

# SAMPLE Question Paper 5

## (Questions-Answers) ACCOUNTANCY

A Highly Simulated Practice Question Paper for  
CBSE Class XII Examination

Time : 3 hrs

M.M. : 80

### General Instructions\*

1. This question paper contains two parts A and B.
2. Part A is compulsory for all.
3. Part B has two options—Analysis of Financial Statements and Computerised Accounting\*.  
Attempt only one option of Part B.
4. All parts of a question should be attempted at one place.

\*Computerised Accounting has not been covered.

## SECTION A

(Accounting for Not-for-Profit Organisations, Partnership Firms and Companies)

### Objective Type Questions (1 Mark)

#### Multiple choice questions (Q. no. 1 to 10)

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

1. Debentures are issued at par with the condition that redemption will also be at par. Journalise it.

(a) Bank A/c

Dr

To Debenture Application and Allotment A/c

(b) Debenture Application and Allotment A/c

Dr

To X% Debentures A/c

(c) Both (a) and (b)

(d) None of the above

2. If the debit side of realisation account exceeds the credit side, then it signifies

(a) profit on realisation

(b) loss on realisation

(c) neither profit nor loss

(d) None of these

\*You are advised to attempt this sample paper without referring the answers given here. However, cross check your answers with the answers given at the end after you complete the paper.

3. A non-profit organisation normally prepares ..... before preparing balance sheet.

- (a) income and expenditure account (b) real account  
(c) trading account (d) None of these

4. X and Y are sharing profits and losses in the ratio of 3 : 2. Z is admitted with 1/5th share in profits of the firm which he gets entirely from X. Find out the new profit sharing ratio.

- (a) 12 : 8 : 5 (b) 8 : 12 : 5  
(c) 2 : 2 : 1 (d) 2 : 2 : 2

5. What will be the journal entry for shares re-issued at discount?

- (a) Bank A/c Dr  
    To Share Capital A/c  
    To Securities Premium Reserve A/c  
(b) Bank A/c Dr  
    Share Forfeiture A/c Dr  
    To Share Capital A/c  
(c) Share Capital A/c Dr  
    To Bank A/c  
    To Share Forfeiture A/c  
(d) Share Capital A/c Dr  
    Securities Premium Reserent A/c Dr  
    To Bank A/c

6. KK, KN and KH are partners sharing profits and losses in the ratio of 2 : 2 : 1. KH retires on 31st December, 2019. Extract of the balance sheet of the firm as at 31st December, 2019 is as follows

Liabilities	Amt (₹)	Assets	Amt (₹)
		Land and Building	40,00,000

If the land and building is revalued at ₹ 48,00,000 how will you show the effect of change in value of land and building in revaluation account?

- (a) Land and Building A/c ₹ 8,00,000 (Cr) (b) Land and Building A/c ₹ 8,00,000 (Dr)  
(c) Land and Building A/c ₹ 48,00,000 (Cr) (d) Land and Building A/c ₹ 48,00,000 (Dr)

7. State the order of share capitals of the following types according to the Schedule III, Part I of the companies balance sheet.

- (i) Subscribed share capital  
(ii) Authorised/Registered share capital

(iii) Issued share capital

- (a) (i) - (ii) - (iii) (b) (ii) - (iii) - (i)  
(c) (iii) - (ii) - (i) (d) No specified order

8. Ram and Shyam are partners sharing profits in the ratio of 3:2. They admit Tarun as a new partner. After his admission, the profit sharing ratio becomes 5 : 5 : 3. On the date of Tarun's admission, goodwill of the firm is valued at ₹ 13,00,000. The amount of goodwill brought in by Tarun will be

- (a) ₹ 5,00,000 (b) ₹ 10,00,000 (c) ₹ 3,00,000 (d) ₹ 13,00,000

9. Debit balance in receipts and payments account was shown as ₹ 80,000, subscription received amounted to ₹ 9,600 out of which ₹ 3,000 is related to next year. According to you, what amount will be shown in receipts and payments account?

- (a) ₹ 80,000 (b) ₹ 89,600 (c) ₹ 9,600 (d) ₹ 86,600

10. Realisation account is prepared at the time of .....

- (a) Admission of a Partner (b) Change in Profit Sharing Ratio  
(c) Dissolution of a Firm (d) Dissolution of Partnership only

**Fill in the blanks (Q. no. 11 to 12)**

Here, each sentence is incomplete due to one missing word. You are required to fill that missing word correctly.

11. .... are those organisations who works with the motive of social welfare and not for earning profit.
12. Final amount of a deceased partner's capital account is payable to his .....
13. What is a main motive of issuing debentures for consideration other than cash by a company?

**Short Answer Type I Question****(3 Marks)**

14. From the following information, you are required to compute the receipt from subscription for the year ending 31st March, 2019.

- (i) Income from subscription shown in income and expenditure account = ₹ 78,000
- (ii) Subscription received in advance as on 31st March, 2019 = ₹ 12,000
- (iii) Subscription received in advance as on 31st March, 2018 = ₹ 18,000
- (iv) Subscription outstanding as on 31st March, 2019 = ₹ 24,000
- (v) Subscription outstanding as on 31st March, 2018 = ₹ 12,000

Or Extracts of receipts and payments account for 31st March, 2019 are given below

Particulars	Amt (₹)
Subscriptions	
2017-18	1,000
2018-19	28,000
2019-20	500

**Additional Information**

- (i) Total number of members 1,000.
- (ii) Annual membership fee ₹ 30.
- (iii) Subscription outstanding on 31st March, 2018 ₹ 1,300.

Show how it will be shown in income and expenditure account of current year and balance sheet for 31st March, 2018 and 31st March, 2019.

**Short Answer Type I Questions****(4 Marks)**

15. Modi, Shah and Dharma are three partners of a firm doing work of constructions and maintaining equality in the different Societies of India. They shared profits in the ratio of 1 : 2 : 2 from last 6 years.

On 31st May, 2019, Dharma died and his share is taken by Modi and Shah in the ratio of 1 : 3. For this situation, goodwill of the firm is valued at ₹ 2,00,000 on this date.

Pass the journal entries for treatment of goodwill on Dharma's death. Also, calculate new ratio.

Or X, Y and Z were partners in a firm sharing profits in 3 : 2 : 1 ratio. The firm closes its books on 31st March every year. Y died on 12th June, 2019. On Y's death, the goodwill of the firm was valued at ₹ 60,000.

His share in the profits of the firm till the time of his death was to be calculated on the basis of previous year's profit which was ₹ 1,50,000. According to Y's will, the executors should donate his share to an orphanage for girls.

Pass necessary journal entries for the treatment of goodwill and Y's share of profit at the time of his death.

16. Vikram Ltd issued 4,000, 10% debentures of ₹ 100 each, payable as follows: ₹ 25 on application, ₹ 35 on allotment and ₹ 40 on first and final call. All the debentures were applied. Aniket, the holder of 200 debentures paid the entire amount on his holding on allotment. Pass entries.

17. Soniya & Co. issued 5,000, 14% debentures of ₹ 200 each @ 10% premium on 1st January, 2019. These debentures are redeemable after 8 years at a premium of 15% in lump-sum.

Amount payable on application ₹ 120 and balance on allotment. All the amounts received by company at its due date. Pass necessary journal entries for interest on debentures and writing-off loss on issue of debentures in the year 2019-20.

18. From the following receipts and payments account and income and expenditure account, prepare balance sheet for 31st March, 2018 and 31st March, 2019.

### Receipts and Payments Account

for the year ending 31st March, 2019

Dr		Cr	
Receipts	Amt (₹)	Payments	Amt (₹)
To Balance b/d	8,100	By Printing	1,350
To Interest		By Advertisements	2,538
2018	1,800	By Staff Salary	23,400
2019	2,700	By Furniture Purchased	12,060
To Tution Fees		By Rent	9,360
2019	18,000	By Miscellaneous Expenses	1,980
2020	1,800	By Balance c/d	24,732
To Entrance Fees 2019			
	7,560		
To Subscription			
2018	5,400		
2019	20,700		
2020	7,020		
To Miscellaneous Income			
	2,340		
	75,420		75,420

### Income and Expenditure Account

for the year ending 31st March, 2019

Dr		Cr	
Expenditure	Amt (₹)	Income	Amt (₹)
To Printing	1,440	By Tution Fees	19,800
To Advertisements	2,700	By Subscription	20,700
To Rent	10,800	By Miscellaneous Income	2,340
To Staff Salary	21,600	By Interest	2,880
To Miscellaneous Expenses	1,980		
To Surplus	7,200		
	45,720		45,720

### Additional Information

Following assets were on 31st March, 2018

Investments	₹ 72,000
Furniture	₹ 18,000
Books	₹ 9,000

# Long Answer Type I Questions

(6 Marks)

19. (i) Anil and Sunil are partners in a firm sharing profits in the ratio of 3 : 2. They decided that w.e.f. 1st April, 2019, they will share the profits equally. The balance sheet of Anil and Sunil as at 31st March, 2019 is given below

**Balance Sheet**  
as at 31st March, 2019

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	48,000	Cash in Hand	32,000
Outstanding Expenses	12,000	Debtors	28,800
Capital A/c's		Stock	67,200
Anil	2,40,000	Furniture	49,600
Sunil	2,40,000	Machinery	3,62,400
	4,80,000		5,40,000
	5,40,000		5,40,000

Goodwill of the firm is to be valued on the basis of two years' purchase of average net profit. The average net profit expected in future by the firm is ₹ 16,000 p.a. Prepare partners' capital account and balance sheet of the reconstituted firm.

- (ii) Pass the journal entries from the given transactions
- (a) Value of land is revalued to ₹ 60,000 from ₹ 80,000.
  - (b) Amount of ₹ 4,000 recovered from a debtor, which is previously written-off as bad debts.
  - (c) Provident fund is to be increased by ₹ 2,000.

20. Y and Z who were sharing profits and losses in the ratio of 3 : 1 respectively, decided to dissolve the firm on 31st March, 2019. Complete the following realisation account, partners' capital account and bank account.

Realisation Account			
Dr	Amt (₹)	Particulars	Cr
To Sundry Assets A/c	60,000	By Sundry Liabilities A/c	
To Bank A/c (Trade creditors)	14,250	Trade Creditors	15,000
To Bank A/c (Loan from Mrs Y)	4,750	Loan from Mrs Y	5,000
To Bank A/c (Expenses)	500	By Bank A/c (Sundry assets realised)	55,000
		By .....	...
	79,500		79,500

Partners' Capital Account					
Dr	Y (₹)	Z (₹)	Particulars	Y (₹)	Z (₹)
To Balance b/d	—	5,000	By Balance b/d	50,000	—
To Profit and Loss A/c (Loss)	3,000	1,000	By Bank A/c (Cash brought in)	—	7,125
To Realisation A/c	...	...			
To Bank A/c	...	...			
	50,000	7,125		50,000	7,125

Bank Account			
Dr	Amt (₹)	Particulars	Cr
To Balance b/d	1,000	By .....	...
To Realisation A/c (Assets realised)	55,000	By .....	...
To Z's Capital A/c (Cash brought in)	7,125	By .....	43,625
	63,125	By Y's Capital A/c (Final payment)	63,125

21. Batra Ltd issued 20,000 shares of ₹ 100 each at a premium of ₹ 25 per share, payable as follows

₹ 20 per share on application

₹ 45 per share on allotment (including premium of ₹ 15)

₹ 60 per share on first and final call (including premium of ₹ 10)

The issue was oversubscribed by 10,000 shares. Applicants of 8,000 shares were allotted only 1,000 shares and applicants of 1,000 shares were sent letters of regret. Excess amount received at the time of application was to be adjusted only against allotment and overpayments exceeding the amount due on allotment were to be refunded. All the money due at the time of allotment and call was duly received.

Pass necessary entries in the books of the firm.

Or

On 1st April, 2019, Vardhman Ltd made an issue of 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 8 per share, payable as follows

₹ 7 on application (including ₹ 2 premium)

₹ 4 on allotment (including ₹ 2 premium)

₹ 3 on first call (including ₹ 2 premium)

₹ 4 on second and final call (including ₹ 2 premium)

Applications were received for 3,00,000 shares, of which applications for 60,000 shares were rejected and their money were refunded. Rest of the applicants were issued shares on pro-rata basis and their excess money was adjusted towards allotments.

X, to whom 400 shares were allotted, failed to pay the allotment money and his shares were forfeited after allotment. Y, who applied for 960 shares failed to pay the two calls and on his such failure, his shares were forfeited.

Z, who was allotted 500 shares did not pay final call. 1,000 forfeited shares reissued as fully paid on receipt of ₹ 8 per share, the whole of Y's shares being included. Prepare the cash book and pass the necessary journal entries.

22. Aashi, Kiran and Madhu were carrying on partnership business and sharing profits in the ratio of 3 : 2 : 1 respectively. On 31st December, 2019, the balance sheet of the firm stood as follows

### Balance Sheet

as at 31st December, 2019

Liabilities		Amt (₹)	Assets		Amt (₹)
Creditors		27,180	Cash		9,400
Capital A/cs			Debtors		16,000
Aashi	30,000		Stock		23,380
Kiran	20,000		Building		46,000
Madhu	20,000	70,000	Profit and Loss		2,400
		97,180			97,180

Kiran retired on the above mentioned date on the following terms

(i) Buildings to be appreciated by ₹ 14,000.

(ii) Provision for doubtful debts to be made at 5% on debtors.

- (iii) Goodwill of the firm is valued at ₹ 36,000 and adjustment in this respect to be made in the continuing partners' capital account without raising goodwill account.
- (iv) ₹ 6,000 to be paid to Kiran immediately and the balance in her capital account to be transferred to his loan account.

Prepare revaluation account, capital account and the balance sheet after Kiran's retirement.

Or A and B are partners with 3 : 2 ratio. Their balance is given below

### Balance Sheet

as at ...

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	1,00,000	Cash	30,000
Bills Payable	1,00,000	Bank	40,000
Profit and Loss	30,000	Debtors	61,000
Reserve Fund	40,000	(-) Provision for Doubtful Debts (1,000)	60,000
Workmen's Compensation Fund	30,000	Building	2,00,000
Provident Fund	10,000	Machinery	1,00,000
Capital A/cs		Investment	40,000
A	1,00,000	Patents	20,000
B	1,00,000	Goodwill	20,000
	5,10,000		5,10,000

### Adjustments

- C comes as a new partner.
- New profit sharing ratio is 5 : 3 : 2.
- C brings capital ₹ 80,000 and premium ₹ 20,000 out of his share of ₹ 30,000.
- Make 10% provision for doubtful debts on debtors.
- Patents are valueless.
- Worker compensation liabilities fixed at ₹ 20,000.
- Building undervalued by ₹ 40,000.
- Machine overvalued by ₹ 10,000.

Prepare necessary accounts and balance sheet of the newly constituted firm.

## SECTION B

(Financial Statement Analysis)

### Objective Type Questions (1 Mark)

**Multiple choice questions (Q. no. 23 to 27)**

There are four options for each question, out of these, only one is correct. You have to identify the correct option.

23. From the following information, calculate the amount of cash flow from financing activities.

Particulars	31st March, 2019 Amt (₹)	31st March, 2018 Amt (₹)
Equity Share Capital	20,00,000	18,00,000
Securities Premium Reserve	5,20,000	5,00,000
12% Debentures	2,00,000	3,00,000

**Additional Information**

Interest paid on debentures ₹ 36,000.

(a) ₹ 36,000

(b) ₹ 2,20,000

(c) ₹ 84,000

(d) ₹ 1,36,000

24. Securities premium reserve is shown on the liabilities side in the balance sheet under the head  
 (a) Reserve and Surplus (b) General Reserve  
 (c) Share Capital (d) Current Liabilities
25. Tangible assets are ₹ 8,00,000 on 31st December, 2019 and intangible assets are ₹ 4,00,000. Total assets of the firm are ₹ 20,00,000, then what will be the percentage of tangible assets to total assets?  
 (a) 40% (b) 32% (c) 50% (d) 48%
26. Which of the following does not indicate long-term financial solvency?  
 (a) Debt-equity ratio (b) Debt ratio  
 (c) Liquidity ratio (d) Equity ratio
27. Find out the areas where personal judgement is involved while preparing financial statements ?  
 (a) Rent payment (b) Depreciation  
 (c) Stock valuation (d) Both (b) and (c)
28. Stores and spare parts are recorded as an item under sub-head '.....' and major-head '.....'.
29. Which activities result in changes in the size and composition of the owners' capital and borrowings of the enterprise?

**Short Answer Type I Question****(3 Marks)**

30. From the following balance sheet of Varsha Ltd as at 31st March, 2020, calculate the return on investment for the year 2019-2020.

**Balance Sheet**

as at 31st March, 2020

Particulars	Note No.	31st March, 2020 Amt (₹)
<b>I. EQUITY AND LIABILITIES</b>		
1. Shareholders' Funds		
(a) Share Capital	1	16,50,000
(b) Reserves and Surplus (Balance of Statement of Profit and Loss)		3,75,000
2. Non-current Liabilities		
12% Debentures		12,00,000
3. Current Liabilities		
Trade Payables		5,10,000
<b>Total</b>		<b>37,35,000</b>
<b>II. ASSETS</b>		
1. Non-current Assets		
(a) Fixed Assets	2	28,50,000
(b) Non-current Investment	3	2,25,000
2. Current Assets		6,60,000
<b>Total</b>		<b>37,35,000</b>



Particulars	Amt (₹)
<b>1. Share Capital</b>	
Equity Share Capital	15,00,000
Preference Share Capital	1,50,000
<b>2. Tangible Fixed Assets</b>	16,50,000
Fixed Assets	34,50,000
(-) Depreciation	(6,00,000)
<b>3. Non-current Investment</b>	28,50,000
10% Trade Investment	1,50,000
10% Other Investment (Face value ₹ 1,05,000)	75,000
	2,25,000

### Additional Information

Net profit before tax but after interest for the year 2019-20 is ₹ 6,07,500 and tax rate is 40%.

From the following, calculate

(i) Current ratio and

(ii) Working capital turnover ratio

Particulars	Amt (₹)	Particulars	Amt (₹)
Non-current Assets	50,000	Total Assets	1,00,000
Shareholders' Fund	60,000	Non-current Liabilities	20,000
Revenue from Operations	1,50,000		

### Short Answer Type II Question

(4 Marks)

Prepare the balance sheet for Rishant Ltd as on 31st March, 2020 from the following information as per provisions of Schedule III, Part I of the Companies Act, 2013.

Particulars	Amt (₹)
General Reserve	3,00,000
8% Debentures	3,00,000
Balance of Statement of Profit and Loss (Credit)	1,20,000
Depreciation of Fixed Assets	70,000
Tangible Fixed Assets (Cost)	9,00,000
Trade Payables	2,50,000
Preference Share Capital	5,00,000
Inventories	64,000
Trade Receivables	2,56,000
Cash and Cash Equivalents	3,20,000

Or

Prepare common size statement of profit and loss from the following statement of profit and loss

Particulars	31st March, 2019 Amt (₹)	31st March, 2020 Amt (₹)
<b>I. Income</b>	40,00,000	40,00,000
Revenue from Operations (Net sales)	40,000	44,000
Other Income	40,40,000	40,44,000
<b>Total</b>		

Particulars	Amt (₹)	Amt (₹)
<b>II. Expenses</b>	26,00,000	28,00,000
Purchases of Stock-in-trade	2,00,000	1,92,000
Changes in Inventories of Stock-in-trade	3,20,000	3,92,000
Employees' Benefit Expenses	4,70,000	3,60,000
Other Expenses	35,90,000	37,44,000
<b>Total</b>	4,50,000	3,00,000
<b>III. Profit (I – II)</b>		

### Additional Information

Other Expenses Include	31st March, 2019 Amt (₹)	31st March, 2020 Amt (₹)
Provision for Tax	4,50,000	3,00,000

## Long Answer Type I Question

(6 Marks)

32. Prepare a cash flow statement from the following information of Mr Rajesh (a proprietor)

### Balance Sheet

Liabilities	31st March, 2019 (₹)	31st March, 2020 (₹)	Assets	31st March, 2019 (₹)	31st March, 2020 (₹)
Capital	1,50,000	1,60,000	Cash	4,000	5,000
Bank Loan	20,000	10,000	Debtors	35,000	40,000
Mr Rajesh's Loan	5,000	20,000	Stock	20,000	25,000
Creditors	30,000	42,000	Land	25,000	36,000
Depreciation Provision	10,000	15,000	Building	50,000	55,000
			Machinery	81,000	86,000
	2,15,000	2,47,000		2,15,000	2,47,000

(i) During the year 2019-20, Mr Rajesh had withdrawn ₹ 21,000 for personal use.

(ii) A part of the machinery costing ₹ 10,000 (accumulated depreciation ₹ 8,000) was sold for ₹ 5,000.