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# HALF YEARLY EXAMINATION-2025-26

CLASS-XII

SUBJECT-ACCOUNTANCY

Time : 3 Hours

M.Marks : 80

## General Instructions :

1. All questions are compulsory.
2. Question paper is divided into 2 parts.
3. Part A carries 60 marks and Part B carries 20 marks.
4. Make the formats where required and show working notes clearly.

## PART-A (PARTNERSHIP)

1. A and B share profits in the ratio of 3 : 2. They agreed to admit C on the condition that A will sacrifice  $\frac{3}{25}$ th of his share of profit in favour of C and B will sacrifice  $\frac{1}{25}$ th of his profits in favour of C. The new profit sharing ratio will be :  
(a) 48:66:11  
(b) 3:2:4  
(c) 12:9:4  
(d) 66:48:11
2. Is the outgoing partner entitled to a share of goodwill of the firm?  
(a) Yes, goodwill earned by firm is the effort of retired partners  
(b) Yes, goodwill earned by firm is the effort of all partners  
(c) No, goodwill earned by firm is the effort of only one of the partners  
(d) No, goodwill earned by firm is the effort of new partners
3. A, B and C are partners with profit sharing ratio 4 : 3 : 2. B retires and goodwill was valued ₹ 1,08,000. If A & C share profits in 5 : 3, find out the goodwill shared by A and C in favour of B.  
(a) ₹ 16,500 and ₹ 19,500  
(b) ₹ 67,500 and ₹ 40,500  
(c) ₹ 22,500 and ₹ 13,500  
(d) ₹ 19,500 and ₹ 16,500

4. On dissolution of the partnership firm of A, B and C, the accumulated profits of ₹ 40,000 will be transferred to which of the following account?  
(a) Revaluation (b) Partners capital  
(c) Realisation (d) Bank
5. An unrecorded asset was valued at ₹ 1,00,000. On firm's dissolution, it was sold for 52%. Realisation account will be credited with:  
(a) ₹ 1,00,000 (b) ₹ 48,000  
(c) ₹ 52,000 (d) ₹ 40,000
6. Total capital employed in the firm is ₹ 8,00,000, reasonable rate of return is 15% & profit for the year is ₹ 12,00,000. The value of goodwill of the firm as per capitalisation by super profit method would be :  
(a) ₹ 72,00,000 (b) ₹ 82,00,000  
(c) ₹ 12,00,000 (d) ₹ 42,00,000
7. The goodwill of the firm is NOT affected by  
(a) Location of the firm (b) Reputation of the firm  
(c) Better customer service (d) None of these
8. ASSERTION (A): A partnership deed covers all matters relating to mutual relationships among the partners.  
REASON (R): But, in the absence of agreement, provisions of Indian Partnership Act, 1938 shall apply.  
(a) Both A and R are correct and 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 but R is false  
(d) A is false but R is true
9. Profit & Loss Appropriation Account is prepared to.  
(a) Distribute the profit for the year among the partners  
(b) Distribute the profit and loss for the year among the partners  
(c) Determine the profit remaining for the year after appropriation  
(d) Settle the dispute among the partners

10. X and Y shared profits & losses in ratio 3:2. With effect from 1<sup>st</sup> April, 2023, they decided to share profits equally. The goodwill of the firm was valued at Rs 60,000. The adjustment entry will be:
- (a) Dr. Y 's capital a/c & Cr. X's capital A/c by ₹ 6,000
  - (b) Dr. X 's capital a/c & Cr. Y's capital A/c by ₹ 600
  - (c) Dr. Y 's capital a/c & Cr. X's capital A/c by ₹ 600
  - (d) Dr. X 's capital a/c & Cr. Y's capital A/c by ₹ 6,000
11. When realisation expenses are paid by the firm on behalf of the partner, such expenses are debited to
- (a) Realisation A/c
  - (b) Partner's capital A/c
  - (c) Partner's loan A/c
  - (d) All of the above
12. Pooja, Nita and Alka were partners sharing profits & losses in ratio 3:2:1. Pooja retired and her share is taken by Nita & Alka equally. New profit sharing ratio of Nita & Alka will be:
- (a) 3:2
  - (b) 1:1
  - (c) 7:5
  - (d) 2:1
13. A firm has an unrecorded liability for workmen compensation of ₹ 10,000. The firm was not prudent enough to create reserve for it. How will this liability be treated in case of retirement of partner?
- (a) By debiting to workmen compensation reserve
  - (b) By debiting to capital accounts of partners
  - (c) By crediting it to revaluation account
  - (d) By debiting it to revaluation account
14. The old profit sharing ratio among Rajendra, Satish and Tejpal were 2:2:1. The new profit sharing ratio after Satish's retirement is 3:2. The gaining ratio is:
- (a) 1:1
  - (b) 2:3
  - (c) 2:1
  - (d) 3:2



- (ii) The deceased partner's share in the good will of the firm will be calculated on the basis of 2 years' purchase of the average profit of last three years. The profits of the firm for the last three years were ₹ 90,000; ₹ 1,00,000 and ₹ 1,10,000 respectively.
- (iii) Her share in the Reserve Fund of the firm will be paid. The Reserve Fund of the firm was ₹ 60,000 at the time of Kavita's death.
- (iv) Her share of profit till the date of death will be calculated on the basis of sales. It is also specified that the sales during the year 2023-24 were ₹ 20,00,000. The sales from 1st April, 2024 to 30th September 2024 were ₹ 4,00,000. The profit of the firm for the year ending 31st March, 2024 was ₹ 2,00,000.

Prepare Kavita's Capital Account to be presented to his legal representative

19. A and B are partners sharing profits in ratio 1:1. C is admitted with  $\frac{1}{4}$  share. He brings his share of goodwill in cash. Good will is to be calculated on the basis of two year's purchase of weighted average profits for the last three years and it is assumed that the weights were 1, 2 and 3. Profits for the last three years were as follows. First year: ₹ 18,000, Second year : ₹ 24,000, Third year : ₹ 36,000. Pass necessary journal entries.

**OR**

Kabir and Farid are partners in a firm sharing profits in the ratio of 3 : 1. On 1-4-2019 they admitted Manik into a partnership for  $\frac{1}{4}$ th share in the profits of the firm. Manik brought his share of goodwill premium in cash. Goodwill of the firm was valued on the basis of 2 years purchase of the last three years average profits. The profits for the last three years were:

2016-17: ₹ 90,000

2017-18: ₹ 1,30,000

2018-19: ₹ 86,000

During the year 2018-19 there was a loss of ₹ 20,000 due to fire which was not taken while calculating profits.

Calculate the value of goodwill and also pass necessary journal entries.

20. Partnership Deed of C and D, who are equal partners, has a clause that any partner may retire from the firm on the following terms by giving a six-month notice in writing:

The retiring partner shall be paid-

- (i) The amount standing to the credit of his Capital Account and Current Account.
- (ii) His share of profit to the date of retirement, calculated on the basis of the average profit of the three preceding completed years.
- (iii) Half the amount of the goodwill of the firm calculated at 1.5 times the average profit of the three preceding completed years.

C retires on April 1, 2023, when the balance of his Capital Account was ₹ 6,000 and his Current Account (Dr.) ₹ 500. Profits for the three preceding completed years ended 31st March, were: 2020- ₹ 2,800; 2021- ₹ 2,200 and 2022- ₹ 1,600.

Determine the amount due to C as per the partnership agreement.

### **Q21 AND Q22 CARRY 4 MARKS EACH**

21. Give the necessary journal entries for the following transactions on the dissolution of the firm of Amit and Rahul on 31st March, 2023, after the transfer of various assets (other than cash) and the third party liabilities to Realization Account. They shared profits and losses in the ratio of 2:1.
- (i) There was a bill of exchange of ₹ 10,000 under discount. The bill was received from Dinesh who became insolvent.
  - (ii) Bills Payable of ₹ 30,000 falling due on 30th April, 2023 was discharged at ₹ 29,550.
  - (iii) Creditors of ₹ 30,000 took an over stock of ₹ 10,000 at 10% discount and the balance was paid to them in cash.
  - (iv) There was an old typewriter that had been written off completely. It was estimated to realize ₹ 600. It was taken away by Rahul at 25% less than the estimated price.

(v) Amit agreed to take over the responsibility of completing dissolution at an agreed remuneration of ₹ 1,000 and to bear all realization expenses. Actual realisation expenses ₹ 800 were paid by the firm.

(vi) Loss on realization was ₹ 54,000.

22. K and L are partners sharing profits & losses in ratio 3:2. On 1/4/2024, their balance sheet was as follows:

Liabilities	Amount	Assets	Amount
Capitals:			
K      80,000			
L <u>1,00,000</u>	1,80,000	Sundry Assets	1,80,000
	<u>1,80,000</u>		<u>1,80,000</u>

The profit for the year ended 31/3/2024, Rs 90,000 was divided among the partners without allowing interest on capital @6% p.a. and salary to K at ₹ 4000 per quarter. During the year, Drawings of K and L were ₹ 20,000 and ₹ 27,000 respectively.

Pass necessary journal entry for the above adjustments in the books of the firms.

**Q23 TO Q26 CARRY 6 MARKS EACH**

23. Following is the Balance Sheet of A and B, who had been sharing profits in the proportion of 3/4th and 1/4th as at 31st March, 2019:

Liabilities	(₹)	Assets	(₹)
Creditors	37,500	Cash at Bank	22,500
General Reserve	6,000	Bills Receivable	3,000
Capital A/cs:		Debtors	16,000
A      28,500		Stock	20,000
B <u>15,500</u>	44,000	Furniture	1,000
		Land and Building	25,000
	<u>87,500</u>		<u>87,500</u>

They admit C into partnership on 1st April, 2019 on the following terms:

- A. C pays ₹ 14,000 as his capital for 1/5th share in the future profits.
- B. Goodwill is valued at ₹ 20,000. C is unable to bring cash for his share of goodwill.
- C. Stock and Furniture be reduced by 10% and 5% Provision for Doubtful Debts be created on Debtors.
- D. Land and Building be appreciated by 20%.
- E. Capital Accounts of the partners be re-adjusted on the basis of their profit-sharing arrangement and any excess or deficiency is to be transferred to their Current Accounts.

Prepare Revaluation Account and Partners' Capital Accounts

24. X, Y and Z are partners in a firm sharing profits in the ratio of 3:1:2. On 31st March, 2019 their Balance Sheet was:

Liabilities	(₹)	Assets	(₹)
Bills Payable	12,000	Freehold Premises	40,000
Sundry Creditors	28,000	Machinery	30,000
General reserve	12,000	Furniture	12,000
Capital A/cs:		Stock	22,000
X                    30,000		Sundry Debtors    20,000	
Y                    20,000		Less: Provision for	
		Doubtful Debts <u>1,000</u>	19,000
Z <u>28,000</u>	78,000	Cash	7,000
	<u>1,30,000</u>		<u>1,30,000</u>

Z retired on 1st April, 2019 from the business and the partners agree to the following:

- (i) Freehold Premises and Stock are to be appreciated by 20% and 15% respectively.

- (ii) Machinery and Furniture are to be reduced by 10% and 7% respectively.
- (iii) Provision for Doubtful Debts is to be increased to ₹ 1,500.
- (iv) Goodwill of the firm is valued at ₹ 21,000 on Z's retirement.
- (v) Continuing partners to adjust their capitals in their new profit-sharing ratio after retirement of Z Surplus/deficit, if any, in their Capital Accounts will be adjusted through Current Accounts. Prepare necessary Ledger Accounts and draw the Balance Sheet of the reconstituted firm.
25. Prachi, Ritika and Ishita were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. In spite of repeated reminders by the authorities, they kept dumping hazardous material into a nearby river. The court ordered for the dissolution of their partnership firm on 31st March, 2024. Prachi was deputed to realise the assets and pay the liabilities. She was paid ₹ 1,000 as commission for her services. The financial position of the firm was as follows:

**Balance Sheet**  
**as at 31st March, 2024**

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Creditors	10,000	Furniture	37,000
Investment		Stock	5,500
Fluctuation Fund	4,500	Investments	15,000
Prachi            40,000		Cash	9,000
Ritika            30,000	70,000	Ishita's Capital	18,000
	84,500		84,500

Following was agreed upon:

Prachi took over investments for ₹ 12,500. Stock and furniture realized ₹ 41,500. There was old furniture which has been written-off completely from the books. Ritika agreed to take away the same at the price of ₹ 3,000. Compensation paid to the employees amounted to ₹ 8,000. This

liability was not provided in the above balance sheet. Realization expenses amounted to ₹ 1,000. Prepare realization account, partners' capital accounts and cash account to close the books of the firm.

26. Ram, Ravi and Preeti are partners in a firm. On 1st April, 2022, the balance in their Capital Accounts stood at ₹ 14,00,000, ₹ 6,00,000 and ₹ 4,00,000 respectively. They shared profits in proportion of 7:3:2 respectively. Partners are entitled to interest on capital @ 6% per annum and salary to Ravi @ ₹ 50,000 p.a. and a commission of ₹ 3,000 per month to Preeti as per the provisions of the Partnership Deed. Ravi's share of profit (excluding interest on capital) is guaranteed at not less than ₹ 1,70,000 p.a. Preeti's share of profit (including interest on capital but excluding commission) is guaranteed at not less than ₹ 1,50,000 p.a. Any deficiency arising on that account shall be met by Ram. The profit of the firm for the year ended 31st March, 2023 amounted to ₹ 9,50,000.

Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023.

**OR**

Jay, Vijay and Karan were partners of an architect firm sharing profits in the ratio of 2 : 2 : 1. Their partnership deed provided the following:

- (i) A monthly salary of ₹ 15,000 each to Jay and Vijay.
- (ii) Karan was guaranteed a profit of ₹ 5,00,000 and Jay guaranteed that he will earn annual fee of ₹ 2,00,000. Any deficiency arising because of guarantee to Karan will be borne by Jay and Vijay in the ratio of 3 : 2.

During the year ended 31st March, 2023 Jay earned fee of ₹ 1,75,000 and the profits of the firm amounted to ₹ 15,00,000.

Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023. Show your working notes clearly.

## PART-B (COMPANY ACCOUNTS)

### Q27 TO Q30 CARRY 1 MARK EACH

27. If all the forfeited shares are reissued, the balance, if any, left in the forfeited shares account is transferred to
- (a) General reserve account
  - (b) Capital reserve account
  - (c) Securities premium account
  - (d) Statement of profit & loss account
28. Raghav Ltd. Forfeited 100 shares of ₹ 10 each issued at a premium of 10% for non-payment of first call of ₹ 3 per share and final call of ₹ 1 per share. The minimum price per share at which these shares can be issued will be:
- (a) ₹ 4                      (b) ₹ 6                      (c) ₹ 8                      (d) ₹ 10

**OR**

ASSERTION: (A) Securities premium cannot be utilised for writing off loss on sale of a fixed asset.

REASON: (R) Securities premium can be applied only for the purposes mentioned in the companies act, 2013

- (a) Both A and R are correct and 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 but R is false
  - (d) A is false but R is true
29. Savita Ltd. forfeited 100 shares of ₹ 10 each, ₹ 8 called up issued at a premium of ₹ 2 per share to Ramesh for non-payment of allotment money of ₹ 5 per share (including premium). The first and final call of ₹ 2 per share was not made. Out of these, 70 shares were reissued as ₹ 8 called up for ₹ 10 per share. The gain on reissue will be:
- (a) ₹ 500                      (b) ₹ 400                      (c) ₹ 350                      (d) ₹ 300

30. Bineet Ltd invited applications for issuing 6,000 equity shares of ₹ 10 each at 10% premium. The issue was fully subscribed. The amount per share was payable as follows: ₹ 3 on application; ₹ 3 (including premium) on allotment; ₹ 3 on first call; ₹ 2 on final call. Ashu, the holder of 200 shares paid the entire money along with allotment. The total amount received on allotment was:

- (a) ₹ 18,000 (b) ₹ 19,000  
 (c) ₹ 25,000 (d) ₹ 21,000

**Q31 AND Q32 CARRY 3 MARKS EACH**

31. Charu Ltd. Purchased machinery from Neon Ltd. It was agreed that purchase consideration will be paid by issuing 10,000 equity shares of ₹ 10 each at a premium of 10% and a bank draft of ₹ 50,000.

Pass journal entries in the books of Charu Ltd.

32. Mona Ltd. Forfeited 500 shares of ₹ 100 each for non-payment of first call of ₹ 20 per share and final call of ₹ 25 per share. 250 of these shares were reissued at ₹ 50 per share as fully paid up.

Pass journal entries for forfeiture and reissue of shares.

**Q.33. CARRIES 4 MARKS**

33. From the following information, complete Journal entries :

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Share Capital A/c Dr.		?	
	Securities Premium Reserve A/c Dr.		1,000	
	To Share Forfeiture A/c			?
	To Calls-in-Arrears A/c			3,500
	(Being _____ ? _____ shares forfeited for non-payment of ₹ _____ ? _____ including premium of ₹ 2 per share)			

Bank A/c	Dr.		?	
Share Forfeiture A/c	Dr.		?	
To Share Capital A/c				?
(Being — ? — shares reissued at ₹ 9 per share as fully paid)				
Share Forfeiture A/c	Dr.		600	
To Capital Reserve A/c				600
(Being forfeiture money transferred to capital reserve)				

### Share Forfeited Account

Dr. Particulars	Amount (₹)	Cr. Particulars	Amount (₹)
To Share Capital A/c	?	By Share Capital A/c	1,500
To Capital Reserve A/c	600		
To Balance c/d	600		
<b>Total</b>	<b>1,500</b>	<b>Total</b>	<b>1,500</b>

### Q34 CARRIES 6 MARKS

34. Saral Ltd. invited applications for issuing 25,000 equity shares of ₹100 each at par. The amount per share was payable as follows :

On Application : ₹ 20 per share

On Allotment : ₹ 30 per share

On First Call : ₹ 25 per share

On Second and Final Call : ₹ 25 per share

Applications were received for 24,000 shares and the shares were allotted to all the applicants. All calls were made and were received as follows :

On 18,000 shares : Full amount

On 2,000 shares : ₹ 75 per share

On 2,500 shares : ₹ 50 per share

On 1,500 shares : ₹ 20 per share

The company forfeited those shares on which less than ₹ 75 per share were received. The forfeited shares were reissued at ₹ 95 per share fully paid-up. Pass necessary journal entries for the above transactions in the books of the company.

**OR**

Venus Ltd. was registered with an authorised capital of ₹ 40,00,000 divided into 4,00,000 equity shares of ₹ 10 each. 70,000 of these shares were issued as fully paid to 'M/s Star Ltd.' for building purchased from them. 2,00,000 shares were issued to the public and the amounts were payable as follows :

On Application – ₹ 3 per share

On Allotment – ₹ 2 per share

On First Call – ₹ 2 per share

On Second and Final Call – ₹ 3 per share

The amounts received on these shares were as follows :

On 1,00,000 shares – Full amount called

On 60,000 shares – ₹ 7 per share

On 30,000 shares – ₹ 5 per share

On 10,000 shares – ₹ 3 per share

The directors forfeited 10,000 shares on which only ₹ 3 per share were received. These shares were reissued at ₹ 12 per share fully paid. Pass necessary journal entries for the above transactions in the books of 'Venus Ltd.'

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