SET NO. 1

EXAM.ID			Candidates must write the Set No.		
					on the title page of the OMR Sheet.

### DAV PUBLIC SCHOOLS, ODISHA ZONE-I

#### PA-II EXAMINATION, 2021-22

- Check that this question paper contains 14 printed pages.
- Set number given on the right hand side of the question paper should be written on the OMR SHEET by the candidate.
- Check that this question paper contains 55 questions.

# CLASS-XII SUB-ACCOUNTANCY (055 )

Time Allowed:90 Minutes Maximum Marks:40

#### **General Instruction:**

Read the following instructions very carefully and strictly follow them:

- **1.** This question paper comprises three **PARTS-I** and **II** . There are 55 questions in the question paper.
- 2. There is an internal choice provided in each section.
  - I. Part-I, contains three Sections –A, B and C. Section A has questions from 1 to 18 and Section B has questions from 19 to 36, You have to attempt any 15 questions each in both the sections. II. PART-I, Section C has questions from 37 to 41. You have to attempt any 04 questions. III. PART-II, contains two sections A and B. Section A has questions from 42 to 48, you have to attempt any 05 questions and Section B has questions from 49 to 55, You have to attempt any 06 questions.
- 3. All question carry equal marks. There is No negative marking.
- **4.** Specific Instructions related to each Part and subdivisions (Section) is mentioned clearly before the questions. Candidates should read them thoroughly and attempt accordingly.

# Part-I

# **Section-A**

(Section A consists of 18 questions. Any 15 questions are to be attempted. The first attempted 15 questions would be evaluated.) Q1. At the time of change in profit sharing ratio, advertisement expenditure is and partners' capitals are								
(A) Credited, Debited	(B) Debited, Credited							
(C) Both (a) and (b)	(D) None of these							
	Q2. 600 shares of Rs. 10 each were forfeited for non-payment of Rs. 2 per share on first call and Rs.5 per share on final call. Share forfeiture account will be credited with							
Q3. A company forfeited 4,000 shares of Rs.10 each on which application money of Rs. 3 has been paid. Out of these 2,000 shares were reissued as fully paid up and Rs.4,000 has been transferred to capital reserve. Calculate the rate at which these shares were reissued  (A) Rs. 10 per share (B) Rs.9 per share (C) Rs.11 per share (D) Rs. 8 per share								
Q4. A company issued 10,000 shares of Rs.10 each. Amount is payable as Rs.2 on application ,Rs. 5 on allotment and Rs. 3 on first and final call. A shareholder who had 1,000 shares failed to pay allotment and first call amount on due date. What will be the amount received by company against issue of shares?								
(A) Rs. 20,000 (B) Rs.92,000	(C) Rs.1,00,000 (D) 80,000							
Q5. What will be the correct sequence of events?								
(i) Forfeiture of share (ii) D	Default on Calls							
(iii) Re-issue of shares (iv) A	Amount transferred to capital reserve Options:							
(A) (i), (iv), (ii), (iii)	(B) (ii), (iv), (i), (iii)							
(C) (ii), (i), (iii), (iv)	(D) (iii), (iv), (i), (ii)							

Q6. A, B and C are partners sharing profits in the ratio of 5:3:2. They have admitted D into the partnership for  $\frac{1}{6}$ th share. An extract of their balance sheet on  $1^{st}$  April 2020 is as follows

Liabilities	Amt (Rs.)	Assets	Amt (Rs.)
Investment Fluctuation Fund	27,000	Investment(cost)	3,00,000

Liabilities	Amt (KS.)	Assets	Amt (KS.)	
Investment Fluctuation Fund	27,000	Investment(cost)	3,00,000	
If the market value of the inve	estments is Rs	2.90.000 then the inv	vestment fluctus	ation
fund will be shown in the balar			estinent Hacta	ation
	ice sheet of th			
(A) Rs. 27,000		(B) Rs.20,000		
(C) Rs.10,000		(D) Rs.13,000		
Q7. In the absence of partner	ship deed ,the	Partnership Act,1932	provides for n	10
interest on				
(A) Drawing	(	(B) Capital		
(C) Both (A) & (B)	(	(D) Partner's Loan		
Q8. Revaluation account is cr	edited in case	of		
(A) increase in value of asset	es (B)	record of unrecorded as	sset	
(C) Both (A) and (B)	(D)	None of the above		
Q9. Jay and Viru started Rs.30,000 profits per year. as profit sharing ratio, calc	The profits f	or 2020-21 are Rs. 60	_	-
(A) Rs.20,000	(B	) Rs. 30,000		
(C) Rs.40,000	(D	) Can't say		
Q10. At the time of admission of the firm and also acqui			ble for the	
(A) assets, liabilities	(B) goo	dwill, capital		
(C) liabilities, assets	(D) Not	ne of these		

	an extended a loan to his partnership firm (without s $10,000$ .His interest for the year ending $31^{\rm st}$							
(A) Rs.600	(B) Rs.300							
(C) Rs.150	(D) Nil							
Q12. Revaluation of assets at the present value may be different f	e of reconstitution is necessary because their from their:							
(A) Market Value (B) Net Va	lue (C) Cost of Asset (D) Book Value							
Q13. Find capitalized value of b	ousiness from the following information							
Annual Profit =Rs 1,60,000	Normal Rate of Profit =20%							
Assets (including cash) =Rs 1	2,40,000 Cash = Rs 40,000							
Outside Liabilities = Rs 2,00,	000							
(A) Rs 8,00,000	(B) Rs 32,00,000							
(C) Rs 1,04,000	(D) Rs 9,00,000							
Q14. If the purchase considerati be debited for the difference	on is more than net worth, then which account will amount?							
(A) Capital Reserve A/c	(B) Asset A/c							
(C) Goodwill A/c	(D) Vendor							
Q15. If discount on reissue of sh	nares is less than the amount forfeited, the surplus							
is transferred to								
(A) Capital Reserve	(B) General Reserve							
(C) Securities Premium Rese	(C) Securities Premium Reserve (D) Statement of Profit and Loss							
Q16. When is there no need to value the goodwill?								
(A) Admission of partner	(B) Retirement of partner							
(C) Death of partner	(D) None of the above							

- Q17. Ram and Shyam are partners sharing profits in the ratio of 3:2. They admit Tarun as a new partner. After his admission, the profit sharing ratio becomes 5:5:3. On the date of Tarun's admission, goodwill of the firm is valued at Rs.13,00,000. The amount of goodwill brought in by Tarun will be
  - (A) Rs. 5,00,000

(B) Rs.10,00,000

(C) Rs.3,00,000

- (D) Rs,13,00,000
- Q18. Virat and Rohit are partners in a firm with capital Rs 20,000 and Rs 40,000 respectively. Profit for FY 2021 is Rs 60,000. Who will get how much share?
  - (A) Virat Rs 20,000, Rohit Rs 30,000
- (B) Virat Rs 20,000, Rohit Rs 40,000
- (C) Virat Rs 30,000, Rohit Rs 40,000
- (D) None of these

# Part-I

#### **Section-B**

(Section A consists of 18 questions (19 to 36). Any 15 questions are to be attempted. The first attempted 15 questions would be evaluated.)

Q19. A and B were partners in affirm. Their Balance Sheet showed Furniture, at Rs.2,00,000; Stock at Rs.1,40,000; Debtors at Rs.1,62,000 and Creditors at Rs.60,000. C was admitted and new profit-sharing ratio was agreed at 2:3:5.Stock was revalued at Rs. 1,00,000, Creditors of Rs.15,000 are not likely to be claimed, Debtors for Rs.2,000 have become irrecoverable and provision for doubtful debts to be provided @ 10%

A's share in the loss on revaluation amounted to Rs.30,000. Revalued value of furniture will be:

(A) Rs 2,17,000

(B) Rs.1,03,000

(C) Rs.3,03,000

- (D) Rs.1,83,000
- Q20. X and Y are partners in a firm. They admit Z for  $\frac{1}{3}$  share. Z brought Rs.2,00,000 as his capital and Rs. 60,000 for premium. Which journal entry reflects the correct accounting treatment of the above situation.

- (A) Bank A/c Dr 2,60,000
  - To Z's Capital A/c 2,00,000

To Premium for Goodwill A/c 60,000

(B) Z's Capital A/c Dr 2,00,000

To Bank A/c 2,00,000

(C) Z's Capital A/c Dr 2,00,000 Premium for Goodwill A/c Dr 60,000

To Bank A/c 2.60,000

(D) Bank A/c Dr 2,00,000

To Z's Capital A/c 2,00,000

Q21. Asha and Nisha are partner's sharing profits in the ratio of 2:1. Disha was admitted for  $^1/_4$  share of which  $^1/_8$  was gifted by Asha. The remaining was contributed by Nisha. Goodwill of the firm is valued at Rs. 40,000. How much amount of goodwill will be credited to Nisha's Capital account?

(A) Rs.2,500

(B) Rs.5,000

(C) Rs.20,000

(D) Rs. 40,000

Q22. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R)

**Assertion** (A): Transfer to reserves is shown in P&L Appropriation A/C

**Reason(R)**: Reserves are charged against the profits.

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

- (A) (A) is correct, but (R) is wrong
- (B) Both (A) and (R) are correct
- (C) (A) is wrong, but (R) is correct
- (D) Both (A) and (R) are wrong
- Q23. At the time of change in profit sharing ratio, what will be the impact on revaluation account if investment depreciates in value by 20% assuming existing book value of investments in balance sheet is Rs.80,000 and there is a investment fluctuation reserve existing in balance sheet at Rs. 10,000?
  - (A) Debit Rs. 10,000

(B) Debit Rs.16,000

(C) Debit Rs. 6,000

(D) None of these

Q24.	Ram and Mohan are partners in a firm. They share their profits in the ratio of 2:3. The accountant of the firm, finalized the profit and loss and capital account and presented the accounts to them. Ram disagreed with accounts because Ram's capital account showed negative balance. Ram is in doubt, this cannot happen. Give your opinion.  (A) Ram is wrong  (B) Ram is correct  (C) Accountant is wrong  (D) None of the above									
025		_	· ,							
Q25.		_	r to provide free food in call this a partners	l to poor covid patients hip.						
	(A) True	-	(C) Can't say	_						
A	<ul> <li>26. There are two statements marked as Assertion(A) and Reason (R). Read the statements and choose the appropriate option from the options given below: <ul> <li>(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)</li> <li>(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)</li> <li>(C) Assertion (A) is false ,but Reason (R) is true</li> <li>(D) Assertion (A) is true , but Reason (R) is false</li> </ul> </li> <li>Assertion (A) : It is necessary to ascertain new profit sharing ratio for old partners when a new partner is admitted.</li> </ul>									
Q27. sh bo	nares. Company e the ratio for allo  (A) 2:1  Minimum subsci  (A) True	wants to allototment? (B) 1:2 ription should (B) False	(C) 1:1  I be 95% of the issued (C) Can't say	who has applied .What will  (D) 5:1 d capital						

Page 7 of 14

PA-II/ACCOUNTANCY-XII/SET-I

provided @ 10% p.a.Net Loss is Rs.6,000. What is P's share of interest on capital?

(A) (Rs.3,000)

(B) (Rs.2,000)

(C) (Rs.1,000)

(D) Nil

Q30. 700 shares of Rs. 10 each were re-issued as Rs.9 paid up for Rs.7 per share. Journal entry for re-issue will be

(A) Bank A/c

Dr 4,900

Share Discount A/c

Dr 1,400

To Share Capital A/c

6,300

(B) Bank A/c

Dr 4,900

To Share Capital A/c

4,900

(C) Bank A/c

Dr 4,900

Share Forfeiture A/c

Dr 1,400

To Share Capital A/c

6,300

(D) Bank A/c

Dr 4,900

Share Forfeiture A/c

Dr 2,100

To Share Capital A/c

7,000

# Q31. There are two statements marked as Assertion(A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- (C) Assertion (A) is false ,but Reason (R) is true
- (D) Assertion (A) is true, but Reason (R) is false

**Assertion** (A): Calls-in-arrear is the amount which has not been called by the company but has been paid by the shareholders.

<b>D</b> ( <b>D</b> ) - C - 11 - 1		Comments and a section of			
<b>Reason</b> ( <b>R</b> ) : Calls-in-arrear will I fully paid up capital.	be snown as a deduction	in from the subscribe but not			
Q32.Salary given to Shankar Be be the entry for the transact		xed capital method. What will			
(A) Shankar's Current A/c	Dr 10,000				
To P/L A/c	10,000				
(B) Shankar's Capital A/c	Dr 10,000				
To P/L A/o	10,000				
(C) P/L Appropriation A/c	Dr. 10,000				
To Shankar's Current	A/c 10,000				
(D) P/L Appropriation A/c	Dr. 10,000				
To Shankar's Cap	oital A/c 10,000				
Q33. If the premium on forfeite premium account should be	ed shares has already	been received, then securities			
(A) credited (B) debite	d (C) No treatmen	t (D) None of these			
Q34. If shares of Rs.4,00,000 ar Rs.1,00,000 will be treated as	_	of assets Rs.5,00,000.			
(A) discount (B) prem	ium (C) profit	(D) loss			
Q35. X, Y and Z are partners sharing profits in the ratio of 3:2:1. They agree to admit G into the firm. X, Y and Z agreed to give $\frac{1}{3}$ rd, $\frac{1}{6}$ th and $\frac{1}{9}$ th share of their					
profit . The share of profit of		9			
(A) $\frac{11}{54}$ (B) $\frac{13}{54}$	(C) $\frac{1}{10}$ (D) $\frac{1}{5}$	1 <u>2</u> 54			

Q36. 2,000 shares of Rs.10 on which Rs. 7 have been called and Rs.5 has been paid are forfeiture out of these 1,500 shares is reissued for Rs.9 as fully paid. What is

the amount to be debited to share forfeiture account at the time of reissue of shares?

(A) Rs.13,500

(B) Rs.1,500

(C) Rs. 15,000

(D)Rs.14,000

#### Part-I

#### **Section-C**

(Section C consists of 5 questions (37 to 41). Any 04 questions are to be attempted. The first attempted 04 questions would be evaluated.) Question no's 37 and 38 are based on the situation given below.

**Direction :** Read the following case study and answer questions 37 to 38 on the basis of the same.

M Ltd. invited applications for issuing 2,00,000 equity shares of Rs.10 each at a premium of Rs.20 per share. The amount was payable as follows;

On Application-Rs.2 per share,

On Allotment –Rs. 13per share (including Rs. 10 premium)

On First Call-Rs.7 per share (including Rs.5 premium)

On Final Call- Rs.-8 per share (including Rs.5 premium)

Applications for 1,80,000 shares was received. Share were allotted to all the applicants. Jogesh a shareholder holding 5,000 shares paid his entire share money along with the allotment money. Rahim is a holder of 7,000 shares, failed to pay the allotment money. Afterwards the first call was made. Rahim paid the allotment money along with the first call money. Somesh, holding 2,000 share did not pay the final call. Somesh's shares were forfeited immediately after the final call. Out of the forfeited shares, 1,500 shares were re-issued at Rs.8 per share fully paid up.

### Q37. What is the amount of calls- in- advance?

(A) Rs.40,000

(B) Rs.35,000

(C) Rs.70,000

(D) Rs.75,000

#### Q38. What is the amount of allotment money received?

(A) Rs.23,00,000

(B) Rs.23,24,000

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(	( ''	Rs	74	フィ	()	( )( )
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(D) Rs. 24,00,000

## Question no's 39 and 40 and 41 are based on the situation given below.

Ram and Shyam are partners in a firm sharing profits and losses equally. On 1<sup>st</sup> April,2018,the capital of the partners were Rs.2,00,000 and Rs.1,50,000 respectively. The profit and loss appropriation account of the firm showed a net profit of Rs.3,75,000 for the year ended 31<sup>st</sup> March 2019. The terms of partnership deed provided the following:

- (i) Transfer 10% of distributable profits to reserve fund.
- (ii) Interest on capitals @ 6% p.a.
- (iii) Interest on drawings @ 6% p.a..Drawings being Ram Rs.40,000 and Shyam Rs.30,000.

The partners decided to provide clean drinking water build toilets in a nearby school.

- Q39. What is the average period for which interest on drawings will be calculated?
  - (A) 3
- (B) 6

- (C) 9
- (D) 12
- Q40. The total interest on capital provided is Rs.
  - (A) Rs.9,000

(B) Rs.12,000

(C) Rs.21,000

- (D) None of these
- Q41. The lesser interest on drawings charged is Rs.
  - (A) Rs.900

(B) Rs.1,200

(C) Rs.2,100

(D) None of these

# PART-II SECTION-A

(Section A consists of 7 questions (42 to 48). Any 05 questions are to be attempted. The first attempted 05 questions would be evaluated.)

- Q42. There are two statements marked as Assertion(A) and Reason (R). Read the statements and choose the appropriate option from the options given below:
  - (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
  - (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
  - (C) Assertion (A) is false ,but Reason (R) is true
  - (D) Assertion (A) is true, but Reason (R) is false

#### PA-II/ACCOUNTANCY-XII/SET-I

conse Rease	rva on (	tism, fu	all discluse of ac	losure, e	tc. are f	follow	ed wh	ile pre	paring	financi	nsistency al staten nent com	
	243. The is a measure of liquidity which excludes, generally											erally
tr	the least liquid asset.											
(A	(A) Current ratio; trade receivable (B) Liquid ratio; trade receivables										les	
(C	) C	urrent r	atio; in	ventory			(I	D) Liqu	id ratio	o; inve	ntory	
Q44.	Th	e two b	asic m	easures	of ope	ration	al eff	iciency	of a c	ompar	y are	
(A	) Ir	nventory	y Turn	over Ra	atio and	l Work	ing C	apital	Turnov	er Rati	O	
(B	) L	iquid R	atio an	d Opera	ting Ra	tio						
(C	) L	iquid R	atio an	d Currei	nt Ratio	)						
(D	) G	ross Pr	ofit Ma	ırgin and	d Net Pi	rofit M	[argin	l				
Q45.	Wł	nich of t	he follo	wing ra	tios me	asure t	he lo	ng-tern	solvei	ncy of o	organiza	tion ?
		Debt-Eq							iquid F		O	
,		roprieta						, ,	-	) and (	C)	
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		Horizon					•	(B) V	artical	Analya	oio	
,				11 y 51 5		<ul><li>(B) Vertical Analysis</li><li>(D) None of these</li></ul>						
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Q4/.	IVIč	tch the			1							
/ A > T			lumn-	<u> </u>		Column-II						
` ′		se Tools	5			(i) Intangible Fixed Assets						
(B) P						(ii) Other Current Assets						
		aid insu entures	rance			(iii) Long term Borrowings (iv) Inventories						
` ′		the cor	ract on	tion		(1V) 11	ivenu	ories				
Tillu	Jui	A	В	C	D			A	В	C	D	
( )	• •						( <b>D</b> )					
(A	_	(i)	(ii)	(iii)	(iv)		(B)	(iv)	(i)	(ii)	(iii)	
`		(iv)	(i)	(ii)	(iii)		(D)	(iii)	(iv)	(i)	(ii)	
_				llowing	is/are i			_	_		sets ?	
,	•	nventor				(B) Prepaid Expenses						
(C) Cash and Cash Equivalents (D) Both (A)						and (	B)					

### **PART-II**

#### **SECTION-B**

(Section B consists of 7 questions (49 to 55). Any 06 questions are to be attempted. The first attempted 06 questions would be evaluated.)

Q49				s. 2,00,000 and its current assets are
	, ,	. What is the c		(D) 2
	(A) 1	(B) 2	(C) 1.5	(D) 3
Q50	. What will b	e the Gross Pr	ofit Ratio of a f	firm if its opening inventory Rs.
	5,00,000 ; clo	sing inventory	Rs. 3,00,000	and Inventory Turnover Ratio 8
	times. Selling	g price 25% ab	ove cost .	
	(A) 30%	(B) 20%	(C) 10%	(D) 40%
Q51	. Which of th	e following sta	tements is false	?
(		•	figures in a bala rizontal analysis	ance sheet are stated as percentage of s.
	•		•	s are analysed, it is termed as
	vertical as v	vertical analysis	•	
(	(c) Vertical and	alysis is also ter	med as time ser	ies analysis.
(	Choose from the	he following op	tions.	
	(A) Both (a	a) and (b)	(B) Both	(a) and (c)
	(C) Both (b	o) and (c)	(D) Both	(a), (b), (c)
_				ertion(A) and Reason (R). Read the on from the options given below:
(	(A) Both Asse	rtion (A) and Ro	eason (R) are tru	e and Reason (R) is the correct
	explanation	n of Assertion (	A)	
	(B) Both Asser	rtion (A) and Re	eason (R) are tru	ue, but Reason (R) is not the correct
	explanation	n of Assertion (	A)	
(	(C) Assertion	(A) is false ,but	Reason (R) is to	rue
(	(D) Assertion	(A) is true, but	Reason (R) is f	alse

**Assertion** (A): Inventories and prepaid expenses are not considered as quick assets.

**Reason** (**R**): Inventories takes some time before it is converted into cash while prepaid expenses can be converted into cash.

# Q53. There are two statements marked as Assertion(A) and Reason (R). Read the statements and choose the appropriate option from the options given below:

- (A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)
- (C) Assertion (A) is false ,but Reason (R) is true
- (D) Assertion (A) is true, but Reason (R) is false

**Assertion (A):** The debt to equity ratio will increase at the time of issue of equity shares for cash.

**Reason** (**R**): Issue of equity shares will increase the shareholders' funds but the long term debts will remain the same.

# Q54. Current ratio of Vikash Pvt. Ltd. is 3:2. Accountant wants to maintain it at 2:1. Following options are available:

- (a) He can repay bills payable
- (b) He can take short term loan.
- (c) He can purchase goods on credit

Choose the correct option.

(A) Only (a) is correct

(B) Only (b) is correct

(C) Only (a) and (c) are correct

(D) Only (b) and (c) is correct

#### Q55. If the Operating Cycle cannot be identified, it is assumed to be a period of

(A) 3 months

(B) 6 months

(C) 9 months

(D) 12 months

\*\*\*\*\*\*\*\*\*\*\*\* ALL THE BEST \*\*\*\*\*\*\*\*\*\*