

KENDRIYA VIDYALAYA SANGATHAN, ERNAKULAM REGION

PRE BOARD EXAMINATION 2025-26

CLASS XII

ACCOUNTANCY-055

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 Accounting for Partnership Firms and Companies
4. Part - B Analysis of Financial Statements
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

PART A

(Accounting for Partnership Firms and Companies)

1	In the absence of Partnership Agreement, interest on drawings of a partner is charged: (a) At 9% per annum (b) At 6% per annum (c) No interest is charged (d) At 12% per annum	1
2.	<p>Assertion(A): Partner's current accounts are opened when their capital are maintained under fixed method.</p> <p>Reason (R): In case of Fixed capitals all the transactions other than Capital are done through Current account of the partner.</p> <p>a. Assertion(A) and Reason(R) are correct and Reason(R) is the correct explanation of Assertion(A)</p> <p>b. Assertion(A) and Reason(R) are correct and Reason(R) is not the correct explanation of Assertion(A)</p> <p>c. Assertion(A) is correct but Reason(R) is not correct</p>	1

	d. Assertion(A) is not correct but Reason(R)is correct	
3	<p>ABC Ltd. took over the assets of & 7,60,000 and liabilities of 7 80,000 of Y Ltd. for an agreed purchase consideration of & 5,85,000 payable by the issue of 12% Debentures of ₹100 each at 10% discount. The number of debentures to be issued is:</p> <p>(a) 6,600. (b) 6,500. (c) 4,500 (d) 5,400</p>	1
4	<p>A, B and C are partners sharing profits and losses in the ratio of 5:3:2. As per new agreement, A agreed to sacrifice 1/2 of his share in favour of B and C in the ratio of 3:2. The new profit-sharing ratio of A:B:C will be</p> <p>a. 2:3:5. b.3:9:8. c. 3:5:2. d.5:9:6</p> <p style="text-align: center;">OR</p> <p>A and B are partners sharing profits in the ratio of 3 : 2. C is admitted into partnership. A sacrifices 1/10th of his share and B sacrifices 1/10th from his share in favour of C. The new profit-sharing ratio will be:</p> <p>(a) 10 : 9 : 6 (b) 4 : 3 : 3 (c) 27:15:8 (d) 3 : 3 : 4</p>	1
5.	<p>A and B are partners sharing profits in the ratio of 3:2. C was admitted for 1/6th share of profit with a minimum guaranteed amount of ₹10,000. At the close of the first financial year, the firm earned a profit of ₹54,000. Find out the share of profit which A will get</p> <p>a. ₹26,400. b.₹32,400. c.₹25,000. d. ₹32,000</p>	1
6	<p>Seema Ltd. issues 10,000, 9% debentures of ₹ 100 each at a premium of 5% redeemable at a premium of 10%. The Loss on Issue of Debentures Account will be debited by:</p> <p><input type="checkbox"/>a <input type="checkbox"/> ₹90,000 <input type="checkbox"/>b <input type="checkbox"/> ₹1,00,000 <input type="checkbox"/>c <input type="checkbox"/> ₹10,50,000 <input type="checkbox"/>d <input type="checkbox"/> ₹1,05,000</p> <p style="text-align: center;">OR</p> <p>Som Ltd. purchased assets from Ram Ltd. for ₹7, 20,000 and issued 12% debentures of ₹100 each at 20% premium. The number of debentures to be issued by Som Ltd. will be:</p> <p>(a) 5,000 (b) 6,000 (c) 7,000 (d) 4,000</p>	1
7	<p>Y Ltd. issued 20,000 equity shares of ₹10 each, payable ₹3 on application. Applications were received for 28,000 shares. The company made a pro-rata allotment to the applicants of 24,000 shares, and the application money for the remaining shares was refunded. Ravi applied for 420 shares. Find the number of shares allotted to him.</p> <p>(a) 300 shares (b) 320 shares (c) 350 shares(d) 360 shares</p>	1

8	<p>On 1st April, 2024, a firm had total assets of ₹3,00,000 excluding cash of ₹ 70,000. Partners' Capital Accounts showed a balance of ₹ 2,30,000. The current liabilities were ₹ 50,000 and the balance constituted the reserves. If the normal rate of return is 12% and goodwill of the firm is valued at ₹ 1,20,000 at three years of purchase of super profit, find the average profit of the firm.</p> <p>a. ₹40,000. b. ₹90,000 c. ₹38,600. d. ₹78,400</p> <p style="text-align: center;">OR</p> <p>If average capital employed in a firm is ₹8,00,000, average of actual profits is ₹1,80,000 and normal rate of return is 10%, then value of goodwill as per capitalization of average profits is:</p> <p>(a) ₹10,00,000 (b) ₹18,00,000 (c) ₹80,00,000 (d) ₹78,20,000</p>	1
	<p>Read the hypothetical text and Based on this case, answer questions 9 & 10 .</p> <p>Brilliant Traders is a partnership firm with Arjun, Mehul, and Kriti as partners engaged in the business of electrical fittings. Their capital contributions were ₹60,00,000, ₹60,00,000, and ₹90,00,000 respectively, sharing profits in the ratio of 4:4:6.</p> <p>To expand the business, the partners decided to double their capitals by bringing in additional cash. Arjun and Mehul brought in the required amounts, but Kriti was unable to do so. It was then agreed that a new partner, Dev, would be admitted to contribute the amount Kriti could not bring and that he would get a share of profit equal to one-fourth of Kriti's share, which would be sacrificed by Kriti alone.</p> <p>Dev brought in the required capital along with ₹24,00,000 as goodwill premium.</p>	
9	<p>What will be the new profit-sharing ratio of Arjun, Mehul, Kriti, and Dev?</p> <p>(a) 8:8:9:3 (b) 4:4:6:4 (c) 4:4:9:3 (d) 8:8:6:2</p>	1
10	<p>What is the amount of capital brought in by Dev?</p> <p>(a) ₹45,00,000. (b) ₹60,00,000. (c) ₹90,00,000. (d) ₹30,00,000</p>	1
11.	<p>Deepak, Danush and Lilly were partners in a firm sharing profits in the ratio of 3:2:1. On 28.02.2025, Danush retired from the firm. On Danush's retirement, there was a balance of ₹12,000 in Workmen's Compensation Reserve which was no more required. On Danush's retirement, this amount will be:</p> <p>(a) Debited to the Capital Accounts of all the partners in their profit-sharing ratio (b) Credited to the Capital Accounts of all the partners in their profit-sharing ratio (c) Credited to the Capital Accounts of Deepak and Lilly in their profit-sharing ratio (d) Credited to the Capital Account of Danush</p>	1
12	<p>Rohit Ltd. purchased assets from Mohan & Co. for ₹ 3,50,000. A sum of ₹ 75,000 was paid by means of a bank draft and for the balance due, Rohit Ltd. issued equity shares of ₹10 each at a</p>	1

	<p>premium of 10%. Calculate the number of equity shares to be issued</p> <p>a).25,000. b).35,000. c).27,500. d)7,500</p>	
13	<p>ABC Ltd. forfeited 50 shares of ₹10 each on which ₹6 per share were paid. The company reissued 40 shares @ ₹9 as fully paid up. Amount transferred to capital reserve will be</p> <p>a). ₹150 b) ₹100 c) ₹250 d) ₹200</p> <p style="text-align: center;">OR</p> <p>Following amounts were payable on issue of shares of ₹10 each by a company: ₹3 on application, ₹3 on allotment and the balance on first and final call. Kabir, holding 500 shares, paid only application and allotment money whereas Shahid, holding 400 shares, did not pay first & final call. Amount of Calls in Arrear will be:</p> <p>(a) ₹3,800 (b) ₹3,600 (c) ₹4,400 (d) ₹6,200</p>	1
14	<p>Gokul, Nikhil and Charu are partners sharing profits and losses in the ratio of 3:2:1. On 1st April 2024, they mutually decided to change their profit sharing ratio. On the date of change in profit sharing ratio, Goodwill is valued at ₹60,000 and the following entry is passed for the treatment of goodwill:</p> <p>Charu's Capital A/c Dr. 20,000</p> <p style="padding-left: 40px;">To Gokul's Capital A/c 10,000</p> <p style="padding-left: 40px;">To Nikhil's Capital A/c 10,000</p> <p>(Being goodwill adjusted)</p> <p>The new profit - sharing ratio of the firm will be:</p> <p>a) 3:3:1 b) 2:3:1. c) 2:1:3. d) 1:3:3</p>	1
15	<p>Rekha and Renu are partners sharing profits equally. The partnership deed provides that interest on drawings will be charged @ 8% per annum. Rekha withdrew a fixed amount at the end of each quarter, starting from June 30, 2022. The interest on Rekha's drawings for the year ending March 31, 2023 amounted to ₹480. Calculate amount withdrawn in each quarter by Rekha</p> <p>a) ₹4000. b) ₹6000. c) ₹7000 d) ₹3000</p>	1
16	<p>The business of Vettrivel Sons was dissolved on account of the growing differences among the partners and on the date of dissolution the Loss on Realisation was ascertained as ₹55,000. The books showed the Sundry Assets worth ₹2,50,000 and the Creditors of ₹75,000, which were paid off completely. There was no other external liability and the realisation expenses arrived at</p>	1

	<p>₹5,000. At what value the Sundry Assets realised?</p> <p>a) ₹1,00,000. b) ₹2,00,000 c) ₹3,00,000. d) ₹4,00,000</p> <p style="text-align: center;">OR</p> <p>P & Q are partners in a firm. They decide to dissolve the firm. Assets other than cash ₹1,60,000 and cash ₹25,000, total liabilities ₹1,75,000. On dissolution, assets realised ₹1,25,000, and liabilities are paid ₹1,40,000. Net profit or loss on realisation is</p> <p>(a) Profit of ₹25,000 (b) Loss of ₹25,000 (c) Loss of ₹15,000 (d) No profit no loss</p>	
17	<p>Anil and Binu are partners. They admit Cini for 1/4th share in profits. For this purpose, goodwill is to be valued at three year's purchase of super profits. Following information is provided to you:</p> <p>Anil's Capital ₹5,00,000</p> <p>Binu's Capital ₹4,00,000</p> <p>General Reserve ₹1,50,000</p> <p>Profit & Loss A/c (Cr.) ₹30,000</p> <p>Sundry Assets ₹12,00,000</p> <p>The normal rate of return is 15% p.a. Average Profits are ₹200000 per year. You are required to calculate Cini's share of goodwill.</p>	3
18	<p>Nisha, Akhil and Sakshi are partners in a firm sharing profits in the ratio of 2 : 3 : 5. On 1st April 2025, their capitals were ₹ 50,000, ₹80,000 and ₹ 60,000 respectively on which they were entitled to get interest @ 10% p.a. It was omitted to allow interest on capital while distributing profits of ₹49000 at the end of the year. Pass necessary journal entry to rectify the error.</p> <p style="text-align: center;">OR</p> <p>A & B are partners sharing the profits and losses in the ratio of 3:2 with capitals of Rs. 200000 and Rs. 100000 respectively. Show distribution of profits/loss in each of the following cases:</p> <p>A. If the partnership deed is silent as to the Interest on Capital and the profits for the year ended 31st March, 2020 was Rs. 50000.</p> <p>B. If the partnership deed provides for Interest on Capital @ 8% p.a and the losses for the year ended 31st March, 2020 was Rs. 50000.</p> <p>C. If the partnership deed provides for Interest on Capital @ 8% p.a and the profits for the year ended 31st March, 2020 was Rs. 15000.</p>	3
19	<p>Pass journal entries for the issue of debentures in the following case-</p> <p>On 1st April 2023, P Ltd. issued 6,000 12% Debentures of ₹100 each at a discount of 5%, redeemable at a premium of 7% at the end of third year. On 31 March, 2024 Securities Premium Reserve exists in the books at ₹50,000. Pass necessary journal entries for issue of debentures and</p>	3

	writing off loss on issue of debentures.	
20	Nimish, Alan and Pooja were partners in a firm sharing profits and losses in the 3:4:3. Books were closed on 31st March every year. Pooja died on 1st February, 2022. As per the partnership deed Pooja's executors are entitled to her share of profit till the date of death on the basis of Sales turnover. Sales for the year ended 31st March 2021 was ₹10,00,000 and profit for the same year was ₹ 1,20,000. Sales show a positive trend of 20% and percentage of profit earning is reduced by 2%. Journalize the transaction along with the working notes.	3
21	On 1 st April 2025, Agney Ltd was registered with share capital of Rs 10,00,000 divided into 1,00,000 equity shares of Rs10 each. The company issued prospectus inviting applicants for 90,000 Equity shares. The company received applications for 85000 shares. During the first year, Rs 8 per share was called. Ishaan holding 1000 shares and Vivaan holding 2000 shares did not pay first call of Rs 2 per share. Vivaan's shares were forfeited and later on 1500 shares were reissued at Rs 6 per share, 8 called up. Show how 'Share capital' will be disclosed in the balance sheet as per schedule III of Companies act 2013. Also prepare Notes to Accounts	4
22	<p>Shenil and Nutan partners in a manufacturing firm sharing profits and losses in the ratio of 5: 2, decided to dissolve their business . During the course of dissolution, the following was agreed upon:</p> <p>(i) Furniture having book value ₹90,000 was given to a Creditor of ₹1,20,000 at an agreed valuation of 10% less than the book value and balance by cheque.</p> <p>(ii) Nutan agreed to take over the responsibility of completing dissolution at an agreed remuneration of ₹ 6,000 and to bear all realisation expenses. Actual realisation expenses were ₹ 5,500. Nutan used firm's cash for payment.</p> <p>(iii) Shenil had given a loan of ₹ 50,000 to the firm for which he was paid ₹ 47,500 in full settlement.</p> <p>(iv) Out of total debtors of ₹1,35,000. Soubin, a debtor of ₹ 40,000 had to pay the amount due 3 months after the date of dissolution. He was allowed a discount of 5% p.a. for making payment immediately. The remaining debtors were collected in full.</p> <p>Based on the above information you are required to pass Journal entries in the books of the firm.</p>	4
23	<p>Acquasense Ltd. invited applications for the issue of 30,000 Equity Shares of ₹ 10 each. Applications were received for 40,000 shares. 10% of the total applications were rejected and the balance were allotted on pro rata basis. The amounts were payable as follows: ₹2 on application, & ₹4 on allotment and balance on the first and final call.</p> <p>Mohit who had applied for 3,000 shares failed to pay the allotment money and his shares were immediately forfeited. Suresh who was allotted 2,000 shares, paid only ₹4,000 on allotment. On</p>	6

Gouri, Nanda and Vaiga were partners sharing profits in the ratio of 5:3:2. Their Balance Sheet as at March 31, 2024 was as follows:

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Balance Sheet as at March 31, 2024

Liabilities			Assets	
Capitals:			Building	25,000
Gouri	30,000		Machinery	15,000
Nanda	20,000		Debtors.	10,000
Vaiga	20,000	70,000	Investment	10,000
General Reserve		8,000	Stock	5,000
Investment Fluctuation Reserve		2,000	Bank	15,000
Sundry Creditors		10,000	Cash	10,000
		90,000		90,000

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

a) Nanda's share of goodwill settled by Gouri for ₹ 8,000 and Vaiga for ₹4,000.

b) Stock was found to be undervalued by ₹1,000 and Buildings by ₹7,000.

c) Investments were sold for ₹11,000.

d) There was an unrecorded creditor of ₹7,000.

e) An amount of ₹30,000 was paid to Nanda in cash which was contributed by Gouri and Vaiga in the ratio of 2:1. The balance amount of Nanda was settled by a cheque

Prepare Revaluation Account & Partners' Capital Accounts

25 The balance sheet of Nihaal, Siraj and Faizal, who were sharing profits in the ratio of 3: 3: 4 respectively, as at 31st March, 2025 was as follows.

6

Balance sheet as on 31st March 2025

Liabilities	₹	Assets	₹
Bills Payable	10,000	Fixed Assets	60,000
General Reserve	5,000	Nihaal 's Loan	10,000

	Bank Loan	12,000	Stock	44,000			
	Capitals		Investments	47,000			
	Nihaal 60,000		Bank	16,000			
	Siraj. 50,000						
	Faizal. 40,000	1,50,000					
		1,77,000		1,77,000			
	<p>Nihaal died on 31st July, 2025. The partnership deed provided for the following on the death of a partner.</p> <p>(i) Goodwill of the firm be valued at two years' purchase of average profits for the last three years which were ₹40,000.</p> <p>(ii) Nihaal's share of profit till the date of his death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2025 amounted to ₹4,00,000 and that from 1st April to 31st July, 2025 ₹1,50,000. The profit for the year ended 31st March, 2025 was ₹1,00,000.</p> <p>(iii) Interest on capital was to be provided @6% per annum.</p> <p>Prepare Nihaal's capital account to be rendered to his executor.</p>						
26	<p>Pass journal entries in the book of XYZ Ltd. in the following cases:</p> <p>(i) The Company took a loan of ₹ 2,60,000 from UBI and issued 3,000, 12% debentures of ₹ 100 each as collateral security.</p> <p>(ii) Issued 1,000, 12% debentures of ₹ 100 each at 10% premium, redeemable at a premium of 5%.</p> <p>(iii) Purchased machinery ₹ 6,00,000 from Ragam Ltd. ₹25,000 was paid by cheque and balance Payment was made by issue of 9% debentures of ₹ 100 each at a premium of 15% redeemable at par.</p>						6
	Part B :- Analysis of Financial Statements						
27	<p>Financial statement analysis includes...and of financial statements.</p> <p>(a) analysis, preparation (b) preparation, interpretation</p> <p>(c) preparation, analysis. (d) analysis, interpretation</p>						1
28	<p>Long-term borrowings ₹2,00,000; Long-term provision ₹1,00,000; Current liabilities ₹ 50,000. Non-current assets ₹3,60,000. Current assets ₹90,000. Proprietary ratio will be</p> <p>(a) 22.2% (b) 21.8%. (c) 36%. (d) None of the above</p>						1

29	<p>Paid ₹ 4,00,000 to acquire shares in Cotton Tex Ltd. and received a dividend of ₹ 40,000 after acquisition. These transactions will result in</p> <p>(a) Cash used in investing activities ₹ 4,00,000.</p> <p>(b) Cash generated from financing activities ₹4,40,000</p> <p>(c) Cash used in investing activities ₹ 3,60,000.</p> <p>(d) Cash generated from financing activities ₹3,60,000</p>	1
30	<p>Opening balance and Closing balance of Investment was ₹10,00,000 and ₹20,00,000 respectively for Madhur Ltd. Half of the investment held in the beginning of the year were sold at 20% profit. Calculate purchase value of investment?</p> <p>a) ₹10,00,000. b) ₹15,00,000. c) ₹20,00,000. d) ₹6,00,000</p>	1
31	<p>State under which major headings and sub-headings the following items will be presented in the balance sheet of a company as per Schedule III of the Companies Act 2013.</p> <p>i) Calls in advance</p> <p>ii) Loose tools</p> <p>iii) Patent and Trade Mark</p> <p>iv) Long term Loans</p> <p>v) Provision for tax</p> <p>vi) Shares in PGM Ltd.</p>	3
32	<p>Inventory Turnover Ratio is 6 times and cost of revenue from operation is ₹3,00,000. Determine the value of Opening inventory, when Closing inventory is ₹ 15,000 more than Opening inventory.</p> <p style="text-align: center;">OR</p> <p>Determine Return on Investment and Net Assets Turnover ratio from the following information:- Profits after Tax were ₹6,00,000; Tax rate was 40%; 15% Debentures were of ₹.20,00,000; 10% Bank Loan was ₹.20,00,000; 12% Preference Share Capital ₹30,00,000; Equity Share Capital ₹. 40,00,000 ; Reserves and Surplus were ₹10,00,000; Sales ₹ 3,75,00,000 and Sales Return ₹ 15,00,000.</p>	3
33	<p>From the following information, prepare Common size statement of Profit & Loss of A Ltd. & B Ltd. for the year ended 31st March, 2025</p>	

	Particulars	A Ltd.(₹)	B Ltd. (₹)		4
	Revenue from Operations	20,00,000	10,00,000		
	Employee Benefit Expenses	1,40,000	80,000		
	Cost of materials consumed	60% of Revenue from operation	50% of Revenue from operation		
	Other Income	2,00,000	50,000		
	Tax Rate	30%	30%		

34 Read the following hypothetical text and answer the given question on the basis of the same.
 Manju, a MBA holder started a marketing business in 2020 and following are the results of the business for the year ended 31st March 2024. Prepare Cash flow Statement.

	Note no	31.3.24	31.3.23
Equity & Liabilities:			
(1) Shareholders Funds			
(a) Share Capital		12,00,000	8,00,000
(b) Reserves and Surplus (Profit & Loss Balance)		1,65,000	1,95,000
(2) Non-Current Liabilities			
(3) Current Liabilities			
a. Short term borrowing (Bank overdraft)		—	80,000
b. Trade Payables		2,80,000	1,60,000
c. Other Current Liabilities		40,000	35,000
d. Short term provision(prov. for Tax)	1	76,000	95,000
Total		17,61,000	13,65,000

II. Assets			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	2	6,80,000	4,38,500
Intangible assets	3	1,20,000	80,000
(b) Non current Investment		3,61,000	2,30,000
(2) Current Assets			
(a) Inventories		2,56,000	3,89,000
(b) Trade Receivables		1,68,000	1,27,500
(c) Cash and Cash Equivalents		1,76,000	1,00,000
Total		17,61,000	13,65,000

Notes to Accounts

1. Short term provisions:	31.3.24	31.3.23
Provision for Tax	76,000	95,000
2. Tangible assets		
Plant & Machinery	6,80,000	4,38,500
3. Intangible assets		
Goodwill	1,20,000	80,000

Additional information:

- Tax paid during the year ₹ 74,000
- During the year Plant costing ₹40,000 (Accumulated Depreciation ₹16,000) was sold for ₹22,000
- Depreciation on Plant & Machinery during the year was ₹46,000