



## PANCHSHEEL PUBLIC SCHOOL

10+2 Senior Secondary School (Affiliated & Recognized by CBSE)

Jaitpur, Badarpur, New Delhi-44

### MID TERM REVISION TEST PAPER

#### SESSION 2023-24

**Time:**            **Subject:** ACCOUNTANCY            **Class:** XII            **Date:**            **M. Marks:** 60

#### General Instructions:-

1. Question 1 to 16 each carries 1 marks
2. Question 17 to 20 each carries 3 marks
3. Question 21 to 22 each carries 4 marks
4. Question 23 to 26 each carries 6 marks

#### ONE MARKS QUESTIONS

1. A, B and C are partners, their partnership deed provides for interest on drawings at 8% per annum. B withdrew a fixed amount in the middle of every month and his interest on drawings amounted to ₹ 4,800 at the end of the year. What was the amount of his monthly drawings?  
(a) ₹ 10,000 (b) ₹ 5,000 (c) ₹ 1, 20,000 (d) ₹ 48,000
2. **Assertion:** Gupta, a partner in a firm with four partners has advanced a loan of ₹ 50,000. To the firm for last six months of the financial year without any agreement. He claims an interest on loan of ₹ 3,000 despite the firm being in loss for the year.  
**Reasoning:** In the absence of any agreement/ provision in the partnership deed, provision of Indian Partnership Act, 1932 would apply.  
(a) Both A & R are correct, & R is the correct explanation of A.  
(b) Both A & R are correct, but R is not the correct explanation of A.  
(c) A is correct but R is not correct.  
(d) A is incorrect but R is correct.
3. 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:  
(a) ₹ 10,00,000 (b) ₹ 18,00,000 (c) ₹ 80,00,000 (d) ₹ 78,20,000
4. Which of the following is **not** true in relation to goodwill?  
(a) It is an intangible asset (b) It is a fictitious asset  
(c) It has a realisable value (d) None of the above
5. Gain / loss on revaluation at the time of change in profit sharing ratio of existing partners is shared by (i) whereas in case of admission of a partner it is shared by (ii).  
(a) Remaining Partners, (ii) All Partners.  
(b) All Partners, (ii) Old partners.  
(c) New Partner, (ii) All partner.  
(d) Sacrificing Partner, (ii) Incoming partner
6. Arun and Varun are partners sharing profits in the ratio of 4:3. Their Balance Sheet showed a balance of ₹ 56,000 in the General Reserve Account and a debit balance of ₹ 14,000 in profit and loss Account, it is decided to pass an adjustment entry for the same. In adjustment entry:  
(a) Dr. Arun by ₹ 3,000; Cr. Varun by ₹ 3,000  
(b) Dr. Arun by ₹ 5,000; Cr. Varun by ₹ 5,000  
(c) Cr. Arun by ₹ 5,000; Dr. Varun by ₹ 5,000  
(d) Cr. Arun by ₹ 3,000; Dr. Varun by ₹ 3,000
7. At the time of admission of a partner, what will be the effect of the following information? Balance in Workmen compensation reserve ₹ 40,000. Claim for workmen compensation ₹ 45,000.  
(a) ₹ 45,000 Debited to the Partner's Capital Account.  
(b) ₹ 40,000 Debited to Revaluation Account.  
(c) ₹ 5,000 Debited to Revaluation Account.

(d) ₹ 5,000 Credited to Revaluation Account

8. Kalki and Kumud were partners sharing profits and losses in the ratio of 5:3. On 1st April, 2021 they admitted Kaushtubh as a new partner and new ratio was decided as 3:2:1. Goodwill of the firm was valued as ₹ 3,60,000. Kaushtubh couldn't bring any amount for goodwill. Amount of goodwill share to be credited to Kalki and Kumud Account's will be: -

(a) ₹ 37,500 and ₹ 22,500 respectively (b) ₹ 30,000 and ₹ 30,000 respectively

(c) ₹ 36,000 and ₹ 24,000 respectively (d) ₹ 45,000 and ₹ 15,000 respectively.

9. What journal entry will be recorded for writing off the goodwill already existing in Balance Sheet at the time of retirement of a partner?

(A) Retiring Partner's Capital A/c Dr. To Goodwill A/c

(B) All Partner's Capital A/cs (including retiring) Dr. (in old ratio) To Goodwill A/c

(C) Remaining Partner's Capital A/cs Dr. (in gaining ratio) To Goodwill A/c

(D) Remaining Partner's Capital A/cs Dr. (in new ratio) To Goodwill A/c

10. A, B and C are partners in a firm sharing profit/loss in the ratio of 2 : 2 : 1. On March 31, 2019, C died. Accounts are closed on Dec., 31 every year. The sales for the year 2018 was ₹6,00,000 and the profits were ₹60,000. The sales for the period from Jan. 1, 2019 to March 31, 2019 were ₹2,00,000. The share of deceased partner in the current year's profits on the basis of sales is :

(A) ₹20,000

(B) ₹8,000

(C) ₹3,000

(D) ₹4,000

11. A, B and C are partners in 3 : 4 : 2. B wants to retire from the firm. The profit on revaluation on that date was ₹36,000. New ratio of A and C is 5 : 3. Profit on revaluation will be distributed as :

(A) A ₹16,000; B ₹12,000; C ₹8,000

(B) A ₹12,000; B ₹16,000; C ₹8,000

(C) A ₹22,500; C ₹13,500

(D) A ₹23,625; C ₹12,375

12. A, B and C are partners sharing profits in the ratio of 5 : 2 : 1. If the new ratio on the retirement of A is 3 : 2, what will be the gaining ratio?

(A) 11:14

(B) 3:2

(C) 2:3

(D) 14 : 11

13. On retirement of a partner, goodwill will be credited to the Capital Account of:

(a) Retiring Partner (b) Remaining Partners

(C) All partners (d) None of the above

14. On dissolution, the balance of a partner's capital account appearing on the assets side of a balance sheet is transferred to :

(A) On the Debit of Realisation Account

(B) On the Credit of Realisation Account

(C) On the Debit of Partner's Capital Account

(D) On the Credit of Cash Account

15. Sundry Creditors amounted to ₹8,000. These were paid at a discount of 5%. Realisation account will be debited by

(A) ₹8,000

(B) ₹7,600

(C) ₹400

(D) ₹8,400

16. On the death of a partner, the amount due to him will be credited to :

(A) All partner's Capital Accounts

(B) Remaining partner's Capital Accounts

(C) His Executor's Account

(D) Governments' Revenue Account

### THREE MARKS QUESTIONS

17. Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6:4:1. Komal is guaranteed a minimum profit of ₹ 2,00,000. The firm incurred a loss of ₹ 22,00,000 for the year ended 31st March, 2023. Pass necessary journal entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account.

18. Aman, Bobby and Chandani were partners in a firm sharing profit and losses in the ratio of 5 : 4 : 1. From 1st April, 2018 they decided to share profit equally. The revaluation of assets and re-assessment of liabilities resulted in a loss ₹ 5,000. The goodwill of the firm on its reconstitution was valued at ₹ 1,20,000. The firm had a balance 20,000 in general reserve. Showing your workings clearly pass necessary journal entries on the reconstitution of the firm.

19. Anant, Gulab and Khushbu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. From 1st April, 2014, 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.

20. A, B, C and D are equal partners. The profit of the firm for the years 2009, 2010 and 2011 are ₹ 5,00,000, ₹ 7,00,000 and ₹9,00,000 respectively. C dies on June 30, 2012. The share of C in the firm's profit will be calculated on the basis of average profit of last three years. Firm closes its books every year on December 31. In this case, C's share in the profits will be calculated for four months. i.e., from January 1, 2012

### FOUR MARKS QUESTIONS

#### 21. Read the following paragraph and answer the following Question from 1 to 4.

Any changes in the relations of partnership will result in the reconstitution of the partnership firm. All the reserves and surplus will be distributed among the partners into existing profit-sharing ratio. When it is decided by the partners to make changes in the existing ratio, a separate account is opened, which is known as profit and loss adjustment or revolution account to make the revaluation of assets and reassessment of liabilities. With a motive to calculate actual economic benefits.

#### Q.1 The Need of revaluation of assets and liabilities:

- (A) Assets and Liabilities should appear at revised values
- (B) Any profit and loss on account of change in values belong to old partners
- (C) All unrecorded assets and liabilities get recorded
- (D) None of Above

#### Q.2 Revaluation Account is a:

- (A) Real Account
- (B) Nominal Account
- (C) Personal Account
- (D) None of the Above

#### Q.3 Any change in the relationship of existing partners which results in an end of the existing agreement and enforces making of new agreement is called:

- (a) Revaluation of partnership
- (b) Reconstitution of partnership
- (c) Realization of partnership
- (d) None of the above

#### Q.4 In case of change in profit-sharing ratio, the accumulated profits are distributed to the partners in

- (a) new ratio
- (b) old ratio
- (c) sacrificing ratio
- (d) equal ratio

22. X, Y and Z were partners in a firm sharing profits and losses in the ratio of 2:2:1. The firm closes its books on 31st March every year. Y died on 24th June, 2018. Y's share in the profits of the firm till the date of death from the last Balance Sheet was to be calculated on the basis of sales. Sales during the year 2017-18 was ₹15,00,000 and profit earned during the year was ₹3,00,000. Sales from 1st April, 2018 to 24th June, 2018 were ₹ 2,00,000. On Y's death goodwill of the firm was valued at ₹1,20,000. The total amount payable to Y's executors on his death was ₹1,75,000. This amount was paid to them on 15 July, 2018.

Pass the necessary journal entries for the above transactions in the books of the firm.

### SIX MARKS QUESTIONS

23. Radha and Raman are partners in a firm sharing profits and losses in the ratio of 5:2. Capital contributed by them is Rs. 50,000 and Rs. 20,000 respectively. Radha was given salary of Rs. 10,000 and Raman Rs. 7,000 per annum. Radha advanced loan of Rs. 20,000 to firm without any agreement to rate of interest in deed while in deed rate of interest on capital was mentioned as 6% p.a. Profits for the year are Rs. 29,400.

Prepare Profit and Loss Appropriation Account and Capital Account for the year ending 31st March 2015.

24. Gautami and Yash are partners in a firm, sharing profits and losses in 3:1 respectively. The balance sheet of the firm as on 31st March, 2023 was as follows:

#### Balance sheet as at 31<sup>st</sup> mar 2023

Liabilities	Amount(₹)	Assets	Amount(₹)
Capitals:		Furniture	60,000
Gautami- 4,00,000		Debtor	80,000
Yash - 1,00,000	5,00,000	Machinery	2,10,000
Bills Payable	30,000	Stock	1,40,000
Creditors	50,000	Cash in hand	90,000
<b>Total</b>	<b>5,80,000</b>	<b>Total</b>	<b>5,80,000</b>

Shama is admitted as a partner for 3/8th share in the profits with a capital of ₹ 2, 10,000 & ₹ 50,000 for her share of goodwill. It was decided that:

- New profit sharing ratio will be 3:2:3
- Machinery will depreciated by 10% and Furniture by ₹5,000.
- Stock was re-valued at ₹ 2, 10,000.
- Provision for doubtful debts is to be created at 10% of debtors.
- The capitals of all the partners were to be in the new profit sharing ratio on basis of capital of new partner any adjustment to be done through current accounts.

Prepare Revaluation Account & Partners Capital Account of the new firm.

25. R, S and M were carrying on business in partnership sharing profits in the ratio of 3 : 2 : 1 respectively. On March 31, 2011, Balance Sheet of the firm stood as follows

#### Balance Sheet as on March 31, 2011

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Sundry Creditors	16,000	Building	23,000
Capitals		Debtors	7,000
R 20,000		Stock	12,000
S 7,500		Patents	8,000
M 12,500	40,000	Bank	6,000
	<b>56,000</b>		<b>56,000</b>

Shyam retired on the above mentioned date on the following terms

- Buildings to be appreciated by ₹ 8,800.
- Provision for doubtful debts to be made @ 5% on debtors.
- Goodwill of the firm to be valued at ₹ 9,000.
- Rs.5,000 to be paid to S immediately and the balance due to him to be treated as a loan carrying interest @ 6% per annum.

Prepare the balance sheet of the reconstituted firm.

26. Ashu and Harish are partners sharing profit and losses as 3:2. They decided to dissolve the firm on December 31, 2006. Their balance sheet on the above date was:

**Balance Sheet of Ashu and Harish**  
as on December 31, 2012

Liabilities		Amt. (₹)	Assets		Amt. (₹)
Capitals			Building		80,000
Ashu	1,08,000		Machinery		70,000
Harish	54,000	1,62,000	Furniture		14,000
Creditors		88,000	Stock		20,000
Bank Overdraft		50,000	Investments		60,000
			Debtors		48,000
			Cash in hand		8,000
		<u>3,00,000</u>			<u>3,00,000</u>

Ashu is to take over the building at Rs. 95,000 and Machinery and Furniture is take over by Harish at value of Rs. 80,000. Ashu agreed to pay Creditor and Harish agreed to meet Bank overdraft. Stock and Investments are taken by both partner in profit sharing ratio. Debtors realised for Rs. 46,000, expenses of realisation amounted to Rs. 3,000. Prepare necessary ledger account.