BUDHA DAL PUBLIC SCHOOL PATIALA

First Term Examination (15 September 2025)

Subject – ACCOUNTANCY

Class XII (Set – A) **M.M.80**

Time: 3 hrs.

General Instructions:

1. *All questions are compulsory.*
2. *Question number 1-20 contains 1 mark each.*
3. *Question no. 21-24 contains 3 marks each.*
4. *Question no. 25-27 contains 4 marks each.*
5. *Question no. 28-33 contains 6 marks each.*
6. *Use of calculator is not allowed.*

Q1. Abhay and Ravi were partners in a firm sharing profits and losses in the ratio of 2 : 1. During the year, Abhay withdrew Rs. 6,000 in the beginning of each month. Interest on drawings is to be charged at 6% p.a. the average period for the calculation of interest on drawings will be (1)

a) 6 months b) 6½ months c) 5½ months d) 4½ months

Q2. Abhay, Boris and Chetan were partners in a firm sharing profits in the ratio of 5:3:2. Boris was guaranteed profit of Rs. 95,000. Any deficiency on account of this was to be borne by Abhay and Chetan equally. The firm earned a profit of Rs. 2,00,000 for the year ended 31st March, 2023. The amount given by Abhay to Boris as guaranteed amount will be (1)

a) Rs. 17,500 b) Rs. 35,000 c) Rs. 25,000 d) Rs. 10,000

Q3. On 1st January, 2023, Abhishek, a partner, advanced loan of Rs. 3,00,000 to the firm. In the absence of a partnership agreement, the amount of interest on the loan for the year ending 31st March, 2023 will be: (1)

a) Rs. 18,000 b) Rs. 4,500 c) Rs. 9,000 d) No Interest will be provided

Q4. **Assertion (A):** Each partner is principal as well as an agent for all the other partners. (1)

Reason (R): As per the definition of Partnership Act, partnership business may be carried on by all the partners of any of them acting for all.

In the context of above two statements, which of the below option is correct?
(a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
(b) Both (A) and (R) are correct, and (R) is not the correct explanation of (A).
(c) (A) is true and (R) are false.
(d) (A) is false, (R) is true.

Q5. A partnership firm has 45 partners. It wants to admit 7 more partners into partnership. Only ____ more partners can be admitted in the partnership firm according to companies Act, 2013? (1)

a) 1 b) 6 c) 5 d) 3

Q6. On the reconstitution of a firm, the value of the land was appreciated by Rs. 2,00,000 and plant and machinery reduced to Rs. 7,00,000 from Rs. 10,00,000. Gain or loss on revaluation will be (1)

a) Gain Rs. 1,00,000 b) Loss Rs. 1,00,000 c) Loss Rs. 5,00,000 d) Gain Rs. 5,00,000

Q7. L, M and N are partners sharing profits in the ratio of 5:3:2. They decided to share profits equally with effect from 1st April, 2022. On that date, there was a balance of Rs. 2,00,000 in General Reserve and a credit balance of Rs. 4,00,000 in the Profit and Loss Account. The Journal entry for the above on account of change in profit – sharing ratio will be: (1)

			Rs.	Rs.
a)	General Reserve A/c	Dr.	2,00,000	
	To Profit and Loss a/c			2,00,000
b)	M's Capital A/c	Dr.	80,000	
	N's Capital A/c	Dr.	20,000	
	To L's Capital a/c			1,00,000
c)	General Reserve A/c	Dr.	2,00,000	
	Profit and Loss A/c	Dr.	4,00,000	
	To L's Capital A/c			2,00,000
	To M's Capital A/c			2,00,000

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2,00,000

To N's Capital A/c			
d) General Reserve A/c	Dr.	2,00,000	
Profit and Loss A/c	Dr.	4,00,000	
To L's Capital A/c			3,00,000
To M's Capital A/c			1,80,000
To N's Capital A/c			1,20,000

Q8. Asha and Nisha were partners in a firm sharing profits and losses in the ratio 3:1. Charu was admitted as a new partner for 1/4th share in the profits of the firm which she acquired equally from Asha and Nisha. The new profit-sharing ratio of Asha, Nisha and Charu will be (1)

a) 3:1:4 b) 1:1:2 c) 5:1:2 d) 1:2:1

Q9. Yuvraj and Yogesh were are partners in a firm sharing profits in the ratio of 2:1. They admitted Yogita as a new partner for 1/5th share in future profits. Capital of Yuvraj and Yogesh were 4,50,000 and Rs. 1,50,000 respectively. Yogita brought Rs. 2,50,000 as her capital. The value of goodwill of the firm on Yogita's admission was (1)

a) Rs. 5,50,000 b) Rs. 8,50,000 c) Rs. 12,50,000 c) Rs. 4,00,000

Q10. Gaurav, Sonu and Anita are partners in a firm sharing profit in the ratio of 4:3:2. Sony retires and the balance in his Capital Account after making necessary adjustments on account of reserves, revaluation of assets and re-assessment of liabilities is Rs. 4,00,000. Gaurav and Anita agreed to pay him Rs. 4,60,000 in full settlement of his claim. Sonu's share of goodwill of the firm, of his retirement is (1)

a) 20,000 b) 60,000 c) 1,80,000 d) 1,20,000

Q11. Which of the following will be transferred to realization account at the time of dissolution of firm? (1)

i) Provision for doubtful debts ii) Partner's loan iii) General reserve iv) Goodwill

Codes

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

Q12. On dissolution of a partnership firm, if realization expenses are paid by the firm on behalf of a partner, then such expenses are debited to which of the following account. (1)

a) Realisation Account b) Partner's Capital Account
c) Partner's Loan Account d) bank Account

Q13. Rajat, Mishi and Tanvi were partners in a firm sharing profits and losses in the ratio of 5:3:2. (1)
Tanvi died on 31st October, 2019. According to the partnership agreement, her share of profits 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 death. Profits of the firm for the years ending 31st March, 2018 and 31st March, 2019 were ₹57,000 and 63,000 respectively. The firm closes its books on 31st March every year. Tanvi's share of profits till the date of her death will be :

a) Rs. 24,000 b) Rs. 7,000 c) Rs. 14,000 d) Rs. 12,000

Q14. P, Q and R were partners in a firm sharing profits and losses in the ratio of 4:3:2. P died on 1st September, 2022. On the date of P's death, the profits of the firm were calculated as Rs. 80,000. P's share of profit will be adjusted by (1)

a) Debiting profit and loss account with Rs. 40,000
b) Debiting profit and loss appropriation account by Rs. 40,000
c) Debiting profit and loss suspense account with Rs. 80,000
d) Debiting profit and loss suspense account with Rs. 40,000

Q15. X, Y and Z are partners sharing profits in the ratio of 3:2:1. They admit M as a new partner. Following information is available on the Admission of M: (1)

Creditors	84,000	Machinery	66,000
Stock	30,000		

a) Rs. 60,000 b) Rs. 50,000 c) Rs. 54,000 d) Rs. 56,250

Machinery was overvalued by 10% and creditors were found only Rs. 81,000. Stock was also overvalued. Loss on Revaluation Debited to Z's Capital Account Rs. 1,5000.

Stock was overvalued by _________

Q16. **Assertion (A):** Generally Balance of Partners Capital Account remains unchanged when capitals are fixed, but it may show a decrease in the Balance irrespective of fixed capital. (1)

Reason (R): Fixed Capital Account balance will reduce, when a partner withdrews for personal use form his capital.

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In the context of above two statements, which of the below option is correct?
(a) Both (A) and (R) are true, but (R) is the correct explanation of (A).
(b) Both (A) and (R) are correct, and (R) is not the correct explanation of (A).
(c) (A) is true and (R) are false.
(d) (A) is false, (R) is true.

Q17. Lata, Mehu and Namita 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, 2023. Creditors took over stock of book value of Rs. 80,000 at 80% in part settlement of their amount of Rs. 90,000. The balance amount was paid to the creditors by cheque. The amount paid by cheque to the creditors will be (1)

a) Rs. 26,000 b) Rs. 64,000 c) Rs. 80,000 d) Rs. 1,44,000

Q18. Vinod, Divij and Kanav are partners sharing profits in the ratio of 3:2:1. They decided to change their profit sharing ratio from 1st April, 2021 as 5:3:2. On that date, they have Workmen Compensation Reserve Rs. 60,000 and General Reserve Rs. 45,000. They have decided not to distribute the General Reserve. (1)

Choose the correct statement from the following:

a) Divij's Capital Account is to be credited with 20,000 only
b) Vinod's Capital Account is to be credited by 30,000 and Debit by 1,500
c) Divij's Capital Account is to be credited with 20,000 and 1,500
d) Kanav's Capital Account is to be credited with 10,000 and 1,500

Q19. A, B and C were sharing profits and losses in the ratio of 5:3:2. C retired and his capital balances after adjustments regarding reserves, accumulated profits/losses and his share of gain on Revaluation was Rs. 2,50,000. C was paid Rs. 3,22,000 including his share of goodwill. The amount credited to C's Capital Account, at the time of his retirement, for goodwill will be (1)

a) Rs. 24,000 b) Rs. 7,200 c) Rs. 36,000 d) Rs. 72,000

Q20. Which of the following is true regarding the interest on Drawings of a partner, when the firm maintains Fluctuating Capital Accounts? (1)

a) Profit and Loss Appropriation A/c Cr and Partners Current A/c Dr.
b) Profit and Loss Appropriation A/c Cr and Partners Capital A/c Cr.
c) Profit and Loss Appropriation A/c Cr and Partners Current A/c Cr.
d) Profit and Loss Appropriation A/c Cr and Partners Capital A/c Dr.

Q21. A and B were partners in a firm sharing profits in the ratio of 5:3. Their fixed capitals on 31st March, 2024 were: A Rs. 60,000 and B Rs. 80,000. They agreed to allow interest on capital @ 12% p.a. Net Profit of the firm for the year ended 31st March, 2025 was Rs. 12,600. (3)

Pass necessary Journal entries for the above transactions in the books of A and B. Also show your working notes clearly.

Q22. Aditya and Balan are partners sharing profits and losses in 3:2 ratio. They admitted Christopher for 1/4th share in the profits. The new profit sharing ratio agreed was 2:1:1. Christopher brought Rs. 50,000 for his capital. His share of goodwill was agreed to at Rs. 15,000. Christopher could bring only Rs. 10,000 out of his share of goodwill. Record necessary journal entries in the books of the firm. (3)

Q23. Aamir, Bashir and Chirag were partners in a firm sharing profits and losses in the ratio of 3:3:2. Chirag retired. Aamir and Bashir decided to share profits and losses in future in the ratio of 1:2. On the day of Chirag's retirement, goodwill of the firm was valued at Rs. 5,40,000. (3)

Calculate gaining ratio and pass necessary Journal entry to record the treatment of goodwill (without opening goodwill account) on Chirag's retirement.

Q24. Ajay, Manish and Sachin were partners sharing profits in the ratio 5:3:2. Their Capitals were Rs. 6,00,000; Rs. 8,00,000 and Rs. 11,00,000 as on April 01, 2021. As per Partnership deed, Interest on Capitals were to be provided @ 10% p.a. For the year ended March 31, 2022, Profits of Rs. 2,00,000 were distributed without providing for Interest on Capitals. (3)

Pass an adjustment entry and show the workings clearly.

Q25. Charu, Dhwani, Iknoor and Paavni were partners in a firm. They had entered into partnership firm last year only, through a verbal agreement. They contributed Capitals in the firm and to meet other financial requirements, few partners also provided loan to the firm. Within a year, their conflicts arisen due to certain disagreements and they decided to dissolve the firm. The firm had appointed Ms. Kavya, who is a financial advisor and legal consultant, to carry on the dissolution process. In the first instance, Ms. Kavya had transferred various assets and external liabilities to Realisation A/c. Due to her busy schedule; Ms. Kavya had delegated this assignment to you, being an intern in her firm. On the date of (4) dissolution, you have observed the following transactions:

a) Dhwani's Loan of Rs. 50,000 to the firm was settled by paying Rs. 42,000.
b) Paavni's Loan of Rs. 40,000 was settled by giving an unrecorded asset of Rs. 45,000
c) Loan to Charu of Rs. 60,000 was settled by payment to Charu's brother loan of the same amount.

You are required to pass necessary entries for all the above mentioned transactions.

Q26. X, Y and Z were sharing profits and losses in the ratio of 5:3:2. They decided to share future profits and losses in the ratio of 2:3:5 with effect from 1st April, 2022. They decided to record the effect of the following without affecting their book values : (4)

a) Profit and Loss Account (Cr. Balance) Rs. 24,000
b) Advertisement Suspense Account Rs. 12,000

Pass necessary adjustment entry.

Q27. Naveen, Kavita and Vishesh were partners in a firm sharing profits and losses in the ratio of 5:4:1. Their Balance Sheet as at 31st March, 2019 was as follows: (4)

Balance Sheet of Naveen, Kavita and Vishesh and Vishesh as at 31st March, 2019

Liabilities		Amount (Rs.)	Assets	Amount (Rs.)
Capital A/cs			Plant & Machinery	5,50,000
Naveen	3,00,000		Stock	1,20,000
Kavita	2,00,000		Debtors	1,30,000
Vishesh	1,00,000	6,00,000	Cash	40,000
Profit for the year 2018-19		1,50,000	Advertisement Expenditure	20,000
Sundry Creditors		1,10,000		
		8,60,000		**8,60,000**

Naveen died on 30th June, 2019. According to the partnership deed, in addition to the deceased partner's capital, the executors are entitled to:

a) His share in profits on the basis of average profits of the last two years. The profit for the year 2017-18 was Rs. 50,000
b) His share in the goodwill of the firm. Goodwill was to be calculated on the basis of two years' purchase of the average profits of the last two years. Naveen withdrew Rs. 60,000 on 1st June, 2019.

Prepare Naveen's Capital Account which is to be rendered to his executor.

Q28. X and Y are partners sharing profits equally. They admit Z into partnership for equal share. For this purpose, goodwill is to be valued at 150% of the average annual profits of the last 5 year's profits. Profits were (6)

	Amount (Rs.)
31st March, 2016	30,000
31st March, 2017	30,000
31st March, 2018	50,000
31st March, 2019	10,000 (Loss)
31st March, 2020	75,000

It was observed in the books of account of business that

a) During the year ended 31st March, 2017, an asset of the original cost of Rs. 1,00,000 with book value of Rs. 75,000 was sold for Rs. 62,000.
b) During the year ended 31st March, 2018, firm's assets were not insured due to oversight. Insurance premium being Rs. 10,000.
c) On 1st April, 2018, 2 Computer's costing Rs. 50,000 were purchased and were wrongly debited to travelling expenses. Depreciation on computers was to be charged @ 20% p.a. on written down value basis.
d) Firm had abnormal gain of Rs. 10,000 during the year ended 31st March, 2016.

Calculate the value of goodwill.

Q29.

Q29. Radha, Gauri and Kabir sharing profits and losses in the ratio of 4:3:2, decide to share future profits and losses in the ratio of 2:3:4 with effect from 1st April, 2025. An extract of their Balance Sheet as at 31st March, 2025 is **(6)**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Investments Fluctuation Reserve	18,000	Investment (At cost)	2,00,000

Show the accounting treatment under the following alternative cases:

Case 1. When there is no other information
Case 2. When market value of investments is Rs. 2,00,000
Case 3. When market value of investment is Rs. 1,91,000
Case 4. When market value of investments is Rs. 2,18,000
Case 5. When market value of investments is Rs. 1,73,000

Q30. Anna, Bina and Teena were partners sharing profits and losses in the ratio of 5:3:2. Their Balance Sheet on 31st March, 2022 was as follows: **(6)**

Balance Sheet of Anna, Bina and Teena as at 31 March, 2022

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Creditors		66,000	Furniture		1,12,000
Bills Payable		59,000	Stock		1,77,000
Capital Accounts:			Debtors	2,80,000	
Anna	2,00,000		Less : Provision for Bad Debts	7,000	2,73,000
Bina	2,00,000		Cash		63,000
Teena	1,00,000	5,00,000			
		6,25,000			**6,25,000**

On the above date, Anna retired on the following terms:

i) Goodwill of the firm was valued at Rs. 60,000 and Anna's share of goodwill was adjusted through the Capital Accounts of remaining partners.
ii) Furniture was depreciated by Rs. 10,000
iii) Anna was to be paid through cash brought in by Bina and Teena in such a way as to make their capitals proportionate to their new profit-sharing ratio of 1:1.

Prepare Revaluation Account and Partners' Capital Accounts.

Q31. Divya and Ekta were partners in a firm sharing profits in the ratio of 3:1. On 31st March, 2023, they admitted Sona as a new partner for 1/4th share in the profits of the firm. Their Balance Sheet on that date was as follows: **(6)**

Balance Sheet of Divya and Ekta as at 31 March, 2023

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Capitals			Land and Building		5,00,000
Divya	10,00,000		Machinery		6,00,000
Ekta	7,00,000	17,00,000	Stock		1,50,000
General Reserve		3,20,000	Debtors	4,00,000	
Creditors		5,40,000	Less: Provision for Doubtful Debts	30,000	3,70,000
			Investments		5,00,000
			Cash		4,40,000
		25,60,000			**25,60,000**

Sona will bring Rs. 4,00,000 as her capital and her share of goodwill in cash. It was agree that:

i) Goodwill of the firm was valued at Rs. 2,40,000
ii) Land and Building were valued at Rs. 7,12,000
iii) Provision for Doubtful Debts was found to be in excess by Rs. 8,000
iv) A liability for Rs. 20,000 included in Creditors was not likely to arise
v) The capitals of Divya and Ekta will be adjusted on the basis of Sona's capital by opening Current Accounts.

Prepare Revaluation Account and Partners' Capital Accounts.

Q32. Aadish and Shreyansh were partners in a firm sharing profits and los... March, 2022, their Balance Sheet was as follows: (6)

Balance Sheet of Aadish and Shreyansh as at 31 March, 2022

Liabilities		Amount (Rs.)	Assets		Amount (Rs.)
Creditors		90,000	Cash at bank		20,000
Mrs. Aadish's Loan		30,000	Stock		24,000
Shreyansh's Loan		30,000	Investments		30,000
General Reserve		45,000	Debtors	20,000	
Capital A/cs:			Less: Provision for Doubtful Debts	2,000	18,000
Aadish	1,00,000		Plant		1,00,000
Shreyansh	97,000	1,97,000	Advertisement Suspense Account		2,00,000
		3,92,000			**3,92,000**

The firm was dissolved on 31st March, 2022 on the following terms:

i) Debtors realized Rs. 17,000 and plant realized 10% more than the book value.
ii) Aadish promised to pay Mrs. Aadhish's loan and took away stock at Rs. 20,000
iii) Shreyansh took away half of the investments at a discount of 10%. Remaining investments realized Rs. 4,500.
iv) Creditors were paid off at a discount of 10%
v) Expenses of realization amounted to Rs. 7,000

Prepare Realisation Account.

OR

Rohit, Kunal and Sarthak partners decided to dissolve their firm. Pass necessary Journal entries for the following after various assets (other than Cash and Bank) and outside liability had been transferred to Realisation Account:

a) Kunal agreed to pay his wife's loan of Rs. 60,000
b) Total Creditors of the firm were Rs. 40,000. Creditors of Rs. 10,000 were given part of furniture of book value Rs. 8,000 out of total furniture of book value Rs. 28,000 in settlement. Remaining Creditors allowed discount of 10%.
c) Rohit had given a loan of Rs. 70,000 to the firm for which Rs. 68,000 were paid in settlement.
d) A machine which was not recorded in the books was taken by Kunal at Rs. 3,000, whereas its expected value was Rs. 5,000.
e) The firm had stock of Rs. 2,40,000, 25% of the stock was taken over by an unrecorded creditor of Rs. 70,000 in full settlement of his claim and the remaining stock was taken over by Rohit at 80% of cost.
f) Sarthak paid the realization expenses of Rs. 16,000 and was to be paid Rs. 15,000, including expenses for completing dissolution process.

Q33. The capitals of X, Y and Z as on 31st March, 2025 were Rs. 1,50,000, Rs. 5,50,000 and Rs. 11,00,000 respectively. Divisible profit for the year ended 31st March, 2025 Rs. 3,00,000 was distributed in the ratio of 4:1:1 after allowing interest on capital @ 10% p.a. During the year, each partner withdrew Rs. 50,000 per month in the beginning of each month. The Partnership Deed did not specify the profit-sharing ratio and interest on drawings but allowed interest on capital @ 12% p.a. (6)

Showing your workings, pass the necessary adjustment entry to rectify the above error.

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