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| **FT/ACQP/1223/B 17-JUN-2023** | | | | | |
| **FIRST TERM EXAMINATION (2023-24)** | | | | | |
| **Subject: ACCOUNTANCY**  **Grade: XII** | | Max. Marks:80Time:3 Hour | | | |
| **Name:** | | | **Section:** | **Roll No:** | |
| ***General Instructions:***  ***General instructions:***   1. ***This question paper comprises of 34 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 are in partnership business. A used ₹2,00,000 belonging to the firm without the information to other partners and made a profit of ₹35,000 by using this amount. Which decision should be taken by the firm to rectify this situation?   1. A need to return only ₹2,00,000 to the firm. 2. A is required to return ₹35,000 to the firm. 3. A is required to pay back ₹35,000 only equally to B and C. 4. A need to return ₹2,35,000 to the firm. | | | | 1 |
| 2. | Aditya, Bhavya and Chetan are partners sharing profits in the ratio of 5:4:1. Chetan is given a guarantee of ₹5,000 in any year. Deficiency will be borne by Bhavya. The journal entry to record for deficiency met by Bhavya is given below:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Date | Particulars | L.F. | Debit | Credit | |  | Bhavya’s capita a/c ..Dr.  To Chetan’s capital a/c  (Deficiency met by Bhavya) |  | 1,000 | 1,000 |   Profit earned during the year was:   1. ₹30,000 2. ₹35,000 3. ₹40,000 4. ₹50,000 | | | | 1 |
| 3 | X and Y are partners sharing profits equally. Z was manager who received the salary of ₹.8,000 p.m. in addition to a commission of 5% on net profit after charging such commission. Profit for the year ₹.13,56,000 before charging salary. Find out the total remuneration of Z.   1. ₹.1,56,000 2. ₹.1,76,000 3. ₹.1,52,000 4. ₹.1,74,000 | | | | 1 |
| 4 | Assertion: Valid partnership can be formed even without a written agreement among  the partners.  Reasoning: Registration of partnership is optional.   1. Both A and R are correct, and R is the correct explanation of A. 2. Both A and R are correct, but R is not the correct explanation of A. 3. A is correct but R is incorrect. 4. A is incorrect but R is correct. | | | | 1 |
| 5 | Balance of Profit & Loss A/c and Reserves, at the time of change in profit sharing ratio are shared by \_\_\_\_\_\_\_\_\_\_ while at the time of Admission it is shared by \_\_\_\_\_\_\_\_\_\_\_\_\_.   1. Old partners; all partners 2. All partners: All partners 3. All partners: Sacrificing partners. 4. All Partners; Old partners | | | | 1 |
| 6 | Goodwill valued at 3 years purchase of super profits is Rs.180000. Capital of the firm is Rs.10, 00,000 and normal rate of return is 10%. What is the actual profit?   1. Rs.18,000 2. Rs.11,80,000 3. Rs.1,00,000 4. Rs.1,60,000 | | | | 1 |
| 7 | Black and white were partners in a firm sharing profits in the ratio of 2:1. Red was admitted as a partner in the firm. The new profit-sharing ratio was 3:3:2. Red brought the following assets towards his share of goodwill and his capital:  Assets ₹  Machinery 2,00,000  Furniture 1,20,000  Stock 80,000  Cash 50,000  If his capital is considered as ₹.3,80,000, the goodwill of the firm will be:   1. ₹.70,000 2. ₹.2,80,000 3. ₹.4,50,000 4. ₹.1,40,000 | | | | 1 |
| 8 | A firm earns a profit of ₹.1,10,000; Normal Rate of return is 10%. Assets of the firm are ₹.11,00,000 and liabilities ₹.1,00,000, value of goodwill by capitalization of Super profits will be:   1. ₹. 2,00 000 2. ₹.10,000 3. ₹.5,000 4. ₹. 1,00,000 | | | | 1 |
|  | Read the following hypothetical situation, answer question no. 9 and 10.  Amit and Mahesh were partners in a fast-food corner sharing profits and losses in ratio 3:2. They sold fast food items across the counter and did home delivery too. Their initial fixed capital contribution was ₹1,20,000 and ₹80,000 respectively. At the end of first year their profit was ₹ 1,20,000 before allowing the remuneration of ₹.3,000 per quarter to Amit and ₹.2,000 per half year to Mahesh. Such a promising performance for the first year was encouraging, therefore, they decided to expand the area of operations.  For this purpose, they needed a delivery van, a few Scotties, and an additional person to support. Six months into the accounting year they decided to admit Sundaram as a new partner and offered him 20% as a share of profits along with monthly remuneration of ₹ 2,500. Sundaram was asked to introduce ₹1,30,000 for capital and ₹.70,000 for premium for goodwill. Besides this Sundaram was required to provide Rs.1,00,000 as loan for two years. Sundaram readily accepted the offer. The terms of the offer were duly executed, and he was admitted as a partner. | | | |  |
| 9 | Remuneration will be transferred to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of Amit and Mahesh at the end of the accounting period.   1. Capital account. 2. Loan account. 3. Current account. 4. None of the above. | | | | 1 |
| 10 | Sundaram will be entitled to a remuneration of \_\_\_\_\_\_\_\_\_\_\_\_\_at the end of the year.  1. ₹12,000 2. ₹30,000 3. ₹15,000 4. ₹18,000 | | | | 1 |
| 11 | On admission of a partner, which of the following items of the Balance Sheet is transferred to the credit of Capital Accounts of old partners in the old Profit-sharing Ratio, if Capital Accounts are maintained following Fluctuating Capital Accounts Method   1. Deferred Revenue Expenditure 2. Profit and Loss Account (Debit Balance) 3. Profit and Loss Account (Credit Balance). 4. Balance in Drawings Account of partners. | | | | 1 |
| 12 | At the time of admission of new partner Vasu, Old partners Paresh and Prabhav had debtors of ₹6,20,000 and a provision for doubtful debts of ₹20,000 in their books. As per terms of admission, assets were revalued, and it was found that debtors worth ₹15,000 had turned bad and hence should be written off. Which journal entry reflects the correct accounting treatment of the above situation.   1. Bad Debts A/c Dr. 15,000 To Sundry Debtors 15,000 Provision for Doubtful Debts A/c Dr. 15,000 To Bad Debts A/c 15,000 2. Bad Debt A/c Dr. 15,000 To Sundry Debtors 15,000 Revaluation A/c Dr. 15,000 To Provision for Doubtful Debts A/c 15,000 3. Revaluation A/c Dr. 15,000 To Sundry Debtors A/c 15,000 4. Bad Debt A/c Dr. 15,000 To Revaluation A/c 15,000 | | | | 1 |
| 13 | P and Q are partners in a firm having capitals of ₹15,000 each. R is admitted for 1/3rd share for which he has to bring ₹20,000 for his share of capital. The amount of goodwill will be :   1. ₹8,000 2. ₹9,000 3. ₹10,000 4. ₹11,000 | | | | 1 |
| 14 | Consider the following information from the books of Ajay and Balbir who agree to admit Kamlesh. They share future profits and losses in the ratio of 2:2:1.  Investment 1,00,000  Investment Fluctuation Fund 20,000  Investments were valued at ₹1,05,000 at the time of reconstitution of the firm. Which of the following treatment is correct with respect to Investment Fluctuation Fund:   1. Investment Fluctuation Fund Dr. 5,000 To Revaluation A/c 5,000 2. Investment Fluctuation Fund Dr. 20,000 To Ajay 8,000 To Balbir 8,000 To Kamlesh 4,000 3. Investment Fluctuation Fund Dr. 20,000 To Ajay 10,000 To Balbir 10,000 4. Ajay Dr. 8,000 Balbir Dr. 8,000 To Investment Fluctuation Fund 25,000 | | | | 1 |
| 15 | G, S and T were partners sharing profits in the ratio 3:2:1. G retired and his dues towards the firm including Capital balance, Accumulated profits and losses share, Revaluation Gain amounted to ₹ 5,80,000. G was being paid ₹ 7,00,000 in full settlement. For giving that additional amount of ₹ 1,20,000, T was debited for ₹ 40,000. Determine goodwill of the firm.   1. ₹ 1,20,000 2. ₹80,000 3. ₹2,40,000 4. ₹ 3,60,000 | | | | 1 |
| 16 | X, Y and Z are partners sharing profits and losses equally. Z retires. Firm’s goodwill at the time of retirement is ` 3,60,000. Z being compensated by X and Y in the gaining ratio 1:1. Journalize the transaction.   1. X’s Capital A/c Dr 60,000   Y’s Capital A/c Dr 60,000  To Z ’s Capital A/c 1,20,000   1. Y’s Capital A/c Dr 90,000   X’s Capital A/c Dr 30,000  To Z’s Capital A/c 1,20,000   1. Z’s Capital A/c Dr 1,20,000   To X’s Capital A/c 60,000  To Y’s Capital A/c 60,000   1. Z’s Capital A/c Dr 1,20,000   To X’s Capital A/c 30,000  To Y’s Capital A/c 90,000 | | | | 1 |
| 17 | What adjustments out of the following will be required at the time of retirement of a partner?   1. Adjustment in profit sharing ratio 2. Adjustment of reserve and surplus 3. Adjustment of goodwill 4. Adjustment of capital (if agreed) 5. Adjustments of profit/loss on revaluation of assets and liabilities 6. Computation of amount due to retiring partner and payment to him.   Alternatives   1. (i), (ii), (iv), (v), (vi) 2. (i), (ii), (iii), (v), (vi) 3. (i), (ii), (iii), (iv), (vi) 4. All of these | | | | 1 |
| 18 | Match the following:   |  |  | | --- | --- | | 1. Balance of advertisement Suspense A/c appearing in Balance Sheet at the time of death of a partner is debited to partners ’Capital A/c in | A. New Ratio | | 2. Profit earned after retirement of partner is  distributed among remaining partner in | B. Old Ratio | |  | C. Sacrifice Ratio | |  | D. Gaining Ratio |  1. 1.D 2. B 2. 1.A 2.C 3. 1.B 2. A 4. 1. A 2. D | | | | 1 |
| 19 | P, Q and R sharing profit and losses in the ratio of 8:5:3. Q dies, and P takes 2/16 from R and R takes 5/16 from Q. New profit-sharing ratio between Q and R will be   1. 1:1 2. 10:6 3. 9:7 4. 5:3 | | | | 1 |
| 20 | B and C share profits and losses of the firm equally. B retires from business and his share is purchased by A and C in the ratio of 2:3. New profit-sharing ratio between A and C respectively would be:   1. 1:1 2. 3:2 3. 7:8 4. 3:5 | | | | 1 |
| 21 | X, Y and Z are partners with Rs.72,000, Rs.80,000 and Rs.1,00,000 as their capitals respectively. The profit for the year ending March 31, 2022, was Rs.7,20,000. Before distributing profits, they donated 10% of profits to a non-Govt. organization as charity for welfare of educationally backward section of the society. Out of the remaining profit, Rs.4,00,000 is divisible as 5:3:2 ratios and the remaining are to be divided amongst them equally. Prepare Profit and Loss Appropriation Account. | | | | 3 |
| 22 | U V and W are partners sharing profits in the ration of 2:3:5. They decided to change the ratio to 5:3:2. 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:   |  |  |  | | --- | --- | --- | | Particulars | Book Value (Rs) | Revised Value (Rs) | | Land and Building | 3,00,000 | 3,50,000 | | Furniture | 1,50,000 | 1,00,000 | | Sundry Creditors | 60,000 | 20,000 | | Outstanding Salaries | 10,000 | 15,000 | | | | | 3 |
| 23 | A and B are partners sharing profits in the ratio of 3:2 having 3,00,000 and 2,00,000 respectively. They decided to admit C as a partner from 1st April 2022 on the following terms:  C will be given 2/5th share of the profit and he will bring 1,50,000.  The goodwill of the firm will be valued at Capitalization of three years normal average profits of the firm. The normal rate of return is 8%.  Profit of the previous three years ended 31st March were:  2022 ― Rs. 30,000/- (after debiting loss due to earthquake Rs. 40,000/-)  2021 ― Loss Rs. 80,000/- (includes voluntary retirement compensation paid Rs. 1,10,000/-)  2020 ― Rs. 1,00,000/- (includes a profit of Rs. 30,000/- on the sale of assets).  Calculate goodwill for the year. | | | | 3 |
| 24 | Ayushmaan, Bhushan and Chaithya are partners sharing profits in the ratio 1:2:3. Chaithya retires and his capital, after making adjustment for reserves and gain (profit) on revaluation is ₹2,90,000. Ayushmaan and Bhushan agreed to pay him ₹ 3,50,000 in full settlement of his claim. Pass necessary Journal entry for the treatment of goodwill if new profit – sharing ratio is decided at 1:3. Show workings clearly. | | | | 3 |
| 25 | A, B and C are partners in a firm sharing profit in the ratio of 2:2:1 as on 31st March 2022  A die on 1st August 2022 and B and C decided to share future profits in the ratio 2:1, following balances appeared in the book on this date.  Profit and loss (Dr) 72,000  Workmen compensation reserve 45,000  General reserve 1,20,000  It was agreed that WCR is no longer required 25 % of general reserve is to be transferred to provision for doubtful debts. Pass journal entries for the adjustment of these terms on A's death. | | | | 3 |
| 26 | On 1st January 2022, Umang and Utsah entered partnership with fixed capitals of 7,00,000 and 3,00,000 respectively. They were doing good business and were interested in its expansion but could not do the same because of lack of capital. Therefore, to have more capital, they admitted Utkarsh as a new partner on 1st April 2022. Utkarsh brought 10,00,000 as capital and the new profit-sharing ratio was decided to be 3: 2: 5. On 1st October 2022, another new partner Ujjawal was admitted with a capital of 8,00,000 for 1/10th share in the profits, which he acquired equally from Umang, Utsah and Utkarsh.  Calculate:   1. The sacrificing ratio of Umang and Utsah on Govind’s admission. 2. New profit-sharing ratio of Umang, Utsah, Utkarsh and Ujjawal on Ujjawal’ s admission. | | | | 3 |
| 27 | Manu, Neha, and Shreya were partners in a firm sharing profits & losses in the ratio of 2:3:5. The firm closes its books on 31st March every year. As per the terms of partnership deed on the death of any partner, the share of goodwill of the deceased partner will be calculated based on 50% of the net profit credited to the partner’s capital account during the last four completed years before death. Manu died on 1st July. The profits for the last four years were:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Year | 2017-18 | 2018-19 | 2019-20 | 2020-21 | | Profits. (₹) | (25,000) | 105,000 | 30,000 | 84,000 |   His share of profit is calculated based on sales and the profit of the concerned year. Sales for the year ended 31st March 2021 amounted to ₹21,00,000. Sales increased by 10% in the current year.  Based on the above information you are required to answer the following questions:  a) Find out Manu’s share of profit till the date of death.  b) What will be the journal entry for goodwill on Manu’s death?  c) What is the gaining ratio of the surviving partners? | | | | 4 |
| 28 | Gokhale and Godbole are equal partners. Their capitals as on April 01, 2023, were Rs. 1,50,000 and Rs. 1,00,000 respectively, after the accounts for the financial year ending March 31, 2023, have been closed, it is observed that interest on capital @ 6% per annum and salary to Gokhale @ ₹5,000 per annum, as provided in the partnership deed has not been credited to the partners’ capital accounts before distribution of profits which was 80,000. You are required to pass an adjustment entry. | | | | 4 |
| 29 | A, B, C and D were partners sharing profits in the ratio of 3:3:2:2 respectively. On 1st April 2023, E was admitted as a new partner. It was decided that in future, their profit-sharing ratio would be 4:2:3:2:1. Complete the following Journal in this regard:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Date | Particulars | LF | Debit | Credit | | 2023  Apr 1 | A’s capital a/c Dr  B’s capital a/c Dr  C’s capital a/c Dr  D’s capital a/c Dr  To Goodwill a/c  (Existing goodwill written off) |  | ----------  ----------  ----------  10,000 | ----------- | |  | A’s Capital a/c Dr  C’s Capital a/c Dr  E’s Current a/c Dr  To B’s Capital a/c  To D’s Capital a/c  (Adjustment for goodwill on account of admission) |  | ----------  ----------  20,000 | ---------  --------- | | | | | 4 |
| 30 | Zaheer Khan, Ajay Jadeja and Chris Cairn entered into a partnership business of sports equipment on 1st April 2022 with the capitals of Rs.5,00,000 by each. Zaheer Khan also gave a loan of Rs.4,00,000 to the firm after 3 months of starting their firm. Partners decided to distribute Rs.1,00,000 sports items to 10 players of the city (In which firm is carrying its business activities) for representing the state in different national level sports competitions. After considering that expense but before considering any interest on the loan given by Zaheer Khan the Profits were Rs.3,55,000.  Following adjustments are also to be considered:   1. Interest on capital is allowed @4% p.a. 2. Interest on drawings @6%p.a. Drawings were Ajay Jadeja-Rs.60,000 and Chris Cairns-Rs.40,000 3. Ajay Jadeja is allowed a commission of 2% on sales. Sales for the year were Rs.20,00,000. 4. 10% of the divisible profits is to be kept in a Reserve Account. 5. Chris is given a minimum guarantee of profits Rs. 80,000 in any year.   You are Required to Show the distribution of profit after considering above adjustments. | | | | 6 |
| 31 | Ranjan and Manju are partners in a firm sharing profits and losses in the ratio of 7:3. Their balance sheet as on 31st March 2022 is as follows:   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Amount | Assets | Amount | | Creditors  Provision for bad debts  Capital A/c.  Ranjan 1,00,000  Manju 80,000 | 65,000  5,000  1,80,000 | Cash in hand  Cash at bank  Debtors  Furniture  stock | 36,000  90,000  44,000  30,000  50,000 | |  | 2,50,000 |  | 2,50,000 |   On 1st April 2022, they admit Rohan on the following terms:   1. Goodwill is valued at Rs.40,000 and Rohan is to bring in the necessary amount in cash as premium for goodwill and Rs.60,000 as capital for 1/4th share in profits. 2. Stock is undervalued to the extent of 20%. 3. Furniture is valued at 22,000. Half of the furniture is taken over by Ranjan and Manju in their profit-sharing ratio. 4. Bad debts are Rs. 1,000 and maintain 5% provision for bad and doubtful debts. 5. Creditors are written back by 1,500.   You are required to prepare necessary journal entries at the time of admission of Rohan. | | | | 6 |
| 32 | The following is the balance sheet of Jain Gupta & Malik as on 31st March 2021   |  |  |  |  | | --- | --- | --- | --- | | Liabilities. | Amount | Assets | Amount | | Sundry creditors  Telephone exp. Outstanding  Accounts Payable  Reserves  Capitals:  Jain -----------40,000  Gupta---------60,000  Malik---------20,000 | 19,800  300  8,950  16,750  1,20,000 | Land & Building  Machinery  Office Furniture  Computers.  Bonds  Bills Receivables.  Sundry Debtors  Stock  Cash at Bank | 26,000  20,230  18,250  13,200  14,370  23,450  26,700  18,100  5,500 | | Total | 1,65,800 | Total | 1,65,800 |   The partners have been sharing in the ratio of 5:3:2. Jain decided to retire from the business on 1st April 2021 and his share in the business is calculated as per the following terms of revaluation of assets and liabilities. Stock ₹20, 000, Furniture ₹14, 250, Plant & machinery ₹23530, land & building ₹20,000, A provision of ₹1700 be created on doubtful debts. The goodwill of the firm is valued at ₹45,000. The continuing partners agreed to settle Jain by paying cash which is brought by Gupta and Malik in their profit-sharing ratio. You are required to make Revaluation a/c and Capital accounts of partners. | | | | 6 |
| 33 | The Balance Sheet of the firm of Geeks Ltd. on 31st March 2021 was as follows:   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Amount | Assets | Amount | | Jack Capital A/c  Daniel Capital a/c  Investment Fluctuation reserve  Long term Debts  Creditors | 37,500  25,000  18,000  9,000  10,200 | Goodwill  Stock  Investment  Debtors  Cash  Advertisement expense | 10,000  24,700  30,000  12,600  18,700  3,700 | | Total | 99,700 | Total | 99,700 |   Jack and Daniel were sharing profit and loss in the ratio of 3:2. With effect from 1st April 2021, they decide to share profit and loss equally in the future, and the following terms were agreed upon:   1. Investments are valued at ₹ 18,000. 2. Goodwill of the firm to be valued at ₹20,500. 3. Partners’ capital is to be adjusted in the new ratio by opening current accounts.   Prepare Partner’s Capital Account based on new profit-sharing and revised Balance Sheet. | | | | 6 |
| 34 | Sandeep, Maheep, and Amandeep were partners in a firm sharing profits in the ratio of 2:2:1. The firm closes its books on 31st March every year. On 30th June 2020 Maheep died. The partnership deed provided that on the death of a partner his executors will be entitled to the following:  a) Balance in his capital account which amounted to ₹1,15,000and interest on capital till date of death which amounted to ₹5,000.  b) His share of the profits/loss of the firm is based on last years’ profit/loss. Loss for the year ended 31st March 2020 was ₹30,000.  c) His share in the goodwill of the firm is ₹60,000  d) Loan to Maheep ₹ 20,000.  It was agreed that the executor will be paid ₹15,000 in cash and balance in three equal yearly instalments with interest @10% p.a.  Prepare Maheep’s Capital account to be rendered to his executor account. | | | | 6 |

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