

SPARC
CLASS 12TH
ACCOUNTANCY

EXAM ID 2733

PAPER - 2

DURATION 3 HOURS

MM. 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 is compulsory for all candidates.
4. Part – B is Analysis of Financial Statements.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Question 17 to 20, 31 and 32 carries 3 mark each.
7. Questions from 21, 22 and 33 carries 4 mark each.
8. Question from 23 to 26 and 34 carries 6 marks each.
9. There is no overall choice. However, an internal choice has been provided in 7 questions of one mark, 2 questions of three marks, 1 question of four marks and 2 questions of six marks.

PART – A

(Accounting for Partnership Firms and Companies)

1. A, B and C sharing profits in the ratio of 2 : 2 : 1 have fixed capitals of ₹ 3,00,000, ₹ 2,00,000 and ₹ 1,00,000 respectively. After closing the accounts for the year ending 31st March, 2023 it was discovered that interest on capitals was provided @ 12% instead of 10% p.a. In the adjusting entry: (1)
- a. Cr. A ₹ 800; Cr. B ₹ 400 and Dr. C ₹ 1,200
 - b. Dr. A ₹ 800; Dr. B ₹ 400 and Cr. C ₹ 1,200
 - c. Dr. A ₹ 1,200; Cr. B ₹ 800 and Cr. C ₹ 400
 - d. Cr. A ₹ 1,200; Dr. B ₹ 800 and Dr. C ₹ 400

OR

In the absence of the Partnership Deed, Interest on Capital

- a. is not allowed.
 - b. is allowed at the borrowing rate.
 - c. is allowed @ 6% per annum.
 - d. is allowed @ 10% per annum.
2. **Assertion (A):** Partnership is a business entity which is not separate from its partners in any circumstances. (1)
Reason (R): Partners are mutual agents of each other so far as the business of the firm is concerned.
a. Both A and R are true and R is the correct explanation of A.
b. Both A and R are true but R is not the correct explanation of A.
c. A is true but R is false.
d. A is false but R is true.

3. ATH 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? (1)
- a. ₹ 36,000
 - b. ₹ 45,000
 - c. ₹ 32,400
 - d. ₹ 30,000

OR

Girish Ltd. Purchased a running business from Bata Ltd. for a sum of ₹ 22,00,000 by issuing 20,000 fully paid Equity Shares of ₹ 100 each at a premium of 10%. Total Assets were ₹ 26,00,000 and Bills payable ₹ 2,50,000. Amount of Goodwill/Capital Reserve will be:

- a. 4,00,000 Capital Reserve
 - b. 1,50,000 Goodwill
 - c. 4,00,000 Goodwill
 - d. 1,50,000 Capital Reserve
4. A share of ₹ 10 each, issued at ₹ 4 premium out of which ₹ 7 (including ₹ 1 premium) was called-up and paidup. The uncalled Capital will be _____. (1)
- a. ₹ 4 per share
 - b. ₹ 3 per share
 - c. ₹ 7 per share
 - d. ₹ 8 per share

OR

MP Ltd. issued 5,000, 8% Debentures of ₹ 100 each at ₹ 95. It will credit 8% Debentures Account by

- a. ₹ 5,00,000 or ₹ 4,75,000 as it decides
- b. ₹ 5,25,000
- c. ₹ 5,00,000
- d. ₹ 4,75,000

5. A and B are partners sharing profits in the ratio of 3 : 2. They decided to admit C as a new partner on 1st Apr. 2021 and profit sharing ratio becomes 3 : 1 : 1. C brought 1,20,000 as his capital. On 31 Mar. 2021 their capitals were A 1,50,000 and B 1,00,000. On the date of C's admission balance sheet shows Profit and Loss (Cr) balance 30,000. (1)
C's share of goodwill will be:
a. 40,000 b. 1,20,000 c. 80,000 d. 2,00,000

6. Match the followings: (1)

(a) A's capital = 2,00,000; B's capital 3,00,000; Goodwill 50,000 (given in Balance sheet). Capital employed will be:	(i) 5,00,000
(b) Total assets = 10,00,000; Total assets includes miscellaneous expenditure 1,00,000; Outside liabilities = 4,00,000. Capital employed will be:	(ii) 5,50,000
(c) Normal profit = 48,000; Normal rate of return = 8% p.a. Capital employed will be:	(iii) 4,50,000
(d) A's capital = 2,50,000; B's capital 3,00,000; Trade investment = 50,000. Capital employed will be:	(iv) 6,00,000

- a. (a) - (iii), (b) - (i), (c) - (iv), (d) - (ii) b. (a) - (iv), (b) - (i), (c) - (iii), (d) - (ii)
c. (a) - (ii), (b) - (iii), (c) - (iv), (d) - (i) d. (a) - (iii), (b) - (ii), (c) - (iv), (d) - (i)

7. How would you close the partner's drawings account? (1)

- a. By transfer to capital or current account credit side b. By transfer to current account credit side
c. By transfer to capital or current account debit side d. By transfer to capital account credit side

8. P, Q and R are sharing profits and losses equally. R retires and the goodwill is appearing in the books at ₹ 30,000. Goodwill of the firm is valued at ₹ 1,50,000. Calculate the net amount to be credited to R's Capital A/c. (1)

- a. ₹ 40,000 b. ₹ 10,000 c. ₹ 50,000 d. ₹ 60,000

OR

When a Partner died he will not be able to take his due amount then, will the due amount of deceased be paid and if yes to whom it is paid?

- a. His Executor b. Sacrificing partner c. Remaining Partners d. Not payable to anyone

9. On dissolution of a firm, its Balance Sheet revealed total creditors ₹ 50,000; Total Capital ₹ 48,000; Cash Balance ₹ 3,000. Its assets were realised at 12% less. Loss on realisation will be: (1)

- a. ₹ 6,000 b. ₹ 11,400 c. ₹ 3,600 d. ₹ 11,760

10. X and Y are partners sharing profits equally. They admit Z for $\frac{1}{3}$ rd share in profits. Following information is available at the time of admission of Z. (1)

Liabilities	Amount	Assets	Amount
Workmen Compensation Reserve	60,000		

Additional information: There was a claim on account of Workmen Compensation for ₹ 30,000 out of which 24,000 was accepted by the firm.

What will be the impact on Y's Capital Account?

- a. His Capital Account Credited with 30,000 b. His Capital Account Credited with 18,000
c. No impact at all d. His Capital Account Credited with 15,000

OR

Geeta and Hari were partners in a firm sharing profits and losses in the ratio of 3 : 2. Krish was admitted as a new partner for $\frac{1}{5}$ th share in profits of the firm which he acquired from Geeta and Hari in the ratio of 2 : 3. Krish brought ₹ 1,00,000 as his share of capital and ₹ 50,000 as premium for goodwill in cash. The sacrificing ratio of Geeta and Hari will be:

- a. 13 : 7 b. 3 : 2 c. 1 : 1 d. 2 : 3

11. X, Y and Z are partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. They decide to share future profits and losses in the ratio of 3 : 2 : 1. Each partner's gain or sacrifice due to the change in the ratio will be: (1)

- a. X Nil; Y Sacrifice $\frac{1}{30}$; Z Gain $\frac{1}{30}$ b. X Nil; Y Gain $\frac{1}{30}$; Z Sacrifice $\frac{1}{30}$
c. X Sacrifice $\frac{1}{30}$; Y Gain $\frac{1}{30}$; Z Nil d. X Gain $\frac{1}{30}$; Y Nil; Z Sacrifice $\frac{1}{30}$

12. Rohit Limited issued 2,000, 9% Debentures of ₹ 100 each at ₹ 95 per debenture. 9% Debentures account will be credited by: (1)

- a. ₹ 10,000 b. ₹ 1,90,000 c. ₹ 2,00,000 d. ₹ 1,10,000

13. Interest on Debentures issued as Collateral Security is (1)

- a. Certainly paid b. may or may not be paid c. paid d. not paid

14. Debenture Holders are: (1)
- Promoters of the company
 - Owners of the company
 - Auditors of the company
 - Creditors of the company
15. After which account it is assumed that dissolution of the firm stands closed? (1)
- Memorandum Balance Sheet
 - Realisation A/c
 - Partners Capital A/c
 - Cash A/c
16. Amit and Vinay 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. They now decided to share the future profits equally. Instead of closing the General Reserve Account and Profit and Loss Account, it is decided to pass an adjustment entry for the same. In adjustment entry: (1)
- Cr. Amit by ₹ 5,000; Dr. Vinay by ₹ 5,000
 - Dr. Amit by ₹ 5,000; Cr. Vinay by ₹ 5,000
 - Dr. Amit by ₹ 3,000; Cr. Vinay by ₹ 3,000
 - Cr. Amit by ₹ 3,000; Dr. Vinay by ₹ 3,000
17. Mita, Geeta and Mohit were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. With effect from 1st April, 2022, they mutually agreed to share profits and losses in the ratio of 2 : 2 : 1. It was agreed that: (3)
- Goodwill of the firm was valued at ₹ 1,40,000.
 - Profit on revaluation of assets and re-assessment of liabilities amounted to ₹ 1,20,000.
- Pass necessary journal entries for the above transactions in the books of the firm. Show your working notes clearly.
- OR**
- A and B are partners sharing profits in the ratio of 5: 4. They admit C for 1/3rd share, which he acquires in equal proportion from both. Find the new profit sharing ratio.
18. A and B were partners in a firm sharing profits and losses equally. Their firm was dissolved on 15th March, 2023, which resulted in a loss of ₹ 30,000. On that date the capital account of A showed a credit balance of ₹ 20,000 and that of B a credit balance of ₹ 30,000. The cash account had a balance of ₹ 20,000. You are required to pass the necessary journal entries for the (i) transfer of loss to the capital accounts of the partners and (ii) making final payment to the partners. (3)
19. Grapple Ltd. took over assets of ₹ 25,00,000 and liabilities of ₹ 5,00,000 from Allore Ltd. for an agreed purchase consideration of ₹ 18,00,000. Grapple Ltd. issued 11% Debentures of ₹ 100 each at 20% premium in satisfaction of the purchase consideration. (3)
- Pass necessary journal entries in the books of Grapple Ltd. Show your workings clearly.
20. Madhu, Raj, Atul and Prachi were partners in a firm sharing profit and losses in the ratio of 3 : 2 : 4 : 1. With effect from 1st April, 2023, they decided to share profits and losses equally. Their Balance Sheet showed a General Reserve of ₹ 1,00,000. The goodwill of the firm was valued at ₹ 20,00,000. (3)
- Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.
21. Anand Ltd. offered 22,000 equity shares of ₹ 100 each to the public at a premium of ₹ 20 per share. The amount per share was payable as ₹ 30 on application; ₹ 50 (including premium) on allotment; and the balance on first and final call. 20,000 shares were subscribed by the public. All calls were made. A shareholder holding 1,000 shares failed to pay the first and final call money. His share were forfeited. Show Share Capital in the Balance Sheet of Anand Ltd. Also, prepare Note to Accounts. (4)
22. The capital accounts of X and Y showed balances of ₹ 40,000 and ₹ 20,000 as on April 01, 2022. They shared profits in the ratio of 3:2. They were allowed interest on capital @ 10% p.a. and interest on drawings @ 12% p.a. X also advanced a loan of ₹ 10,000 to the firm on August 01, 2022. (4)
- During the year, X withdrew ₹ 1,000 per month at the beginning of every month whereas Y withdrew ₹ 1,000 per month at the end of every month.
- The Profit for the year ended 31st March, 2023, before the above-mentioned adjustments, was ₹ 20,960. Show the distribution of profits and prepare the partner's Capital Accounts.
23. Zee Ltd. invited applications for issuing 40,000 shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as follows: (6)
- On Application - ₹ 4 per share
On Allotment - ₹ 5 per share (including premium)
On First call - ₹ 2 per share
On Second and Final call - Balance
- Applications were received for 60,000 shares. Applications for 12,000 shares were rejected and money returned to the applicants. The shares were allotted on pro-rata basis to the applicants of 48,000 shares. The excess money received on application was adjusted towards sums due on allotment.

All shareholders paid the allotment money except one shareholder who had applied for 1,200 shares. His shares were forfeited immediately after allotment. First call was made thereafter and all the money due was received. The second and final call was not yet made.

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

24. X, Y and Z were partners in a firm sharing profits in the ratio of $\frac{1}{2} : \frac{1}{3} : \frac{1}{6}$ respectively. The Balance Sheet of the firm as at 31st March, 2023 stood as follows: (6)

Liabilities	₹	Assets	₹
Creditors	9,500	Cash at Bank	1,250
Bills Payable	2,500	Debtors	8,000
Reserve Fund	6,000	Less: Provision for Doubtful Debts	(250)
Capitals:		Stock	12,500
X	20,000	Motor Vans	4,000
Y	15,000	Machinery	17,500
Z	12,500	Buildings	22,500
	65,500		65,500

Y retired from the firm on 1st April, 2023 subject to the following conditions:

- Goodwill of the firm be valued at ₹ 9,000.
- Machinery would be depreciated by 10% and motor vans by 15%.
- Stock would be appreciated by 20% and Buildings by 10%.
- The provision for doubtful debts would be increased by ₹ 975.

It was agreed that X and Z would share profits in future in the ratio of 3 : 2 respectively. You are required to prepare the Revaluation Account, Capital Accounts of the partners and the Balance Sheet of the firm after the retirement of Y.

25. On 31st March 2022, the Balance Sheet of A and B, who were sharing profits in the ratio of 3 : 2 was as follows : (6)

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	2,50,000	Cash at Bank	1,30,000
Investment Fluctuation Reserve	50,000	Sundry Debtors	7,50,000
Capitals :		Less: Provision for doubtful debt	(30,000)
A	10,00,000	Stock	4,50,000
B	8,00,000	Investments	2,00,000
	21,00,000	Plant & Machinery	
			21,00,000

They decide to admit C as a partner. A sacrifices $\frac{2}{15}$ from his share while B sacrifice $\frac{1}{6}$ th of his share in favour of C.

The following adjustments were agreed upon :

- C shall bring ₹ 1,50,000 as his share of goodwill premium and shall bring in proportionate capital.
 - Stock was undervalued by 10% and Plant and Machinery was overvalued by 20%.
 - Market value of investments is ₹ 2,20,000.
 - Debtors to the extent of ₹ 10,000 were unrecorded.
 - 5% provision for doubtful debts is required on sundry debtors.
- Prepare Revaluation Account, Partner's Capital Accounts and the Balance Sheet of the reconstituted firm.

OR

Anjali, Bhanu and Reena are partners sharing profits in the proportion of 3 : 2 : 1 and their Balance Sheet on March 31, 2023, stood as follows:

Balance Sheet
as at March 31, 2023

Liabilities	Amount ₹	Assets	Amount ₹
Bills Payable	12,000	Buildings	21,000
Creditors	14,000	Cash in Hand	12,000
Contingency Reserve	12,000	Bank	13,700
Capitals:		Debtors	12,000
Anjali	20,000	Bills Receivable	4,300
Bhanu	12,000	Stock	1,750
Reema	8,000	Investment	13,250
	78,000		78,000

Bhanu died on June 12, 2023 and according to the deed of the said partnership her executors are entitled to be paid as under:

- i. The capital to her credit at the time of her death and interest thereon @ 10% per annum.
- ii. Her proportionate share of reserve fund.
- iii. Her share of profits for the intervening period will be based on the sales during that period, which were calculated as ₹ 1,00,000. The rate of profit during past three years had been 10% on sales.
- iv. Goodwill according to her share of profit to be calculated by taking twice the amount of the average profit of the last three years less 20%. The profits of the previous years were:

2021 – ₹ 8,200

2022 – ₹ 9,000

2023 – ₹ 9,800

The investments were sold at par and her executors were paid out. Pass the necessary journal entries and write the account of the executors of Bhanu.

26. Sagar Ltd. was registered with an authorised capital of Rs. 1,00,00,000 divided into 1,00,000. Equity Shares of Rs 100 each. The company offered for public subscription 60,000 Equity Shares. Applications for 56,000 shares were received and an allotment was made to all the applicants. All the calls were made and were duly received except the second and final call of Rs. 20 per share on 700 shares. Prepare Balance Sheet of the company showing the different types of share capital. (6)

OR

On 1st April 2023, Saniya Ltd. issued 30,000 Equity Shares of ₹ 10 each at a premium of ₹ 4 per share, payable as follows:
 ₹ 6 on application (including ₹ 1 premium),
 ₹ 2 on the allotment (including ₹ 1 premium),
 ₹ 3 on second and final call (including ₹ 1 premium).

Applications were received for 45,000 shares, of which applications for 9,000 shares were rejected and their money was refunded. Rest of the applicants were issued shares on pro rata basis. Harish, to whom 600 shares were allotted, did not pay the allotment money and his shares were forfeited after allotment. Manoj, who applied for 1,080 shares did not pay the two calls and his shares were forfeited.

1,200 forfeited shares were reissued as fully paid-up on receipt of ₹ 9 per share, the whole of Manoj's shares being included.

Prepare Cash Book and Pass necessary Journal entries. Also, show share capital in the Balance Sheet of the company.

PART – B

(Analysis of Financial Statements)

27. For whom analysis of financial statements is not significant? (1)
- i. Political Adviser of Prime Minister
 - ii. Investors
 - iii. Management
 - iv. Financial Institutions
- a. Option (iv) b. Option (i) c. Option (iii) d. Option (ii)

OR

Reserve and surplus are comes in which head

- a. shareholder funds b. assets c. fixed assets d. non current liability

28. Which of the following is not an activity ratio? (1)
- a. Trade receivables turnover ratio
 - b. Interest coverage ratio
 - c. Inventory turnover ratio
 - d. Working capital turnover ratio

29. Cash received from royalties will be considered which type of activity from the following while preparing Cash Flow Statement? (1)
- a. Investing Activity
 - b. Operating Activity
 - c. Both Financing and Investing Activity
 - d. Financing Activity

OR

Which of the following will result in flow of cash?

- a. Cash withdrawn from the bank ₹ 50,000 b. ₹ 2,00,000, 9% debentures issued to vendors of machinery
 c. Cheques of ₹ 20,000 deposited in the bank d. ₹ 30,000 received from debtors

30. Which of the following activities are operating activities for the purpose of preparing Cash flow statement? (1)
- i. Dividend and Interest received on securities.
 - ii. Payment of employee benefit expenses.
 - iii. Cash receipts from royalties and fees.
 - iv. Issue of shares against purchase of machinery.
- a. (i), (ii) and (iv) b. (ii), (iii) and (iv) c. (ii) and (iii) d. (i), (ii) and (iii)

31. Name the major heads under which the following items will be presented in the balance sheet of a company as per Schedule III of the Companies Act, 2013. (3)
- i. Loose tools
 - ii. Copyrights and Patents
 - iii. Unpaid dividend
 - iv. Land and Building

32. X Ltd., has a current ratio of 3.5 : 1 and quick ratio of 2 : 1. If excess of current assets over quick assets represented by inventories is ₹ 24,000, calculate current assets and current liabilities. (3)

33. From the following information prepare Comparative Balance Sheet of X Ltd.: (4)

Particulars	31-3-2023 Amount ₹	31-3-2022 Amount ₹
Share Capital	25,00,000	25,00,000
Reserves and Surplus	6,00,000	10,00,000
Long-term Borrowings	16,00,000	15,00,000
Current Liabilities	5,00,000	4,50,000
Fixed Assets	35,00,000	25,00,000
Investments (Non-Current)	10,50,000	15,00,000
Current Assets	6,50,000	14,50,000

OR

From the following information, prepare Comparative Statement of Profit and Loss for the year ended 31st March, 2023:

Particulars	2022 - 23 (₹)	2021 - 22 (₹)
Revenue from operations	4,00,000	2,00,000
Other income	80,000	40,000
Employee benefit expenses - 50% of Revenue from operations		
Tax rate 50%		

34. From the following balance sheet of Vikas Ltd as at 31st March, 2009 and 2010. Prepare the cash flow statement. (6)

Particulars	Note No.	31st March, 2009 Amt (Rs)	31st March, 2010 Amt (Rs)
1.EQUITY AND LIABILITIES			
1.Shareholders' Funds			
(a)Share Capital		90,000	1,30,000
(b)Reserves and Surplus		48,000	84,000
2.Current Liabilities			
Trade Payables		17,400	22,000
Total		1,55,400	2,36,000
II.ASSETS			
1.Non-current Assets			
Fixed Assets		93,400	1,66,000
2.Current Assets			
(a)Inventories (Stock)		22,000	26,000
(b)Trade Receivable (Debtors)		36,000	39,000
(c) Cash		4,000	5,000
Total		1,55,400	2,36,000

Notes to Accounts

Particulars	31st March, 2009 (Rs)	31st March, 2010 (Rs)
1. Reserves and Surplus		
General Reserve	28,000	54,000
Surplus, i.e. Balance in Statement of Profit and Loss	20,000	30,000
	48,000	84,000

Additional Information

- Depreciation charged on fixed assets for the year 2009-2010 was Rs. 20,000.
- Income tax Rs.5,000 has been paid in advance during the year.