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SET 2

ALL KERALA COMMON MODEL EXAMINATION
ACCOUNTANCY (055)
CLASS XII (2023-24)

TIME: 3 Hours

MAX.MARKS: 80

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. **Part - A is compulsory for all candidates.**
4. Part - B has two options i.e. **(i) Analysis of Financial Statements and (ii) Computerised Accounting**. Students must attempt only one of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31 and 32 carries 3 marks each.
7. Questions from 21, 22 and 33 carries 4 marks each
8. Questions from 23 to 26 and 34 carries 6 marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of **one mark**, 2 questions of **three marks**, 1 question of **four marks** and 2 questions of **six marks**.

Part A:- Accounting for Partnership Firms and Companies

- 1 **Assertion (A):** If the partnership deed is silent, profits and losses are shared equally by partners. **Reason (R):** If partnership deed is silent, interest @ 6% p.a. will be charged on drawings made by partners. **[1]**
- a) Both A and R are true and R is the correct explanation of A.
 - b) Both A and R are true but R is not the correct explanation of A.
 - c) A is true but R is false.

- d) A is false but R is true.
- 2 At the time of admission of a new partner in the firm, the new partner compensates the old partners for their loss of share in the super - profits of the firm for which he brings in an additional amount which is known as _____.
- a) Revaluation Gain
- b) Sacrifice Share
- c) New Partner's Capital
- d) Premium for Goodwill
- 3 1000 shares of ₹ 10 each were forfeited for non - payment of ₹ 2 per share on First call. Final call of ₹ 2 was not made yet. Share Capital Account will be Debited with (At the time of forfeiture):
- a) 4000
- b) 8000
- c) 10000
- d) 6000

OR

The debentures whose principal amount is not repayable by the company during its life time, but the payment is made only at the time of Liquidation of the company, such debentures are called:

- a) Irredeemable Debentures.
- b) Bearer Debentures
- c) Redeemable Debentures
- d) Non - Convertible Debentures
- 4 Anu and Tanu are equal partners with fixed capitals of ₹ 2,00,000 and ₹ 1,00,000 respectively. After closing the accounts for the year ending 31st March, 2023 it was discovered that interest on capitals @ 8% p.a. was omitted to be provided. In the adjusting entry:
- a) Rani will be credited by ₹ 4,000 and Mona will be debited by ₹ 4,000
- b) Rani will be debited by ₹ 4,000 and Mona will be credited by ₹ 4,000
- c) Rani will be debited by ₹ 16,000 and Mona will be debited by ₹ 8,000

d) Rani will be credited by ₹ 16,000 and Mona will be credited by ₹ 8,000

- 5 Vikas, Uday and Vikram are partners sharing profits in the ratio of 5 : 3 : 2. They decided to share future profits in the ratio of 2 : 3 : 5 with effect from 1st April 2021. They had the following balance in their Balance Sheet. Profit and Loss Account (Dr.) 60,500. Vikram's Capital Account will be: [1]

a) Debited by ₹ 12,100

b) Debited by ₹ 60,500

c) Debited by ₹ 18,150

d) Debited by ₹ 30,250

OR

E, F and G are partners sharing profits in the ratio of 3 : 3 : 2. As per the partnership agreement, G is to get a minimum amount of ₹ 80,000 as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March, 2023 amounted to ₹ 3,12,000. Calculate the amount of deficiency to be borne by E?

a) ₹ 1,000

b) ₹ 2,000

c) ₹ 8,000

d) ₹ 4,000

- 6 Sunbeam Limited issued 4,000, 6% Debentures of ₹ 100 each at ₹ 95 per debenture. 6% Debentures account will be credited by: [1]

a) ₹ 4,00,000

b) ₹ 3,80,000

c) ₹ 20,000

d) ₹ 4,40,000

OR

A Limited purchased the assets from **B** Limited for ₹ 5,40,000. **A** Limited issued 10% debentures of ₹ 100 each at 20% premium against the payment. The number of debentures received by **B** Limited will be:

a) 45,000 b) 5,400

c) 4,500 d) 6,000

7 **Assertion (A)** : Preference shareholders are given a fixed rate of dividend even if the company earns no profit. **Reason (R)**: The preference shares have preferential right of dividend to be paid as fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income tax. [1]

- a) Both A and R are true and R is the correct explanation of A.
- b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false.
- d) A is false but R is true.

8 L, M and N are partners sharing ratio 3:2:1. M died and N is of opinion that the profit of the firm is shared between L and N equally. L does not agree because there is a partnership deed which is showing old profit sharing ratio 3:2:1. What should be new profit sharing ratio? [1]

- a) Distribute profit between L and N in the ratio of 3:2
- b) Distribute profit between L and N in the ratio of 1:1
- c) Distribute profit between L and N equally
- d) Distribute profit between L and N in the ratio of 3:1

OR

If partners' capitals are fixed where will you record additional capital contributed by a partner?

- a) Dr. Side of Partner's Capital A/c
- b) Cr. Side of Partner's Current A/c
- c) Cr. Side of Partner's Capital A/c
- d) Dr. Side of Partner's Current A/c

9 Product method is used for calculation of [1]

- a) Distribution of Revaluation profit or loss
- b) Distribution of Profit and Loss
- c) Interest on Capital
- d) Interest on Drawings

Question No. 10 to 11 are based on the given text. Read the text carefully and answer the questions: P and Q were partners in a firm sharing profits and losses equally. Their fixed capitals were ₹ 1,00,000 and ₹ 50,000 respectively. The [2]

partnership deed provided that interest on capital is to be given @ 10% p.a. For the year ended 31.03.2016, the profits of the year were distributed without providing interest on capital.

- 10 How much amount is already debited to P's current account?
- a) ₹ 7,500
 - b) ₹ 3,000
 - c) 2,500
 - d) ₹ 1,500
- 11 How much amount should be credited to P's current account for Interest on capital?
- a) ₹ 7,000
 - b) ₹ 9,000
 - c) ₹ 8,000
 - d) ₹ 10,000
- 12 Adhiraj Ltd. offered 2,00,000 Equity Shares of ₹ 10 each, of these 1,98,000 shares were subscribed. The amount was payable as ₹ 3 on application, ₹ 4 an allotment and balance on first call. If a shareholder holding 3,000 shares has defaulted on first call, what is the amount of money received on first call? [1]
- a) ₹ 5,91,000
 - b) ₹ 6,09,000
 - c) ₹ 9,000
 - d) ₹ 5,85,000
- 13 A and B are partners. B draws a fixed amount at the end of every month. Interest on drawings is charged @15% p.a. At the end of the year interest on B's drawings amounts to ₹ 8,250. Drawings of B were: [1]
- a) ₹ 10,000 p.m.
 - b) ₹ 12,000 p.m.
 - c) ₹ 8,000 p.m.
 - d) ₹ 9,000 p.m.
- 14 X Ltd. forfeited 500 shares of ₹ 10 each ₹ 7 called up, on which he had paid application and allotment money of ₹ 5 per share. Journal entry for forfeiture of share will be: [1]

Share capital A/c	Dr.	5000	
To Share forfeiture A/c			2500
To Calls in arrear A/c			2500

a)

Share capital A/c	Dr.	3500	
To Share forfeiture A/c			1000
To Calls in arrear A/c			2500

b)

Share capital A/c	Dr.	2500	
To Share forfeiture A/c			2500

c)

Share capital A/c	Dr.	3500	
To Share forfeiture A/c			2500
To Calls in arrear A/c			1000

d)

15 If at the time of admission there is some unrecorded liability, it will be :

[1]

- a) Credited to Partners' Capital Accounts
- b) Debited to Goodwill Account
- c) Credited to Revaluation Account
- d) Debited to Revaluation Account

OR

Which of the following is not an example of Reconstitution of a partnership firm?

- a) Change in Existing profit sharing ratio
- b) Purchase of Assets for the business
- c) Admission of a new partner
- d) Retirement/Death of a partner

16 On the basis of following data, final payment to a partner on firm's dissolution will be made: Debit balance of Capital Account ₹ 14,000. Share of his profit on realisation ₹ 43,000; Firm's asset taken by him for ₹ 17,000.

[1]

- a) ₹ 12,000
- b) ₹ 29,000
- c) ₹ 60,000
- d) ₹ 31,000

17 Vishal, Aakash and Rohit are partners in a firm sharing profits in the ratio of 5 : 3 : 2. [3]
They decided to share profits, in the ratio of 2 : 3 : 5 w.e.f, 1st April, 2023. On the date of change in profit - sharing ratio, the firm had balance in General Reserve of ₹ 1,00,000. It was agreed by the partners that out of General Reserve ₹ 50,000 be transferred to Workmen Compensation Reserve to meet a claim of workers, if any. Pass the Journal entry for distributing General Reserve on change in profit - sharing ratio.

18 Manish and Rahul are partners in a firm. They have not entered into Partnership Deed [3]
but had agreed on following:

1. Salary be paid to Manish @ ₹ 10,000 per month.
2. Rahul to get commission @ 10% of Net Profit.
3. Interest to be allowed on capitals @ 10% p.a.
4. Interest to be charged on drawings @ 10% p.a.
5. Partner cannot be admitted unless both the partners agree.

How will be the following disputes between Manish and Rahul resolved?

1. Rahul demands salary in lieu of commission equal to the salary of Manish.
2. Manish demands that his son Ravi be admitted as partner for 25% share to be given out of his share of profits. Rahul does not agree to Ravi's admission as partner.

OR

X, Y and Z are partners in a firm sharing profits in the ratio of 2 : 2 : 1. Fixed capitals of the partners were: X - ₹ 5,00,000; Y - ₹ 5,00,000 and Z - ₹ 2,50,000 respectively. The Partnership Deed provides that interest on capital is to be allowed @ 10% p.a. Z is to be allowed a salary of ₹ 2,000 per month. Profit of the firm for the year ended 31st March, 2023 after debiting Z's salary was ₹ 4,00,000. Prepare Profit and Loss Appropriation Account.

19 D Ltd. purchased machinery for ₹ 2,00,000 from E Ltd. on 1st April 2022. 25% was [3]
paid by accepting a draft payable after three months and the balance was paid by issue of ₹ 1,60,000, 12% debentures in D Ltd. Pass the necessary journal entries for recording the transactions in the books of D Ltd.

OR

MAX Ltd. was registered with an authorised capital of ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each. The company offered to the public for subscription 30,000 equity shares of ₹ 10 each at a premium of ₹ 20 per share. Applications for 28,000 shares were received and allotment was made to all the applicants. All calls were made and duly received except the final call of ₹ 2 per share on 200 shares. Show the Share Capital in the Balance Sheet of MAX Ltd. as per Schedule III of the Companies

Act, 2013. Also, prepare Note to Accounts for the same.

- 20 A partnership firm earned net profits during the past three years as follows: [3]

Year ended	31st March, 2019	31st March, 2018	31st March, 2017
Net Profit (₹)	2,30,000	2,00,000	1,70,000

Capital investment in the firm throughout the above - mentioned period has been ₹ 5,00,000. Having regard to the risk involved, 10% is considered to be a fair return on the capital. The remuneration of the partners during this period is estimated to be ₹ 1,00,000 p.a. Calculate value of goodwill on the basis of two years' purchase of average super profit earned during the above - mentioned three years.

- 21 A and B are Partners in a Firm Sharing Profits and losses in the ratio of 3 : 2. On 31st March, 2019, their Balance Sheet was as follows - **Balance sheet as at 31st March 2019** [4]

Liabilities	₹	Assets	₹
Creditors	38,000	Cash at Bank	11,500
M₹ A's Loan	10,000	Stock	6,000
B's Loan	15,000	Debtors	19,000
Reserve	5,000	Furniture	4,000
A's Capital	10,000	Plant	28,000
B's Capital	8,000	Investments	10,000
		Profits and Loss A/c	7,500
Total	86,000	Total	86,000

The firm was dissolved on 31st March 2019 on both the partners agreed to the following:

1. A took investment at an agreed value of ₹ 8,000. He also agreed to settle Mrs. A's Loan
2. The other assets realised as : Stock, ₹ 5,000, Debtors, ₹ 18,500, Furniture ₹ 4,500, Plant 25,000.
3. Expenses of Realisation came to ₹ 1,600
4. creditors agreed to accept ₹ 37,000 in full settlement of their claims.

Prepare Realisation Account, Bank Account and Partners' Capital Accounts.

- 22 Vijay Ltd. issued 5,000 shares of ₹ 100 each at par, payable as follows: [4]

	₹
On Application	25
On Allotment	25
On First Call	20
On Final Call	30

Aakash, holding 100 shares failed to pay the amount of allotment and first call and his shares were forfeited after the first call. Vinit, holding 200 shares failed to pay the amount due on final call and his shares were also forfeited. Show entries in the Cash Book and Journal of the Company.

- 23 A Ltd. invited applications for issuing 1,00,000 shares of ₹ 10 each at a premium of ₹ 1 per share. The amount was payable as follows: [6]

On Application	-	₹ 3 per share;
On Allotment	-	₹ 3 per share (including premium);
On First Call	-	₹ 3 per share;
On Second and Final Call	-	Balance amount.

Applications for 1,60,000 shares were received. Allotment was made on the following

(i)	To applicants for 90,000 shares	-	40,000 shares;
(ii)	To applicants for 50,000 shares	-	40,000 shares;
(iii)	To applicants for 20,000 shares	-	Full shares.

basis:

Excess money paid on application is to be adjusted against the amount due on allotment and calls. Mayank, a shareholder, who applied for 1,500 shares and belonged to category (ii), did not pay allotment, first and second and final call money. Another shareholder, Kavita, who applied for 1,800 shares and belonged to category (i), did not pay the first and second and final call money. All the shares of Mayank and Kavita were forfeited and were subsequently reissued at ₹ 7 per share fully paid. Pass the necessary Journal entries in the books of A Ltd. Open Calls - in - Arrears Account and Calls - in - Advance Account wherever required.

OR

1. Sonu Ltd., forfeited 800 shares of ₹ 10 each, ₹ 7.50 paid, for non - payment of Final Call of ₹ 2.50 per share. Out of these, 600 shares were re - issued as fully paid up in such a way that ₹ 2,100 were transferred to capital reserve. Pass necessary journal entries.
2. X Ltd., forfeited 800 shares of ₹ 10 each, ₹ 7.50 called - up, for non - payment of First Call of ₹ 2.50 per share. Out of these, 600 shares were re - issued for ₹ 6 per share as ₹ 7.50 paid up. Pass necessary journal entries.
3. 400 shares of ₹ 10, on which ₹ 8 has been called and ₹ 6 has been paid, are

forfeited. Out of these, 300 are re - issued for ₹ 7 as fully paid. Pass necessary journal entries.

- 24 A and B are partners in a firm sharing profits and losses in the ratio of 3 :2. Following is their Balance Sheet as at 31st March, 2019: [6]

Liabilities		₹	Assets		₹
Capital A/cs:			Building		35,000
A	50,000		Machinery		25,000
B	30,000	80,000	Stock		15,000
Creditors		20,000	Debtors		15,000
			Investments		5,000
			Bank		5,000
		1,00,000			1,00,000

C is admitted as a partner on 1st April, 2019 on the following terms:

1. C is to pay ₹ 20,000 as capital for 1/4th share. He also pays ₹ 5,000 as premium for goodwill.
2. Debtors amounted to ₹ 3,000 is to be written off as bad and a Provision of 10% is created against Doubtful Debts on the remaining amount.
3. No entry has been passed in respect of a debt of ₹ 300 recovered by A from a customer, which was previously written off as bad in previous year. The amount is to be paid by A.
4. Investments are taken over by B at their market value of ₹ 4,900 against cash payment.

You are required to prepare Revaluation Account, Partners' Capital Accounts

[Hint: Provision for Doubtful Debts = 10/100 (₹15,000 - ₹3,000 (Bad Debts)).

OR

Yogesh, Ram and Sumit were partners in a firm sharing profits in the ratio of 7:2:1. Balance Sheet of the firm as on 31st March, 2023 was as follows:

Liabilities		₹	Assets	₹
Capitals			Goodwill	40,000
Yogesh	70,000		Land and Building	60,000
Ram	20,000		Machinery	40,000
Sumit	<u>10,000</u>	1,00,000	Stock	7,000
General Reserve		20,000	Debtors	12,000
Loan from Ram		30,000	Cash	5,000
Creditors		14,000		
		<u>1,64,000</u>		<u>1,64,000</u>

Ram died on 24th August, 2023. Partnership Deed provides for the settlement of claims on the death of a partner in addition to his capital as under:

1. Share of profit of the deceased partner to be computed up to the date of death on the basis of average net profit of the past three years. Average net profit of past three years was ₹ 80,000.
2. His share in profit/loss on revaluation of assets and re - assessment of liabilities which were as follows: Land and building were revalued at ₹ 94,000. Machinery at ₹ 38,000 and stock at ₹ 5,000. A provision of 2.5% was to be created on debtors for doubtful debts.
3. Net amount payable to 'Ram's executors was transferred to his Loan Account, to be paid later on.

Prepare Revaluation Account, Partners' Capital Accounts, Ram's Executor's Account

- 25 MP Ltd. issued 2,000, 12% Debentures of ₹ 100 each on 1st April, 2022 at a discount of ₹ 5 and redeemable at premium of ₹ 5. The issue was fully subscribed. According to the terms of issue, interest on the debentures is payable half - yearly on 30th September and 31st March. Pass necessary Journal entries for issue of debentures, debenture interest for the year ending 31st March, 2023 and transfer of interest on debentures of the year to the Statement of Profit & Loss. [6]
- 26 X, Y and Z were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2020 was as follows: **Balance Sheet of X, Y and Z as at 31st March, 2020** [6]

Liabilities		Amount ₹	Assets		Amount ₹
Creditors		66,500	Land		3,00,000
Bills Payable		10,000	Furniture		10,000
Profit and Loss Account		22,500	Stock		20,000
Provision for Legal Claims		57,500	Debtors	20,000	
Capitals:			Less : Provision for Doubtful Debts	<u>500</u>	19,500
X	1,20,000		Patents		45,000
Y	97,000		Bank		50,000
Z	<u>71,000</u>	2,88,000			
		4,44,500			4,44,500

On the above date, Zretired. The terms of retirement were:

1. Goodwill of the firm was valued at ₹ 80,000.
2. Land will be appreciated by 10% and furniture will be depreciated by 5%.
3. Provision for legal claims will be made at ₹ 61,000.
4. ₹ 90,000 from Z's capital account will be transferred to his Loan Account and the balance will be paid to him by cheque.

Prepare Revaluation Account and Partners' Capital Accounts.

Part B :- Analysis of Financial Statements

27 Working Capital 30,000; current ratio 3 : 1 Current liabilities will be:

[1]

- a) 15,000
- b) 30,000
- c) 22,500
- d) 7,500

28 The important objective of financial analysis is

[1]

- a) To determine liquidity (short - term Solvency, and Long - term Solvency).
- b) To determine operating efficiency and profitability.
- c) All of these
- d) To compare intra - firm position and to compare inter - firm position.

OR

Shares on which the company has called the entire nominal value but has not received final call of ₹ 2 on 500 shares, the shares on which the final call is not received are shown in the Note to Accounts on Share Capital under Subscribed Capital as:

- a) Subscribed and fully paid - up
- b) Issued capital
- c) Subscribed but not fully paid - up
- d) None of these

29 Which of the following is not an investing cash flow?

[1]

- a) Sales of land for ₹ 28,000 cash
- b) Purchase of marketable securities for ₹ 25,000 cash
- c) Purchase of equipment for ₹ 500 cash
- d) Sale of 2,500 shares (held as investment) for ₹ 15 each

OR

Interest received by a finance company is classified under which kind of activity while preparing a Cash flow statement?

- a) Cash Flow from Financing Activities
- b) Cash Flow from Operating Activities
- c) Cash Flow from Investing Activities
- d) No Cash Flow

30 State under which major headings the following items will be presented in the balance sheet of a company as per Schedule III Part I of the Companies Act, 2013.

[3]

1. Long - term borrowings
2. Trade payables
3. Provision for tax
4. Securities premium reserve
5. Patents
6. Accrued incomes
7. Current investment

- 31 A Ltd engaged in the business retailing of Air - Conditioners, invested Rs. 25, 00,000 in the shares of a manufacturing company. Dividend received on this investment will be: [1]
- Cash flow from Investing activities
 - Cash flow from operating activities
 - Cash Equivalent
 - Cash flow from Financing activities

- 32 Opening Sundry Creditors ₹ 80,000; Opening Bills Payable ₹ 3,000; Closing Sundry Creditors ₹ 1,00,000; Closing Bills Payable ₹ 17,000; Purchases ₹ 14,00,000; Cash Purchases ₹ 5,00,000; Purchases Return ₹ 1,00,000. Calculate Trade Payables Turnover Ratio. [3]

- 33 Prepare a Common Size Balance Sheet of Ayush Ltd. from the following information: [4]

Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
I. Equity and Liabilities			
1. Shareholders' Funds		18,00,000	6,00,000
2. Non-Current Liabilities		2,00,000	4,00,000
Total		20,00,000	10,00,000
II. Assets			
1. Non-Current Assets		12,00,000	7,00,000
2. Current Assets		8,00,000	3,00,000
Total		20,00,000	10,00,000

OR

From the following information, prepare a Comparative Statement of Profit and Loss of Y Ltd. for the year ended 31st March, 2022:

Particulars	2021-22 (₹)	2020-21 (₹)
Revenue from Operations	40,00,000	30,00,000
Other Income	10,00,000	10,00,000
Employees Benefit Expenses	5,00,000	5,00,000
Other Expenses	35,00,000	20,00,000
Tax Rat @ 50%		

- 34 From the following balance sheet of SRS Ltd and the additional information as on 31st March, 2022, prepare a cash flow statement [6]

Particulars	Not No.	31st March, 2022	31st March, 2021
		₹	₹
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital		4,50,000	3,50,000
(b) Reserves and Surplus	1	1,25,000	50,000
2. Non-current Liabilities			
Long-term Borrowings	2	2,25,000	1,75,000
3. Current Liabilities			
(a) Short-term Borrowings	3	75,000	37,500
(b) Short-term provisions	4	1,00,000	62,500
Total		9,75,000	6,75,000
II. Assets			
1. Non-current Assets			
(a) Fixed Assets			
(i) Tangible	5	7,32,500	4,52,500
(ii) Intangible	6	50,000	75,000
(b) Non-current Investments		75,000	50,000
2. Current Assets			
(a) Current Investments		20,000	35,000
(b) Inventories	7	61,000	36,000
(c) Cash and Cash Equivalents		36,500	26,500
Total		9,75,000	6,75,000

Notes to Accounts

Note No.	Particulars	31st March, 2022	31st March, 2021
		₹	₹
1.	Reserves and Surplus (Surplus i.e., Balance in the Statement of Profit and Loss)	1,25,000	50,000
		1,25,000	50,000
2.	Long-term Borrowings 12% Debentures	2,25,000	1,75,000
		2,25,000	1,75,000
3.	Short-term borrowings Bank Overdraft	75,000	37,500
		75,000	37,500
4.	Short-term, Provisions Proposed Dividend	1,00,000	62,500
		1,00,000	62,500
5.	Tangible Assets Machinery Accumulated Depreciation	8,37,500 (1,05,000)	5,22,500 (70,000)
		7,32,500	4,52,500
6.	Intangible Assets Goodwill	50,000	75,000
		50,000	75,000
7.	Inventories Stock in Trade	61,000	36,000

From the following balance sheet of SRS Ltd and the additional information as on 31st March, 2022, prepare a cash flow statement Additional Information

1. ₹ 50,000, 12% debentures were issued on 31st March, 2022
2. During the year a piece of machinery costing ₹ 40,000 on which accumulated depreciation was ₹ 20,000, was sold at a loss of ₹ 5,000.
