CLASS: XII 2025-26

No. of printed pages: 7

PRE-MID-TERM EXAMINATION
SUBJECT: ACCOUNTANCY (055)
SET- B2

Time Allowed: 2 Hours | Max. Marks: 50

General Instructions:

(i) This question paper contains **21** questions. All questions are compulsory.

(ii) **Write the Serial Number of the question before attempting it**.

(iii) All parts of a question should be attempted at one place.

Q.No.	Questions	Marks
1	The net assets of the firm including fictitious assets of ₹5,000 are ₹85,000.The net liabilities of the firm are ₹30,000.The normal rate of return is 10% and the average profits of the firm are ₹8,000.Calculate the goodwill as per capitalization of super profits. (a) ₹20,000 (b) ₹ 30,000 (c) ₹ 25,000 (d) ₹ 35,000	1
2	The following items are added to previous year's profits for finding normal profits for valuation of goodwill: (i) Loss on sale of fixed assets (ii) Loss due to fire, earthquake etc. (iii) Undervaluation of opening stock (iv) Undervaluation of closing stock (v) Remuneration of partners Choose the correct option: (a) (i), (ii) and (iv) (b) (i), (ii), (iii) and (iv) (c) (iii), (iv) and (v) (d) (i), (ii), (iii) and (v)	1
3	In the absence of an agreement, partners are entitled to: i) Profit share in capital ratio. ii) Commission for making additional sale. iii) Interest on Loan & Advances by them to the firm. iv) Salary for working extra hours. v) Interest on Capital. Choose the correct option:	1

	a) Only i), iv) and v). b) Only ii) and iii). c) Only iii). d) Only i) and iii).	
4	Shyam, Gopal & Arjun are partners carrying on garment business. Shyam withdrew ₹ 10,000 in the beginning of each quarter. Gopal, withdrew garments amounting to ₹ 15,000 to distribute it to flood victims, and Arjun withdrew ₹ 20,000 from his capital account. The partnership deed provides for interest on drawings @ 10% p.a. The interest on drawing charged from Shyam, Gopal & Arjun at the end of the year will be: a) Shyam- ₹ 4,800; Gopal- ₹ 1,000; Arjun- ₹ 2,000. b) Shyam- ₹ 4,800; Gopal- ₹ 1,000; Arjun- ₹ 2,000. c) Shyam- ₹ 2,500; Gopal- ₹ 750; Arjun- Nil. d) Shyam- ₹ 4,800; Gopal- Nil; Arjun- Nil.	1
5	Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): Assertion (A): An accrued income like Accrued commission etc., not recorded is shown in the credit side of Revaluation account on admission of a partner. Reason (R): It being an income that relates to the period before admission of a partner. Thus, it is credited to Revaluation account and net gain/profit or loss of Revaluation account is transferred to old partners' capital accounts. In the context of the above two statements, which of the following is correct? Codes: (A) Both (A) and (R) are correct and (R) is the correct reason of (A). (B) Both (A) and (R) are correct but (R) is not the correct reason of (A). (C) (A) is correct but (R) is incorrect. (D) Both (A) and (R) are incorrect.	1
6	A& B are partners sharing profits and losses in the ratio of 3:2. C is admitted for ¼ and for which ₹30,000 and ₹10,000 are credited as a premium for goodwill to A and B respectively. The new profit sharing ratio of A:B:C will be: a) 3:2:1 b) 12:8:5 c) 9:6:5 d) 33:27:20	1
7	A, B and C were partners in a firm sharing profits in the ratio of 6 : 5 : 4. Their capitals were A – Rs. 1,00,000; B – Rs. 80,000 and C – Rs. 60,000 respectively. On 1st April, 2009, A retired from the firm and on A's retirement, the goodwill of the firm was valued at Rs. 1,80,000. The following journal entry was passed for the treatment of goodwill on A's retirement: Journal	1

Particulars	L.F.	Dr. (₹)	Cr. (₹)
C's Capital A/c Dr To A's Capital A/c To B's Capital A/c (A's share of Goodwill on his retirement, adjusted.)		96000	 72000 24000

The new profit sharing ratio between B and C was decided as:

a) 3:1
b) 1:3
c) 1:4
d) 5:4

8 Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R): 1

Assertion: Rent provided to partner is debited in Profit and Loss A/c and not transferred to Profit and Loss Appropriation account.

Reason: Rent provided to partner is charge against profits and not an appropriation of profit. Hence it is transferred to debit of Profit and Loss account.

In the context of the above two statements, which of the following is correct?

Codes:

a) Both A and R are correct, and R is the correct explanation of A.
b) Both A and R are correct, but R is not the correct explanation of A.
c) A is correct but R is incorrect.
d) Both A and R are incorrect.

9 A, B and C were partners in a firm sharing profits and losses in the ratio of 2:2:1 respectively with the capital of ₹ 50,000 each for A and B, C ₹ 25,000. B declared to retire from the firm and balance in reserve on that date was ₹ 15,000. If goodwill of the firm was valued at ₹ 30,000 and profit on revaluation was ₹ 7,050 then what amount will be transferred to the loan account of B. 1

(a) ₹ 50,820
(b) ₹ 70,820
(c) ₹ 25,820
(d) ₹ 58,820

10 A and B are partners sharing profit and losses in ratio of 5:3. C is admitted for $1/4^{th}$ share. On the date of reconstitution, the debtors stood at ₹ 40,000, bill receivable stood at ₹10,000 and the provision for doubtful debts appeared at ₹4000. A bill receivable, of ₹ 10,000 which was discounted from the bank, earlier has been reported to be dishonored. The firm has sold, the debtor so arising to a debt collection agency at a loss of 40%. If bad debts now have arisen for ₹ 6,000 and firm decides to maintain provisions at same rate as before then amount of Provision to be debited to Revaluation Account would be: 1

	a) ₹ 4,400 b) ₹ 4,000 c) ₹ 3,400 d) ₹ 3,000	
11	A, B and C are partners sharing profits in the ratio of 3 : 1 : 1. It was provided in the deed that C's share of profit will not be less than ₹ 15,000 per annum and interest on A's loan to be paid ₹ 5,000. The loss of the firm for the year ended 31st March 2019 were ₹ 1,30,000 before payment of interest on A's loan. The net effect of the above will be: (a) Loss of ₹ 1,30,000 will be divided among A, B and C in 3 : 1 : 1. (b) Loss of ₹ 1,45,000 will be divided among A, B and C in 3 : 1 : 1 (c) Profit of ₹ 1,15,000 will be divided among A and B in 3 : 1 (d) Loss of ₹ 1,50,000 will be divided among A and B in 3 : 1	1
12	Divya purchased Jyoti's business with effect from 1st April, 2019. Profit shown by Jyoti's business for the last three financial years were : 2016-17 : ₹1,00,000 (including an abnormal gain of ₹12,500). 2017-18 : ₹1,25,000 (after charging an abnormal loss of ₹25,000). 2018-19 : ₹1,12,500 (excluding ₹12,500 as insurance premium on firm's property - now to be insured). The value of firm's goodwill on the basis of two years purchase of the average profit of the last three years is: a) ₹ 2,40,000 b) ₹2,25,000 c) ₹3,25,000 d) ₹3,50,000	1
13	A and B are partners sharing profits and losses in the ratio of 3 : 1. On 1st April, 2024 they admitted C as a new partner for $\frac{1}{4}th$ share in the profits of the firm. C brings ₹ 2,00,000 as capital for his $\frac{1}{4}th$ share in the profits of the firm. The capitals of A and B after all adjustments in respect of goodwill, revaluation of assets and liabilities, etc. has been worked out at ₹5,00,000 for A and ₹1,20,000 for B. It is agreed that partner's capitals will be according to new profit sharing ratio. Calculate the new capitals of A and B and pass the necessary journal entry/ entries for making their capitals in proportion to their profit sharing ratio assuming that A and B brought in or withdrew the necessary cash.	3
14	Alex and Ben were partners in a firm sharing profits and losses in the ratio of 3:1. Charlie was admitted as a new partner for 1/6th share in the profits. Charlie acquired 2/5th of his share from Alex. On the date of the admission, Goodwill	3

	existing in books was debited to the capital accounts of Alex and Ben as ₹30,000 and ₹10,000 respectively. How much share did Charlie acquire from Alex and Ben?	
15	Sun, Moon and Star entered into partnership on 1st July, 2024 to share profits and losses in the ratio of 3:2:1. Sun guaranteed that Star's share of profit after charging interest on capital @ 6% p.a would not be less than ₹ 36,000 p.a. Their fixed capital balances are: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. Profit for the year ended 31st March, 2025 was ₹1,38,000. Prepare Profit and Loss Appropriation A/c for the year ended 31st March, 2025.	3
16	Tom and Jerry are equal partners. Their capitals as on April 01, 2022 were ₹50,000 and ₹1,00,000 respectively. After the accounts for the financial year ending March 31, 2023 have been prepared, it is observed that interest on capital @ 6% per annum and salary to Tom @ ₹5,000 per annum, as provided in the partnership deed have not been credited to the partners' capital accounts before distribution of profits. You are required to pass a single journal entry in the beginning of the next year to rectify the above omissions.	3
17	Tia, Riya, Kiya and Sia were partners in a firm sharing profits in the ratio of 5:3:2:2. Kiya retired on 31st March, 2024. Tia, Riya and Sia decided to share future profits equally. On Kiya's retirement goodwill of the firm was valued at ₹9,00,000. Show your working clearly and pass the necessary journal entry for treatment of goodwill on Kiya's retirement. It was decided not to show goodwill in the books of the firm.	4
18	Bunny and Sunny are partners in a firm sharing profits and losses in the ratio of 3:2. They admit Honey as a partner for 1/4th share in the profits of the firm. Honey 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 profits of the firm during the last four years are given below: Year Profit (₹) 2021-22 3,50,000 2022-23 4,75,000 2023-24 6,70,000 2024-25 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. (ii) The closing stock for the year ended 31.3.2025 was overvalued by ₹15,000. Calculate the value of goodwill on Honey's admission.	4

19	A, B and C were partners in a firm sharing profits and losses in the ratio of 3:3:4. On 1st April, 2022 the balances in their capital and current accounts were as follows:	6

Capital Accounts (₹) Current Accounts (₹)

A 4,00,000 Cr 20,000 Dr

B 5,00,000 Cr 10,000 Dr

C 6,00,000 Cr 15,000 Dr

Their partnership deed provided for the following:

(i) Interest on capital @9% p.a.

(ii) Salary to A ₹ 50,000 per quarter.

On 1st Jan, 2021, C gave a loan of ₹2,00,000 to the firm at 6% interest per annum.

During the year their drawings were:

A ₹40,000, B ₹75,000 and C ₹55,000.

On 1st January, 2023 A introduced further capital ₹ 2,00,000. The net profit of the firm before allowing interest on C's loan was ₹ 4,00,000.

Prepare Profit and loss Appropriation Account & Current Accounts of the firm for the year ending 31st March, 2023.

20	On 31st March, 2025, the Balance Sheet of Arman and Raj, who were sharing profits in the ratio of 3:1 was as follows:	6

Liabilities		Amt₹	Assets		Amt₹
Creditors		2,800	Cash at Bank		2,000
Employees Provident Fund		1,200	Debtors	6,500	
General Reserve		2,000	Less: Reserve for Bad Debts	500	6,000
Capitals:			Stock		3,000
Arman	6,000		Investments		5,000
Raj	4,000	10,000			
		16,000			16,000

They decided to admit, Sam on 1st April, 2025 for 1/5th share on the following terms:

(i) Sam shall bring ₹ 6,000 as his share of premium.

(ii) That unaccounted accrued income of ₹ 100 be provided for.

(iii) The market value of investments was ₹ 4,500.

(iv) A debtor whose dues of ₹ 500 were written off as bad debts paid ₹400 in full settlement.

(v) Sam to bring in capital to the extent of 1/5th of the total capital of the new firm.

Prepare Revaluation A/c and Partners' Capital Accounts at the time of admission.

21	X, Y and Z were partners in a firm sharing profits in the ratio of 3:1:1. On 1st April, 2024 their Balance sheet was as follows:	6

Balance Sheet
as on 31st March, 2024

Particulars	₹	Particulars	₹
Capital A/cs:		Land	4,00,000
X 3,00,000		Building	3,00,000
Y 2,80,000		Furniture	1,20,000
Z 3,00,000	8,80,000	Stock	2,20,000
Creditors	1,20,000	Debtors 2,00,000	
General Reserve	1,20,000	Less: Provision for	
Bills Payable	1,80,000	Bad Debts 10,000	1,90,000
		Cash	70,000
	13,00,000		13,00,000

On the above date Z retired and the following was agreed:
(i) Goodwill of the firm was valued at ₹ 40,000 .
(ii) Land was to be appreciated by 30% and building was to be depreciated by ₹1,00,000.
(iii) Value of furniture was to be reduced by ₹ 20,000.
(iv) Provision for Bad debts is to be increased to ₹ 15,000.
(v) 10% of the amount payable to Z was paid in cash and the balance was transferred to her loan account.
Prepare Revaluation Account and Partners' Capital Accounts at the time of retirement.