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 SINDHI HIGH SCHOOL, HEBBAL**

**Half Yearly Examination [2024-25]**

**Subject: Accountancy (055)**

**Class: XII Max Marks: 80**

**Date: 07.10.2024 Reading Time: 8:10 - 8:25 am  
No. of Sides: 05 Writing Time: 8:25 - 11:25 am** *General Instructions:*

1. *All questions are compulsory.*
2. *Marks of each question is indicated against the question.*
3. *Show the necessary working notes wherever required.*
4. *Question nos. 1 to 20 carries 1 mark each.*
5. *Question nos. 21 to 26 carries 3 marks each.*
6. *Question nos. 27 to 29 carries 4 marks each.*
7. *Question nos. 30 to 34 carries 6 marks each.*
8. *All parts of an answer of each question should be written at one place.*
9. In which of the following cases is the business of a firm not dissolved compulsorily? **(1)**

(a) When all but one partner becomes insolvent. (b) When the business of the firm becomes illegal.

(c) When there is a change in profit sharing ratio between existing partners.

(d) When a partner who is a citizen of a country becomes an alien enemy because of the declaration of war with his country and India.

1. Pawan, Kavita and Gaurav were partners in a firm. The firm was dissolved. Creditors took over furniture of book value of ₹60,000 at 10% less than the book value in part settlement of their amount of ₹60,000. The balance amount was paid to them through cheque. The amount paid through cheque will be:

(A) ₹5,000 (B) ₹6,000 (C) ₹54,000 (D) Nil **(1)**

1. On the dissolution of a partnership firm there existed a balance of ₹45,000 in Sundry Debtors Account and a balance of ₹8,000 in Provision for Bad Debts Account in the books of the firm. The amount by which ‘Realisation A/c’ will be debited for closing Sundry debtors A/c will be: **(1)**

(a) ₹45,000 (b) ₹37,000 (c) ₹8,000 (d) ₹53,000

1. After doing the adjustments regarding drawings ₹40,000, share of profit ₹24,000 and the additional capital introduced ₹32,000, the capital of Ashok, a partner, as on 31.03.2022 was ₹5,00,000. His capital as on 01.04.2021 was: **(1)**

(a) ₹4,84,000 (b) ₹5,16,000 (c) ₹4,46,000 (d) ₹5,96,000

1. A & B are partners. B draws a fixed amount at the end of every quarter. Interest on drawings is

charged @15% p.a. At the end of the year, interest on B’s drawings was ₹9,000. Drawings of B were: **(1)**

a) ₹24,000 per quarter b) ₹40,000 per quarter c) ₹30,000 per quarter d) ₹80,000 per quarter

1. B Ltd. offered for subscription 1,00,000 equity shares of ₹10 each at a premium of 100% payable entirely on application. Applications were received for 5,00,000 equity shares. The company decided to allot the shares on pro-rata basis to all the applicants.   
   The amount received by the company on application was: **(1)**

(A) ₹1,00,00,000 (B) ₹20,00,000 (C) ₹1,20,00,000 (D) ₹80,00,000

1. C, D and E were partners in a firm sharing profits and losses in the ratio of 5:3:2. They admitted F as a new partner for ¼th share in the profits which was sacrificed by C, D & E in the ratio of 2:1:2. C’s new share in the profits will be: **(1)**

(a) 2/5 (b) 3/5 (c) 3/10 (d) 4/20

1. Average profit of a firm during the last few years is ₹1,50,000. In similar business, the normal rate of return is 10% of the capital employed. Calculate the value of goodwill by capitalisation of super profit method if super profits of the firm are ₹50,000. **(1)**(A) ₹15,00,000 (B) ₹5,00,000 (C) ₹10,00,000 (D) ₹20,00,000
2. P, Q and R are partners sharing profits in the ratio of 2:2:1. Q retires and the new profit sharing ratio of P and R will be 3:1. Gaining ratio will be:  **(1)**

a) 1:7 b) 2:1 c) 1:2 d) 7:1

1. The amount of share capital which a company is authorised to issue by its Memorandum of Association is called: **(1)**

(A) Issued capital (B) Subscribed capital (C) Reserve capital (D) Nominal capital

1. Money not received from shareholders on allotment or calls is: **(1)**

A) debited to calls in advance account. B) credited to calls in advance account.

C) debited to calls in arrears account. D) credited to calls in arrears account.

1. A and B are partners in a firm with capital of ₹1,80,000 and ₹2,00,000. C was admitted for ⅓rd share in the profit and brings ₹3,40,000 as capital. Calculate the amount of goodwill. **(1)**

A) ₹2,40,000 B) ₹1,00,000 C) ₹1,50,000 D) ₹3,00,000

1. Deepa, Elton & Frank were partners in a firm sharing profits in the ratio of 2:2:1. With effect from 1stApril, 2023 they decided to change their profit-sharing ratio as 1:2:2. A Debit Balance of Profit & Loss A/c of ₹50,000 existed in the books of the firm on the date of change in profit sharing ratio. The partners decided to retain the Debit Balance of Profit & Loss A/c in the books. The adjustment entry will be: **(1)**  
    Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | L.F. | Dr. (₹) | Cr. (₹) |
| (A)    (B)  (C)  (D) | Deepa’s Capital A/c Dr.  To Frank’s Capital A/c |  | 10,000  5,000  10,000  5,000 | 10,000  5,000  10,000  5,000 |
| Deepa’s Capital A/c Dr.  To Frank’s Capital A/c |
| Frank’s Capital A/c Dr.  To Deepa’s Capital A/c |
| Frank’s Capital A/c Dr.  To Deepa’s Capital A/c |

1. Anu, Bina and Roy were partners in a firm sharing profits and losses in the ratio of 3:2:1. Roy retired and his share was acquired by Anu. The new profit sharing ratio between Anu and Bina after Roy’s retirement will be: **(1)**

(A) 3:2 (B) 3:1 (C) 1:1 (D) 2:1

1. Which of the following item is not recorded in Profit & Loss Appropriation A/c? **(1)**

A) Interest on Partner’s Capital B) Amount of Partner’s Drawings

C) Profit as per Profit And Loss A/C D) Commission to a Partner

1. Under what circumstances, premium for goodwill paid by the incoming partner would never be recorded in the books of accounts? **(1)**
2. Madhu and Radha were partners in a partnership firm sharing profits and losses in the ratio of 3:2. Madhu withdrew ₹20,000 in each quarter during the year ended 31.03.2023. Interest on drawings was to be charged @ 6% p.a. Interest on Madhu’s drawings will be : **(1)**

(A) ₹3,000 (B) ₹2,400 (C) ₹1,800 (D) ₹4,800

1. P, Q and R were partners in a firm. On 31.03.2022, R died. R’s share was taken over by P. P’s new share in the profits of the firm will be: **(1)**  
   (A) ⅔ (B) ⅓ (C) ½ (D) 3/4
2. C and D were partners in a firm. E was admitted as a new partner for ⅙th share. E acquired ⅓rd of his share from C and the remaining from D. The sacrificing ratio of C and D is: **(1)**

(A) 1:2 (B) 1:1 (C) 16:9 (D) 2:1

1. B and D were partners. According to the provisions of partnership deed, interest on B’s Capital for the year ended 31.03.2022 was calculated at ₹4,000. The necessary journal entry for transferring interest on B’s capital to Profit and Loss Appropriation Account will be: **(1)** Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | L.F. | Dr. (₹) | Cr. (₹) |
| (A)    (B)  (C)  (D) | Profit and Loss Appropriation A/c Dr.  To B Capital A/c |  | 4,000  4,000  4,000  4,000 | 4,000  4,000  4,000  4,000 |
| Profit and Loss Appropriation A/c Dr.  To Interest on B’s Capital A/c |
| Interest on B’s Capital A/c Dr.  To Profit and Loss Appropriation A/c |
| Profit and Loss Appropriation A/c Dr.  To B’s Current A/c |

1. Gita, Hina and Isha were partners in a firm sharing profits and losses in the ratio of 3:3:2. Gita died. Hina and Isha decided to share profits and losses in the future, equally. On the day of Gita’s death, goodwill of the firm was valued at ₹8,00,000. Calculate gaining ratio and pass necessary journal entry to record treatment of goodwill on Gita’s death. **(3)**
2. P and Q were partners in a firm sharing profits and losses in the ratio of 2:1. On 01.04.2022, they admitted R as a new partner for 1/10th share of profits with a guaranteed minimum of ₹50,000. P and Q continued to share profits as before but agreed to share any deficiency on account of guarantee to R in the ratio of 3:2. The net profit of the firm for the year ended 31.03.2023 was ₹3,00,000. Pass necessary journal entries in the books of P, Q and R for the above transactions. **(3)**
3. Nisha, Priya and Rajat were partners in a firm sharing profits in the ratio of 2:2:1. The firm closes its books on 31st March every year. Priya died on 1st July 2022. On Priya’s death, the goodwill of the firm was valued at ₹3,00,000 and her share in the profits of the firm till the time of her death was to be calculated on the basis of previous year’s profit which was ₹6,00,000. Pass necessary journal entries for the treatment of goodwill and Priya’s share of profit at the time of her death. **(3)**

1. Sharma & Verma were partners in a firm sharing profits and losses in the ratio of 3:2. Their fixed capitals were ₹14,00,000 & ₹10,00,000 respectively. The partnership deed provided for the following:

(i) Interest on capital @ 10% per annum.

(ii) Interest on drawings @ 12% per annum.

During the year ended 31.03.2023, Sharma withdrew ₹2,00,000 and Verma withdrew ₹1,00,000. After preparing the accounts for the year ended 31.03.2023, it was realised that interest on capital was not allowed and interest on drawings was not charged. Showing your working notes clearly pass necessary journal entries in the books of the firm to rectify the above error. **(3)**

1. P, Q & R were partners with fixed capital of ₹ 40,000, ₹32,000 & ₹24,000. After distributing the profit of ₹48,000 for the year ended 31st March 2022 in their agreed ratio of 3:1:1, it was observed that:
2. Interest on capital was provided at 10% p.a. instead of 8% p.a.
3. Salary of ₹12,000 was credited to P instead of Q.

You are required to pass a single journal entry in the beginning of the next year to rectify the above

omissions. **(3)**

1. Calculate goodwill of a firm on the basis of three years purchases of the Weighted Average Profits of the last four years. The profits of the last four years were:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Years (ending 31st march) | 2020 | 2021 | 2022 | 2023 |
| Amount (₹) | 28,000 | 27,000 | 46,900 | 53,810 |

a) On 1st April, 2020 a major plant repair was undertaken for ₹10,000 which was charged to revenue. The said sum is to be capitalized for goodwill calculation subject to adjustment of depreciation of 10% on reducing balance method.

b) For the purpose of calculating, Goodwill the company decided that the years ending 31.03.2020 and 31.03.2021 be weighted as 1 each (being COVID affected) and for year ending 31.03.2022 and 31.03.2023 weights be taken as 2 and 3 respectively. **(3)**

1. Meenu Ltd. was registered with an authorised capital of ₹5,00,000 divided into equity shares of ₹10 each. The company issued a prospectus inviting applications for 20,000 equity shares. The amount was payable as follows: On Application – ₹ 3 per share   
    On Allotment – ₹ 5 per share   
    On First and Final call – Balance   
   Applications were received for 19,000 equity shares and allotment was made to all the applicants. All the amounts were duly received except the first and final call on 5,000 shares. Present the share capital in the Company’s Balance Sheet as per Schedule III, Part I of Companies Act, 2013. Also prepare ‘Notes to Accounts’ for the same. **(4)**
2. B, C and D were partners in a firm sharing profits and losses in the ratio of 3:5:2. On 31.03.2022 their Balance Sheet was as follows: (**4)** Balance Sheet of B, C and D as at 31st March, 2022

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | (₹) | Assets | (₹) |
| Creditors  Reserve Fund  Capitals : B 3,00,000  C 2,50,000  D 1,50,000 | 1,10,000  60,000  7,00,000 | Building  Machinery  Stock  Debtors  Bank | 2,00,000  3,00,000  2,10,000  80,000  80,000 |
| 8,70,000 | 8,70,000 |

C died on 01.10.2022. On C’s death, goodwill was valued at ₹1,87,500. The revaluation of assets and reassessment of liabilities resulted into a loss of ₹10,000. C’s share of profit till the date of his death was calculated at ₹70,000.

Prepare C’s Capital A/c to be presented to his executors at the time of his death and also C’s Executor’s A/c, assuming that half the amount due to him was paid immediately on C’s death.

1. Sun and Kiran are partners sharing profits and losses equally. They decided to dissolve their firm. Assets and Liabilities have been transferred to Realisation Account.   
   Pass necessary Journal entries for the following: **(4)**

a) All partners are agreed that the process of realisation at the time dissolution will be accomplished by Sun for which he will be paid ₹10,000 along with the amount of expense which amounted to 2% of total value realised from the Assets on dissolution. Some assets were sold for Cash at a cumulative Value of ₹12,00,000 and the remaining were taken over by creditors at a valuation of ₹3,00,000.

b) Deferred Advertisement Expenditure A/c appeared in the books at ₹28,000.

c) Out of the Stock of ₹1,20,000; Kiran (a partner) took over ⅓rd of the stock at a discount of 25% & 50% of remaining stock was taken over by a Creditor of ₹30,000 in full settlement of his claim. Balance amount of stock realized at ₹25,000.

d) An outstanding bill for repairs and renewal of ₹3,000 was settled through an unrecorded asset which was valued at ₹10,000. Balance being settled in Cash.

1. Ajay, Bijoy & Chethan were partners. Their capitals were ₹30,000; ₹20,000 & ₹10,000 respectively. According to the partnership deed, they were entitled to an interest on capital at 5% p.a. In addition, Bijoy was also entitled to draw a salary of ₹500 per month. Chethan was entitled to a commission of 5% on the profits after charging the interest on capital, but before charging the salary payable to Bijoy. The net profits for the year were ₹30,000, distributed in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2:2:1.   
   Pass the adjustment entry showing the workings clearly. **(6)**
2. Anshu and Vishnu were partners in a firm sharing profits and losses in the ratio of 3:2. On 31.03.2024, their Balance Sheet was as follows:

Balance Sheet of Anshu and Vishnu as at 31st March, 2024

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | (₹) | Assets | (₹) |
| Creditors General Reserve Investment Fluctuation Fund  Capitals:   Anshu 1,44,000  Vishnu 80,000 | 80,000 50,000 10,000  2,24,000 | Cash Debtors 36,000 Less: Provision for doubtful Debts 2,000  Stock Investment Plant & Machinery | 40,000  34,000  30,000  40,000 2,20,000 |
| 3,64,000 | 3,64,000 |

On the above date, Mani was admitted as a partner for ⅕th share in the profits on the following terms:

(i) Mani brought ₹20,000 as her share of goodwill and proportionate capital.

(ii) Provision for doubtful debts was to be maintained at 10% on debtors.

(iii) Market value of investments was ₹35,000.

(iv) The value of Plant and Machinery be increased by ₹6,600.   
Prepare Revaluation Account and Partners’ Capital Accounts. **(6)**

1. Trisha, Urvi and Varsha were partners in a firm sharing profits and losses in the ratio of 5:4:1. On 31.03.2024, their Balance Sheet was as follows:

Balance Sheet of Trisha, Urvi and Varsha as at 31st March, 2024

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | (₹) | Assets | (₹) |
| Creditors  General Reserve  Capitals: Trisha 2,00,000  Urvi 1,30,000  Varsha 1,00,000 | 2,70,000 1,50,000  4,30,000 | Fixed Assets  Stock  Debtors  Cash | 4,00,000  1,00,000  1,50,000 2,00,000 |
| 8,50,000 | 8,50,000 |

On the above date, Trisha retired from the firm on the following terms:

(i) Fixed Assets were found overvalued by ₹80,000.

(ii) Stock was taken over by Trisha at ₹80,000.

(iii) Goodwill of the firm was valued at ₹1,00,000 on Trisha’s retirement and Trisha’s share by goodwill was adjusted through the Capital Accounts of remaining partners.

(iv) New profit-sharing ratio between the remaining partners was agreed at 2:3.

(v) Trisha was paid ₹ 50,000 on retirement and the balance was transferred to her loan account.  
Pass necessary journal entries in the books of the firm on Trisha’s retirement. **(6)**

1. 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: **(6)**  
   a) Balance in his capital account which amounted to ₹1,15,000 and interest on capital till date of death which amounted to ₹5,000.   
   b) His share in the profits of the firm till the date of his death amounted to ₹20,000.   
   c) His share in the goodwill of the firm. The goodwill of the firm on Maheep’s death was valued at ₹1,50,000.   
   d) Loan to Maheep amounted ₹20,000.   
   It was agreed that the amount due to deceased partner will be paid to his executor in three equal yearly instalments with interest @10% p.a. The first instalment was to be paid on 30.06.2021. Calculate the amount to be transferred to Maheep’s executor’s A/c & prepare the executor’s A/c till it is finally settled.

1. Pearl Ltd. issued a prospectus inviting applications for 40,000 shares of ₹10 each at a premium of 20%. The amount was payable as follows: On Application – ₹ 5 per share

On Allotment – ₹ 5 per share (Including Premium)

On First and Final call – Balance

Applications for 60,000 shares were received and allotment was made on a pro-rata basis to all the applicants. Excess money received on application was adjusted towards the amount due on allotment.

Sameer who had applied for 1,200 shares failed to pay the allotment money. His shares were forfeited immediately after allotment. All the forfeited shares were reissued at ₹7 per share as ₹8 paid up. First and final call was not yet made.  
Pass necessary journal entries to record the above transactions in the book of Pearl Ltd. **(6)**  
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