

CUET 2026 May 21 Accountancy Shift 1

Question Paper (Memory-Based)

Conducted by National Testing Agency (NTA)



General Instructions

- (The examination will be conducted in Computer-Based Test (CBT) mode.
- (Each question carries +5 marks for correct answer and -1 mark for wrong answer.
- (The total number of questions are 50.
- (Duration of the exam is 1 hour (60 minutes).

1. A and B are partners sharing profits in the ratio of 3 : 2. C is admitted as a new partner for a $\frac{1}{5}$ th share in the profits, which he acquires entirely from A. What will be the new profit-sharing ratio of A, B, and C?

- (A) 2 : 2 : 1
- (B) 3 : 2 : 1
- (C) 12 : 8 : 5
- (D) 4 : 3 : 1

2. X and Y are partners in a firm with capitals of \$60,000 and \$40,000 respectively. Z is admitted as a new partner for a $\frac{1}{4}$ th share in profits and brings in \$40,000 as his capital contribution. What is the total value of the Hidden Goodwill of the firm?

- (A) \$60,000
- (B) \$20,000
- (C) \$160,000
- (D) \$40,000

3. A company forfeited 200 equity shares of \$10 each, fully called up, on which application and allotment money of \$6 per share was paid. Out of these, 150 shares were reissued as

fully paid up for \$8 per share. What exact amount must be transferred to the Capital Reserve Account?

- (A) \$600
 - (B) \$900
 - (C) \$750
 - (D) \$300
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4. During a financial year, Zenith Ltd. paid \$50,000 as an interim dividend to its equity shareholders. Under which specific activity classification must this transaction be reported within a Cash Flow Statement prepared as per AS-3?

- (A) Operating Activities
 - (B) Investing Activities
 - (C) Financing Activities
 - (D) Cash and Cash Equivalents
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5. The financial records of Alpha Ltd. show a Current Ratio of 2.5 : 1 and a Quick Ratio of 1.5 : 1. If the total Current Liabilities of the company equal \$40,000, what is the total dollar valuation of the Inventory held by the firm?

- (A) \$40,000
 - (B) \$60,000
 - (C) \$100,000
 - (D) \$20,000
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6. If a company issues debentures as a secondary security to back a primary bank loan, under which classification entry title must these corporate debentures be presented in the Notes to the Balance Sheet?

- (A) Secured Loans
 - (B) Collateral Security
 - (C) Current Liabilities
 - (D) Contingent Liabilities
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7. An unrecorded liability of \$5,000 is settled at \$4,500 during the dissolution of a partnership

firm. Which of the following accounting treatments correctly records this settlement transaction inside the Realisation Account?

- (A) Debiting the Realisation Account with \$4,500
 - (B) Crediting the Realisation Account with \$4,500
 - (C) Debiting the Realisation Account with \$5,000
 - (D) Crediting the Realisation Account with \$500
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8. A corporate entity issues 1,000, 9% Debentures of \$100 each at a premium of 10%. What is the total annual interest obligation that the company must pay on these debentures?

- (A) \$9,000
 - (B) \$9,900
 - (C) \$900
 - (D) \$10,000
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9. Under pro-rata allotment, a company receives applications for 20,000 shares but allots only 10,000 shares to applicants. If a shareholder was allotted 400 shares under this scheme, how many shares did they originally apply for?

- (A) 800 shares
 - (B) 200 shares
 - (C) 400 shares
 - (D) 600 shares
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10. If an item titled 'Premium on Redemption of Debentures' is visible inside a corporate balance sheet, under which primary classification category heading must it be presented?

- (A) Non-Current Liabilities (Long-term Borrowings)
 - (B) Reserves and Surplus
 - (C) Current Liabilities (Other Current Liabilities)
 - (D) Share Capital
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