

**SAMPLE PAPER — 3**  
**ACCOUNTANCY Class XII**  
**(With Solutions)**

Time Allowed : 3 hours

Maximum Marks : 80

Instructions : Same as given in Sample Paper 1.

**Part A**

**Accounting for Partnership Firms and Companies**

- Q. 1.** Milan, Khilan and Silam were partners sharing profits in the ratio of 2 : 2 : 1. They decided to share future profits in the ratio of 7 : 5 : 3 with effect from 1st April, 2019. After the revaluation of assets and re-assessment of liabilities, Revaluation Account showed a loss of ₹15,000. The amount to be debited in the capital account of Milan because of loss on revaluation will be :
- (A) ₹15,000  
(B) ₹6,000  
(C) ₹ 7,000  
(D) ₹5,000
- (C.B.S.E. 2020, Chennai) 1*
- Q. 2.** Issued 20,000, 12% debentures of ₹100 each at a premium of 4%, redeemable at a premium of 10%. In such case :
- (A) Loss on Issue will be debited by ₹1,20,000  
(B) Loss on Issue will be debited by ₹2,00,000  
(C) Loss on Issue will be debited by ₹2,88,000  
(D) Premium on Redemption will be credited by ₹1,20,000
- 1**

**OR**

Orange Ltd. took over assets of ₹7,00,000 and liabilities of ₹60,000 of Purple Ltd. for a purchase consideration of ₹6,30,000 payable by the issue of 10% Debentures of ₹100 each at a premium of 10% and if need be, a part of the purchase consideration in cash.

How will the company meet the purchase consideration?

- (A) By the issue of ₹5,72,727, 10% Debentures at a premium of ₹57,272 with no cash.  
(B) By the issue of ₹5,72,000, 10% Debentures at a premium of ₹57,200 and cash of ₹800.  
(C) By the issue of ₹5,72,720, 10% Debentures at a premium of ₹57,272 and cash of ₹8.  
(D) By the issue of ₹5,72,700, 10% Debentures at a premium of ₹57,270 and cash of ₹30.
- (ISC Sample Paper 2022)*

- Q. 3.** A, B and C were partners in a firm sharing profit and losses in the ratio of 1 : 2 : 3. B died on 31st July, 2022. According to the partnership agreement, her share of profit from the closure of last accounting year till the date of her death was to be calculated on the basis of aggregate profits of two completed years before her death. Profits of the firm for the

years ending 31st March, 2021 and 31st March, 2022 were ₹46,000 and ₹44,000 respectively. The firm closes its books on 31st March every year. *B*'s share of profit till the date of her death will be :

- (A) ₹20,000 (B) ₹ 5,000  
(C) ₹10,000 (D) ₹45,000

- Q. 4.** *A*, *B*, *C* and *D* are partners sharing profits in the ratio of 4 : 3 : 2 : 1. They admit *E* as a new partner for  $\frac{1}{10}$ th share. It is agreed that *C* and *D* will retain their original shares. What will be New profit sharing ratio?
- (A) 4 : 3 : 2 : 1 : 1 (B) 24 : 18 : 14 : 7 : 7  
(C) 7 : 5 : 4 : 2 : 2 (D) 36 : 27 : 18 : 9 : 10

**OR**

On dissolution of a firm, debtors were ₹1,00,000. Of these ₹10,000 became bad and the rest realised 60%. Which account will be debited and by how much amount?

- (A) Realisation Account by ₹50,000 (B) Realisation Account by ₹36,000  
(C) Bank Account by ₹54,000 (D) Realisation Account by ₹54,000

- Q. 5.** Moti Ltd. forfeited 2,000 shares of ₹10 each, ₹8 Called up, for non payment of first call of ₹2 per share. Out of these, 1500 shares were reissued for ₹10,500 as ₹8 paid up. What is the amount to be transferred to Capital Reserve?
- (A) ₹4,500 (B) ₹10,500  
(C) ₹7,500 (D) ₹14,500

- Q. 6.** *A* and *B* were partners. *C* joins them and it is decided that *A*'s share will be half of *B*'s share and *C*'s share will be one third of *A*'s share, find new profit sharing ratio.
- (A) 1 : 2 : 1 (B) 2 : 4 : 1  
(C) 3 : 6 : 2 (D) 3 : 6 : 1

- Q. 7.** *A*, *B* and *C* sharing profits and losses in the ratio of 3 : 2 : 1, decide to share future profits and losses in the ratio of 4 : 3 : 2. Give Journal entry to distribute 'Investment Fluctuation Reserve' of ₹50,000 at the time of change in profit sharing ratio, when Investments (market value ₹1,30,000) appears at ₹1,50,000.

- Q. 8.** Anita and Binita are partners in a firm. Anita had taken a loan of ₹15,000 from the firm. How will Anita's loan be closed in the event of dissolution of the firm?
- (A) By crediting it to Anita's Capital Account  
(B) By debiting it to Anita's Capital Account  
(C) By crediting it to Realisation Account  
(D) By debiting it to Cash Account

(ISC Sample Paper 2022)

**OR**

*A*, *B* and *C* are partners sharing profits in the ratio of 2 : 3 : 4. *A* retires and on that date. Profit and Loss Account showed a debit balance of ₹1,80,000. *B* and *C* decided to share

future profits and losses in the ratio of 2 : 1. Show necessary Journal entry for the treatment of Profit and Loss Account balance on A's retirement.

- Q. 9. A, B, C and D were partners sharing profits in the ratio of 4 : 3 : 2 : 1. A retires and his share is acquired by C and D in the ratio of 3 : 1. What will be New ratio?  
(A) 3 : 5 : 2 (B) 3 : 2 : 1  
(C) 3 : 3 : 4 (D) 5 : 3 : 2 1
- Q. 10. On dissolution, unrecorded liabilities taken over by a partner are shown on the :  
(A) Dr. side of Partner's Capital A/c (B) Dr. side of Realisation A/c  
(C) Cr. side of Realisation A/c (D) Cr. side of Cash/Bank A/c 1
- Q. 11. A and B are partners with capitals of ₹3,00,000 and ₹2,00,000 respectively. Normal rate of return is 15% and goodwill calculated at 2 years purchase of super profits is valued at ₹1,00,000. What were the average profits of the firm?  
(A) ₹1,25,000 (B) ₹25,000  
(C) ₹1,75,000 (D) ₹60,000 1
- Q. 12. X, Y and Z were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The capital balance were ₹2,00,000 for X, ₹1,40,000 for Y, ₹1,10,000 for Z. Y decided to retire from the firm and balance in reserve on the date was ₹50,000. If goodwill of the firm was valued at ₹60,000 and loss on revaluation was ₹15,000 then, what amount will be payable to Y?  
(A) ₹38,000 (B) ₹1,78,000  
(C) ₹50,000 (D) ₹1,90,000 1
- Q. 13. On dissolution of a firm, Sundry Creditors amounted to ₹1,00,000 out of which ₹5,000 were untraceable and creditor of ₹20,000 was given an unrecorded computer of ₹10,000 in full settlement of his claim and the remaining were paid at 80%. On payment of creditors Realisation account will be :  
(A) Debited by ₹68,000 (B) Credited by ₹68,000  
(C) Debited by ₹60,000 (D) Credited by ₹60,000 1

### OR

Which of the following transactions is debited to Revaluation Account?

- (A) Increase in the Value of Furniture  
(B) Increase in Provision for Doubtful Debts  
(C) Creditors discharged at a discount  
(D) Loss on revaluation of all assets and reassessment of all liabilities

*(ISC Sample Paper 2022)*

- Q. 14. A company issues ₹15,00,000 12% Debentures on 01.04.2021 and pays half-yearly interest. What will be the interest payable by the company on 30.09.2021 if the debentures are to be redeemed after 4 years at 10% premium.  
(A) ₹1,80,000 (B) ₹ 99,000  
(C) ₹ 90,000 (D) ₹1,98,000 1



- Q. 15. Which of the following is not to be disclosed in the Balance Sheet of a Company?  
 (A) Authorised Capital (B) Issued Capital  
 (C) Reserve Capital (D) Subscribed Capital
- Q. 16. Ronaldo Ltd. forfeited 300 equity shares of ₹10 each, fully called up, on which ₹5 per share (including premium of ₹1 per share) was received. It later reissued these shares at a discount.  
 The maximum discount per share, which the company could have given on their reissue would be:  
 (A) ₹6 per share (B) ₹5 per share  
 (C) ₹4 per share (D) ₹3 per share

(ISC Sample Paper 2022)

**OR**

If ₹5,00,000, 7% debentures are issued for consideration other than Cash; ₹6,00,000, 8% debentures are issued as collateral security and ₹7,00,000, 9% debentures are issued for Cash, what will be interest on debentures for the year?

- Q. 17. R and S were partners in a firm sharing profits in 3 : 2 ratio. Their respective fixed capitals were ₹10,00,000 and ₹15,00,000. The partnership deed provided the following :  
 (i) Interest on capital @ 10% p.a.  
 (ii) Interest on drawing @ 12% p.a.

During the year ended 31-3-2021, R's drawings were ₹1,000 per month drawn at the end of every month and S's drawings were ₹2,000 per month drawn in the beginning of the every month. After the preparation of final accounts for the year ended 31-3-2021 it was discovered that interest on R's drawings was not taken into consideration.

Calculate interest on R's drawings and give necessary adjusting entry for the same. 3

- Q. 18. Arun, Barun and Chug are partners sharing profits in 3 : 2 : 2. They admitted Mallika into partnership for  $\frac{1}{5}$ th share which she acquired from Arun, Barun and Chug in 2 : 2 : 1 ratio respectively. You are required to calculate the new profit sharing ratio. 3

**OR**

A and B contribute ₹20,00,000 and ₹12,00,000 respectively by way of capital on which they agree to allow interest at 6% p.a. Their respective share of profit is 3 : 2 and the profit for the year is ₹1,60,000 before allowing interest on capitals. Prepare the necessary account to allocate interest on capitals :

- (i) When partnership deed is silent in treating interest as a charge or appropriation, and  
 (ii) When interest is to be allowed irrespective of profit.

- Q. 19. On 1-4-2021, Ola Ltd. issued 2,00,000, 6% debentures of ₹100 each at a discount of 4% redeemable at a premium of 5% after three years. The amount was payable as follows :  
 On application ₹50 per debenture.

Balance on allotment.

Record the necessary journal entries for issue of debentures. Books are closed on 31st March every year.

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**OR**

Surya Ltd. purchased machinery from Mohan Equipment Ltd. The company paid the vendors by issue of 9% debentures and the balance through an acceptance in their favour payable after three months. The accountant of the company while Journalising the above mentioned transactions left some items blank. Fill in the blanks in the given below Journal of Surya Ltd. :

**Journal of Surya Ltd.**

Date	Particulars	L.F.	Debit Amount	Credit Amount
2021 Jan. 1	Machinery A/c Dr. To ..... (Purchased machinery for ₹12,50,000 from Mohan Equipment Ltd.)		₹ .....	₹ .....
Jan. 1	Mohan Equipment Ltd. A/c Dr. To ..... To Securities Premium A/c (Issued 8,000, 9% Debentures of ₹100 each at a premium of 25%)		.....	.....
Jan. 1	..... Dr. To ..... (.....)		.....	.....

(C.B.S.E., 2022)

20. A, B and C were partners sharing profits in 4 : 3 : 2 ratio respectively.

Their Balance Sheet as at 31st March, 2022 was as follows :

Liabilities		Amount	Assets		Amount
		₹			₹
Capitals :			Cash		10,000
A	5,00,000		Bank		40,000
B	3,00,000		Stock		2,00,000
C	1,50,000	9,50,000	Debtors		4,00,000
Creditors			Land		5,00,000
Workmen's Compensation Reserve		1,45,000			
Provision for doubtful debts		40,000			
		15,000			
		<u>11,50,000</u>			<u>11,50,000</u>

B retired on this date and it was agreed that A and C will share future profits in the ratio of 5 : 4. The following was agreed upon :

(i) Goodwill is to be valued at 2.5 years' purchase of average profits of last three years.  
The average profits were ₹1,80,000.

(ii) Land was undervalued by ₹1,20,000 and stock overvalued by ₹43,000.

(iii) Provision for doubtful debts is to be made at 5% of Debtors.

(iv) Claim of workmen compensation was estimated at ₹10,000.

Prepare B's capital account.

**Q. 21.** Chanda, Tara and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. They decided to dissolve the firm on 31st March, 2021. Pass necessary Journal Entries for the following transactions after all assets (other than cash and bank) and third party liabilities have been transferred to Realisation Account.

(i) A typewriter completely written off from the books was sold for ₹9,000.

(ii) Chanda took over stock worth ₹96,000 at ₹84,000.

(iii) Nisha was to get remuneration of ₹42,000 for completing the dissolution process.

(iv) Creditors of ₹23,500 took over all investments at ₹10,000. Remaining amount was paid to them in Cash.

(C.B.S.E., 2022)

**Q. 22.** On 1-4-2020, Kuber Ltd. issued 40,000, 8% debentures of ₹100 each at a discount of 3% redeemable at a premium of 5% after three years. The amount was payable as follows :

On application ₹50 per debenture.

Balance on allotment.

Kuber Ltd. has a balance of ₹2,30,000 in Securities Premium. Loss for the year was ₹50,000.

Pass the journal entries for issue of debentures and writing off the loss on issue of debentures.

**Q. 23.** X Ltd. issued 1,00,000 shares of ₹10 each at 30% premium. Amount was payable as follows :

	₹
On application	3
On allotment	5
On first call	2
On second & final call	3

Applications were received for 90,000 shares and all were accepted. All money was received except :

(i) Ashok, holding 1,000 shares failed to pay allotment money and his shares were forfeited after allotment.

(ii) Dev, holding 800 shares failed to pay first call money and his shares were forfeited after first call.

(iii) Tarun, holding 500 shares failed to pay first and second call money and his shares were forfeited.



All the forfeited shares were reissued @ ₹12 per share as fully paid up.  
Pass the necessary journal entries in the books of X Ltd.

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OR

Ganesh Limited offered to the public 1,00,000 equity shares of ₹10 each at a premium of ₹2 per share, payable as follows :

On Application	₹3
On Allotment	₹4 (including premium)
On First call	₹3
On Second and Final Call	₹2

Applications were received for 1,60,000 shares.

All applications were placed under four categories and allotment was made as follows :

Category A : To applicants of 40,000 shares	in full
Category B : To applicants of 60,000 shares	40,000 shares
Category C : To applicants of 30,000 shares	20,000 shares
Category D : To applicants of 30,000 shares	Nil

Except in the case where applications were wholly rejected, excess application money was not to be refunded but to be adjusted against money due on allotment and calls.

Arun, an applicant under category B who applied for 2,400 shares failed to pay the allotment money and on his failure to pay the first call his shares were forfeited.

Bimal, an applicant under category C who applied for 1,200 shares failed to pay both the calls and his shares were also forfeited after the second and final call.

All the forfeited shares were reissued to Charan as fully paid for ₹8.50 per share.

Show Cash-book and Journal entries.

**Q. 24.** Lokesh, Mansoor and Nihal were partners in a firm sharing profits as 50%, 30% and 20% respectively. On 31st March, 2020, their Balance Sheet was as follows :

Liabilities		₹	Assets		₹
Creditors		34,000	Cash		68,000
Provident Fund		10,000	Stock		38,000
Investment Fluctuation Fund		20,000	Debtors	94,000	
Capital A/cs : Lokesh	1,40,000		Less : Provision	6,000	88,000
Mansoor	80,000		Investment		80,000
Nihal	50,000	2,70,000	Goodwill		40,000
			Profit and Loss		20,000
		<u>3,34,000</u>			<u>3,34,000</u>

On the above date, Mansoor retired and Lokesh and Nihal agreed to continue on the following terms :

- (a) Firm's goodwill was valued at ₹1,02,000 and it was decided to adjust Mansoor's share of goodwill into the Capital Accounts of the continuing partners.
- (b) There was a claim for Workmen's Compensation to the extent of ₹12,000 and investments were brought down to ₹30,000.
- (c) Provision for Bad Debts was to be reduced by ₹2,000.
- (d) Mansoor was to be paid ₹20,600 in cash and the balance will be transferred to his Loan Account which was paid in two equal instalments together with interest @10% per annum.

Prepare Revaluation Account and Partners' Capital Accounts.

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OR

A and B decided to dissolve their firm on 31st July 2016. From the information given below complete the Realisation A/c, Capital A/cs and the Bank A/c :

Dr. REALISATION ACCOUNT Cr.

Particulars		Amount	Particulars		Amount
		₹			₹
To Sundry Assets :			By Creditors A/c		33,000
Stock A/c	14,000		By Bank A/c (Assets realised)		
Debtors A/c	—		Stock	10,000	
Fixed Assets A/c	70,000	1,20,000	Debtors	28,000	38,000
To Bank (Creditors paid)		—	By B's Capital A/c (Fixed Assets)		30,000
To A's Capital A/c (Realisation Exp.)		2,000	By Capital A/cs :		
			(Loss on realisation)		
			A   2/3	—	—
			B   1/3	—	—
		<u>1,52,000</u>			

Dr. CAPITAL ACCOUNTS Cr.

Particulars		A	B	Particulars		A	B
		₹	₹			₹	₹
To Advertisement				By Balance b/d		—	40,000
Suspense A/c	6,000		—	By Reserve		—	4,000
To Realisation A/c			—	By Realisation A/c (Exp.)		—	—
To Realisation A/c (loss)			—	By Bank			—
To Bank	20,000						

Dr. BANK ACCOUNT Cr.

Particulars		₹	Particulars		₹
To Balance b/d		—	By Realisation A/c (Creditors)		—



To Realisation A/c To B's Capital A/c (Deficit brought in)	50,000	By A's Capital A/c	
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Q. 25. On 1st April, 2020 X Ltd., in order to raise additional funds of ₹78,00,000, decided to issue 8% Debentures of ₹50 each to the public at a premium of 4%, redeemable after 6 years at a premium of 5%.

You are required to answer the following questions assuming that the company closes its books on 31st March every year :

- (i) Find out the number of debentures to be issued.
- (ii) Pass Journal entry for the allotment of debentures.
- (iii) Pass Journal entry to write off loss on issue of debentures.
- (iv) Prepare Loss on Issue of Debentures Account.
- (v) Calculate the interest on debentures for the year ended 31st March 2021.
- (vi) Pass journal entry to close the Interest on Debentures A/c.

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Q. 26. Chander and Mohini are partners sharing profits in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2021 is given below :

Liabilities	Amount	Assets	Amount
	₹		₹
Chander's Capital	11,40,000	Land & Building	5,60,000
Mohini's Capital	7,00,000	Plant & Machinery	6,00,000
Workmen's Compensation Reserve	60,000	Stock	1,60,000
Creditors	1,00,000	Sundry Debtors	6,00,000
		Less : Provision	20,000
		Bank	1,00,000
	20,00,000		20,00,000

They decide to admit Shikha as a new partner from 1st April, 2021. Their new profit sharing ratio was 3 : 2 : 5. Shikha brought in ₹6,00,000 as her capital and her share of goodwill premium in cash.

- (a) Shikha's share of goodwill premium was valued at ₹30,000.
- (b) Plant and Machinery was found under valued by 20%.
- (c) Creditors were unrecorded to the extent of ₹20,000.
- (d) Claim on account of workmen compensation was ₹40,000.
- (e) Bad debts amounted to ₹30,000.

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Prepare Revaluation A/c and Partner's Capital Accounts.

**Part B**  
**Financial Statement Analysis**

- Q.27.** Credit Revenue from Operations ₹9,00,000; Trade Receivables Turnover Ratio 6 times; Closing Trade Receivables were 1.5 times than that in the beginning. Closing Trade Receivables will be :  
 (A) ₹1,20,000 (B) ₹60,000  
 (C) ₹1,80,000 (D) ₹90,000
- Q. 28.** 'Forfeited Shares Account' appears in the Balance Sheet of the company under the subhead :  
 (A) Reserves and Surplus (B) Long-term Provisions  
 (C) Share Capital (D) Other Current Liabilities
- (C.B.S.E. 2020, Kolkata)*

**OR**

A company sold inventory costing ₹2,00,000 at a loss of ₹10,000. It will result in inflow, outflow or no flow of cash?

- Q. 29.** "Capital gain tax paid on sale of building by a Company" will be shown under which type of activity while preparing the Cash Flow Statement?
- Q. 30.** On the basis of following data, a Company's Gross Profit Ratio will be :  
 Net Profit ₹80,000; Wages ₹10,000; Office Expenses ₹30,000; Selling Expenses ₹20,000; Total revenue from operations ₹5,00,000.  
 (A) 28% (B) 26%  
 (C) 4% (D) 6%

**OR**

Which of the following items is not a method/tool of analysis of financial statement?

- (A) Trend Analysis (B) Statement of Profit and Loss  
 (C) Cash Flow Statement (D) Comparative Statements
- Q. 31.** Opening Inventory ₹1,20,000; Closing Inventory 1.5 times of opening inventory; Inventory Turnover Ratio 6 times; Selling price  $33\frac{1}{3}\%$  above cost. Calculate the Gross Profit ratio.
- Q. 32.** Classify the following items under Major Head and Sub-Head (if any) in the Balance Sheet of a company as per Schedule III of the Companies Act, 2013 :
- (i) Uncalled Liability on partly paid shares;
  - (ii) Capital Work in Progress;
  - (iii) Provision for Warranties;
  - (iv) Income received in advance;
  - (v) Capital Advances;
  - (vi) Advances recoverable in cash within the operating cycle;



Q. 33. Following is the Balance Sheet of X Ltd. as at 31st March, 2022 :

Particulars	Note No.	₹
<b>I. EQUITY AND LIABILITIES :</b>		
<b>1. Shareholder's Funds</b>		
(a) Share Capital		5,00,000
(b) Reserves and Surplus		1,00,000
<b>2. Non-Current Liabilities</b>		
Long-term Borrowings		1,60,000
Long-term Provisions		40,000
<b>3. Current Liabilities</b>		
		50,000
<b>TOTAL</b>		<u>8,50,000</u>
<b>II. ASSETS</b>		
<b>1. Non-Current Assets</b>		
		5,20,000
<b>2. Current Assets</b>		
		3,30,000
<b>TOTAL</b>		<u>8,50,000</u>

Calculate Debt to Capital Employed Ratio.

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**OR**

Calculate Net Assets Turnover Ratio from the following information :

	₹
Plant & Machinery	1,80,000
Intangible Assets (Goodwill)	20,000
Non Current Investments	40,000
Inventory (including Loose tools for ₹20,000)	1,50,000
Trade Receivables	1,00,000
Cash and Cash Equivalents	40,000
Trade Payables	30,000
Cost of Revenue from Operations (Cost of Sales)	12,80,000
Gross Profit 25% on Cost	

Q. 34. Prepare a Cash Flow Statement on the basis of the information given in the balance sheet of ABC Ltd., as at 31.03.2021 & 2020.

Particulars	Note No.	31.3.2021	31.3.2020
		₹	₹
<b>I. EQUITY AND LIABILITIES :</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital		70,000	60,000
(b) Reserves and Surplus	1	44,000	8,000
<b>2. Non-Current Liabilities</b>			
(a) Long-term Borrowings		50,000	50,000



<b>3. Current Liabilities</b>			
(a) Trade Payables		25,000	9,000
	<b>TOTAL</b>	<u>1,89,000</u>	<u>1,27,000</u>
<b>II. ASSETS :</b>			
<b>1. Non-Current Assets</b>			
<b>(a) Property, Plant &amp; Equipment and Intangible Assets</b>			
(i) Property, Plant and Equipment (Machinery)		98,000	84,000
(b) Non-Current Investments		16,000	6,000
<b>2. Current Assets</b>			
(a) Current investments		18,000	20,000
(b) Inventories		49,000	12,000
(c) Cash and Cash equivalents		8,000	5,000
	<b>TOTAL</b>	<u>1,89,000</u>	<u>1,27,000</u>

**Notes to Accounts :**

<b>1. Reserve &amp; Surplus :</b>	<b>31.03.2021</b>	<b>31.3.2020</b>
General Reserve	30,000	20,000
Surplus <i>i.e.</i> Balance in Statement of Profit and Loss	<u>14,000</u>	<u>(12,000)</u>
	<u>44,000</u>	<u>8,000</u>

**Additional Information :**

- (i) Depreciation provided on Machinery during the year ₹8,000.
- (ii) Interest paid on debentures ₹5,000.