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EDUCATION

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- Mock Test
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MOCK TEST-2

Class XII

ACCOUNTANCY



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Class - XIITH ACCOUNTANCY

MOCK EXAMS

Serial Number: 2

Time: 3 Hours

Maximum Marks: 80

Exam Date: _____

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 has two options i.e. (i) Analysis of Financial Statements and**
- 5. Question 1 to 16 and 27 to 30 carries 1 mark each.**
- 6. Questions 17 to 20, 31 and 32 carries 3 marks each.**
- 7. Questions from 21, 22 and 33 carries 4 marks each**
- 8. Questions 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. The 'share of premium for goodwill' brought in by the new partner is divided in which ratio?
- a. In old ratio
 - b. In sacrificing ratio
 - c. In new ratio
 - d. None of these

or

Interest on capital will be paid to the partner only out of ____ if provided for in the partnership deed.

- a. accumulated profits
 - b. profits
 - c. goodwill
 - d. reserves
2. Ravi, Dhoni and Tony are partners sharing profits in the ratio of 3 : 3 : 2. As per the partnership agreement, Tony is to get a minimum amount of ` 8,000 as his share of profits every year and any deficiency on this account is to be personally borne by Ravi. The net profit for the year ended 31st March, 2021 amounted to 31,200. Calculate the amount of deficiency to be borne by Ravi.
- a. 800
 - b. 200
 - c. 100
 - d. 400

3. Which of the following is/are method(s) of valuation of goodwill?
- (i) Average profit method
 - (ii) Super profit method
 - (iii) Capitalisation method
- a. (ii) and (iii)
 - b. (i), (ii) and (iii)
 - c. Only (i)
 - d. (i) and (ii)

4. Calculate the interest for the year 2021, when 6% debentures are issued for ` 20,00,000 of 100 each.
- 12,000
 - 12,00,000
 - 1,60,000
 - 1,20,000
5. A shareholder to whom 9,000 shares of 10 per share allotted, failed to pay first and final call of 2 per share. How will it be recorded in the books of company?
- 18,000 will be credited to Calls-in-arrear A/c
 - 18,000 will be credited to Share Forfeiture A/c
 - 18,000 will be debited to Calls-in-arrear A/c
 - 18,000 will be debited to Share Forfeiture A/c

or

If vendors are issued fully paid shares of 1,00,000 in consideration of net assets of 1,20,000 the balance of 20,000 will be ____.

- credited to Vendor's Account
 - credited to Goodwill Account
 - credited to Profit and Loss Account
 - credited to Capital Reserve Account
6. Jhunjhun, a partner paid loan of the firm of 1,00,000 at the time of dissolution. Pass the journal entry for this transaction.
- | | | |
|---------------------------|-------------|----------|
| Realisation A/c | Dr 1,00,000 | |
| To Jhunjhun's Capital A/c | | 1,00,000 |
 - | | | |
|------------------------|-------------|----------|
| Jhunjhun's Capital A/c | Dr 1,00,000 | |
| To Realisation A/c | | 1,00,000 |
 - | | | |
|-----------------|-------------|----------|
| Realisation A/c | Dr 1,00,000 | |
| To Loan A/c | | 1,00,000 |
 - None of the above

7. If equal amount is withdrawn by a partner at the end of each month during a period of 6 months, interest on the total amount will be charged for _____ months.

- | | |
|--------|------|
| a. 3.5 | c. 6 |
| b. 2.5 | d. 3 |

Or

A partner withdraws 1,600 each on 1st April and 1st October. Interest on his drawings @ 6% p.a. on 31st March will be

- a. 48
- b. 96
- c. 192
- d. 144

8. A firm having the assets of ` 2,00,000 and liabilities of ` 84,000 earns the annual profit of ` 18,000. The rate of normal profit being 12%, the amount of goodwill by capitalisation of super profit method, will be ____.

- a. 34,000
- b. 4,080
- c. 13,290
- d. 36,000

9. Assertion (A): At the time of change in profit sharing ratio, it is important to determine the sacrificing ratio and gaining ratio.

Reason (R): At the time of change in profit sharing ratio, gaining partner compensates the sacrificing partner by paying him proportionate amount of goodwill.

Alternatives

- a. Assertion (A) is true, but Reason (R) is false
- b. Assertion (A) is false, but Reason (R) is true
- c. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)
- d. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A)

10. If a partner withdraws equal amount at end of each quarter, then_ are to be considered for interest on total drawings.

- a. 4.5 months
- b. 7.5 months
- c. 5.5 months
- d. 6 months

11. TDS refers to _____ relating to debenture interest.

- a. tax deducted at source
- b. the debenture security
- c. these debentures secured
- d. None of these

Or

14. David and Jacob are two partners sharing profits in the ratio of 2 : 1. Ronaldo, a new partner admitted for 1/4th share. At the time of admission, loss from revaluation is ` 9,000. Pass a necessary journal entry for distribution of loss between the partners.

(a) David's Capital A/c	Dr.	9,000	
To Jacob's Capital A/c			9,000
(b) Revaluation A/c	Dr.	9,000	
To David's Capital A/c			6,000
To Jacob's Capital A/c			3,000
(c) Jacob's Capital A/c	Dr.	9,000	
To David's Capital A/c			9,000
(d) David's Capital A/c	Dr.	6,000	
Jacob's Capital A/c	Dr.	3,000	
To Revaluation A/c			9,000

DIRRCTION : Read the following hypothetical situation and answer Q. No. 15 and 16

Goldee Export Limited was incorporated on 1st April, 2020 with registered office in Ahmedabad. The capital clause of memorandum of association reflected a registered capital of ` 2,00,000 equity shares of ` 10 each and 25,000 preference shares of ` 50 each.

Since some large investments were required for building and machinery, the company in consultation with vendors, M/s Sultan International Limited issued 25,000 equity shares and 5,000 preference shares at par to them in full consideration of assets acquired. Besides this the company issued 50,000 equity shares for cash at par payable as 3 on application, ` 2 on allotment, ` 3 on first call and ` 2 on second call.

Till date, second call has not yet been made and all the shareholders have paid except Rishant who did not pay allotment and calls on his 75 shares and Sonu who did not pay first call on his 50 shares. Shares of Rishant were then forfeited and out of them 25 shares were reissued at ` 12 per share.

15. How many equity shares of the company have been subscribed?

- | | |
|-----------|------------------|
| a. 71,475 | c. 74,950 |
| b. 78,340 | d. None of these |

16. The amount of security premium reflected in the balance sheet at the end of the year will be _____.

- | | |
|--------|--------|
| a. 100 | b. 250 |
| c. 50 | d. 150 |

17. Samay and Dev are partners in a firm sharing profit and loss equally. On 1st April, 2021, the capital of the partners were 4,00,000 and 3,00,000 respectively. The profit and loss appropriation account of the firm showed a net profit of ₹ 7,74,000 for the year ended 31st March, 2022. The terms of partnership deed provided the following

- a. Transfer 10% of distributable profits to reserve fund.
- b. Interest on capitals @ 6% per annum.
- c. Interest on drawings @ 6% per annum. Drawings being Samay 80,000 and Dev 60,000.
- d. Samay is entitled to a rent of 2,000 per month for the use of premises by the firm. It is paid to him by cheque at the end of every month.

Prepare profit and loss appropriation, account for the year ended 31st March, 2022.

18. Arun, Tarun and Pawan are in partnership sharing profits in the ratio of 4 : 3 : 1. Tarun takes retirement on 30th June, 2019. The firm's profits for various years were : 2014 (profits ₹ 3,24,444), 2015 (profits ₹ 80,000), 2016 (profits ₹ 10,000), 2017 (losses ₹ 10,000), 2018 (profits ₹ 40,000) and 2019 (profits ₹ 50,000). Arun and Pawan decided to share future profits in the ratio of 3 : 2. Goodwill is to be valued on the basis of 2 years' purchase of average profit of 4 completed years immediately preceding the year of retirement of a partner. Pass the journal entry to record Tarun's share of goodwill.

19. Ajanta Engineering Limited invited applications for 4,000 equity shares of 10 each at the issue price of 10. The amount payable along with application is 10. This issue was fully subscribed. Give the journal entries for the above transactions.

or

A company issued 8,000, 10% debentures of 100 each, payable 20 on application and the remaining amount on allotment. The debentures are redeemable after 5 years. All the debentures were applied for and allotted. All money was received. Give the journal entries.

20. Calculate the value of goodwill by super profit method, when goodwill is to be valued at 2.5 years' purchase of the average profits of the last 3 years. Profits of the previous 5 years are given below

2019 – 60,000, 2018 – 40,000, 2017 – 1,10,000 2016 – 40,000, 2015 – 30,000

Capital investment of the firm is 1,00,000 and having rate of return is 20%.

or

Parth and Rajiv are partners sharing profits and losses in the ratio of 3 : 1. Their capitals at the end of the financial year 2017-2018 were 1,50,000 and ₹ 75,000. During the year 2017-2018, Parth's drawings were 20,000 and the drawings

of Rajiv were 5,000. Profit before charging interest on capital for the year was 16,000 which was duly credited to their accounts. Rajiv had brought additional capital of 16,000 on 1st October, 2017. Calculate interest on capital @ 12% per annum for the year 2017-2018.

21. United India Limited purchased machinery from Berger Technologies Limited for 10,00,000 to start a business of manufacturing low cost school dresses for children belonging to low income group. It made the payment as follows: 2,00,000 by cheque, 5,000, 10% preference shares of 100 each at par, and 3,000, 10% debentures of ` 100 each at par. You are required to pass the journal entries for the transactions.

22. Daksh and Kavya are partners in a firm sharing profits in the ratio of 2 : 3. The balance sheet of the firm as on 31st March, 2021 is given below

Balance Sheet
as at 31st March, 2021

Liabilities	Amount	Assets	Amount
Creditors	620,000	Bills Receivable	360,000
Bills payables	180,000	Machinery	18,40,000
Capitals A/cs:		Land and Building	10,00,000
Daksh 16,00,000		Stock	16,00,000
Kavya 24,00,000	40,00,000		
	48,00,000		48,00,000

The partners decided to share profits in equal ratio with effect from 1st April, 2021. The following adjustments were agreed upon

- a. Land and building was valued at ` 16,00,000 and machinery at 16,40,000 and were to appear at revalued amounts in the balance sheet.
- b. The goodwill of the firm was valued at 80,000 but it was not to appear in books.

Prepare revaluation account, partners' capital account and balance sheet.

23. Nikita Services Private Limited issued 50,000, 10% debentures of ` 100 each at 10% premium to the public on 1st April, 2019, which are redeemable after 5 years of issue at a premium of 20%. Pass journal entry for the issue of debentures, for writing-off 'loss on issue of debentures' in the same year of issue and prepare 'loss on issue of debenture account' also.

24. Riyaz and Imran, who were sharing profits and losses in the ratio of 3 : 1 respectively, decided to dissolve the firm on 31st March, 2020.

Their balance sheet is as follows

**Balance Sheet
as at 31st March, 2020**

Liabilities	Amount	Assets	Amount
Trade Creditors	15,000	Cash at Bank	1,000
Loan from Mrs. Riyaz	5,000	Imran's Capital	5,000
Riyaz's Capital	50,000	Profit and Loss A/c	4,000
		Other Sundry Assets	60,000
	70,000		70,000

The assets (other than cash at bank) realised 55,000 and all creditors including loan from Mrs. Riyaz were paid-off less 5% discount. Realisation expenses amounted to 500. Prepare the realisation account, bank account and the capital account of the partners assuming that both the partners are solvent.

25. Johnson Textiles and Industries Limited invited applications for issuing 75,000 equity shares of 100 each at a premium of 30 per share. The amount was payable as follows

On application and allotment – 85 per share (including premium)
On first and final call – the balance account

Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sum due on first and final call. The calls were made. A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were re-issued at ` 150 per share fully paid-up.

Pass necessary journal entries for the above transactions in the books of Johnson Textiles and Industries Limited

or

Zigzak Technologies Limited has been registered with an authorised capital of 2,00,000 divided into 2,000 shares of 100 each of which 1,000 shares were offered for public subscription at a premium of ` 5 per share payable as under On application 10; on allotment 25 (including premium); on first call 40 and on final call 30. Applications were received for 1,800 shares of

which applications for 300 shares were rejected outright, the rest of the applications were allotted 1,000 shares on pro-rata basis. Excess application money was transferred to allotment.

All the money were duly received except from Naveen, a holder of 200 shares, who failed to pay allotment and first call money. His shares were later on forfeited and re-issued to Sohan at 60 per share, as 70 paid-up. Final call has not been made. Record necessary journal entries.

26. Geeta, Sita and Reeta are partners with profit sharing ratio of 2 : 2 : 1. Their balance sheet is given below:

Balance Sheet
as at 31st December, 2021

Liabilities	Amount	Assets	Amount
Creditors	1,00,000	Bank	60,000
Bills Payable	70,000	Debtors	52,000
Reserve Fund	40,000	(-) Provision for Doubtful Debts	(2,000)
			50,000
Workmen Compensation Fund	30,000	Building	2,00,000
Profit and Loss	20,000	Furniture	1,30,000
Provident Fund	20,000	Investment	30,000
Capital A/cs		Prepaid Insurance	10,000
Geeta 80,000		Goodwill	20,000
Sita 80,000			
Reeta 60,000	2,20,000		
	5,00,000		5,00,000

Additional Information

- a. Sangeeta comes as a new partner and brings 66,750 as capital and his share of goodwill in cash.
- b. New ratio is 3 : 3 : 2 : 2.
- c. Goodwill of the firm is 50,000.
- d. Prepaid insurance is no more required.
- e. Provision for doubtful debts is to be increased to 5,000.
- f. Investment is valued at 20,000 and is taken over by Geeta.
- g. Furniture valued at 1,00,000.
- h. Building valued at 120%.

Prepare necessary accounts and balance sheet.

Or

Aryan, Shyam and Dalbir are partners with ratio of 5 : 3 : 2.

Balance Sheet as at ...

Liabilities		Amount	Assets		Amount
Creditors		1,00,000	Cash in Hand		40,000
Expenses Owing		20,000	Debtors		60,000
Reserve Fund		30,000	Building		1,00,000
Workmen Compensation Fund		10,000	Bills Receivable		40,000
Capital A/cs			Goodwill		20,000
Aryan	60,000		Profit and Loss		30,000
Shyam	60,000		Patents		30,000
Dalbir	40,000	1,60,000			
		3,20,000			3,20,000

Additional Information

- Aryan takes retirement.
- New ratio of Shyam and Dalbir is 1 : 1 and goodwill of the firm is valued at 60,000.
- Expenses owing increased by 10,000.
- Creditors increased to 1,05,000.
- 10,000 bills receivable dishonoured and are not recoverable.
- Patents are now value less.
- 20,000 unrecorded investment brought into books.
- 10,000 paid to Aryan in cash and balance is transferred to his loan account.

Prepare necessary accounts and balance sheet.

Part B

(Financial Statement Analysis)

27. If current assets are 1,00,000, current liabilities are 50,000, inventories 6,000 and prepaid expenses 10,000, what is the value of quick assets?
- 70,000
 - 84,000
 - 58,000
 - 64,000
28. For a company manufacturing garments, procurement of raw material, incurrence of manufacturing expenses, sale of garments are classified as _____ activity.
- investing
 - operating

- c. financing
- d. None of these

or

Which of the following statement(s) is/are true?

- a. Cash flow statement is not a replacement of fund flow statement
 - b. Cash flow statement is a substitute of income statement
 - c. Cash flow statement records only cash items
 - d. Cash flow statement records only cash equivalents items
- Select the correct option from the below options

- a. Both (i) and (ii) are correct
- b. Only (ii) is correct
- c. Only (i) is correct
- d. All of these

29. Balance Sheet (Extract)

Particulars	Note No.	31 March 2020	31 March 2019
Share Capital		4,50,000	3,50,000
Reserves and Surplus	1	1,25,000	50,000

Notes to Accounts

Particulars	Note No.	31 March 2020	31 March 2019
1. Reserve and Surplus			
Surplus		1,25,000	50,000

Additional Information

Proposed Dividend – 2020 1,00,000; 2019 62,500

Based on above information given, you are required to find out the value of 'net profit before tax and extraordinary items' to be used while preparing cash flow statement.

- a. 2,25,000
- b. 1,37,500
- c. 1,25,000
- d. 50,000

30. Under which head and sub-head will the following items appear in the balance sheet of a company?

- a. Share option outstanding account
- b. Interest accrued and due on secured loans
- c. Advances recoverable in cash

31. Livestock is a item of __assets under sub-head fixed assets and the major head non-current assets.

- a. trade receivables
- b. Intangible
- c. tangible
- d. inventories

OR

Ratio analysis under financial statement analysis is significant as it

- a. ignores qualitative factors
- b. helps in locating weak points of the firm
- c. helps in window-dressing
- d. does not requires any standards

32. Hanuman Group Limited has a current ratio at 3 : 1. Its management is interested in maintaining this ratio at 4 : 1. What are the two choices to do so?

33. From the following balance sheet of Pratap Foods Limited as at 31st March, 2020 and additional information, calculate the debtors' turnover ratio and debt collection period.

**Balance Sheet
as at 31st March, 2020**

Particulars	31st March 2020 (₹)
I. EQUITY AND LIABILITIES	
Shareholder's Funds	
(i) Share Capital	5,00,000
(ii) Reserves and Surplus	2,00,000
Non-Current Liabilities	
(iii) Long Term Borrowing	2,00,000
(iv) Deferred Tax Liabilites (Net)	50,000
Current Liabilities	
(v) Trade Payables	2,00,000
(vi) Short-term Provisions	10,000
Total	11,60,000
II. ASSETS	
1. Non-Current Assets :	
Fixed Assets (Tangible assets)	7,00,000
2. Current Assets	
(i) Trade Receivables	3,50,000
(ii) Inventories	1,10,000
Total	11,60,000

Additional Information

- a. Credit sales of ` 15,00,000 and cash sales of 2,50,000.
- b. Trade receivables in the beginning of the year were 4,50,000.

or

Calculate trade receivables turnover ratio from the following information
Cost of revenue from operations 4,50,000, Gross profit on sales 20%, Cash sales 25% of net credit sales, Opening trade receivables 60,000, Closing trade receivables 90,000.

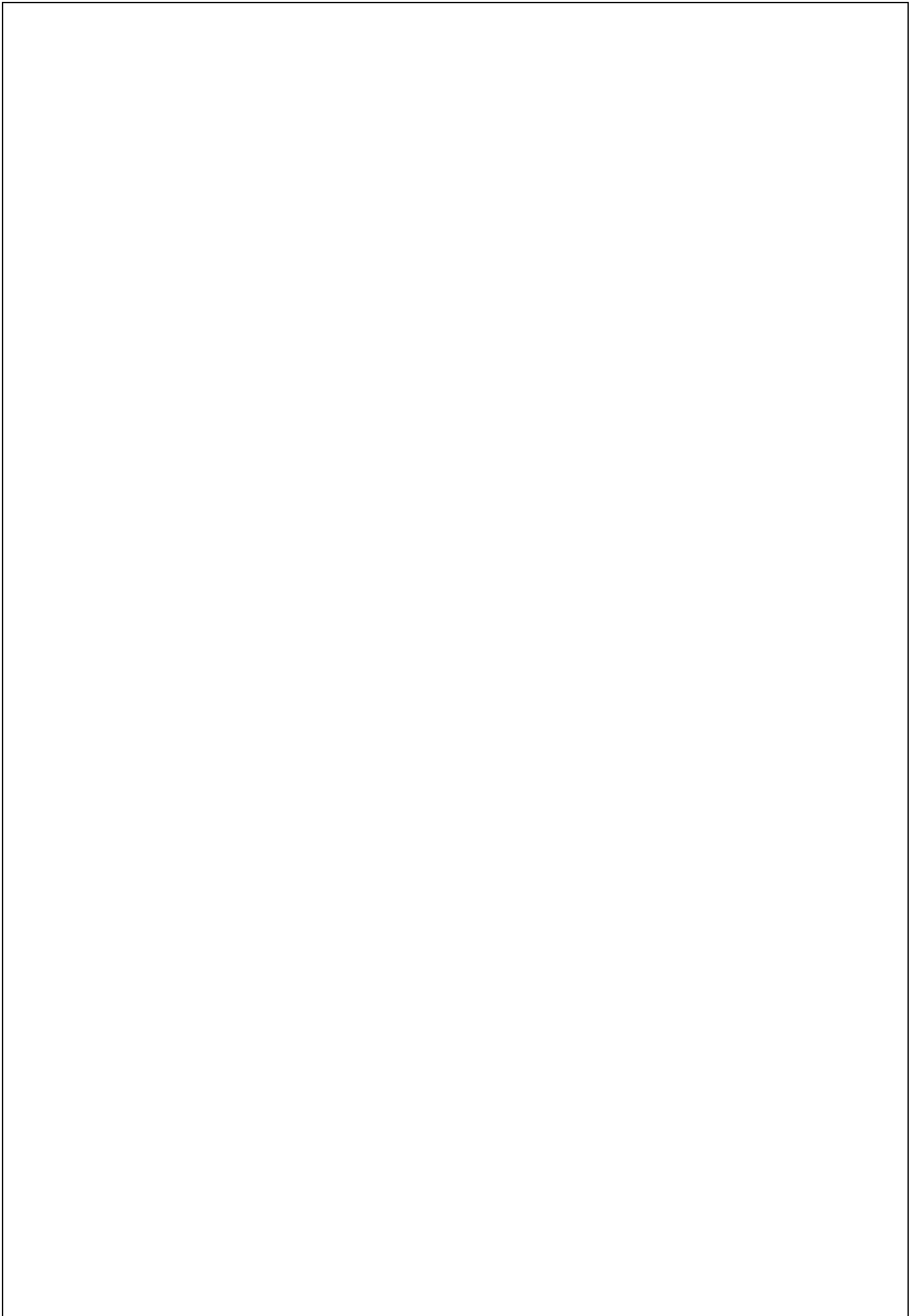
34. Jaya an alumni of Apex School initiated her startup Super Moon Private Limited in 2020. The net profit after tax of Super Moon Private Limited for the year ended 31st March, 2020 was ` 3,40,000. Following is the extract of Balance Sheet of Super Moon Private Limited as at 31st March, 2020

D	Particulars	31 March 2020 (`)	31 March 2019 (`)
e	Inventories	69,000	72,000
p	Trade Receivables	94,000	61,000
r	Prepaid Expenses	14,000	3,000
e	Trade payables	82,000	78,000
c	Provision for Tax	13,000	19,000

Depreciation charged on plant and machinery ` 49,000, insurance claim received ` 20,000 and gain on sale of investments of ` 8,000 appeared in the statement of profit and loss for the year ended 31st March, 2020.

You are required to

- a. Calculate net profit before tax and extraordinary items.
- b. Calculate operating profit before working capital changes.
- c. Calculate cash flow from operating activities.



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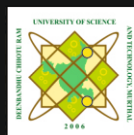
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