) Claim against WCR is Rs 3,00,000
- 27 Pass Journal entries for the following transactions on dissolution in the books of the firm, where A and B were sharing profits and losses in the ratio of 3:2, assuming that assets and third-party liabilities have been transferred to Realisation A/c. 4
- a) A's loan of ₹ 30,000 was settled at ₹ 28,000.
  - b) B has taken an unrecorded asset of ₹ 8,000 at ₹5,000.
  - c) Realisation expenses paid by the firm amounted to ₹ 10,000 out of which 20% is to be borne by A.
  - d) Debtors appeared at ₹ 50,000. Provision for bad and doubtful debts at 5,000. 2,000 proved bad.
- 28 Asha, Bhasha and Disha are partners in a firm. On 1st April, 2021, the balance in their Capital Accounts stood at ₹ 28,00,000, ₹ 12,00,000 and ₹ 15,00,000 respectively. They shared profits in the proportion of 4:3:1 respectively. Partners are entitled to interest on capital @ 5% per annum and salary to Bhasha @ ₹ 50,000 p.a. and a commission of ₹ 35,000 p.a. to Disha as per the provisions of the partnership Deed. Bhasha's share of profit (excluding interest on capital) is guaranteed at not less than ₹ 2,50,000 p.a. Disha's share of profit (including interest on capital but excluding commission) is guaranteed at not less than ₹ 2,00,000 p.a. Any deficiency arising on that account shall be met by Ankur. The profit of the firm for the year ended 31st March, 2022 amounted to ₹ 12,00,000. 6
- Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2022.
- 29 X, Y and Z were sharing profits in the ratio of 2:1:1. Their Balance Sheet as at 31<sup>st</sup> March 2021 stood as follows: 6

Liabilities	Amount	Assets	Amount
Creditors	24,400	Cash	1,00,000
Bank Loan	10,000	Debtors 20,000	
P&L A/c	18,000	Less: Prov. 1,600	18,400
Bills Payable	2,000	Stock	10,000
X's Capital A/c	50,000	Land & Building	20,000
Y's Capital A/c	40,000	Investments	14,000
Z's Capital A/c	40,000	Goodwill	22,000
	1,84,400		1,84,400

Z died on 30<sup>th</sup> June 2021. The following adjustments were agreed upon:

- Interest on capital is provided @ 12% p.a.
- Goodwill to be valued at 2 years purchase of the average profit of the last five years.
- Z's share of profit to the date of death to be calculated based on the profits of the preceding four years. Profits for the years 2017, 2018, 2019 and 2020 were ₹ 26,000, ₹ 22,000, ₹ 20,000 and ₹ 24,000 respectively.

Prepare Z's Capital A/c and Z's Executor's if ₹18,425 be paid immediately to his executors and balance to be left to Z's Executors A/c.

- 30 X, Y and Z are partners sharing profits and losses in the ratio of their capitals. Y retired on 31<sup>st</sup> March 2021 and the date on which the Balance Sheet stood as under. 6

Liabilities	`	Assets	`
Capital	60,000	Debtors 12,000	11,200
X		Less : Provision 800	
Y	48,000	Cash	10,800
Z	36,000	Stock	20,000
Creditors	8,000	Machinery	56,000
Bills Payable	5,000	Land & Building	60,000
Outstanding Salary	1,000		
	<b>1,58,000</b>		<b>1,58,000</b>

The following adjustments were made:

- Building appreciated by 20%, Stock depreciated by 10%,
- Provision for doubtful debts was to be 5% and a reserve for legal charges payable was to be made at ₹1,800.
- Goodwill of the firm be valued at ₹48,000.
- ₹40,000 from Y's capital account be transferred to his loan account and balance be paid in cash.

Prepare Revaluation account and Partners' capital accounts.

- 31 R and S are partners sharing profits and losses in the ratio of 3:2. The Balance Sheet on 31<sup>st</sup> March, 2021 was as follows : – 8

Liabilities	₹	Assets	₹
Creditors	20,000	Cash at Bank	35,000
General Reserve	10,000	Debtors 35,000	
Profit and Loss A/c	30,000	Less Provision : <u>3,000</u>	32,000
Capital A/c		Stock	23,000
R 1,50,000		Furniture	80,000
S 50,000	2,00,000	Building	60,000
		Goodwill	20,000
		Investments	10,000
	<b>2,60,000</b>		<b>2,60,000</b>

They admit T into partnership with effect from 1<sup>st</sup> April, 2019 on the following conditions

- T brings Cash ₹40,000 for Capital and necessary cash for Goodwill.
- T acquired 1/5 share in the profit, which he receives from A and B in the ratio of 3:7.
- Goodwill of the firm is valued at ₹1,50,000.
- Provision for doubtful debts is to be maintained at 10%.
- Stock was overvalued by 15%.
- Building is to be depreciated by 10% and Furniture is to be depreciated to 40%.
- Provide ₹6,500 for Outstanding Salary.

Prepare Revaluation A/c, Partners Capital Accounts.

- 32 Following is the Balance sheet of Karan and Sandeep who share profits and losses equally as on 31st March 2021 8

Liabilities	Rs	Assets	Rs
Capitals—		Bank	40,000
Karan	1,00,000	Debtors	25,000
Sandeep	50,000	Stock	35,000
Creditors	30,000	Machinery	60,000
Workmen compensation fund	15,000	Furniture	40,000
Bank loan	5000		
	<b>2,00,000</b>		<b>2,00,000</b>

The firm was dissolved on the above date.

- Karan agreed to take over 50% of the stock at 10% less on its book value, the remaining stock was sold at a gain of 15%. Furniture and machinery realized for Rs 30,000 and 50,000 respectively.
- There was unrecorded Investments which was sold for Rs 25,000.
- Debtors realized Rs 31,500 (with interest) and Rs 1200 was recovered for bad debts written off last year.
- There was an outstanding bill for repairs which had to be paid Rs 2000.

Prepare necessary Ledger accounts to close the books of the firm.

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