



Class:ISC 12

Subject: Accountancy

Date:

TIME: 1:30 Hrs

M MARKS:80

General instructions:

Read the following instructions carefully and strictly follow them:

- There are 28 questions in this question paper.
- All Questions of Section A and Section B are Compulsory.
- Each correct answer carries 2 Marks.
- There is no negative marking.
- Specific instructions related to each part and a subdivision (Sections) is mentioned clearly before the questions. Candidates should read them thoroughly and attempt accordingly.
- Fill **OMR sheet with the pencil** given along with the Question paper .

Select the Correct Option for each of the following Questions.

Section — A

Question 1

Following are the essential elements of a partnership firm except —

- (a) Atleast two persons.
- (b) There is an agreement between all partners.
- (c) Equal share of Profits and Losses.
- (d) Partnership agreement is for some business.

Question 2

Net Assets minus Capital Reserve is:

- (a) Total Assets.
- (b) Goodwill.
- (c) Formation Expenses.
- (d) Purchase Consideration.

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Question 3

In the absence of any Partnership Agreement, partners are liable to pay interest on drawings @ —

- (a) 12% p.a.
- (b) 10% p.a.
- (c) 6% p.a.
- (d) None of the above

Question 4

Average Capital Employed in the firm Rs.8,00,000.

Reasonable Rate of Return 15%.

Average profit of the firm Rs.12,00,000.

Goodwill of the firm under Capitalisation of Super Profit Method will be —

- (a) Rs.82,00,000.
- (b) Rs.12,00,000.
- (c) Rs.72,00,000
- (d) Rs.42,00,000.

Question 5

As per Section 52 of Companies Act 2013, Securities Premium Reserve cannot be utilised for:

- (a) Writing off Capital Losses.
- (b) Issue of fully paid Bonus Share.
- (c) Writing off Discount on issue of securities.
- (d) Writing off Preliminary Expenses.

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Question 6

Krishna and Arjun are two partners sharing profits and losses in the ratio of 3:2. They admit Subhadra into partnership as a partner from 1st April, 2021. Krishna gives $\frac{1}{3}$ rd of his share while Arjun gives $\frac{1}{10}$ th from his share. New Profit Sharing Ratio will be —

- (a) 10 : 9 : 6.
- (b) 8 : 9 : 13.
- (c) 4 : 3 : 3.
- (d) None of the above.

Question 7

Virat and Rohit are equal partners with capital of Rs.50,000 and Rs.30,000 respectively. Interest payable on Capital is 10% p.a. Find the interest on capital for both the partners when the profits earned by the firm Rs.4,800 —

- (a) Rs.5,000 and Rs.3,000.
- (b) Rs.3,000 and Rs.1,800.
- (c) Rs.2,400 and Rs.2,400
- (d) None of the above

Question 8

Ranju, Manju and Sanju are partners in a firm. In absence of Partnership Agreement, there are disputes amongst the partners at the time of division of profit for the year. Profit before the interest on capital was Rs.30,000 and Ranju wanted interest on capital @ 10% as his capital contribution was Rs.2,00,000 as compared to that of Manju and Sanju which was Rs.1,50,000 and Rs.1,00,000 respectively —

- (a) Profit of Rs.30,000 will be distributed equally with no interest on either capital.
- (b) Ranju will get the interest on capital of Rs.20,000 and the residue profit of Rs.10,000 will be shared equally.
- (c) All the partners will get interest on capital and the loss of Rs.15,000 will be shared equally.
- (d) None of the above.

Question 9

Kapil, Sunil and Mohit are partners in a firm sharing profits in the ratio of 5:3:2. As per agreement, Mohit is to get a minimum share of profit of Rs.20,000 every year. The profit for the year ended 31st March, 2021 amounts to Rs.70,000.

Kapil and Sunil share of profit respectively—

- (a) Rs.35,000 and Rs.21,000.
- (b) Rs.25,000 and

Rs.25,000.(c) Rs.31,250 and
 Rs.18,750 (d) Rs.30,000
 and Rs.20,000.

Question 10

Ravi and Bikash are partners. Ravi draws fixed amount at the end of every month. Interest on drawings is charged @ 15% p.a. At the end of year interest on Ravi's drawings amounted to Rs.8,250. The Drawings of Ravi will be —

- (a) Rs.12,000 per month.
- (b) Rs.10,000 per month.
- (c) Rs.9,000 per month.
- (d) Rs.8,000 per month.

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Question 11

Manoj and Saroj are partners in a firm, sharing profit and losses in the ratio of 2: 3. Their Balance Sheet as at 31st March, 2021, was as follows:

Balance Sheet as at 31st March, 2021

Liabilities	Rs.	Assets	Rs.
Partners' Capital A/c :		Building	99,000
Manoj	1,60,000	Furniture	80,000
Saroj	1,60,000	Investments (Market Value Rs.80,000)	90,000
Workmen Compensation Reserve	30,000		
Investments Fluctuation Reserve	30,000	Debtors	24,000
Employees Provident Fund	10,000	Less: Provision for Bad Debts	<u>4,000</u>
Creditors	10,000	Cash at Bank	1,11,000
	<u>4,00,000</u>		<u>4,00,000</u>

Niraj was to be taken as a partner with effect from 1st April, 2021, on the following terms:

- (i) Building is found overvalued by 10%. It is decided to bring it to its cost.

- (ii) Out of the Debtors Rs.2,000 is bad and to be written off.
- (iii) Provision for Bad Debt would be maintained at 5 % on Debtors.
- (iv) Niraj would bring in cash, his share of capital of Rs.80,000 and his share of goodwill valued at Rs.20,000
- (v) Liability for Workmen Compensation is determined at Rs.10,000.
- (vi) Liabilities for Provident Fund is determined at Rs.8,000.

(A) Building Account will be —

- (a) Debited to Revaluation Account by Rs.9,000.
- (b) Debited to Revaluation Account by Rs.9,900.
- (c) Credited to Revaluation Account by Rs.9,000.
- (d) Credited to Revaluation Account by Rs.9,900.

(B) At the time of Niraj's admission, the Workmen Compensation Reserve of —

- (a) Rs.30,000 will be Credited to Old Partners' Capital Account
- (b) Rs.20,000 will be Credited to Old Partners' Capital Account
- (c) Rs.20,000 will be Credited to All Partners' Capital Account
- (d) Rs.10,000 will be Debited to Revaluation Account

(C) At the time of Niraj's admission, the Investment Fluctuation Reserve of —

- (a) Rs.20,000 will be Credited to Old Partners' Capital Account
- (b) Rs.30,000 will be Credited to Old Partners' Capital Account
- (c) Rs.20,000 will be Credited to All Partners' Capital Account
- (d) Rs.10,000 will be Debited to Revaluation Account

(D) At the time of Niraj's admission, the Employees Provident Fund of —

- (a) Rs.10,000 will be Credited to Old Partners' Capital Account
- (b) Rs.2,000 will be Credited to Old Partners' Capital Account
- (c) Rs.10,000 will be Credited to All Partners' Capital Account
- (d) Rs.2,000 will be Credited to Revaluation Account

(E) At the time of Niraj's admission, the Provision for Doubtful Debt of —

- (a) Rs.2,800 will be Credited to Revaluation Account
- (b) Rs.1,200 will be Debited to Revaluation Account
- (c) Rs.900 will be Credited to Revaluation Account
- (d) Rs.1,100 will be Debited to Revaluation Account

Question 12

Amal and Bimal are partners in a firm sharing profits in the ratio of 5:3. After the Final Accounts have been prepared, it was discovered that interest on drawings had not been taken into consideration. Interest on drawings of partners amounted to Amal Rs.10,000 and Bimal Rs.6,000

The error in Capital Accounts of Amal and Bimal will be rectified by —

- (a) Capital Accounts of Amal and Bimal will be debited with Rs.600 and Rs.360 respectively.
- (b) Capital Accounts of Amal and Bimal will be debited with Rs.10,000 and Rs.6,000 respectively.
- (c) Capital Accounts of Amal and Bimal will be Credited with Rs.10,000 and Rs.6,000 respectively
- (d) No Rectification required.

Question 13

Alpha Ltd forfeited 5,000 Equity Shares 20 each, Rs.18 called up, on which only application money of Rs.8 has been paid. Out of these forfeited shares 2,000 shares were re-issued as Rs.18 paid up and Rs.10,000 has been transferred to Capital Reserve. The Re-issue Price of each share will be —

- (a) Rs.18.
- (b) Rs.21.

(c) Rs.15

(d) Rs.17.

Question 14

Amit, Sumit and Mohit are partners sharing profit & losses in the ratio of 6 : 3 : 1.

Their respective capitals are Amit Rs.10,00,000; Sumit Rs.8,00,000 and Mohit Rs.4,00,000.

They decided to admit Rohit into partnership and the new profit sharing ratio is agreed at 3 : 3 : 3 : 1.

Rohit brings Rs.3,00,000 as his Capital and his share of Goodwill in cash. At the time of Rohit's admission :

- (a) The firm had a Workmen Compensation Reserve of Rs.2,00,000 against which there was a claim of Rs.2,40,000.
- (b) Advertisement Suspense Account (Dr.) balance appeared in their books at Rs.60,000.
- (c) Contingency Reserve appeared in the Balance Sheet at Rs.1,20,000.

(A) At the time of Rohit's admission, Rohit's share of Premium for Goodwill will be —

- (a) Rs.96,000.
- (b) Rs.48,000.
- (c) Rs.1,44,000.
- (d) None of the above.

(B) At the time of Rohit's admission, the Advertisement Suspense Account (Dr.) of —

- (a) Rs.60,000 will be Credited to Old Partners' Capital Account
- (b) Rs.60,000 will be Debited to Old Partners' Capital Account
- (c) Rs.60,000 will be Credited to All Partners' Capital Account
- (d) Rs.60,000 will be Debited to Revaluation Account.

(C) At the time of Rohit's admission, the Revaluation Account having —

- (a) Loss of Rs.60,000
- (b) Loss of Rs.40,000
- (c) Loss of Rs.1,00,000
- (d) No Profit- No Loss

Question 15

Sun Ltd. took over the business of Modern Ltd and paid for it by issue of 1,00,000 Equity Shares of Rs.100 each at par, along with 20,000, 9% Preference Share of Rs.100 each at a premium of 10% and a cheque of Rs.10,00,000. The assets and liabilities consisted of Land & Building Rs.45,00,000; Plant & Machinery Rs.35,00,000; Furniture Rs.30,00,000; Stock Rs.25,00,000; Sundry Debtors Rs.10,80,000 Less Provision for Bad Debt Rs.30,000; Sundry Creditors Rs.12,00,000 and Loan Rs.3,00,000.

The amount of Goodwill or Capital Reserve will be —

- (a) Goodwill Rs.1,20,000.
- (b) Goodwill Rs.1,50,000.
- (c) Capital Reserve Rs.50,000.
- (d) Capital Reserve Rs.80,000.

Question 16

Mr. Chandan had been allotted with 600 shares of Rs.10 each of Beeta Ltd. on pro-rata basis which had issued two shares for every three applied. He had paid Application money of Rs.4 per share (Including Premium Re.1) but could not pay Allotment money of Rs.5 per share. First and Final Call of Rs.2 per share was not yet made by the company. His shares were forfeited. The following entry will be passed :

Equity Share Capital A/c	Dr.	Rs. X	
To Share Forfeiture A/c			Rs. Y
To Calls-in-Arrear A/c			Rs.

Here X, Y, and Z are :

- (a) Rs.6,000; Rs.2,700; Rs.3,300 respectively.
- (b) Rs.4,800; Rs.3,600; Rs.1,200 respectively.
- (c) Rs.4,800; Rs.3,000; Rs.1,800 respectively.
- (d) Rs.4,800; Rs.1,200; Rs.3,600 respectively.

Question 17

A portion of share capital that is reserved by the company and be utilised only on the happening of winding up of the company s called

- (a) Reserve Capital.
- (b) Capital Reserve.
- (c) Issued Capital.
- (d) Subscribed Capital.

Question 18

Tom and Jerry are partners sharing profit in the ratio of 3:2. Their Balance of Capital Account as on 1.4.2020 were Tom Rs.50,000 and Jerry Rs.30,000.

Their Partnership Deed provides the following:

- i) Interest on Capital @ 10% p.a.**
- ii) Commission to Tom at 10% of Net Profit after charging such Commission only.**
- iii) Salary to Jerry Rs.500 per month.**

Net Profit for the year ended 31.3.2021, after charging all above items amounted to Rs.66,000.

Commission payable to Tom will be —

- (a) Rs.6,000.
- (b) Rs.7,273.
- (c) Rs.8,000
- (d) Rs.6,600.

Question 19

Vinayak Ltd. forfeited 8,000 Equity Shares of Rs.100 each issued at a Premium of 10%(with Allotment) for non-payment of first and final call of Rs.30 per share.

The maximum amount of discount at which these shares can be re-issued will be —

- (a) Rs.80,000.
- (b) Rs.3,20,000.
- (c) Rs.5,60,000.
- (d) Rs.2,40,000.

Question 20

The profits for 2018-19 is Rs.2,000; for 2019-20 is Rs.26,100 and for 2020-21 is Rs.31,200. Closing Inventory for 2019-20 and 2020-21 includes the defective items of Rs 2,200 and Rs.6,200 respectively which were considered as having market value NIL.

Goodwill of the firm on the basis of 2 years purchase of Simple Average Profit Method will be —

- (a) Rs.33,933.
- (b) Rs.35,400.
- (c) Rs.39,533
- (d) Rs.34,600.

Question 21

A, B and C are equal Partners. D is admitted to the new firm for one-fourth share. D brings Rs.40,000 as capital and brings Rs.5,000 being half of the premium for Goodwill. The value of the Goodwill of the firm is —

- (a) Rs.10,000.
- (b) Rs.40,000.
- (c) Rs.20,000
- (d) Rs.60,000.

Question 22

X and Y are equal partners. The profits and losses for the last four years are

2017-18 — Losses Rs.10,000;

2018-19 — Losses Rs.2,500;

2019-20 — Profits Rs.98,000 and

2020-21 — Profits Rs.76,000.

The average capital employed in the business is Rs.2,00,000. The rate of interest expected for Capital is 12%. The remuneration of each partner is estimated to be Rs.500 per month not charged in the above losses/Profits.

Goodwill of the firm on the basis of 2 years purchase of Super Profits Method based on average of four years will be —

- (a) Rs.20,750.
- (b) Rs.8,750.
- (c) Rs.17,500
- (d) Rs.8,250.

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Question 23

Proposed Dividend is a..... Liability.

- (a) Current
- (b) Contingent
- (c) Non-Current
- (d) None of the above

Question 24

Ganapati Limited was formed with a Nominal Capital of Rs.15,00,000 divided into Equity Shares of Rs.10 each. It offered 1,20,000 shares of Rs.10 each at a Premium of Rs.2 per share to the public.

The issue price was as follows:

Rs.7 with Application (Including
Premium)Rs.3 with Allotment

The balance as and when required.

The balance was not called till the date of Balance Sheet. Of the shares offered by the company, public subscribed 1,10,000 shares.

One shareholder Mr. A, holding 1,000 shares paid the balance with allotment.

Another shareholder Mr. B, holding 2,000 shares did not pay allotment money when due. Company forfeited half of the shares of Mr. B.

The Balance Sheet of the Company (as per Schedule III of the Companies Act, 2013) at the end of the financial year is prepared.

(A) Total amount of Share Capital of the Company will be —

- (a) Rs.12,00,000.
- (b) Rs.10,92,000.
- (c) Rs.8,74,000.
- (d) Rs.8,82,000.

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(B) Amount of Subscribed Capital of the Company will be —

- (a) Rs.10,92,000.
- (b) Rs.8,74,000.
- (c) Rs.8,82,000.
- (d) Rs.8,79,000.

(C) Total amount of Reserve and Surplus of the Company will be —

- (a) Rs.2,40,000.
- (b) Rs.2,20,000.
- (c) Rs.2,18,000.

(d) Nil.

(D) Total amount of Current Liabilities of the Company will be —

(a) Rs.2,000.

(b) Rs.5,000.

(c) Rs.8,000.

(d) Nil.

Section — B

Answer all the questions.

Question 25

What will be the amount of Gross Profit of a firm if its average inventory is Rs.80,000, Inventory Turnover Ratio is 6 Times and Gross Profit Ratio is 20%.

Choose the Correct Option —

(a) Rs.1,20,000.

(b) Rs.96,000.

(c) Rs.1,60,000.

(d) None of the above.

Question 26

Debt-Equity Ratio of a Company is 1:2. Purchase of Fixed Assets for Rs.10,00,000 on long-term deferred payment basis will —

(a) Increase the Ratio.

(b) Decrease the Ratio.

(c) Ratio will not change.

(d) Either (a) or (b).

Question 27

Read the following hypothetical extract of Roxy Limited and answer accordingly.

Particulars	2021(Rs.)	2020(Rs.)
Outstanding Expenses	1,00,000	80,000
Prepaid Expenses	6,00,000	5,00,000
Trade Payable	36,00,000	32,00,000
Inventory	24,00,000	20,00,000
Trade Receivable	22,00,000	16,00,000
Cash in Bank	34,00,000	24,00,000
Revenue from Operation	48,00,000	36,00,000
Gross Profit Ratio	12%	15%

(A) Current Ratio for the year 2021 will be —

- (a) 2 : 1.
- (b) 1.6 : 1.
- (c) 2.32 : 1.
- (d) 2.4 : 1.

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(B) Quick Ratio for the year 2020 will be —

- (a) 1.22 : 1.
- (b) 1.8 : 1
- (c) 0.94 : 1.
- (d) 1.25 : 1.

(C) Inventory Turnover Ratio for the year 2021 will be —

- (a) 1.62 Times.
- (b) 1.82 Times.
- (c) 1.55 Times.
- (d) 1.92 Times.

Question 28

Particulars of Alpha Limited is given below:

Particulars	2021(Rs.)
Equity Share Capital	3,00,000
9% Preference Share Capital	1,50,000
General Reserve	50,000
Profit & Loss Account (After Tax)	1,00,000
10% Debentures	1,00,000
15% Loan from Bank	2,00,000
Current Liabilities	3,00,000
Tax Rate	50%

(A) Interest Coverage Ratio for the year 2021 will be —

- (a) 4.75 Times.
- (b) 3.80 Times.
- (c) 6 Times.
- (d) 6.78 Times.

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(B) Debt-Equity Ratio for the year 2021 will be —

- (a) 1 : 1.
- (b) 0.5 : 1
- (c) 0.61 : 1.
- (d) 1.25 : 1.

