D.A.V INSTITUTIONS, CHATTISGARH
SAMPLE PAPER -10 : 2023-24
SUBJECT: ACCOUNTANCY (055)

TIME: 3 HOURS **M.M- 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 & B is compulsory for all the candidates.
4.Question Nos.1 to 16 and 27 to 30 carries 1 mark each.
5.Questions Nos. 17 to 20, 31and 32 carries 3 marks each.
6.Questions Nos. from 21 ,22 and 33 carries 4 marks each
7.Questions Nos. from 23 to 26 and 34 carries 6 marks each

Q No.	**Part A** **Accounting for Partnership Firms and Companies**	Mrk
1.	Aditya and Mohan are partners sharing profits and losses in the ratio of 3:2. Akshay is admitted for $1/5^{th}$ and for which ₹ 50000 and ₹ 20000 are credited as a premium for goodwill to Aditya and Mohan respectively. The new profit sharing ratio of Aditya , Mohan and Akshay will be: (a) 3:2:1. (b) 12:8:5. (c) 9:6:5. (d) 16:12:7	1
2.	Which of the following is not a characteristics of goodwill ? (a) Subjective Judgement of valuer. (b) Intangible Assets (c) Attractive force (d) Ficticious Assets	1
3	A and B were partners in a firm sharing profits and losses in the ratio of 3: 2. On 1st April, 2022 they decided to admit C, their new profit sharing ratio was decided to be equal. Investment fluctuation reserve appears 7 60,000 at the time of C's admission whereas investments appears in the books at ₹ 2,10,000 and its market value is ₹ 1,90,000. B's Account will be: (a) Credited by ₹ 30,000 (b) Credited by ₹ 24,000 (c) Credited by ₹ 16,000 (d) Credited by ₹ 20,000 OR A and B are equal partner with capital of ₹200,000 and ₹100,000 respectively. As per deed they are allowed an interest @ 8% on capital. During the year the firm earned a profit of ₹12000. Interest on capital allowed to A and B will be- (a) ₹16000 and ₹8000 respectively. (b) Rs. 8000 and 4000 respectively. (c) Nil (d) Rs. 6000 each	1
4	Krish, Laksh and Jay are partners with capitals ₹ 1,00,000, ₹ 75,000 and ₹ 50,000 respectively. On Jay's retirement, his share is acquired by Krish and Laksh in ratio of 5 : 3. Gaining ratio will be (a) 2 : 2 (b) 5 : 3 (c) 3 : 2 (d) None of these	1
5	**Assertion (A):** A charitable dispensary run by 10 members is deemed to be a partnership firm. **Reason (R):** For a partnership business, there must be a business and there must be sharing of profits among the partners from such business.	1

	Options- (a) Assertion (A) is true, but Reason (R) is false (b) Assertion (A) is false, but Reason (R) is true (c) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A) (d) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)	
6	Tina, Mina and Rina are partners sharing profits in the ratio of 15: 9: 8. Rina retires. Tina and Mina decided to share profits in equal ratio. Gaining Ratio will be: (a) 9: 15. (b) 1:7. (c) 15: 9. (d) 7:1 OR On retirement of a partner, goodwill will be credited to the Capital Account of: (a) Remaining Partners. (b) All Partners. (d) None of the above. (c) Retiring Partners	1
7	**Assertion (A)**: A Company is Registered with an authorised Capital of 5,00,000 Equity Shares of ₹ 10 each of which 2,00,000 Equity shares were issued and subscribed. All the money had been called up except ₹ 2 per share which was declared as Reserve Capital'. The Share Capital reflected in balance sheet as 'Subscribed and Fully paid up' will be Zero. **Reason (R):** Reserve Capital can be called up only at the time of winding up of the company. (a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A). (b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A). (c) Assertion (A) is correct but Reason (R) is incorrect. (d) Assertion (A) is incorrect but Reason (R) is correct.	1
8	Amay, Bina and Chander are partners in a firm with capital balances of ₹ 50,000, ₹ 70,000 and ₹ 80,000 respectively on 31st March, 2022. Amay decides to retire from the firm on 31st March, 2022. With the help of the information provided, calculate the amount to be paid to Amay on his retirement. There existed a general reserve of ₹ 7,500 in the balance sheet on that date. The goodwill of the firm was valued at ₹ 30,000. Gain on revaluation was ₹ 24,000. （a）₹ 88,500 （b）₹ 90,500（c） 65,375（d）₹ 70,500 OR A and B are partner sharing profit in the ratio of 7:3. C is admitted for ¼ th share. He brought ₹2,50,000 as capital. The capital of remaining partners is to be made proportionate to profit sharing ratio on the basis of C capital. A and B capital will be- (a) ₹7,00,000 and ₹300,000 (b) ₹5,25000 and ₹2,25000 (c) ₹6,00,000 and ₹350,000 (d) ₹7,50,000 and ₹3,50,000	1
9	Joya, Liya and Tiya are partners sharing profits equally. Joya drew regularly ` 2,000 in the beginning of every month for the six months ended 30th September, 2020. Calculate interest on Joya's drawings @ 5% p.a. (a) ₹ 175 (b) ₹ 350 (c) ₹ 100 (d) ₹ 600 OR Neeraj, Dheeraj and Sourabh are partners sharing profits in the ratio of 5 : 3 : 2. They have admitted Nitin into the partnership for 1/6th share. Investment Fluctuation Fund appears in the balance at ₹ 13,500 and Investment (cost) at ₹ 1,50,000 . If the market value of investments is ₹ 1,45,000. Investment Fluctuation Fund will be shown at______. (a) ₹ 5,000 (b) ₹ 6,500 (c) ₹ 13,500 (d) ₹ 10,000	1
	Read the following hypothetical situation and answer Q. No. 10 and 11	

Harry and Terry are partners in a firm. Harry gets commission of 10% on the net profits before charging any commission and Harry gets are commission of 10% on the net profits after charging all commission.

Profit and Loss Appropriation A/c
for the year ended 31st March, 2020

Particulars	Amount	Particulars	Amount
To Harry's Commission A/c	1,65,000	By Profit and Loss A/c	…………
To Terrry's Commission A/c	………..		
To Profit Transferred to			
Henry's Capital A/c. ……….	………..		
Terry's Capital A/c. ……….			
	…………		…………

10 What will be the net profit before charging commission? 1
(a) ₹ 16,50,000 (b) ₹ 12,65,000. (c) ₹ 18,00,000 (d) ₹ 13,50,000

What will be Terry's Commission? 1
11 (a) ₹ 1,48,500. (b) ₹ 1,50,000. (c) ₹ 1,65,000. (d) ₹ 1,35,000

12 If 10,000 shares of ₹ 10 each were forfeited for non-payment of final call money of ₹ 3 per share and only 7,000 shares were re-issued ₹ 11 per share as fully paid up, then what is the amount of maximum possible discount that company can allow at the time of re-issue of the remaining 3,000 shares? 1
(a) ₹ 28,000 (b) ₹ 39,000 (c) ₹ 21,000 （d） ¥16,000

13 On the basis of the following data, how much final payment will be made to a partner on firm's dissolution? Credit balance of capital account of the partner was ₹ 1,32,500. Share of loss on realisation amounted to ₹ 26,500. Firm's liability taken over by him was for ₹ 21,200. 1
（a） 84,800. (b) ₹ 1,27,200. (c) ₹ 1,06,000 （d） ₹ 1,37,800

14 R, G and K were partners in a firm sharing profit and loss in the ratio of 8: 7 : 5. K died. Journal entry for share of profit till the date of K's death is: 1
(a) General Reserve A/c. Dr.
To Ks Capital A/c
(b) Profit and Loss Suspense A/c Dr.
To K's Capital A/c
(c)Profit and Loss A/c. Dr.
To K's Capital A/c
(d) None of these

15 A, B and C were partners in a firm sharing profits and losses in the ratio of 3: 2: 1. B died on 1st April, 2022. C, son of B, is of the opinion that he is rightful owner of his father's share of profits and profits of the firm should be now shared equally between A and C. A does not agree for this. Whose one is correct and what will be new profit sharing ratio of A and C: 1
(a) A is correct; 3: 1 (b) C is correct; 1: 1
(c) A is wrong; 2: 1 (d) None of the above

OR

P and Q are partners sharing profits and losses in the ratio of 2: 3. R is admitted into partnership for 1/5th share in profits. He pays ₹ 50,000 as goodwill. New Ratio of A, B and C would be 2: 2: 1. Goodwill be credited to:
(a) Only P ₹ 50,000. (b) P ₹ 25,000; Q ₹ 25,000. (c) Only Q ₹ 50,000. (d) P ₹ 20,000; Q ₹ 30,000

16	Arjun, Bhim and Nakul were partners sharing profits in 3: 4: 2. Bhim wants to retire from the firm. The profit on revaluation on that date was ₹ 1,02,600. New Ratio of Arjun and Nakul is 5: 3. Profit on revaluation will be distributed as: (a) Arjun ₹45,600; Bhim ₹ 34,200; Nakul ₹ 22,800 (b) Arjun ₹ 34,200; Bhim ₹ 45,600; Nakul ₹ 22,800 (c) Arjun ₹ 64,125 ; Nakul ₹ 38,475 (d) Arjun ₹ 67,331; Nakul ₹ 35,269	1
17	Maanika, Bhavi and Komal are partners sharing profits in the ratio of 6: 4: 1. Komal is guaranteed a minimum profit of ₹ 70,000. The firm incurred a loss of ₹ 7,70,000 for the year ended 31st March, 2022. Pass necessary Journal Entry regarding deficiency borne by Maanika and Bhavi and prepare Profit and Loss Appropriation Account.	3
18	The Firm of Blue, Black and Brown had Assets of ₹ 30,00,000 and Liabilities of ₹ 24,00,000. The normal rate of yield of the Firm is 10% p.a. Goodwill of the firm is valued at ₹ 72,000, which is four times the average super profits of the firm. Calculate the average profits of the firm. OR X, Y and Z are partners sharing profits and losses in the ratio of 4: 3: 1. After all adjustments of X's retirement their Capital Accounts are ₹ 2,20,000; ₹ 2,00,000 and ₹ 1,00,000 respectively. It was decided that amount payable to X will be brought in by Y and Z in such a way to make their capitals in their Profit Sharing Ratio. Pass necessary Journal Entries for Capital brought in and paid off. Show your working clearly.	3
19	Asha and Aditi are partners in a firm sharing profit and losses in the ratio of 3: 2. They admit Raghav as a partner of 1/4th share in the profits of the firm. Raghav brings ₹ 6,00,000 as his capital and his share of goodwill in cash. Goodwill of the firm is to be valued at two years' purchase of average profits of the last four years. The profit of the firm during the last four years are given below: Year Ptofit (₹) 2018-2019 3,50,000 2019-2020 4,75,000 2020-2021 6,70,000 2021-2022 7,45,000 The following additional information is given: (i) To cover management cost an annual charge of ₹ 56,250 should be made for the purpose of valuation of goodwill. (i) The closing stock for the year ended 31.3.2022 was overvalued by ₹ 15,000. Pass necessary Journal Entries on Raghav's admission.	3
20	Aman Ltd. on 1st April, 2019 acquired Assets of the value of ₹ 30,00,000 and Liabilities worth ₹ 3,50,000 from Aarti Ltd. at an agreed value of ₹ 27,50,000. Aman Ltd. issued 12% Debentures of ₹ 500 each at a premium of 10% in full consideration of purchase. The debentures were redeemable on 31st March, 2022 at a premium of 5%. Pass necessary Journal Entries for Issue of Debenture and written off of loss on Issue of Debentures from Profits. OR R Ltd. forfeited 7,500 shares of ₹ 100 each issued at 10% premium for non-payment of allotment money of ₹ 30 per share (including premium) and first call of ₹ 30 per share. The second and final call of ₹ 20 per share was not yet called. 3,000 of these shares were re-issued at ₹ 90 per shares as ₹ 80 paid-up. Pass Journal Entries regarding forfeiture and re-issued of shares.	3
21	P, Q and R were partners in a firm. Their fixed capitals were P; ₹ 7,50,000, Q; ₹ 5,00,000 and R, ₹ 2,50,000 respectively. According to the partnership deed they were entitled to an interest on capital @ 5% p.a. In addition Q also entitled to draw a salary of ₹ 12,500 per month. R was entitled to a commission of 5% on profits after charging interest on capital, but before charging the salary payable to Q. Net profits for the year were ₹ 7,50,000	4

distributed in the ratio of their capitals without providing for any of the above adjustments. The profits were to be shared in the ratio of 2: 1: 2. Pass the necessary adjustment entry showing the working clearly.

22 IKEA Ltd. was registered with a capital of ₹ 60,00,000 dividend into shares of ₹ 100 each. It issued 30,000 shares payable ₹ 25 per share on application; ₹ 25 on allotment; ₹ 20 on Ist Call and Balance when required. All money payable on Application and Allotment were duly received, but when Ist call was made, One shareholder of 1,500 shares did not pay the amount due. Show the share capital in the Balance Sheet of IKEA Ltd. as per revised Schedule III, Part-I. Also prepare Notes to Accounts. 4

23 Piya, Qabir and Riya were partners sharing profits and losses in the ratio of 5:3:2 respectively. On 31st March, 2022 their Balance Sheet stood as under: 6

Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Sundry Creditors	1,65,000	Goodwill	82,500
Employees's Provident Fund	16,500	Lease Hold	3,30,000
Contingency Reserve	66,000	Patents	99,000
Employees's Compensation Reserve	33,000	Machinery	4,95,000
Capital Accounts:		Stock	1,65,000
Anand	4,95,000	Debtors	1,32,000
Ankita	4,12,500	Cash at Bank	1,32,000
Amit	2,47,500		
	14,35,500		**14,35,500**

Qabir died on 1st August, 2022. It was agreed that:

(a) Goodwill to be valued at $2\frac{1}{2}$ year's Purchase of last four years average profits which were: 2018-19: ₹ 2,14,500; 2019-20: ₹ 2,31,000; 2020-21 : ₹ 2,31,000 and 2021-22: ₹ 2,47,500.

(b) Machinery depreciated by ₹ 33,000 and leasehold be valued at ₹ 4,45,500 on 1st August, 2022.

(c) . Qabir's share of profit till death is calulated on the basis of last year's Profits.

(d) A sum of ₹ 62,700 paid immediately to the executor of Qabir.

Prepare Qabir's Capital Account to be Presented to his Executor's Account.

24 Record the necessary Journal Entries for the Issue of debentures for the following cases: 6

(a) Issue of 7,500, 9% Debentures of ₹ 50 each at a discount of 6%, redeemable at a premium of 10%.

(6) H Ltd. issued 1,00,000, 9% debentures of ₹ 1,000 each on 1st April, 2022, redeemable at a Premium of 8%. According to terms of Prospectus ₹ 400 is payable on Application and balance on allotment of debentures.

25 Neelam and Ansh were partners in a firm sharing Profits and losses in the ratio of 3:2. On 01.04.2022 their Balance Sheet was as Follows: 6

Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors	2,89,000	Cash	1,02,000
General Reserve	68,000	Debentures	2,55,000
Workmen Compensation Fund	1,53,000	Investments	3,40,000
Investment Fluctuation Fund	1,87,000	Plant	2,38,000
Provision for Bad Debts	34,000	Land and Building	6,46,000
Capitals:			
Neelam	5,10,000		

Ansh	3,40,000		
	15,81,000		**15,81,000**

On the above date Aarti was admitted for 1/4th share in the profits of the firm on the following terms:

(a) Aarti will bring ₹ 3,40,000 for her capital and ₹ 68,000 for her share of goodwill Premium.
(b) All debtors were considered good.
(c) The Market value of Investments was ₹ 2,55,000.
(d) There was a liability of ₹ 1,02,000 for workman compensation.

Capitals of Neelam and Ansh were to be adjusted on the basis of Aarti's Capital by opening current Accounts.Prepare Revaluation Account and Partner's Capital Accounts.

OR

Radha, Priya and Sonia were partners in a firm sharing profits and losses in the ratio of 3:2:1. Their Balance Sheet as on 31st March, 2022 was as follows:

Liabilities	**Amount (₹)**	**Assets**	**Amount (₹)**
Creditors	51,000	Cash in Hand	30,600
		Debtors	
Bills Payable	27,200	42500	
		Less:Provision for Doubtful Debts	
General Reserve	20,400	5100	37,400
Capitals:		Stock	30,600
Radha	68,000	Furniture	51,000
Priya	68,000	Machinery	1,19,000
Sonia	51,000	Goodwill	17,000
	2,85,600		**2,85,600**

Priya retired on 1st April, 2022 on the following terms:
(i) Goodwill of the firm be valued at ₹ 37,400.
(ii) Stock to be depreciated to 90% and Furniture by 5%.
(iii) Provision for doubtful debts be raised by ₹ 1,700.
(iv) There is an outstanding bill for damages ₹ 1,870.
(v) Priya was paid full in cash such brought in by Radha and Sonia in a manner that their capitals were in their profit sharing ratio and cash in hand remains at ₹ 17,000. Prepare Revaluation Account and Capital Accounts.

26 Sonali Ltd. issued applications for 12,00,000 equity shares of ₹ 10 each, at a premium of ₹ 4 per share. 6

The amount was payable as follows:

On Application : ₹ 6 (including ₹ 2 Premium) On Allotment : ₹ 7 (including ₹ 2 Premium) Balance on First and Final Call.

Applications for 18,00,000 shares were received. Allotment was made to all the applicants on Pro-rata basis. Monu to whom 2,400 shares were allotted, failed to pay allotment and call money Kanu who had applied for 1,800 shares failed to pay call money. These shares were forfeited after final call. 2,400 of the forfeited shares (including all shares of Kanu) were re-issued @ ₹ 8 per share fully paid up.

Pass necessary journal Entries by opening call in Arrear and calls in Advance accounts wherever necessary.

OR

Meena Ltd. invited applications for issuing 4,20,000 shares of ₹ 10 each. The amount was payable as follows:

	On Application : ₹ 5 per share On Allotment : ₹ 3 per share On First and Final Call : Balance amount Applications for 6,00,000 share were received. Applications for 96,000 sahres were rejected and the application money was refunded. Shares were allotted on Pro-rata basis to the remaining applicants and Excess money was adjusted towards allotment and call. J who had applied for 7,200 share, failed to Pay allotment and first and final call money. N holder of 4,800 shares failed to Pay first and final call money. The shares of J and N were forfeited. Out of these 9,600 shares were re-issued at ₹ 15 per share as fully paid up. The re-issued shares included all the shares of N. Pass necessary Journal Entries.	
	Part B: Analysis of Financial Statements	
27	Under which sub-head the Provision for Tax will be recorded in a Company's Balance Sheet: (a) Reserves and Surplus (b) Long term Provisions (c) Short-term Provision. (d) Other current Liabilities	1
28	In the Company's Balance sheet Accumulated Dividend Arrear's on Preference shares is shown: (a) Contingent Liability. (b) Current Liabilities. (c) Commitments. (d) Short-term Provision OR Revenue from operations are ₹ 4,80,000; Gross Profit is 20% on cost of revenue from operations Gross Profits is: (a) ₹ 1,20,000 (b) ₹ 96,000 (c) ₹ 80,000 (d) ₹ 4,00,000	1
29	Dividend is paid on: (a) Authorised capital (b) Issued capital. (c) Subscribed capital that is paid. (d) None of these	1
30	In which activity Payment of Income Tax' is classified while preparing Cash Flow Statement? (a) Operating Activity (b) Investing Activity (c) Financing Activity. (d) None of these OR Sale of Marketable Securities' at par would result in (a) In flow of cash. (b) no flow of cash. (c) outflow of cash. (d) None of above	1
31	List the items which are shown under the heading "Current Assets" in the Balance Sheet of a Company as per provisions of Schedule III of the Companies Act, 2013.	3
32	(i) Calculate the Quick Ratio with the help of following informations: Working Capital ₹ 1,80,000 Total Debt ₹ 3,90,000 Long term Debt. ₹ 3,00,000 Inventories. ₹ 75,000 Expenses Paid in advance ₹ 15,000. (ii) A company earns a gross profit @ 20% on cost. Credit Revenue from operations are twice from cash Revenue from operations. If credit Revenue from operations is ₹ 4,00,000, then find the Gross Profit Ratio of the Company.	3
33	From the following particulars obtained from the books of Mark Ltd., prepare a Comparative Statement of Profit and Loss:	4

Particulars	Note No.	2022-23	2023-24
Revenue from Operations		50,00,000	40,00,000
Purchase of stock-in-trade		40,00,000	30,00,000
Changes in Inventory		10,00,0000	8,00,000
Other Expenses		5,00,000	4,00,000
Other Incomes		2,50,000	2,00,000

OR

Prepare Common Size Statement of Profit & Loss from the following and interpret the same.

	31.3.2018(₹)	31.3.2017(₹)
Revenue from operation	25,00,000	20,00,000
Other income	1,00,000	1,00,000
Cost of material consumed	17,00,000	14,00,000
Finance cost	2,00,000	1,60,000
Other expenses	1,00,000	1,40,000

34 Prepare a cash flow statement form the following Balance Sheet of Cent Ltd:

Balance Sheet

Particulars	**Note No**	**31.03.2022**	**31.03.2021**
I. EQUITY AND LIABILITIES:			
1. Shareholders' Fund:			
(a) Equity Share Capital		4,20,000	2,80,000
(b) Reserve and surplus		1,40,000	70,000
Non-Current Liabilities:			
Long term Borrowing (Bank Loan)		70,000	1,40,000
Current Liabilities:			
(a) Trade Payables		31,500	42,000
(b) Short term Provisions		91,000	84,000
TOTAL		**7,52,500**	**6,16,000**
II. ASSETS:			
1. Non-current Assets:			
(a) Fixed Assets			
(i) Tangible Asstes: Building		4,20,000	4,20,000
(ii) Intangible Asstes: Patents		31,500	35,000
(b) Non-current Investment		52,500	---
2. Current Assets:			
Inventories		10,500	7,000
Trade Receivables		1,78,500	1,40,000
Cash and Cash Equivalents		59,500	14,000
TOTAL		**752500**	**616000**

Notes to Account:

Note No.	**Particulars**	**31.03.2022**	**31.03.2021**
1	Short term Provision		
	Provision for tax	49,000	28,000
	Proposed Dividend	42,000	56,000
		91,000	84,000

	Additional information: During the year a building having book value of ₹ 1,40,000 was sold at a loss of ₹ 5,600 and depreciation charged during the year was ₹ 11,200.	