

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)



Time Allowed: 3 Hours

Maximum Marks: 80

General Instructions

- (i) This question paper contains **34 questions**, divided into Part A and Part B.
- (ii) Part A is compulsory for all candidates.
- (iii) Part B has two options: **Option I - Analysis of Financial Statements** and **Option II - Computerised Accounting**. Attempt only one option.
- (iv) Questions 1 to 16 and 27 to 30 carry 1 mark each.
- (v) Questions 17 to 20, 31 and 32 carry 3 marks each.
- (vi) Questions 21, 22 and 33 carry 4 marks each.
- (vii) Questions 23 to 26 and 34 carry 6 marks each.
- (viii) Attempt one alternative where an internal choice is provided. Write all parts of an answer at one place.

1(A). Ram and Mohan were partners with fixed capitals of Rs. 3,00,000 and Rs. 2,00,000 respectively. As per their partnership deed, interest on capital was allowed @ 10% p.a. Net profit for the year ended 31st March, 2022 was Rs. 30,000. The amount of interest on capital was credited to each partner's current account for the year ended 31st March, 2022 was:

- | | |
|---|---|
| (A) Ram Rs. 30,000 and Mohan Rs. 20,000 | (B) Ram Rs. 20,000 and Mohan Rs. 10,000 |
| (C) Ram Rs. 18,000 and Mohan Rs. 12,000 | (D) Ram Rs. 30,000 and Mohan Nil |

OR

1(B). Anu, Bindu and Siya were partners in a firm sharing profits and losses in the ratio of 2:2:1. Siya was guaranteed that her share of profit will not be less than Rs. 50,000. The firm's profit for the year ended 31st March, 2022 was Rs. 2,00,000. The amount of deficiency to be borne by Anu was:

- | | |
|----------------|---------------|
| (A) Rs. 10,000 | (B) Rs. 2,500 |
| (C) Rs. 75,000 | (D) Rs. 5,000 |

2. Rohit and Mohit were partners sharing profits and losses in the ratio of 2:1. Their capital accounts as on 31.3.2021 had a credit balance of Rs. 1,09,000 and Rs. 66,000 respectively. They admitted Sahil as a new partner on 1st April, 2021 for 1/5 share in profits. Sahil brought Rs. 25,000 as his share of goodwill premium. He agreed to contribute capital in new profit-sharing ratio. The amount of capital brought by Sahil was:

- | | |
|-------------------|----------------|
| (A) Rs. 40,000 | (B) Rs. 32,000 |
| (C) Rs. 12,50,000 | (D) Rs. 50,000 |

3(A). Radhe Ltd. forfeited 500 shares of Rs. 10 each fully called up for non-payment of final call of Rs. 3 per share. 300 of these shares were reissued at Rs. 8 per share as fully paid-up. The amount credited to Capital Reserve Account was:

- | | |
|---------------|---------------|
| (A) Rs. 1,500 | (B) Rs. 2,100 |
| (C) Rs. 3,200 | (D) Rs. 1,800 |

OR

3(B). A Company forfeited 1000 shares of Rs. 10 each, Rs. 7 called up for non-payment of first call of Rs. 2 per share. All these shares were reissued at Rs. 5 per share Rs. 7 paid up. The amount transferred to Capital Reserve Account was:

- | | |
|---------------|---------------|
| (A) Rs. 2,000 | (B) Rs. 3,000 |
| (C) Rs. 4,000 | (D) Rs. 5,000 |

4. Suchi and Ruchi were partners in a firm sharing profits and losses equally. Throughout the year Ruchi withdrew Rs. 12,000 in the middle of each month. Interest on drawings is to be charged @ 6% p.a. as per partnership agreement. The average period for calculation of interest on drawings will be:

- | | |
|----------------|--------------|
| (A) 6.5 months | (B) 6 months |
| (C) 5.5 months | (D) 1 month |

5. On the reconstitution of a firm the value of furniture increased from Rs. 7,00,000 to Rs. 8,00,000 and stock reduced to Rs. 4,00,000 from Rs. 4,20,000. Gain or loss on revaluation will be:

- | | |
|-----------------------|-----------------------|
| (A) Gain Rs. 80,000 | (B) Loss Rs. 80,000 |
| (C) Gain Rs. 8,00,000 | (D) Loss Rs. 1,20,000 |

6. Total assets of a partnership firm, which was dissolved were Rs. 30,00,000 and its total liabilities were Rs. 6,00,000. Assets were realised at 80% and liabilities were settled at 5% less. If dissolution expenses were Rs. 30,000, the profit or loss on dissolution was:

- | | |
|--------------------------|------------------------|
| (A) Profit Rs. 18,00,000 | (B) Loss Rs. 6,00,000 |
| (C) Profit Rs. 6,00,000 | (D) Loss Rs. 18,00,000 |

7. Offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) is known as:

- | | |
|---------------------------------|--------------------------------|
| (A) Private placement of shares | (B) Sweat equity shares |
| (C) Incorporation cost | (D) Employee stock option plan |

8(A). A partnership firm has four partners. How many additional partners can be admitted into the business as per the provisions of the Companies Act, 2013?

- | | |
|---------|--------|
| (A) 50 | (B) 46 |
| (C) 100 | (D) 96 |

OR

8(B). Amit and Sumit were partners in a firm with fixed capitals of Rs. 6,00,000 and Rs. 4,00,000 respectively. Kavi was admitted as a new partner for $\frac{1}{5}$ th share in the profit of the firm. Kavi brought Rs. 40,000 as his share of goodwill premium and Rs. 3,00,000 as his capital. The amount of Goodwill premium credited to Sumit will be:

- | | |
|----------------|----------------|
| (A) Rs. 20,000 | (B) Rs. 24,000 |
| (C) Rs. 16,000 | (D) Rs. 40,000 |

9. Gopal, Krishna and Govind were partners sharing profits and losses in the ratio of 5:4:3. Krishna retired on 1st April, 2022. Gopal and Govind purchased his share of profit by giving him Rs. 1,20,000. Rs. 80,000 was paid by Gopal and Rs. 40,000 by Govind. Gaining ratio is:

- | | |
|---------|---------|
| (A) 1:2 | (B) 5:3 |
| (C) 1:1 | (D) 2:1 |

10. At the time of forfeiture of shares, share capital account is debited with:

- | | |
|--------------------------------|------------------------------|
| (A) Uncalled amount on shares | (B) Paid up amount on shares |
| (C) Called up amount on shares | (D) Unpaid amount on shares |

11. Elite Ltd. issued 20,000, 9% Debentures of Rs. 100 each at a discount of 10%, redeemable at a premium. On issue of these debentures, 'Loss on issue of debentures account' was debited with Rs. 4,00,000. The premium on redemption of debentures is:

- | | |
|------------------|-------------------|
| (A) Rs. 4,00,000 | (B) Rs. 2,00,000 |
| (C) Rs. 6,00,000 | (D) Rs. 10,00,000 |

12(A). Net Assets minus capital reserve is:

- | | |
|----------------------------|-------------------|
| (A) Purchase consideration | (B) Goodwill |
| (C) Total Assets | (D) Liquid Assets |

OR

12(B). When a company issues shares at a premium, the company can collect securities premium along with the following:

- | | |
|-----------------------|----------------------|
| (A) Application money | (B) Allotment money |
| (C) Call money | (D) Any of the above |

13(A). On admission of a new partner, the old partners share the gain or loss on revaluation of assets and reassessment of liabilities in which of the following ratio:

- | | |
|---------------------------------|---------------------------------|
| (A) Equally | (B) In old profit sharing ratio |
| (C) In new profit sharing ratio | (D) In sacrificing ratio |

OR

13(B). Asha and Nisha were partners in a firm sharing profits and losses in the ratio 3:1. Charu was admitted as a new partner for $\frac{1}{4}$ th share in the profits of the firm which she acquired equally from Asha and Nisha. The new profit sharing ratio of Asha, Nisha and Charu will be:

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

14. Rudra, Dev and Shiv were partners in a firm sharing profits in the ratio of 5:3:2. Their fixed capitals were Rs. 6,00,000, Rs. 4,00,000 and Rs. 2,00,000 respectively. Besides his capital Shiv had given a loan of Rs. 75,000 to the firm. Their partnership deed provided for interest on capital @ 9% p.a., interest on partner's drawings @ 12% p.a., salary to Rudra Rs. 30,000 per month and to Dev Rs. 40,000 per quarter, and interest on Shiv's loan @ 9% p.a. The profit of the firm for the year ended 31-3-2022 before allowing interest on Shiv's loan was Rs. 7,06,750. How much amount of net profit will be transferred to Profit and Loss Appropriation A/c?

- | | |
|------------------|------------------|
| (A) Rs. 7,06,750 | (B) Rs. 7,02,250 |
| (C) Rs. 7,00,000 | (D) Rs. 7,13,000 |

15. Rudra, Dev and Shiv were partners. Rudra withdrew Rs. 50,000 at the end of each quarter; Dev withdrew Rs. 50,000 in the beginning of each half year and Shiv withdrew Rs. 70,000 at the end of each half year. Interest on partners' drawings was @ 12% p.a. What will the amount of interest on drawings of the partners?

- | | |
|---|--|
| (A) Rudra Rs. 2,250;
Dev Rs. 4,500 and
Shiv Rs. 2,100 | (B) Rudra Rs. 9,000;
Dev Rs. 9,000 and
Shiv Rs. 4,200 |
| (C) Rudra Rs. 4,500;
Dev Rs. 4,500 and
Shiv Rs. 2,100 | (D) Rudra Rs. 24,000;
Dev Rs. 12,000 and
Shiv Rs. 16,800 |

16. Assertion (A): Under the fluctuating capital method, the balance in the capital account fluctuates from time to time.

Reason (R): Under the fluctuating capital method, all the adjustments such as share of profit and loss, interest on capital, drawings, interest on drawings etc. are recorded directly in the capital accounts of the partners.

- | | |
|--------------------------------------|---|
| (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). |

17(a). Sinco Ltd. purchased assets of the book value of Rs. 1,98,000 from Dixon Ltd. It was agreed that the purchase consideration be paid by issuing 10% debentures of Rs. 100 each.

Record the necessary journal entries in the books of Sinco Ltd. assuming that the debentures have been issued:

- (i) At a discount of 10%.
(ii) At a premium of 10%.

OR

17(b). On 1.4.2021 Y Ltd. invited applications for issuing 10,000, 9% debentures of Rs. 100 each at a discount of 6%. The entire amount was payable with application. Application for 12,000, 9% debentures were received. 9% debentures were allotted on pro-rata basis to all the applicants. Excess money received with applications was refunded. On 31.3.2022 the company decided to write off discount on issue of debentures according to the provisions of the Companies Act, 2013. On that date the company had Rs. 10,000 in its securities premium reserve account.

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

18(a). Mohan, Sohan and Suresh were partners in a firm sharing profits in the ratio of 2:2:1. Suresh was guaranteed a profit of Rs. 70,000. Any deficiency on account of guarantee to Suresh was to be borne by Mohan and Sohan in 3:2 ratio. The profit of the firm for the year ended 31.3.2022 amounted to Rs. 2,00,000.

Prepare Profit and Loss Appropriation Account of the firm for the year ended 31.3.2022.

OR

18(b). A and B were partners in a firm sharing profits equally. Their capitals were: A Rs. 1,20,000 and B Rs. 80,000. The annual rate of interest is 20%. The profits of the firm for the last three years were Rs. 34,000, Rs. 38,000 and Rs. 30,000. They admitted C as a new partner. On C's admission the goodwill of the firm was valued at 2 years purchase of the super profits. Calculate the value of goodwill of the firm on C's admission.

19. Vibha, Sudha and Ashish were partners in a firm sharing profits in the ratio 2:3:1. Sudha retired and the balance in her capital account after making necessary adjustments on account of reserves, revaluation of assets and re-assessment of liabilities was Rs. 85,000. Vibha and Ashish agreed to pay Sudha Rs. 1,15,000 in full settlement of her claim. Record the necessary journal entry for goodwill on Sudha's retirement.

20. 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:

(i) Goodwill of the firm was valued at Rs. 1,40,000.

(ii) Profit on revaluation of assets and re-assessment of liabilities amounted to Rs. 1,20,000.

Pass necessary journal entries for the above transactions in the books of the firm. Show your working notes clearly.

21. Saraswati Ltd. has an authorised capital of Rs. 10,00,000 divided into equity shares of Rs. 10 each. Subscribed and fully paid up share capital of the company was Rs. 4,00,000. To meet its new financial requirements, the company issued 20,000 equity shares of Rs. 10 each which were payable as follows: Rs. 3 on application; Rs. 3 on allotment, Rs. 2 on first call and Rs. 2 on second and final call. The issue was fully subscribed. The allotment money was payable on 1st May 2021, first call money on 1st August 2021 and final call on 1st October 2021. X whom 1000 shares were allotted, did not pay the allotment and call money; Y an allottee of 600 shares, did not pay the two calls; and Z whom 400 shares were allotted, did not pay the final call. Present the share capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts for the same.

22. Meena, Beena and Veena were partners in a firm sharing profits and losses equally. Their balance sheet as on 31st March, 2022 was as follow:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital: Meena 1,50,000; Beena 1,00,000; Veena 75,000	3,25,000	Plant and Machinery	2,40,000
General Reserve	30,000	Stock	60,000
Sundry Creditors	30,000	Sundry debtors	35,000
		Cash at Bank	50,000
Total	3,85,000	Total	3,85,000

Veena died on 30th June, 2022. According to the partnership deed, the executors of the deceased partner were entitled to:

(i) Balance in Capital account.

(ii) Salary till the date of death @ Rs. 25,000 p.a.

(iii) Share of Goodwill calculated on the basis of twice the average profits of past three years.

(iv) Share of profit from the closure of last accounting year till the date of death on the basis of average of three completed years' profits before death.

(v) Profits for 2019-20, 2020-21 and 2021-22 were Rs. 1,20,000, Rs. 90,000 and Rs. 1,50,000 respectively.

Veena withdrew Rs. 15,000 on 1st June, 2022 for paying her daughter's school fees.

Prepare Veena's capital account to be rendered to her executors.

23. Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Tina and Rina after various assets (other than cash) and external liabilities have been transferred to Realisation Account:

- (i) An unrecorded asset of Rs. 18,000 was taken over by Tina at Rs. 16,000.
- (ii) Rina agreed to pay her brother's loan of Rs. 23,000.
- (iii) Stock of Rs. 30,000 was taken over by a creditor of Rs. 40,000 in full settlement.
- (iv) Expenses of dissolution Rs. 40,000 were paid by Rina.
- (v) Creditors were paid Rs. 18,800 in full settlement of their account of Rs. 20,000.
- (vi) Tina's loan of Rs. 15,000 was paid through a cheque.

24. Pass necessary journal entries for the issue of debentures in the following cases:

- (i) Issued Rs. 75,00,000, 9% debentures of Rs. 100 each at a premium of 10% redeemable at a premium of 5% after 3 years.
 - (ii) Issued 8,000, 9% debentures of Rs. 100 each at a discount of 6% redeemable at a premium of 3% after 5 years.
 - (iii) Issued 90,000, 9% debentures of Rs. 100 each at par, redeemable at par after 4 years.
-

25(a). Ganga Ltd. invited applications for issuing 10,000 equity shares of Rs. 10 each. The amount per share was payable as follows: Rs. 2 on application, Rs. 3 on allotment, Rs. 3 on first call and Rs. 2 on second and final call.

Applications were received for 15,000 shares. The applications for 3,000 shares were rejected and application money refunded. The shares were allotted on pro-rata basis to the applicants of 12,000 shares. Excess money received with applications was adjusted towards sums due on allotment. All shareholders paid the allotment money except one shareholder who was allotted 200 shares. These shares were forfeited. The first call was made thereafter and duly received. The second and final call was not yet made.

Pass Journal entries for the above transactions in the books of Ganga Ltd. Open Calls-in-Arrears Account wherever required.

OR

25(b). Mukund Ltd. invited applications for issuing 50,000 equity shares of Rs. 10 each at 10% premium. The amount per share was payable as follows: Rs. 3 on application, Rs. 3 (including premium) on allotment and balance amount on first and final call. Applications were received for 1,20,000 shares and shares were allotted on pro-rata basis to all the applicants. The excess money received on application was adjusted towards sums due on allotment only. Application money in excess to sums due on allotment was refunded. A shareholder who had applied for 6,000 shares, could not pay the call money and his shares were forfeited. Pass necessary Journal entries for the above transactions in the books of Mukund Ltd.

26(a). Madhav and Girdhari were partners in a firm sharing profits and losses in the ratio of 3:1. Their balance sheet as at 31st March, 2022 was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital: Madhav 3,00,000; Girdhari 2,00,000	5,00,000	Machinery	4,70,000
Workmen's compensation fund	60,000	Investment	1,10,000
Creditors	1,90,000	Debtors 1,20,000 Less: Provision 10,000	1,10,000
Employee's Provident fund	1,10,000	Stock	1,40,000
		Cash	30,000
Total	8,60,000	Total	8,60,000

On 1st April, 2022, they admitted Jyoti into partnership for 1/4th share in the profits of the firm. Jyoti brought Rs. 1,86,000 as her capital and Rs. 40,000 as her share of goodwill premium in cash. The following terms were agreed upon:

- (i) Stock was found undervalued by Rs. 23,000.
- (ii) 20% of the investments were taken over by Girdhari at book value.
- (iii) Claim on account of workmen's compensation amounted to Rs. 70,000, which was to be paid later.
- (iv) Creditors included a sum of Rs. 27,000 which was not likely to be claimed.

Prepare Revaluation A/c and Partners' Capital Accounts on Jyoti's admission.

OR

26(b). Radhika, Ridhima and Rupanshi were partners in a firm sharing profits and losses in the ratio of 3:5:2. On 31st March, 2022, their balance sheet was as follows:

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Sundry Creditors	60,000	Cash	50,000
General Reserve	40,000	Stock	80,000
Capitals: Radhika 3,00,000 Ridhima 2,00,000 Rupanshi 1,00,000	6,00,000	Debtors	40,000
		Investments	30,000
		Buildings	5,00,000
Total	7,00,000	Total	7,00,000

Ridhima retired on the above date and it was agreed that:

- (i) Goodwill of the firm be valued at Rs. 3,00,000.
 - (ii) Building was valued at Rs. 6,20,000.
 - (iii) Capital of the new firm was fixed at Rs. 5,00,000, which will be in the new profit sharing ratio of the partners; the necessary adjustments for this purpose were to be made by opening current accounts of the partners.
- Prepare Revaluation Account and Partners' Capital Accounts on Ridhima's retirement.

27(A). Which of the following is a tool of Analysis of Financial Statements?

- (A) Statement of Profit & Loss (B) Ratio Analysis
(C) Balance Sheet (D) Notes to Accounts

OR

27(B). _____ ratios are calculated to determine the ability of the business to service its debt in the long run.

- (A) Profitability (B) Solvency
(C) Liquidity (D) Turnover

28. The 'Inventory Turnover Ratio' from the following information will be:

Revenue from operations Rs. 12,00,000

Average Inventory Rs. 2,00,000

Gross loss ratio 20%

- (A) 6 times (B) 5 times
(C) 7.2 times (D) 3 times

29(A). Interest of Rs. 3,000 received in cash on loans and advances will result in:

- (A) cash inflow from operating activities. (B) cash inflow from investing activities.
(C) cash inflow from financing activities. (D) No change in cash or cash equivalents.

OR

29(B). In case of a financial enterprise whose main business is lending and borrowing, 'interest paid' and 'interest received' are classified as:

- (A) Operating activities (B) Investing activities
(C) Financing activities (D) Cash equivalents

30. Which of the following transactions will not result in flow of cash:

- (A) Cash withdrawn from the bank Rs. 7,000 (B) Issue of shares Rs. 20,00,000
(C) Purchase of investments Rs. 60,000 (D) Payment of wages Rs. 11,000

31. Under which major heads and sub-heads will the following items be presented in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013?

- (i) Bills receivable
(ii) Securities premium reserve
(iii) Calls in advance

32. 'It is the process of identifying the financial strengths and weaknesses of the firm by properly establishing relationships between the various items of balance sheet and the statement of profit and loss.' Identify the process and state any two objectives of the identified process.

33(a). (i) Calculate Revenue from operations of 'BN Ltd.' from the following information:

Current Assets Rs. 8,00,000

Quick ratio 1.5:1

Current ratio 2:1

Inventory turnover ratio 6 times

Goods were sold at a profit of 25% on cost.

(ii) The operating ratio of a company is 60%.

State whether 'purchase of goods costing Rs. 20,000' will increase, decrease or not change the operating ratio.

OR

33(b). The debt equity ratio of M Ltd. is 2:1. State with reasons whether the following transactions will increase, decrease or not change the debt equity ratio:

(i) Obtained a loan from ICICI Bank Rs. 1,00,000 payable after 5 years.

(ii) Purchased machinery for cash Rs. 1,50,000.

(iii) Redeemed 9% debentures Rs. 1,00,000.

(iv) Issued equity shares for purchase of machinery of Rs. 5,00,000 to the vendors.

34. Read the following hypothetical text and answer the given question on the basis of the same.

Sujata started a small enterprise under the 'Skill India Scheme'. As the business grew, the revenue started increasing and she decided to form 'Sujata Ltd.' to achieve her objectives with 10 other like minded persons. The financial position of the company is given in its Balance Sheet as at 31.3.2022:

Particulars	31.3.2022 (Rs.)	31.3.2021 (Rs.)
(a) Equity share capital	20,00,000	17,00,000
(b) Reserves and Surplus	3,00,000	4,00,000
Long term Borrowings	3,00,000	2,00,000
Trade payables	50,000	25,000
Total Equity & Liabilities	26,50,000	23,25,000
Tangible Assets	8,00,000	9,00,000
Intangible Assets	5,00,000	2,00,000
Non-current Investments	3,00,000	4,00,000
Inventories	4,00,000	5,00,000
Trade Receivables	1,50,000	1,25,000
Cash & Cash equivalents	5,00,000	2,00,000
Total Assets	26,50,000	23,25,000

Additional Information: Depreciation of Rs. 1,00,000 was charged on Tangible Assets during the year.

On the basis of the above information prepare the 'Cash Flow Statement' of Sujata Ltd.

Part B - Option II

27(A). Which of the following components of computerised accounting system are known as raw facts for any business organisation?

- (A) Procedure (B) Data
(C) Hardware (D) Software

OR

27(B). Which of the following software packages is suitable for an organization where the volume of accounting transactions is small and adaptability is very high?

- (A) Specific (B) Tailored
(C) Generic (D) (b) and (c) both

28. How many worksheets are available to a user by default while working on a workbook?

- (A) 5 (B) 1
(C) 10 (D) 3

29. What is the outcome of an arithmetic expression or function called:

- (A) Derived value (B) Basic value
(C) Horizontal vector (D) Vertical vector

30(A). A _____ is identified by combination of letter and number corresponding to particular location within the spreadsheet.

- (A) Row (B) Cell
(C) Column (D) Range

OR

30(B). Entries required to make trading account and profit and loss account are known as:

- (A) Opening entries. (B) Adjusting entries.
(C) Closing entries. (D) (a) and (b) both.

31. Explain any three advantages of using charts.

32. Explain two main groups in which 'Group of Accounts' is classified in Accounting Software 'Tally'.

33(a). What is meant by 'conditional formatting'? State its any three advantages.

OR

33(b). State any four salient features of 'Computerised Accounting System' (CAS).

34. Name the function which is often used to calculate the payment for mortgage loans that have fixed rate of interest. Also explain its syntax.

- End of Question Paper -