BUDHA DAL PUBLIC SCHOOL PATIALA
Pre Board Examination (12 December 2025)
Subject – ACCOUNTANCY
Class XII (Set – A)

Time: 3 hrs. **M.M.80**

General Instructions:

1. *All questions are compulsory.*
2. *Question number 1-16 and 27 – 30 carries 1 mark each.*
3. *Question no. 17-20 and 31 & 32 carries 3 marks each.*
4. *Question no. 21-22 and 33 carries 4 marks each.*
5. *Question no. 23-26 and 34 carries 6 marks each.*
6. *Use of calculator is not allowed.*

Q1. A, B and C are partners sharing profits in the ratio of 5: 3: 2. They have admitted Z into the partnership for 1/6th share. Investment fluctuation fund appears in the balance sheet at Rs. 13,500 and investment (cost) at Rs. 1,50,000. If the market value of investments is Rs. 1,45,000, investment fluctuation fund will be shown at _______ in new balance sheet. **(1)**

a) Rs. 13,500 b) NIL c) Rs. 5000 d) Rs. 6500

Q2. What will be the entry for writing-off goodwill at the time of retirement? **(1)**

a) Goodwill A/c Dr
 To Old partner's Capital A/c (in old ratio)

b) Old Partner's Capital/Current A/c Dr
 (in new ratio)
 To Goodwill A/c

c) Goodwill A/c (Appeared goodwill) Dr
 To Old partner's Capital /Current A/c
 (in old ratio)

d) None of the above

Q3. Which of the following statements is true about fixed and fluctuating capital account? **(1)**

a) Fixed capital account will always have a credit balance
b) Current account can have a positive or a negative balance
c) Fluctuating capital account can have a positive or negative balance
d) All of the above

Q4. A and B are partners. A draws fixed amount at the end of every month. Interest on drawings is charged @ 15% p.a. At the end of the year, interest on drawings of B amounts of Rs. 2,062.5. Drawing of A will be **(1)**

a) Rs. 3,000 p.m. b) Rs. 2,500 p.m. c) Rs. 2,250 p.m. d) Rs. 2,000 p.m.

Q5. X and Y were in partnership sharing profits and losses in the ratio of 2 :1. They admitted Z as a new partner. Z brought Rs. 10,000 as her share of goodwill premium, which was entirely credited to X's capital account. **(1)**

On the date of admission, goodwill of the firm was valued at Rs. 30,000. Calculate the new profit sharing ratio.

a) 1: 2 : 1 b) 2 : 1 : 1 c) 1 : 1 : 1 d) 3 : 2 : 1

Q6. Anuj and Raheem are partners sharing profits and losses in the ratio of 2 :1. They admit Sonam for 1/5th share in future profits. On the date of admission, Anuj's capital was Rs. 1,02,000 and Raheem's capital was Rs. 73,000. **(1)**

Sonam brings Rs. 25,000 as her share of goodwill and she agrees to contribute proportionate capital of the new firm. How much capital will be brought by Sonam?

a) Rs. 43, 750 b) Rs. 37,500 c) Rs. 50,000 d) Rs. 40,000

Q7. A building was purchased by Rajesh Ltd. for Rs. 11,00,000 from Mohan. Rajesh Ltd. issued 9% Debentures of Rs. 100 each against purchase consideration at a premium of 10%. 9% Debentures Account is credited by

a) Rs. 11,00,000 b) Rs. 12,10,000 c) Rs. 10,00,000 d) Rs. 11,90,000

A - 1

OR

Which of the following statements is correct about debentures?

a) New Debentures can be issued at par/premium but not at discount.
b) Debenture interest is calculated on issue price
c) Interest on debentures is an appropriation of profits.
d) Interest is not paid on Debentures issued as Collateral Security

Q8. **Assertion (A):** Securities Premium Account is not debited at the time of forfeiture if premium has been received in respect of the forfeited shares. **(1)**

Reason (R): The Companies Act, 2013 [Section 52(2)] restricts the use of Securities Permium received and credited to Securities Premium Account.

In the context of above two statements, which of the below option is correct?

(a) Assertion (A) is correct but Reason (R) is incorrect.
(b) Both Assertion (A) and Reason (R) are correct, but (R) is not the correct explanation of Assertion (A).
(c) Both Assertion (A) and Reason (R) are incorrect
(d) Both Assertion (A) and Reason (R) are correct, and Reason (R) is the correct explanation of Assertion (A).

Q9. Gyan and Govind are partners sharing profits in the ratio of 3 : 1. On 31st March, 2024, firm's net profit is Rs. 7,50,000. The partnership deed provided interest on capital to Gyan and Govind which is Rs. 1,00,000 and Rs. 50,000 respectively and interest on drawings for the year is Rs. 32,000 of Gyan and Rs. 28,000 of Govind. Each partner is also entitled for commission @ 5% on profit after interest and all commissions. Calculate the profit to be transferred to Partners' Capital Accounts. **(1)**

a) Rs. 6,00,000 b) Rs. 6,60,000 c) Rs. 7,20,000 c) Rs. 7,50,000

Q10. Profit earned by a firm after retaining Rs. 45,000 to its reserve was Rs. 2,25,000. The firm had total tangible assets of Rs. 30,00,000 and outside liabilities Rs. 9,00,000. The value of goodwill as per Capitalisation of Average Profit Method was valued at Rs. 1,50,000. Calculate Normal Rate of Return. **(1)**

a) 10% b) 5% c) 12% d) 8%

Q11. Book value of creditors given in the Balance Sheet before dissolution was Rs. 2,00,000. Half of the creditors accepted furniture of Rs. 1,20,000 at an agreed value of 10% less than the book value and cash of Rs. 8,000 in settlement of their claim. Remaining creditors were paid at a discount of 5%. Bank Account will be credited in Realisation Account for payment to creditors by **(1)**

a) Rs. 95,000 b) Rs. 1,08,000 c) Rs. 1,03,000 d) Rs. 1,00,000

From the given hypothetical situation, answer (Q. No. 12 to 14) from the following:

Singha Ltd. invited applications for issuing 2,00,000 equity shares of Rs. 50 each. The amount was payable as follows

On application – Rs. 15 per share On allotment – Rs. 10 per share, on first and final call 25

Applications for 3,00,000 shares were received. Allotment was made to the applicants as follows

Category	No. of Shares Applied	No. of Share Allotted
I	2,00,000	1,50,000
II	1,00,000	50,000

Excess money received with applications was adjusted towards sums due to allotment and calls.

Amisha, a shareholder of Category I holding 3,000 shares failed to pay the allotment money. Her shares were forfeited immediately after allotment. Gaurav, a shareholder of Category II, who had applied for 1,000 shares failed to pay the first and final call. His shares were also forfeited. All the forfeited shares were reissued At Rs. 60 per share fully paid-up.

Q12. What is the amount received on allotment? **(1)**

a) Rs. 3,00,000 b) Rs. 45,00,000 c) Rs. 30,00,000 d) Rs. 4,50,000

Q13. Excess application money adjusted towards allotment is **(1)**

a) Rs. 5,00,000 b) Rs. 7,50,000 c) Rs. 12,50,000 d) Rs. 15,00,000

Q14. What will be the amount adjusted on calls over the excess amount received on application? **(1)**

a) Rs. 3,00,000 b) Rs. 4,50,000 c) Rs. 2,50,000 d) Rs. 5,00,000

Q15. Alok Ltd. forfeited 300 Equity Shares of Rs. 10 each, fully called-up, held by Param for non-payment of allotment money of Rs. 3 per share and first and final call of Rs. 4 per share. **(1)**

Out of these, few shares was reissued at a discount of Rs. 2 per share and Rs. 250 transferred to Capital Reserve as gain on reissue. Number of shares reissued were

a) 100 shares b) 150 shares c) 200 shares d) 250 shares

A-2

Q16. Tushar Ltd. forfeited 600 shares of Rs. 10 each issued at a premium of 10% for non-payment of first and final call money of Rs. 3 (including premium). Out of these 400 shares were reissued to Mohan as Rs. 10 paid-up for Rs. 11 per share. What is the minimum amount that company should collect at the time of reissue of the remaining 200 shares? (1)

a) Rs. 800 b) Rs. 600 c) Rs. 400 d) Rs. 200

Q17. X, Y and Z are partners sharing profits in the ratio of 4 : 3: 2. Y retired and his capital after making adjustments for reserves and profit on revaluation was Rs. 92,800. X and Z agreed to pay him certain amount in settlement of his claim. Journal entry for goodwill passed was as given below : (3)

JOURNAL

Date	Particulars	L.F.	Dr (Rs.)	Cr (Rs.)
	X's Capital A/c ....Dr.		3,900	
	Z/s Capital A/c ....Dr.		3,300	
	To Y's Capital A/c			7,200
	(Y's share of goodwill adjusted in the Capital Accounts of gaining partners in their gaining ratio)			

Calculate the amount agreed to be paid to Y and New Profit-sharing Ratio of X and Z.

Q18. Willow Ltd. forfeited 100 shares of Rs. 100 each issued at a premium of 10% for non-payment of allotment money of Rs. 30 per share (including premium) and first call of Rs. 30 per share. The second and final call of Rs. 20 per share was not yet called. Out of these, 40 shares were reissued to Mohan as Rs. 80 paid-up for Rs. 70per share and 40 shares were reissued to Sohan as Rs. 80 paid for Rs. 90 per share. (3)

Prepare Share Forfeiture Account.

Q19. Ashok, Bhim and Chitra are partners in a firm. For the year ended 31st March, 2024, profit of the firm Rs. 1,20,000 was distributed equally among them, without giving effect to the following terms of the partnership deed. (3)

a) Bhim's guarantee to the firm that the firm would earn profit of at least Rs. 1,35,000, Shortfall, if any in profit will be met by him.

b) Profits to be shared in the ratio of 2 : 2 : 1.

You are required to pass the necessary journal entries to rectify the error in accounting.

Q20. Om, Shanti and Namo are partners sharing profits and losses in the ratio of 5 :3 :2. They decided to share profits and losses in the ratio 2 : 3: 5 with effect from 1st April, 2024. For this purpose, goodwill is to be valued on the basis of 4 years' purchase of average profit of past 5 years. The profits were: (3)

Year Ended	31st March, 2020	31st March, 2021	31st March, 2022	31st March, 2023	31st March, 2024
Profit/(Loss) (Rs.)	30,000	70,000	1,00,000	1,40,000	(1,20,000)

On 1st April, 2023, 5 cycles costing Rs. 20,000 were purchased and were wrongly debited to Travelling Expenses. Depreciation on cycles was to be charged @ 25%.

Journalise the transactions giving working notes.

Q21. City Opticals Ltd. is a company with authorized capital of Rs. 50,00,000 divided into 4,00,000 Equity Shares of Rs. 10 each and 10,000 Preference Shares of Rs. 100 each. It issued (4)

a) 50,000 Equity Shares of Rs. 10 each at par to vendors from whom machinery was purchased.

b) For subscription 2,00,000 Equity at a premium of Rs. 5 each payable Rs. 5 on application; Rs. 8 (including premium) on allotment and balance as First and Final Call.

c) Issued 10,000, 8% Preference Shares at part payable along with application.

Equity Shares were subscribed two times while Preference shares were fully subscribed.

Equity Shares were allotted to all the applicants on pro rata basis.

Amount due was received except first and final call on 5,000 Equity Shares held at Param, which were forfeited.

Show the share capital in the Balance Sheet of the company prepared as per Schedule III of the Companies Act, 2013.

Q22. Amit, Sumit and Namit entered into partnership on 1st October, 2023 to share profits and losses in the ratio of 4 : 3: 2. Total capital of the firm was fixed at Rs. 18,00,000 to be contributed by Amit, Sumit and Namit in the ratio of 4: 3: 2. Amit gave loan of Rs. 1,00,000 on 1st January, 2024. The partnership deed provided for interest on capital @ 10% p.a., interest on drawings @ 12% p.a. salary to Sumit (4)

@Rs. 5,000 per month and salary to Namit @ Rs. 20,000 per quarter. Sumit's drawings during the period ended 31st March, 2024 were Rs. 50,000. Profit of the firm for the period ended 31st March, 2024 before providing for any interest and salary was Rs. 1,16,000.

You are required to prepare Profit & Loss Appropriation Account and Partners' Current Accounts.

Q23. Nisha, Kamal and Vijay had an automobile spare parts business. Due to strained relationship among the partners, they were unable to take collective decisions for the growth of business. As a result, firm has been in losses for the last 3 years. The partners decided to dissolve the firm. **(6)**

Following transactions took place at the time of dissolution:

a) Shiv, a creditor, to whom 6,000 were due, accepted office equipment at Rs. 4,000 and the balance was paid to him.

b) Investment, which appeared in the books at ₹ 1,00,000, half of it is taken by Mohan, a creditor, at 10% above the book value in settlement of his claim and the remaining half was sold in the market at a loss of 30%.

c) Loan of 50,000 advanced by Nisha to the firm was repaid.

d) Kamal paid realisation expenses of 18,000 who was to get remuneration of 13,000 for completing the dissolution process and was to bear all the realisation expenses.

e) Vijay had taken loan of 50,000 from the firm, which was paid by him.

f) Loss on realisation 30,000 was distributed among the partners equally. Journalise the above transactions at the time of dissolution of the firm.

Q24. 24. Hi-tech Ltd. issued 10,000, 9% Debentures of₹ 100 each at 6% premium, redeemable at 10% premium after 5 years, payable as₹60 on application and the balance on allotment (including premium). The Debentures were oversubscribed by 1,000 debentures and allotment was made on pro rata basis. All money was duly received. **(6)**

Pass the necessary Journal entries for issue of debentures and writing off loss on issue of debentures. Prepare Loss on Issue of Debentures Account.

OR

Satya Ltd. offered 40,000 shares of 10 each at 20% premium payable as follows:

On application 6 (including 1 premium) and balance on allotment. Public applied for 65,000 shares. Shares were allotted on pro rata to the applicants of 50,000 shares. Money excess received on applications was adjusted against amount due on allotment. All the shareholders have paid the amount up to allotment except Arun, the allottee of 8,000 shares. His shares were forfeited. 40% of the forfeited shares were reissued at 11 per share as fully paid-up.

Prepare Cash Book and pass necessary Journal entries.

Q25. Balance Sheet of Pankaj and Naresh who share profits and losses in the ratio of 3 : 2, at 31st March, 2024 was as follows: **(6)**

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Creditors		36,000	Cash at Bank		1,20,000
Workmen Compensation Reserve		24,000	Debtors	1,30,000	
Employees' Provident Fund		20,000	Less : Provision for Doubtful Debts	10,000	1,20,000
General Reserve		40,000	Stock		60,000
Current A/cs :			Investment		1,00,000
Pankaj	60,000		Patents		20,000
Naresh	40,000	1,00,000	Goodwill		80,000
Capital A/cs:					
Pankaj	1,68,000				
Naresh	1,12,000	2,80,000			
		5,00,000			5,00,000

They decided to admit Saurabh on 1st April, 2024 on the following terms:

a) New Profit-sharing Ratio will be 5: 3: 2. Saurabh brings₹ 83,000 as his capital.

b) Saurabh brings₹ 24,000 cash out of his share of goodwill of ₹ 40,000.

c) Patents are overvalued by 17,000 and Stock to be written up to₹ 62,000.

d) 20% of General Reserve to be transferred to Provision for Doubtful Debts. ₹3,000 included in Sundry Creditors to be written back as no longer payable.

e) Out of the amount of insurance which was debited to Profit & Loss Account, ₹10,000 be carried forward as unexpired insurance.

A-4

f) A debtor whose due of₹ 10,000 were written off as bad debts paid 8,000 in settlement. A claim of ₹ 6,000 on account of Workmen's Compensation to be provided for.
g) Half of investments are to be taken over by old partners in their profit-sharing ratio and remaining valued at ₹ 40,000.

Pass necessary Journal entries.

OR

Kushal, Kumar and Kavita were partners in a firm sharing profits in the ratio of 3:1:1. On 1st April, 2024, their Balance Sheet was as follows:

BALANCE SHEET OF KUSHAL, KUMAR AND KAVITA as at 1st April, 2024

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Creditors		3,00,000	Cash		70,000
General Reserve		1,70,000	Debtors	2,00,000	
Capital A/cs:			Less : Provision for Doubtful Debts	10,000	1,90,000
Kushal	3,00,000		Stock		2,20,000
Kumar	2,80,000		Furniture		1,20,000
Kavita	3,00,000	8,80,000	Building		3,00,000
			Land		4,00,000
			Goodwill		50,000
		13,50,000			13,50,000

On the above date, Kavita retired and the following was agreed:

a) Goodwill of the firm was valued at Rs. 40,000.
b) Land was to be appreciated by 30% and building was to be reduced by Rs. 1,00,000.
c) Value of furniture was to be reduced by Rs. 20,000.
d) Provision for Doubtful Debts is to be increased to Rs. 15,000.
e) 10% of the amount payable to Kavita was paid immediately and the balance was transferred to her Loan Account.
f) Capitals of Kushal and Kumar are to be in proportion to their new profit – sharing ratio. Surplus/ deficit, if any, in their Capital Accounts will be adjusted through Current Accounts.

You are required to prepare:

a) Revaluation Account
b) Partners' Capital Accounts

Q26. The Directors of Rockstar Ltd. invited applications for 60,000 shares of Rs. 100 each issued at 20% premium. Issue price was payable as Rs. 50 on application (including premium), Rs. 40 on allotment and balance on the first and final call. **(6)**

Applications were received for 80,000 shares. Out of the Application Money received Rs. 2,00,000 were returned and Rs. 8,00,000 were applied to the amount due on allotment. All shareholders paid the call money, with the exception of one shareholder of 15,000 shares. These shares were forfeited and out of these 10,000 shares were reissued as fully paid at Rs. 70 per share.

Answer the following questions on the basis of the above information:

1. Excess Application money on _____ shares is adjusted towards Share Allotment Account.
   a) Rs. 16,000 b) 12,000 c) Rs. 14,000 d) Rs. 10,000
2. On forfeiture of shares, Share Capital Account will be debited with
   a) 18,00,000 b) Rs. 15,00,000 c) Rs. 10,00,000 d) 12,00,000
3. What amount will be credited to Shares Forfeited Account at the time of forfeiture of 15,000 shares?
   a) 1,50,000 b) 13,50,000 c) 10,50,000 d) 15,00,000
4. At the time of reissue of forfeited shares, how much amount will be debited to 'Shares Forfeited Account'?
   a) Rs. 8,00,000 b) 3,00,000 c) 4,50,000 d) 10,00,000
5. _________ will be debited to Bank Account at the time of reissue of forfeited shares.
   a) Rs. 10,50,000 b) Rs. 7,00,000 c) Rs. 12,00,000 d) Rs. 15,00,000
6. What amount will be transferred to Capital Reserve?
   a) Rs. 4,50,000 b) Rs. 8,50,000 c) Rs. 4,00,000 d) Rs. 6,00,000

27. Which of the following is not a Solvency Ratio? (1)

a) Interest Coverage Ratio b) Return on Investment
c) Debt to Capital Employed Ratio d) Total Asset to Debt Ratio

Q28. Which of the following tools of 'Analysis of Financial Statements' indicate the trend and direction of financial position and operating results? (1)

a) Comparative Statement b) Common size statement c) Cash flow analysis d) Ratio analysis

Q29. Current ratio of Super Ltd. is 2 :1. Which of the following transaction will result in decrease in this ratio? (1)

a) Payment of Rs. 40,000 on creditors.
b) Sale of furniture (Book Value Rs. 38,000) for Rs. 16,000 only.
c) Repayment of long-term loan of Rs. 7,00,000
d) Cash collected from debtors Rs. 1,18,000

Q30. Which of the following transactions are shown under financing activities while preparing cash flow statement? (1)

i) Issue of Equity Shares ii) Cash Received form Debtors
iii) Redemption of Debentures iv) Cash paid Against Trade Payables
Choose the correct option:

a) (i) b) (i) and (ii) c) (i) and (iii) d) (i), (ii) and (iv)

Q31. Classify the following items under Major Heads and Sub-heads (if any) in the balance sheet of a Company as per Schedule III of the Companies Act, 2013: (3)

i) Loose Tools
ii) Loan Repayable on Demand
iii) Provision for Retirement Benefits
iv) Pre-paid insurance
v) Capital Advances
vi) Shares in Listed Companies

Q32. From the information extracted from the Statement of Profit & Loss for the years ended 31st March, 2017 and 31st march, 2018, prepare a Comparative Statement of Profit & Loss: (3)

Particulars	2017-18	2016-17
Revenue from Operations	300% of cost of material consumed	200% of cost of materials consumed
Cost of materials consumed	Rs. 2,40,000	Rs. 2,00,000
Other expenses	20% of cost of materials consumed	10% of cost of material consumed
Tax Rate	50%	50%

Q33. a) A company earns Gross Profit of 25% on cost. For the year ended 31st March, 2017 its Gross Profit was Rs. 5,00,000; Equity Share Capital of the company was Rs. 10,00,000; Reserves and Surplus Rs. 2,00,000; Long-term Loan Rs. 3,00,000 and Non-current Assets were Rs. 10,00,000. (4)
Compute the 'Working Capital Turnover Ratio' of the company.

b) Y Ltd.'s profit after interest and tax was Rs. 1,00,000. Its Current Assets were Rs. 4,00,000; Current Liabilities Rs. 2,00,000; Fixed Assets Rs. 6,00,000 and 10% Long-term Debt Rs. 4,00,000. The rate of tax was 20%.

c) Calculate 'Return on Investment' of Y Ltd.

Q34. Following information has been extracted from the Balance Sheet of 'Fizz Ltd.' for the year ended 31st March, 2024 : (6)

Particulars	31st March, 2024 (Rs.)	31st March, 2023 (Rs.)
Equity Share Capital	90,00,000	60,00,000
11% Debentures	30,00,000	50,00,000
10% Non-current Investments	1,60,000	60,000
Property, Plant and Equipment : Machinery (at cost)	28,00,000	20,00,000
Accumulated Depreciation on Machinery	90,000	60,000
Goodwill	90,000	1,10,000
	13,50,000	**13,50,000**

A - 6

Additional Information:

a) During the year, a machine costing Rs. 4,00,000 was sold at a gain of Rs. 30,000.
b) Depreciation charged on machinery during the year was Rs. 50,000.
c) Interest paid on 11% Debentures amounted to Rs. 5,50,000.
d) Dividend of Rs. 3,00,000 was paid on equity shares.
e) Debentures were redeemed at a premium of 10% on 31st March, 2024.
f) At the end of the year, part of Non-current Investments costing Rs. 40,000 were sold at a loss of 1/3rd on sale.

M.M.80

Calculate Cash Flow of 'Fizz Ltd.' from 'Investing Activities' and 'Financing Activities'.

(1)

A- 7