

BRAIN INTERNATIONAL SCHOOL

SUBJECT: ACCOUNTANCY

REVISION SHEET

CLASS: XII

PART - A (Accounting for Partnership firms and Companies)

1. Anil and Vijay are partners in a firm. Anil is entitled to get a commission of 25% of net profit after charging such commission. Net profit before charging such commission is ₹60,000. Calculate Anil's commission.
 - (a) 12,500
 - (b) ₹15,000
 - (c) 12,000
 - (d) None of the above

2. Under which of the following circumstances, the balance of the Fixed Capital Accounts will change?
 - (a) Additional capital is introduced
 - (b) Interest on capital is provided
 - (c) Interest on drawings is charged
 - (d) None of the above.

3. When equal amounts are withdrawn in the beginning of each quarter during the year, the interest on drawings will be calculated as:
 - (a) Total Drawings x Rate/100 x 7.5/12
 - (b) Total Drawings x Rate/100 x 8/12
 - (c) Total Drawings x Rate/100 x 4.5/12
 - (d) Total Drawings x Rate/100 x 6/12

4. P and Q are sharing profits equally. With effect from 1st April, 2016 they decided to share profits in the ratio of 4:3. Calculate individual partner's gain or sacrifice due to change in profit-sharing ratio.
 - (a) Q's gain and P's sacrifice by 3/14
 - (b) P's gain and Q's sacrifice by 1/14
 - (c) Zero gain and sacrifice
 - (d) None of the above

Or

A, B and C are sharing profits in the ratio 5:3:2. With effect from 1st April, 2016, they decided to share future profits in the ratio of 5:2:3. Calculate each partner's gain or sacrifice due to this change.

- (a) A gains 1/10, B's gain 1/10 and C's sacrifice 2/10
 - (b) C gains and B sacrifices by 1/10th share.
 - (c) A's gain and B's sacrifice by 1/10
 - (d) No gain and No sacrifice
-
5. Ram and Mohan were partners with fixed capitals of 3,00,000 and 2,00,000 respectively. As per their partnership deed, interest on capital was allowed @ 10% p.a. Net profit for the year ended 31 March, 2022 was 30,000. The amount of interest on capital was credited to each partner's current account for the year ended 31 March, 2022 was:
 - (a) Ram 30,000 and Mohan 20,000
 - (b) Ram 20,000 and Mohan 10,000
 - (c) Ram 18,000 and Mohan ₹ 12,000
 - (d) Ram 30,000 and Mohan Nil

6. Anita and Babita were partners sharing profits and losses in the ratio of 3: 1. Savita was admitted for 1/5th share in the profits. Savita was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below:

Date	Particulars	L/F	Amount (Dr)	Amount(Cr)
2024	Savita's Current A/c	Dr.	24,000	
Aprl-1	To, Anita's Capital A/c			8000
	To Babita's Capital A/c			16000
	(Being adjustment of goodwill premium on Savita's admission)			

The new profit sharing ratio of Anita, Babita and Savita, will be:

- (A) 41:7:12
 (B) 13:12:10
 (C) 3:1:1
 (D) 5:3:2
7. Amla, Bimla and Kavita were partners sharing profits and losses in the ratio of 4:3:1. Bimla retires and gives her share of profit to Amla for 3,600 and to Kavita for ₹3,000. The gaining ratio of Amla and Kavita will be:
- (A) 4:5
 (C) 6:5
 (B) 2:1
 (D) 4:1

Read the following statements: Assertion (A) and Reason (R) in the Questions 8 and choose the answer from the given alternatives:

- A. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation
 B. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
 C. Assertion (A) is true but Reason (R) is false.
 D. Assertion (A) is false but Reason (R) is true.
 E. Both Assertion and Reason are false
8. Assertion (A): Dissolution of a partnership firm automatically leads to dissolution of partnership agreement.
 Reason (R): Internal liabilities are paid first on dissolution of partnership firm.
 Read the assertion and reasons given above and choose the answer from the given alternatives:
 F. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation
 G. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
 H. Assertion (A) is true but Reason (R) is false.
 I. Assertion (A) is false but Reason (R) is true.
 J. Both Assertion and Reason are false
9. Rohit, Udit and Mohit were partners in a firm sharing profits in the ratio of 3:2:1. Mohit retired. The balance in his capital account after making the necessary adjustments on account of reserves and

revaluation of assets and liabilities was 1,80,000. Rohit and Udit agreed to pay him 2,00,000 in full settlement of his claim. Mohit's share of goodwill in the firm was

- (A) 1,80,000
- (B) 2,00,000
- (C) 40,000
- (D) 20,000

Read the following and answer the questions 10 to 11

X and Y are partners in 3: 2. Their capital balances as on 1st April 2020 amounting to 2,00,000 each. On 1st February, 2021 X contributed an additional capital of 1,00,000. Following are the terms of deed

- (a) Interest on capital @ 6% per annum
 - (b) Interest on drawings @ 8% per annum
 - (c) Salary to X ₹ 1,500 per month
 - (d) Commission to Y @ 10% on net profit after charging interest on capital, salary and his commission.
- Drawings of the partners were 20,000 and 30,000 respectively during the year. Net profit earned by the firm was ₹ 2,08,000.

10. What is the amount of interest on drawings of X and Y:

- (a) ₹ 1,200 and 1,800 respectively
- (b) ₹ 800 and 1,200 respectively
- (c) 1,200 and 800 respectively
- (d) None of these

11. What is the amount of commission payable to Y?

- (a) ₹ 15,000
- (b) ₹ 16,500
- (c) 20,800
- (d) None of these

Read the following statements: Assertion (A) and Reason (R) in the Questions 12 and choose the answer from the given alternatives:

Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation

Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).

Assertion (A) is true but Reason (R) is false.

Assertion (A) is false but Reason (R) is true.

Both Assertion and Reason are false

12. 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.

13. WBB Ltd. forfeited 4,000 shares of 20 each, fully called-up on which only application money of 6 has been paid. Out of these 2,000 shares were reissued and 8,000 has been transferred to Capital reserve. Calculate the rate at which these shares were reissued.

- (a) 20 per share

- (b) 18 per share
- (c) 22 per share
- (d) 8 per share

Or

MK Ltd. has issued capital of 20,00,000 equity share of 10 each. Till date 8 per share have been called-up and the entire amount received except calls of 4 per share on 800 shares and 3 per share from another holder who held 500 shares.

What will be the amount appearing as 'Subscribed but not fully paid capital' in the balance sheet of the company?

- (a) ₹2,00,00,000
- (b) ₹1,95,99,000
- (c) 1,59,95,300
- (d) 1,99,95,300

14. As per section 52 of Companies Act 2013, securities premium can be utilized for which of the following purpose:

- (I) Writing off discount allowed to debtors
- (II) Providing for premium payable on redemption of debentures
- (III) Issuing fully paid debentures as bonus
- (IV) Issuing fully paid shares as bonus
- (V) Buyback of shares

Choose the correct options:

- (a) Only (I), (II) and (III)
- (b) Only (II), (III) and (IV)
- (c) Only (II), (IV) and (V)
- (d) Only II and IV

15. Maira Ltd. took over assets of ₹ 12,00,000 and liabilities of ₹4,00,000 of Subav Ltd. for an agreed purchase consideration of ₹9,00,000. The amount was payable by issue of 11% debentures of ₹100 each at 10% discount. The number of debentures issued will be:

- (a) 9,000
- (b) 10,000
- (c) 8,000
- (d) 11,000

16. Savitri Ltd. issued 50,000, 8% Debentures of 100 each at certain rate of premium and to be redeemed at 10% premium. At the time of writing off Loss on Issue of Debentures, Statement of Profit and Loss was debited with 2,00,000. At what rate of premium, these debentures were issued?

- (a) 10%
- (b) 16%
- (c) 6%
- (d) 4%

Or

A company forfeited 3,000 shares of ₹10 each, on which only 5 per share (including 1 premium) has been paid. Out of these few shares were re-issued at a discount of 1 per share and ₹6,000 were transferred to Capital Reserve. How many shares were re-issued?

- (a) 3,000 shares
- (b) 1,000 shares
- (c) 2,000 shares
- (d) 1,500 shares

17. Anant, Gulab and Khushbu were partners in a firm sharing profits in the ratio of 5:3:2. From 1st

April, 2024, they decided to share the profits equally. For this purpose, the goodwill of the firm was valued at ₹ 2,40,000. Pass necessary journal entry for the treatment of goodwill on change in the profit-sharing ratio of Anant, Gulab and Khushbu.

18. X and Y are partners sharing profits in the ratio of 3:1. Z is admitted as a partner for which he pays ₹30,000 for goodwill in cash. X, Y and Z decided to share future profits in equal proportion, You are required to pass necessary journal entries to give effect to the above.

Or

A business earned an average profit of Rs. 8,00,000 during the last few years. The normal rate of profits in the similar type of business is 10%. The total value of assets and liabilities of the business were Rs. 22,00,000 and Rs. 5,60,000 respectively. Calculate the value of goodwill of the firm by super profit method if it is valued at 2.5 years purchase of super profits.

19. Distinguish between fixed method and fluctuation method of capital accounts.

20. Pass necessary journal entries relating to the issue of debentures in the books of Akash Ltd. for the following transactions:

- a. 1,000, 9% Debentures of 100 each are issued at 5% discount, redeemable at a premium of 10%.
- b. 500, 7% Debentures of 100 each are issued at 5% premium, redeemable at a premium of 10%.

21. Sun and Kiran are partners sharing profits and losses equally. They decided to dissolve their firm. Assets and Liabilities have been transferred to Realisation Account. Pass necessary Journal entries for the following:

- (a) All partners are agreed that the process of realisation at the time dissolution will be accomplished by Sun for which he will be paid ₹10,000 along with the amount of expense which amounted to 2% of total value realised from the Assets on dissolution. Some assets were sold for Cash at a cumulative Value of 12,00,000 and the remaining were taken over by creditors at a valuation of ₹3,00,000.
- (b) Deferred Advertisement Expenditure A/c appeared in the books at ₹28,000.
- (c) Out of the Stock of ₹1,20,000, Kiran (a partner) took over 1/3 of the stock at a discount of 25% and 50% of remaining stock was taken over by a creditor of ₹30,000 in full settlement of his claim. Balance amount of stock realized at ₹25,000.
- (d) An outstanding bill for repairs and renewal of ₹3,000 was settled through an unrecorded asset which was valued at ₹10,000. Balance being settled in Cash

22. On 1st April 2023, Khyati Ltd. was formed with an authorised capital of 20,00,000 divided into 2,00,000 equity shares of 10 each. The company invited applications for issuing 1,80,000 equity shares. The company received applications for 1,70,000 equity shares. During the first year, 8 per share were called and final call of 2 per share has not been made yet. Siya holding 2,000 shares and Piya holding 4,000 shares did not pay the first call of 2 per share. All the shares of Siya and Piya were forfeited after the first call. Present the share capital in the Balance Sheet of Khyati Ltd. as per Schedule III, Part I of Companies Act, 2013 and also prepare 'Notes to Accounts' for the same.

23. Sudhir, Deepak and Naveen were partners in a firm sharing profits and losses in the ratio of 2:2:1 On 31st March, 2022 their Balance Sheet was as under:

Balance Sheet of Sudhir, Deepak and Naveen as at 31st March, 2022

Liabilities		Amounts	Assets	Amounts
Creditors		50,000	Land and Building	210,000
General Reserve		100,000	Machinery	190,000
Loan		120,000	Stock	30,000
Capitals			Investments	170,000
Sudhir	160000		Advertisement Suspense A/c	120,000
Deepak	150000			
Naveen	140000	450,000		
		720000		72000

Sudhir died on the 30th June, 2022. The partnership deed provided for the following, on the death of partner:

- (i) Goodwill of the firm was to be valued at 2% years purchase of average profits of the previous four years which were ₹1,80,000.
- (ii) Sudhir's share of profit or loss till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2022 amounted to 1st April, 2022 to 30th June, 2022 amounted 4,00,000 and that from 1,50,000. The profit for the year ended 31st March, 2022 was 1,00,000.
- (iii) Interest on capital was to be provided @7% p.a.

Prepare Sudhir's capital account to be rendered to his executors.

24. Achla and Bobby were partners in a firm sharing profits and losses in the ratio of 3: 1. On 31 March, 2019, their balance sheet was as follows:

Balance Sheet of Achla and Bobby as on 31 March, 2019

Liabilities		Amounts	Assets	Amounts
Creditors		1,10,000	Cash at hand	60,000
General Reserve		40,000	Debtors	40,000
Workmen's Compensation Reserve		50,000	Stock	45,000
Capitals			Furniture	1,55,000
Achla	4,00,000		Land & Building	5,00,000
Bobby	2,00,000	6,00,000		
		8,00,000		8,00,000

On 1st April, 2019, they admitted Vihaan as a new partner for 1/5th share in the profits of the firm on the following terms:

- (a) Vihaan brought 1,00,000 as his capital and the capitals of Achla and Bobby were to be adjusted on the basis of Vihaan's capital; any surplus or deficiency was to be adjusted by opening current accounts.
- (b) Goodwill of the firm was valued at 4,00,000. Vihaan brought the necessary amount in cash for his share of goodwill premium, half of which was withdrawn by the old partners.
- (c) Liability on account of workmen's compensation amounted to 80,000.
- (d) Achla took over stock at 35,000. (e) Land and building was to be appreciated by 20%.
- Prepare Revaluation Account, Partners Capital Accounts and the Balance Sheet of the reconstituted firm on Vihaan's admission.

Or

M and N were partners in a firm sharing profit & losses in the ratio of 2:2:3. On 31st March 2023, their Balance Sheet was as follows:

Balance sheet as on 31st March, 2023

Liabilities		Amounts	Assets	Amounts
Creditors		80,000	Land and Building	500000
Bank overdraft		22,000	Machinery	2,50,000
Long-term debts Capital Ac's:		2,00,000	Furniture	3,50,000
Employees provident fund		38,000	Investments	100000
L	6,25,000		Stock	400000
M	400000		Debtors	200,000
	5.25,000	15,50,000	Bank	20000
			Deferred Advertisement Expenditure	70,000
		18,90,000		18,90,000

On 31st March 2023, M retired from the firm and remaining partners decided to carry on business. It was decided to revalue assets and liabilities as under:

- (a) Land and Building be appreciated by 2,40,000 and Machinery be depreciated 10%.
- (b) 50% of investments were taken by the retiring partner at book value.
- (c) Provision for doubtful debts was to be made at 5% on debtors.
- (d) Stock will be valued at market price which is 1,00,000 less than the book value.
- (e) Goodwill of the firm be valued at 5,60,000. L and N decided to share future profits and losses in the ratio of 2:3,
- (f) The total capital of the new firm will be 32,00,000 which will be in proportion of profit - sharing ratio of L and N.
- (g) Gain on revaluation account amounted to ₹ 1,05,000.
- Prepare Partner's Capital accounts and Balance sheet of firm after M's retirement.

25. 'KLN Lid.' invited applications for issuing 1,00,000 shares of 10 each at a premium of 2 per share. The amount was payable as follows:
 On Application 3 per share (including premium 1)
 On Allotment 4 per share (including premium 1)
 On First Call 3 per share

On Second and Final Call Balance amount

Applications for 1,90,000 shares were received. Allotment was made to the applicants as follows:

Category	No. of Shares Applied	No. of Shares allotted
I	50,000	40,000
II	1,00,000	60,000

Remaining applications were rejected.

Rajat, a shareholder belonging to Category I who had applied for 2,500 shares, failed to pay the amount due

on allotment and first call. His shares were immediately forfeited. Reema, a shareholder belonging to Category II who was holding 3,000 shares failed to pay the first call and second call money. Her shares were also forfeited. Afterwards 4,000 shares were reissued @ 8 per share fully paid up. These included all the forfeited shares of Reema.

Pass the necessary journal entries for the above transactions in the books of 'KLN Lad..

Or

Record the Journal entries for forfeiture and reissue in the following cases:

(a) XLtd. forfeited 200 share of Rs 100 each ,Rs.70 called up on which the shareholders had paid Application and allotment money Rs 50 per share . Out of these, 150 shares were reissued to Naresh as ₹70 per share paid up for ₹80 share.

(b) Y Ltd. forfeited 180 shares of 10 each, 8 called up, issued at a premium of 2 per share to R' for non-payment of allotment money of 75 per share (including premium). Out of the to 160 shares were reissued to Sanjay as 28 called up for 10 per share fully paid up.

26. Yogadatra Ltd. (pharmaceutical company) appointed marketing expert, Mr. Kartikay on the CEO of the company, with a target to penetrate their roots in the rural regions. Mr. Kartikay discussed the ways and means to achieve target of the company with financial, production and marketing departmental heads and asked the finance manager to prepare the budget. After reviewing the suggestions given by all the departmental heads, the finance manager proposed requirement of an additional fund of 52,50,000. Yogadatra Ltd. is a zero-debt company. To avail the benefits of financial leverage, the finance manager proposed to include debt in the capital structure After deliberations, on 1st April, 2020, the board of directors had decided to issue 6% debentures of 100 each to the public at a premium of 5%, redeemable after 5 years at 110 per shares.

(A) Calculate the number of debentures to be issued to raise additional funds.

(B) Pass journal entry for the allotment of debentures.

(C) Pass journal entry to write-off loss on issue of debentures.

(D) Calculate the amount of annual fixed obligation associated with debentures.

(E) Prepare Loss on Issue of Debentures Account.

PART -B (ANALYSIS OF FINANCIAL STATEMENTS)

27. KalchiniLtd. has current assets worth 3,50,000 and it needs to pay off its obligations worth ₹2,00,000. If the firm has to make a payment of a current liability worth 50,000, what will be the current ratio:

(a) 3:1

(b) 0.75: 1

- (c) 1:1
(d) 2:1

28. Match the items given in Column I with Column II of the headings/sub-headings (Balance Sheet) as defined in Schedule III of Companies Act, 2013.

Sl.No.	Column I	Sl.No.	Column II
A	Loose tools	I	Intangible fixed assets
B	Patents	Ii	Other current assets
C	Prepaid Insurances	Iii	Long term Borrowings
D	Debentures	Iv	Inventory
E	Machinery	V	Tangible fixed assets

Choose the correct options:

Sl.No.	A	B	C	D	E
(a)	I	Ii	iv	Iii	V
(b)	Iv	I	ii	Iii	V
(c)	Iv	I	ii	V	Iii
(d)	V	Iv	i	Ii	Iii

OR

Which of the following equations is correct?

- (a) Cost of Revenue from Operations = Revenue from Operations + Gross Profit
 (b) Cost of Revenue from Operations = Opening Inventory Net Purchases + Direct Expenses – Closing Inventory
 (c) Cost of Revenue from Operations = Opening Inventory + Closing Inventory
 (d) Cost of Revenue from Operations = Revenue from Operations – Gross Profit
29. Prayas Ltd. made a profit of ₹ 1,75,000 after considering the following items:
 (i) Goodwill written off ₹ 6,000
 (ii) Depreciation on Furniture 3,400
 (iii) Loss on sale of Building 89,000 (iv) Gain on sale of Land ₹ 4,250
 Operating Profit before Working Capital changes will be:
 (a) ₹ 2,25,149
 (b) ₹2,69,150
 (c) ₹2,35,160
 (d) ₹2,53,145

OR

Balance Sheet (Extract)

Equity and Liabilities	31st March, 2023	31st March, 2024
12% Debentures	2,00,000	1,60,000

Additional Information: Interest on debentures is paid on half yearly basis on 30th September and 31st March each year. Debentures were redeemed on 30th September, 2023.

How much amount (related to above information) will be shown in financing activity of cash flow statement prepared on 31st March, 2024?

- (a) Outflow 40,000
 (b) Inflow 42,600
 (c) Outflow 61,600

(d) Outflow 64,000

30. Which of the following transaction will result in flow of cash?
 (A) Cash withdrawn from bank ₹71,000.
 (B) Issue of 9% debentures of ₹1,00,000 to the vendors of Machinery.
 (C) Received from debtors ₹74,000.
 (D) Redeemed 10% debentures by converting into equity shares.
31. Profit after tax amounted to ₹ 6,00,000, and tax rate was 20%. If earnings before interest and tax was ₹ 10,00,000 and Nominal Value of Debentures amounted to ₹ 25,00,000 (assuming the only debt of the company), determine the rate of interest on debentures
32. State under which major headings and sub- headings will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013:
 (i) Prepaid Insurance
 (ii) Investment in Debentures
 (iii) Calls-in-arrears
 (iv) Unpaid dividend
 (v) Capital Reserve
 (vi) Loose Tools
33. Calculate the current ratio of a company from the following information Stock turnover ratio = 4 times Stock at the end = 20,000 more than stock in the beginning Revenue from operations = 5,00,000 Gross profit ratio =20% Current liabilities = 50,000 Quick ratio =0.8:1

Or

Particulars	Note No.	2021-22	2022-23	Absolute changes	% change
I. Revenue from Operation		40,00,000	?	20,00,000	?
II. Less: Expenses:					
Cost of materials Consumed		?	30,00,000	10,00,000	?
Other Expenses		4,00,000	?	?	150
Total expenses		?	?	?	?
III. Profit before tax		?	?	?	?

34. Following are the balance sheets of Arihant Tiles Ltd as at 31st March, 2023 and 31st March, 2024

Balance Sheet as at 31st March, 2024 and 2023

Particulars	Note No	2023-24 (₹)	2022-23 (₹)
EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital		900,000	8,25,000
(b) Reserve and Surplus	1	2,25,000	1,50,000
2. Non-current Liabilities			
Long-term Borrowings		1,80,000	1,27,500
3. Current Liabilities			
(a) Trade Payables		1,34,250	1,53,000
(b) Short-term Prvision		37,500	57,750
TOTAL		14,76,750	13,13,250
ASSETS			
1. Non-current Assets			

(i) Fixed Assets			
(a) Tangible Assets	2	8,02,500	6,37,500
(b) Intangible Assets	3	30,000	84,000
2 Current Assets			
(a) Current Investments		1,80,000	1,12,500
(b) Inventories		96,750	90,750
(c) Trade Receivables		1,27,500	1,07,250
(d) Cash and Cash Equivalents		2,40,000	2,81,250
TOTAL		14,76,750	13,13,250

Notes to Accounts

Particulars	2023-24	2022-23
1 Reserves and Surplus: Surplus, ie Balance in Statement of Profit and Loss	2,25,000	1,50,000
2 Tangible Assets: Machinery	9,52,500	7,50,000
(-) Accumulated Depreciation	(1,50,000)	(1,12,500)
	8,02,500	6,37,500
3 Intangible Assets - Goodwill	30,000	84,000

Additional Information:

During the year, a piece of machinery costing 18,000 on which accumulated depreciation was 12,000, was sold for 4,500.

Prepare cash flow statement.
