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INDIAN SCHOOL SALALAH
FIRST TERM EXAMINATION – SEPTEMBER 2025



Class: XII

ACCOUNTANCY (055)

Date: 28.09.2025

Time: 3 Hrs

Maximum Marks: 80

GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions in 9 pages.
2. All questions are compulsory.
3. Question 1 to 20 carries 1 mark each.
4. Questions 21 to 26 carries 3 marks each.
5. Questions from 27 to 29 carries 4 marks each
6. Questions from 30 to 34 carries 6 marks each

1	Navya and Radhey were partners sharing profits and losses in the ratio of 3: 1. Shreya was admitted for 1/5th share in the profits. Shreya was unable to bring her share of goodwill premium in cash. The journal entry recorded for goodwill premium is given below: <table><tr><th>Date</th><th>Particulars</th><th>L/F</th><th>Debit Amount</th><th>Credit Amount</th></tr><tr><td></td><td>Shreya's Current A/c. Dr.</td><td></td><td>24,000</td><td></td></tr><tr><td></td><td>To Navya's Capital A/c.</td><td></td><td></td><td>8,000</td></tr><tr><td></td><td>To Radhey's Capital A/c</td><td></td><td></td><td>16,000</td></tr><tr><td></td><td>(Being entry for goodwill treatment passed)</td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table> The new profit-sharing ratio of Navya, Radhey and Shreya will be: a) 41: 7: 12 b) 13:12: 10 c) 3:1: 1 d) 5:3: 2	Date	Particulars	L/F	Debit Amount	Credit Amount		Shreya's Current A/c. Dr.		24,000			To Navya's Capital A/c.			8,000		To Radhey's Capital A/c			16,000		(Being entry for goodwill treatment passed)									1
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2	Assertion (A) :- Commission provided to partner is shown in Profit and Loss A/c. Reason (R) :- Commission provided to partner is charge against profits and is to be provided at fixed rate.	1																														

	a) (A) is correct but (R) is wrong b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A) c) Both (A) and (R) are incorrect d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)	
3	A share of ₹ 10 each, issued at ₹ 4 premium out of which ₹ 7 (including ₹ 1 premium) was called up and paid up. The uncalled Capital will be _____. a) ₹ 7 per share b) ₹ 4 per share c) ₹ 8 per share d) ₹ 3 per share	1
4	While issuing _____ type of Debentures, company doesn't give any undertaking for the repayment of money borrowed by issuing such debentures. a) Zero Coupon Rate Debentures b) Non-Convertible Debentures c) Secured Debentures d) Non-Redeemable Debentures	1
5	Sohan and Mohan are partners sharing profits and losses in the ratio of 2:3 with the capitals of ₹ 5,00,000 and ₹ 6,00,000 respectively. On 1st January 2025, Sohan and Mohan granted loans of ₹ 20,000 and ₹ 10,000 respectively to the firm. Determine the amount of loss to be borne by each partner for the year ended 31st March 2025, if the loss before interest for the year amounted to ₹ 2,500. a) Share of Loss Sohan – ₹ 1,250 Mohan – ₹ 1,250 b) Share of Loss Sohan – ₹ 1,000 Mohan – ₹ 1,500 c) Share of Loss Sohan – ₹ 820 Mohan – ₹ 1,230 d) Share of Loss Sohan – ₹ 1,180 Mohan – ₹ 1,770	1
6	Vihaan and Mann are partners sharing profits and losses in the ratio of 3:2. The firm maintains fluctuating capital accounts and the balance of the same as on 31st March 2025 is ₹ 4,00,000 and ₹ 4,65,000 for Vihaan and Mann respectively. Drawings during the year were ₹ 65,000 each. As per the partnership Deed, Interest on capital @ 10% p.a. on Opening Capital has been allowed to them. Calculate the opening capital of Vihaan given that the divisible profits during the year 2024-25 was ₹ 2,25,000. a) ₹ 3,30,000 b) ₹ 4,40,000 c) ₹ 4,00,000 d) ₹ 3,00,000	1
7	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	1

	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%	
8	Attire Ltd, issued a prospectus inviting applications for 12,000 shares of ₹10 each payable ₹3 on application, ₹5 on allotment and balance on call. Public had applied for certain number of shares and application money was received. Which of the following application money, if received restricts the company to proceed with the allotment of shares, as per SEBI guidelines? a) ₹ 36,000 b) ₹ 45,000 c) ₹ 30,000 d) ₹ 32,400	1
9	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? a) ₹ 28,000 b) ₹ 21,000 c) ₹ 9,000 d) ₹ 16,000	1
10	As per Companies Act 2013, Securities Premium Balance can be utilized for which of the following purpose? a) Issuing bonus to existing shareholders to convert partly paid up into fully paid-up bonus shares. b) Providing for Premium payable on Redemption of Debentures. c) Writing off all Capitalized Expenditures d) Buy Back of Debentures	1
11	Ganga and Jamuna are partners sharing profits in the ratio of 2:1. They admit Saraswati for 1/5th share in future profits. On the date of admission, Ganga's capital was ₹ 1,02,000 and Jamuna's capital was ₹ 73,000. Saraswati brings ₹ 25,000 as her share of goodwill and she agrees to contribute proportionate capital of the new firm. How much capital will be brought by Saraswati? a) ₹ 43,750 b) ₹ 37,500	1

	c) Both (A) and (R) are incorrect. d) Both (A) and (R) are correct, and (R) is the correct explanation of (A)	
15	John and Sourabh were partners sharing Profit & Loss equally. Their manager Arya met with an accident in the office itself and his claim for compensation amounted to ₹. 50,000. The firm had a Workmen Compensation Reserve of ₹. 80,000. Which of the following statement holds true at the time of admission of a new partner Sariga? A. ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be distributed amongst old partners in their old ratio. B. ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be distributed amongst all the partners in new ratio. C. ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be credited to Revaluation Account. D. ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be carried forward in the books of the firm without any treatment.	1
	From the given hypothetical situation, answer Q 16 – 18. Floater Ltd. issued 60,000; 8% debentures of ₹ 100 each at 5% Discount and to be redeemed at 10% premium at the end of 5 years. On the date of issue, balance in Securities Premium was ₹ 8,00,000 and Statement of Profit Loss (Dr.) was ₹ 5,00,000.	1
16	Loss on Issue of Debentures is to be written off as _____ out of Securities Premium and _____ out of Statement of Profit and Loss. A. ₹ 4,50,000 ; ₹ 4,50,000 B. ₹ 6,00,000 ; ₹ 3,00,000 C. ₹ 8,00,000 ; ₹ 1,00,000 D. ₹ 4,00,000 ; ₹ 5,00,000	1
17	After writing off Loss on Issue of Debentures, _____ balance in Statement of Profit and Loss will be _____ A. Debit ; ₹ 6,00,000 B. Credit ; ₹ 6,00,000 C. Debit ; ₹ 4,00,000 D. Credit ; ₹ 4,00,000	1
18	Premium on Redemption of Debentures account will have a balance of _____ to be treated as _____ in the first year. A. ₹ 9,00,000 ; Non-Current Liabilities B. ₹ 9,00,000 ; Current Liabilities C. ₹ 6,00,000 ; Non-Current Liabilities D. ₹ 6,00,000 ; Current Liabilities	1

19	Building was appearing in the books at ₹ 20,00,000 which was overvalued by 25%. What amount will be shown in the Balance Sheet of a reconstituted firm for building at the time of retirement? A. ₹ 25,00,000 B. ₹ 16,00,000 C. ₹ 24,00,000 D. ₹ 15,00,000	1
20	Jai and Veeru were in a partnership sharing Profit & Loss in the ratio 5:3. Their Capitals were ₹ 10,00,000 and ₹ 8,00,000 respectively. The firm was also having reserves of ₹ 7,00,000. Normal rate of return was 10%. Firm made average profits of ₹ 2,30,000 for the year ended March 31, 2025 (after adjustment of loss of machinery of book value of ₹ 2,00,000 by fire against which insurance claim of ₹ 1,50,000 was admitted). Value of goodwill as per Capitalisation of super profits will be: A. ₹ 10,00,000 B. ₹ 3,00,000 C. ₹ 18,00,000 D. Nil.	1
21	Raju, Rinku and Munni were partners sharing Profits & Losses in the ratio 3:1:1. They admitted Chunni into partnership for 1/5 share. It was decided that Munni will have 1/4 share in future profits. Goodwill of the firm was valued at ₹ 3,20,000 and Chunni was unable to bring anything. Calculate New Ratio, Sacrificing Ratio and journalise for goodwill at the time of admission of Chunni.	3
22	Random Ltd. took over running business of Mature Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 6,40,000 for a purchase consideration of ₹ 36,00,000. The amount was settled by bank draft of ₹ 1,50,000 and balance by issuing 12% preference shares of ₹ 100 each at 15% premium. Pass entries in the books of Random Ltd.	3
23	Doremon, Shinchon and Nobita are partners sharing profits and losses in the ratio of 3:2:1. With effect from 1st April, 2022 they agree to share profits equally. For this purpose, goodwill is to be valued at two year's purchase of the average profit of last four years which were as follows: Year ending on 31st March, 2019 ₹ 50,000 (Profit) Year ending on 31st March, 2020 ₹ 1,20,000 (Profit) Year ending on 31st March, 2021 ₹ 1,80,000 (Profit) Year ending on 31st March, 2022 ₹ 70,000 (Loss) On 1st April, 2021 a Motor Bike costing ₹ 50,000 was purchased and debited to travelling expenses account, on which depreciation is to be charged @ 20% p.a by Straight Line Method. The firm also paid an annual insurance premium of ₹ 20,000 which had already been charged to Profit and Loss Account for all the years. Journalise the transaction along with the working notes.	3

24	Classify the following items under Major heads and Sub-head (if any) in the Balance Sheet of a Company as per schedule III of the Companies Act 2013. (i) Current maturities of long term debts (ii) Furniture and Fixtures (iii) Provision for Warranties (iv) Income received in advance (v) Capital Advances (vi) Advances recoverable in cash within the operation cycle	3
25	X Ltd. obtained a loan of ₹4,00,000 from IDBI Bank. The company issued 5,000 9%. Debentures of ₹100 each as a collateral security for the same. Show how these items will be presented in the Balance Sheet of the company.	3
26	Yashasvi, Nitish and Harshit were partners sharing Profit & Loss in the ratio 5:3:2. Yashasvi retires and Nitish and Harshit decided to share future Profit & Loss in the ratio 3:2. On the date of reconstitution Goodwill was appearing in the books at ₹ 4,00,000. Goodwill of the firm was valued at ₹ 7,20,000. Determine gain or sacrifice for each partner and pass necessary entries.	3
27	Altaur Ltd. was registered with an authorised Capital of ₹ 4,00,00,000 divided in 25,00,000 Equity Shares of ₹ 10 each and 1,50,000, 9% Preference Shares of ₹ 100 each. The company issued 8,00,000 Equity Shares for public subscription at 20% premium, payable ₹ 3 on application; ₹ 7 on allotment (including premium) and balance on call. Public had applied for 10,00,000 shares. Excess Applications were sent letters of regret. All the dues on allotment received except on 15,000 shares held by Sanju. Another shareholder Rocky paid his call dues along with allotment on his holding of 25,000 shares. You are required to prepare the Balance Sheet of the company as per Schedule III of Companies Act, 2013, showing Share Capital balance and also prepare Notes to Accounts.	4
28	Pass the necessary journal entries for 'Issue of Debenture' for the following: (a) Arman Ltd. issued 750, 12% Debentures of ₹100 each at a discount of 10% redeemable at a premium of 5%. (b) Sohan Ltd. issued 800, 9% Debentures of ₹100 each at a premium of 20 per debenture redeemable at a premium of ₹10 per Debenture.	4
29	Amit, Sumit and Pulkit were partners sharing Profit & Loss in the ratio 5:3:2. Their Capitals were ₹ 8,00,000; ₹ 7,00,000 and ₹ 5,00,000 respectively. According to Partnership Deed:- (a) Interest on Capital were to be provided @ 10% p.a. (b) Salary to Amit ₹ 10,000 p.m and Pulkit ₹ 15,000 per quarter. (c) Commission to Sumit ₹ 70,000. (d) Sumit was being guaranteed that his share of profits will not be less than ₹ 65,000. Deficiency if any will be borne by Amit and Pulkit equally. Ignoring the above terms the profits of ₹ 6,00,000, for the year ended March 31, 2025 were divided equally between partners. You are required to pass necessary adjustment entry. Show your workings clearly.	4
30	Pass entries for forfeiture and re-issue in both the following cases.	6

	(a) Vikram Ltd. forfeited 5,000 shares of Rahul, who had applied for 6,000 shares for non-payment of allotment money of ₹ 5 per share and first and final call of ₹ 2 per share. Only application money of ₹ 3 was paid by him. Out of these 3,000 shares were re-issued @ ₹ 12 per share as fully paid. (b) Ratan Ltd. forfeited 3,000 shares of ₹ 10 each (issued at ₹ 2 premium) for non-payment of first call of ₹ 2 per share. Final call of ₹ 3 per share was not yet made. Out of these 2,000 shares were re-issued at ₹ 10 per share as fully paid.																																	
31	Health 2 Wealth Ltd. had share capital of ₹ 80,00,000 divided in shares of ₹ 100 each and 20,000, 8% Debentures of ₹ 100 each as part of capital employed. The company need additional funds of ₹ 55,00,000 for which they decided to issue debentures in such a way that they got required funds after issuing debentures of the same class as earlier, at 10% premium. These debentures were to be redeemed at 20% premium after 4 years. These debentures were issued on 01 October, 2021. You are required to (a) Pass entries for issue of Debentures. (b) Prepare Loss on Issue of Debentures Account assuming there was existing balance of Securities Premium Account of ₹ 2,80,000. (c) Pass entries for Interest on debentures on March 31, 2022 assuming interest is payable on 30 September and 31 March every year.	6																																
32	X and Y were partners in the profit-sharing ratio of 3: 2. Their balance sheet as at March 31, 2022 was as follows: Balance Sheet as at March 31, 2022 <table><tr><th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr><tr><td>Creditors</td><td>56,000</td><td>Plant and Machinery</td><td>70,000</td></tr><tr><td>General Reserve</td><td>14,000</td><td>Buildings</td><td>98,000</td></tr><tr><td>Capital A/cs:</td><td></td><td>Stock</td><td>21,000</td></tr><tr><td>X 1,19,000</td><td></td><td>Debtors 42,000</td><td></td></tr><tr><td>Y 1,12,000</td><td>2,31,000</td><td>Less:Provision <u>7,000</u></td><td>35,000</td></tr><tr><td></td><td></td><td>Cash in hand</td><td>77,000</td></tr><tr><td></td><td>3,01,000</td><td></td><td>3,01,000</td></tr></table> Z was admitted for 1/6 th share on the following terms: (i) Z will bring ₹ 56,000 as his share of capital, but was not able to bring any amount to compensate the sacrificing partners. (ii) Goodwill of the firm is valued at ₹. 84,000. (iii) Plant and Machinery were found to be undervalued by ₹ 14,000 Building was to brought up to ₹ 1,09,000.	Liabilities	Amount	Assets	Amount	Creditors	56,000	Plant and Machinery	70,000	General Reserve	14,000	Buildings	98,000	Capital A/cs:		Stock	21,000	X 1,19,000		Debtors 42,000		Y 1,12,000	2,31,000	Less:Provision <u>7,000</u>	35,000			Cash in hand	77,000		3,01,000		3,01,000	6
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	3,01,000		3,01,000																															

	(iv) All debtors are good. (v) Capitals of X and Y will be adjusted on the basis of Z's share and adjustments will be done by opening necessary current accounts. You are required to prepare revaluation account and partners' capital account.										
33	The Directors of Rockstar Ltd. invited applications for 2,00,000 Shares of ₹ 10 each, issued at 20% premium. Share was payable as ₹ 5 on application, ₹ 4 (including premium) on allotment and balance on call. Public had applied for 3,20,000 shares out of which applications for 20,000 shares were rejected and remaining were allotted on pro-rata basis. Simba, an applicant of 15,000 shares failed to pay allotment and call money. His shares were forfeited and out of these 6,000 shares were reissued at a discount of ₹2 per share. Journalise.	6									
34	Varun and Vivek were partners in a firm sharing profits in the ratio of 3:2. The balance in their capital and current accounts as on 1 st April, 2022 were as under: <table> <tr> <th>Particulars</th><th>Varun(₹)</th><th>Vivek(₹)</th></tr> <tr> <td>Capital Accounts</td><td>3,00,000 (Cr)</td><td>2,00,000 (Cr)</td></tr> <tr> <td>Current Accounts</td><td>1,00,000 (Cr)</td><td>28,000 (Dr)</td></tr> </table> The partnership deed provided that Varun was to be paid a salary of ₹ 5,000 p.m. whereas Vivek was to get a commission of ₹ 30,000 for the year. Interest on capital was to be allowed @ 8% p.a. whereas interest on drawings was to be charged @ 6% p.a. The drawings of Varun were ₹ 3,000 at the beginning of each quarter while Vivek withdrew ₹ 30,000 on 1st September, 2022. The net profit of the firm for the year, 2022-23, before making the above adjustments was ₹ 1,20,000. Prepare Profit and Loss Appropriation Account and Partners' Capital and Current Accounts.	Particulars	Varun(₹)	Vivek(₹)	Capital Accounts	3,00,000 (Cr)	2,00,000 (Cr)	Current Accounts	1,00,000 (Cr)	28,000 (Dr)	6
Particulars	Varun(₹)	Vivek(₹)									
Capital Accounts	3,00,000 (Cr)	2,00,000 (Cr)									
Current Accounts	1,00,000 (Cr)	28,000 (Dr)									