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ACCOUNTANCY

(Commerce)

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

General Instructions :

- (i) This question paper contains **39** questions. **All** questions are compulsory.
- (ii) This question paper is divided into two parts, Part—A and Part—B.
- (iii) Question Nos. **1** to **21** and **32** to **35** carry *1* mark each.
- (iv) Question Nos. **22** to **25**, **36** and **37** carry 3 marks each.
- (v) Question Nos. **26**, **27** and **38** carry 4 marks each.
- (vi) Question Nos. **28** to **31** and **39** carry 6 marks each.

PART—A

(Accounting for Partnership Firms and Companies)

(Marks : 60)

Choose and write the correct answer (any *ten*) : 1×10=10

- 1.** A partnership firm has 45 partners. Only _____ more partners can be admitted in the partnership firm according to the Companies Act, 2013.

- | | |
|-------|-------|
| (a) 1 | (b) 6 |
| (c) 5 | (d) 3 |

(2)

2. Rita and Usha were partners in a firm sharing profits and losses in the ratio of 3 : 5. During the year, Usha withdrew ₹ 15,000 at the end of each month. Interest on drawings is to be charged @ 8% p.a. The average period for the calculation of interest on drawings will be

- (a) $4\frac{1}{2}$ months (b) 6 months
(c) $6\frac{1}{2}$ months (d) $5\frac{1}{2}$ months

Or

Abha, Manju and Rhea were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. During the year ended 31st March, 2024, Rhea withdrew ₹ 30,000 at the beginning of each half-year. Interest on Rhea's drawings @ 10% p.a. for the year ended 31st March, 2024 will be

- (a) ₹ 6,000 (b) ₹ 4,500
(c) ₹ 3,000 (d) ₹ 1,500

3. _____ is the basis of relationship between the partners to run the partnership business.

- (a) Offer (b) Agreement
(c) Understanding (d) Acceptance

4. On dissolution of the firm, General Reserve is transferred to

- (a) Realization A/c
(b) Partners' Capital A/cs in their profit-sharing ratio
(c) Partners' Capital A/cs in capital ratio
(d) Cash A/c

(3)

5. *P* and *Q* are partners in a firm sharing profits and losses in the ratio of 3 : 2. They admit *R*, a new partner for $\frac{1}{5}$ th share in profit. What is the sacrificing ratio of *P* and *Q*?
- (a) 3 : 1 (b) 2 : 1
(c) 3 : 2 (d) 1 : 1
6. 2000 shares of ₹ 10 each issued at a premium of ₹ 2 per share, were forfeited for the non-payment of final call of ₹ 2 per share. Share Capital A/c will be debited with (at the time of forfeiture)
- (a) ₹ 20,000 (b) ₹ 4,000
(c) ₹ 24,000 (d) ₹ 16,000
7. Securities Premium Reserve can be used for
- (a) paying interest on debentures
(b) issuing fully paid bonus shares to the members
(c) paying tax liability
(d) paying dividend on shares
8. Under super profit method, Goodwill is calculated by
- (a) Number of Years' Purchase \times Average Profit
(b) Number of Years' Purchase \times Super Profit
(c) Super Profit \div Normal Rate of Return
(d) Super Profit – Normal Profit

- 9.** Interest on Debentures is a charge against
- (a) Share Capital
 - (b) General Reserve
 - (c) Dividend
 - (d) Profit
- 10.** The part of authorized capital which is offered to the public is called
- (a) subscribed capital
 - (b) nominal capital
 - (c) authorized capital
 - (d) issued capital
- 11.** Sujal Ltd. invited applications for 40000 Equity Shares of ₹ 100 each, payable as follows :
- On Application—₹ 40 per share
 - On Allotment—₹ 40 per share
 - On First and Final Call—₹ 20 per share
- All the money due was received, except Priya holding 1000 Equity Shares failed to pay the final call money.
- Calls-in-Arrears A/c will be debited by
- (a) ₹ 40,000
 - (b) ₹ 80,000
 - (c) ₹ 20,000
 - (d) ₹ 1,00,000
- 12.** Debentures which do not carry any specific rate of interest are known as
- (a) registered debentures
 - (b) zero-coupon rate debentures
 - (c) bearer debentures
 - (d) secured debentures

(5)

13. Which of the following is **not** correct for goodwill?

- (a) It is an intangible asset
- (b) It is a fictitious asset
- (c) It may have a realizable value
- (d) It is amortized

Answer any six of the following questions in 1 sentence each

(Q. Nos. **14** to **21**) :

1×6=6

14. Why is Profit and Loss Appropriation A/c prepared?

15. What is Revaluation A/c?

16. State one point of difference between Sacrificing Ratio and Gaining Ratio.

17. What is Employee Stock Option Plan?

18. What is issue of debentures as collateral security?

19. Give the meaning of 'minimum subscription'.

20. X, Y and Z are partners sharing profits and losses in the ratio of 2 : 2 : 1. Y died on 30th June, 2024. The profit for the year ending 31st March, 2024 was ₹ 3,60,000.

Calculate Y's share of profit till the date of death, if the profit is calculated on the basis of previous year's profit.

21. A firm earned profits/losses over the past four years as follows :

	₹
2021-22	9,000
2022-23	5,000
2023-24	4,000 (Loss)
2024-25	6,000

Calculate the value of Goodwill on the basis of two years' purchase of average profit of past four years.

- 22.** X Ltd. forfeited 300 shares of ₹ 10 each, ₹ 7 called-up, on which Elsa had paid application and allotment money of ₹ 5 per share. Of these, 250 shares were reissued to Risa at ₹ 6 per share, ₹ 7 per share paid-up.

Pass necessary Journal Entries to record the above transactions.

3

- 23.** ABC Ltd. acquired Sundry Assets worth ₹ 4,50,000 and Sundry Liabilities of ₹ 50,000 from Clara Ltd. at an agreed purchase consideration of ₹ 3,85,000 to be satisfied by the issue of 10% Debentures of ₹ 100 each at par.

Pass necessary Journal Entries to record the above transactions.

3

- 24.** A business has earned an average profit of ₹ 30,000 and the normal rate of return in similar types of business is 10%.

Calculate the value of Goodwill by capitalization of super profit method assuming that the business owns assets worth ₹ 4,50,000 and liabilities are ₹ 2,00,000.

3

- 25.** A and B are partners in a firm sharing profits and losses in the ratio of 3 : 2. Their capitals in the beginning of the year were ₹ 4,00,000 and ₹ 3,00,000 respectively. During the year, A had withdrawn ₹ 20,000 and B had withdrawn ₹ 30,000. The profit during the year was ₹ 1,53,750.

Prepare Profit & Loss Appropriation A/c taking into consideration of the following :

3

- (i) Interest on capital @ 10% p.a. and interest on drawings @ 5% p.a.
- (ii) A is entitled to receive a salary of ₹ 2,000 p.m.
- (iii) B is entitled to receive a commission @ 2% on the turnover. The turnover for the year was ₹ 18,00,000

(7)

- 26.** Aria, Bella and Calmilia were partners in a firm sharing profits and losses in the ratio of 7 : 2 : 1. The Balance Sheet of the firm as on 31st March, 2024 was as follows :

<i>Liabilities</i>		₹	<i>Assets</i>		₹
Capitals :			Goodwill		40,000
Aria	70,000		Land & Buildings		1,00,000
Bella	20,000		Stock		7,000
Calmilia	10,000	1,00,000	Debtors		12,000
General Reserve		20,000	Cash		5,000
Loan from Bella		30,000			
Creditors		14,000			
		<u>1,64,000</u>			<u>1,64,000</u>

Bella died on 12th June, 2024. Partnership deed provides for the settlement of claims on the death of a partner in addition to his capital as under :

- (i) Share of profit of the deceased partner to be computed up to the date of death on the basis of average net profit of the past three completed financial years. Average net profit of past three completed financial years was ₹ 80,000
- (ii) Her share on revaluation of assets and reassessment of liabilities. The revaluation profit on the date of death was ₹ 29,700
- (iii) Net amount payable to Bella's executors was transferred to her Loan A/c

Prepare Bella's Capital A/c.

4

Or

Ankit, Rajesh and Vikram are partners in the firm sharing profits and losses in the ratio of 2 : 1 : 1 respectively. The firm closes its accounts on 31st March every year. Rajesh died on 30th September, 2024. There was a balance of ₹ 1,25,000 in Rajesh's Capital A/c as on 1st April, 2024.

In the event of death of any of the partner, the partnership deed provide the following :

- (i) Interest on capital at the rate of 6% p.a.
- (ii) The executor of deceased partner shall be paid ₹ 24,000 for his share of goodwill
- (iii) His share of Reserve Fund which is ₹ 12,000 shall be paid to his executor
- (iv) His share of profit till the date of death will be calculated on the basis of sales. It is also specified that the sales during the year 2023–24 were ₹ 4,00,000. The sales from 1st April, 2024 to 30th September, 2024 were ₹ 1,20,000, the profit of the firm for the year ending 31st March, 2024 was ₹ 2,00,000

Prepare Rajesh's Capital A/c.

- 27.** Sofia and Lucy are partners in a firm sharing profits and losses in the ratio of 5 : 3. They admit Zara into partnership for $\frac{1}{4}$ th share of profit for which she brings ₹ 50,000 as capital and ₹ 16,000 as goodwill. Half of the goodwill is withdrawn by Sofia and Lucy. At the time of admission, the revaluation loss was ₹ 4,000. There was a goodwill already existing in the books at ₹ 6,000.

Pass Journal Entries to record the above transactions.

4

Or

A and B are partners sharing profits and losses in the ratio of 3 : 2. They admitted C into partnership and decided to share profits and losses in the ratio of 2 : 1 : 1. At the time of admission, the General Reserve appeared in the books at ₹ 12,000 and the Revaluation Profit was

₹ 2,500. C brought ₹ 30,000 as capital but was unable to bring his share of goodwill. The goodwill of the firm at the time of admission was valued at ₹ 40,000.

Show Journal Entries to record the above transactions.

- 28.** Vikas and Hiten were partners in a firm sharing profits in the ratio of 3 : 2. Their Balance Sheet as on 31st March, 2025 was as follows :

*Balance Sheet of
Vikas and Hiten as on 31st March, 2025*

<i>Liabilities</i>	₹	<i>Assets</i>	₹
Creditors	40,000	Bank	36,000
Bank Overdraft	20,000	Debtors	36,000
General Reserve	10,000	Less : Provision	<u>2,000</u>
Capital A/cs :		Stock	60,000
Vikas	50,000	Machinery	30,000
Hiten	<u>40,000</u>		
	<u>1,60,000</u>		<u>1,60,000</u>

On 1st April, 2025, they admitted Shashi on the following terms :

- (i) He will bring ₹ 30,000 for his capital and ₹ 10,000 as premium for goodwill. The new profit sharing ratio is 5 : 3 : 2.
- (ii) Provision for bad and doubtful debts is to be maintained at 10% on debtors
- (iii) Stock was overvalued by 20%
- (iv) Machinery to be valued at ₹ 36,600
- (v) Capital A/cs of Vikas and Hiten are to be adjusted in the new profit sharing ratio on the basis of Shashi's capital. Adjustment of capital is to be made in cash

Prepare Revaluation A/c and Partners' Capital A/cs. 3+3=6

(10)

Or

A, B and C are partners sharing profits and losses in the ratio of 5 : 3 : 2. The Balance Sheet as on 31st March, 2025 was as follows :

*Balance Sheet of
A, B and C as on 31st March, 2025*

<i>Liabilities</i>		₹	<i>Assets</i>		₹
Sundry Creditors		6,900	Cash at Bank		5,500
Capital A/cs :			Debtors		5,000
A	20,000		Less : Provision		
B	15,000		for Doubtful		
C	<u>10,000</u>	45,000	Debts	<u>100</u>	4,900
			Stock		8,000
			Plant & Machinery		13,500
			Land & Buildings		20,000
		<u>51,900</u>			<u>51,900</u>

B retired on the above date on the following terms :

- (i) The new profit sharing ratio was 3 : 2
- (ii) Stock is to be written off by 10%
- (iii) Provision for doubtful debts be brought up to 10% on debtors
- (iv) Land and Buildings was undervalued by 20%
- (v) Provision of ₹ 800 be made in respect of outstanding legal charges
- (vi) Goodwill of the entire firm was valued at ₹ 20,000

Prepare Revaluation A/c, Partners' Capital A/cs and Balance Sheet. 2+2+2=6

29. A and B shared profits in the ratio of 3 : 2. Their Balance Sheet as on 31st March, 2025 was as follows :

*Balance Sheet of
A and B as on 31st March, 2025*

<i>Liabilities</i>		₹	<i>Assets</i>		₹
Creditors		20,000	Cash at Bank		7,000
Capital A/cs :			Debtors	40,000	
A	1,00,000		Less : Provision		
B	<u>90,000</u>	1,90,000	for Doubtful		
A's Loan		50,000	Debts	<u>1,800</u>	38,200
			Stock		54,800
			Machinery		40,000
			Land & Buildings		1,20,000
		<u>2,60,000</u>			<u>2,60,000</u>

The partners decided to dissolve the firm on the above date. Assets were realized as follows :

Stock—₹ 45,000; Debtors—₹ 35,000; Land & Buildings — ₹ 30,000 more than the book value

Creditors were paid ₹ 19,000 in full settlement of their claim. Machinery was taken over by A in full settlement of his loan

Realization expenses amounted to ₹ 1,200

Prepare Realization A/c, Partners' Capital A/cs and Bank A/c. 2+2+2=6

(12)

Or

Alka, Bimla and Chitra are in partnership sharing profits and losses in the ratio of 4 : 3 : 2. Their Balance Sheet as on 31st March, 2025 stood as follows :

<i>Balance Sheet of</i> <i>Alka, Bimla and Chitra as on 31st March, 2025</i>			
<i>Liabilities</i>	₹	<i>Assets</i>	₹
Capital A/cs :		Land	5,500
Alka	4,000	Stock	1,400
Bimla	2,000	Debtors	1,000
Chitra	<u>500</u>	Patents	600
Alka's Loan	1,000	Cash	1,500
Creditors	1,600		
Bills Payable	900		
	<u>10,000</u>		<u>10,000</u>

They agree to dissolve partnership as on 31st March, 2025. Alka agrees to take over the Stock at ₹ 1,500 and Debtors at ₹ 700. Land is sold for ₹ 2,700. ₹ 1,500 is paid to Creditors in full settlement. The cost of winding-up is ₹ 700.

Prepare Realization A/c, Partners' Capital A/cs and Cash A/c.

6

- 30.** Nora Co. Ltd. issued 50000 Equity Shares of ₹ 10 each payable as follows :

On Application—₹ 3

On Allotment—₹ 4

On First and Final Call—₹ 3

Applications were received for 75000 Equity Shares of which 15000 applications were rejected and the remaining were allotted on pro rata basis. Mr. Arun, who applied for 600 Equity Shares failed to pay allotment and call money. His shares were forfeited and later all these shares were reissued at ₹ 11 per share.

Pass necessary Journal Entries in the books of Nora Co. Ltd.

6

(13)

Or

Shan Co. Ltd. issued 20000 Equity Shares of ₹ 10 each payable as follows :

On Application—₹ 3

On Allotment—₹ 5

On First and Final Call—₹ 2

Applications were received for 30000 Equity Shares and allotment was made on pro rata basis. Daphi who was allotted 400 Equity Shares failed to pay allotment and call money. Her shares were forfeited and subsequently 300 Equity Shares were reissued at ₹ 8 per share fully paid-up.

Pass necessary Journal Entries in the books of Shan Co. Ltd.

31. Pass Journal Entries relating to issue of debentures in the books of Kyrmen Ltd. in each of the following cases : 6

- (i) Issued 10000, 9% Debentures of ₹ 100 each at par, redeemable at a premium of 10%
- (ii) Issued ₹ 5,00,000, 12% Debentures of ₹ 100 each at a premium of 10%, redeemable at a premium of 5%
- (iii) Issued 20000, 10% Debentures of ₹ 100 each at a discount of 5% redeemable at par.

Or

Sunrise Co. Ltd. issued ₹ 5,00,000, 9% Debentures at a discount of 6% redeemable at the end of the 4th year.

Show the Journal Entries for the issue of Debentures and prepare Discount on Issue of Debentures A/c for four years.

(14)

PART—B

(Analysis of Financial Statements)

(Marks : 20)

Choose and write the correct answer :

1×4=4

32. In cash flow statement, payment of dividend is classified under

- (a) operating activities
- (b) investing activities
- (c) financing activities
- (d) None of the above

33. The ideal current ratio is

- (a) 1 : 1
- (b) 2 : 1
- (c) 1 : 2
- (d) 1.5 : 1

Or

When a firm's total asset turnover ratio increases, it indicates

- (a) assets are being used more efficiently to generate sales
- (b) assets are being underutilized
- (c) sales have decreased
- (d) fixed assets have increased

(15)

34. Common-size statement is an example of

- (a) Horizontal analysis
- (b) Vertical analysis
- (c) Ratio analysis
- (d) Cash flow analysis

Or

Which of the following statements shows the financial position of a company?

- (a) Income statement
- (b) Cash flow statement
- (c) Balance Sheet
- (d) All of the above

35. Which of the following is **not** an inflow of cash?

- (a) Purchase of tangible assets
- (b) Issue of equity shares
- (c) Sale of tangible assets
- (d) Issue of debentures

Or

For a Banking Company, the cash flow from deposits by customers are classified under

- (a) operating activities
- (b) investing activities
- (c) financing activities
- (d) None of the above

(16)

36. Prepare a Common-size Income Statement for the year ended 31st March, 2025 : 3

Particulars	₹
Revenue from Operations	40,00,000
Cost of Revenue from Operations	30,00,000
Other Expenses	5,00,000
Profit before Tax	5,00,000
Tax	2,00,000

Or

Complete the following Comparative Balance Sheet :

Particulars	31.03.2024	31.03.2025	Absolute Change	Percentage Change
	₹	₹	₹	
Shareholders' Funds	6,00,000	?	2,00,000	?
Non-current Liabilities	3,00,000	?	50,000	?
Current Liabilities	?	3,00,000	2,00,000	?
Total	?	?	?	?
Non-current Assets	7,00,000	?	?	50%
Current Assets	?	?	?	?
Total	?	?	?	?

37. Under which major heads and subheads will the following items be placed in the Balance Sheet of the company as per Schedule-III, Part-I of the Companies Act, 2013? 3

- (a) Trademark
(b) Capital reserve
(c) Commission received in advanced

Or

State any three limitations of financial statements.

(17)

38. A business has a current ratio of 3 : 1 and a liquid ratio of 1·2 : 1. If the working capital is ₹ 1,80,000, calculate Total Current Liabilities, Total Current Assets, Total Liquid Assets and Value of Inventory. 4

Or

Calculate Debt to Equity Ratio and Proprietary Ratio from the following information :

	₹
Total Debt	12,00,000
Short-term Debt	2,00,000
Fixed Assets	15,00,000
Current Assets	5,00,000

39. Following are the Balance Sheets of Shai Co. Ltd. as on 31st March, 2023 and 2024 :

Balance Sheets

<i>Particulars</i>	<i>Note No.</i>	<i>2024 ₹</i>	<i>2023 ₹</i>
I. <i>Equity and Liabilities :</i>			
1. Shareholders' Funds :			
(a) Share Capital		70,000	60,000
(b) Reserves and Surplus	1	44,000	8,000
2. Non-current Liabilities :			
10% Debentures		50,000	50,000
3. Current Liabilities :			
Trade Payables	2	25,000	9,000
Total		<u>1,89,000</u>	<u>1,27,000</u>

(18)

<i>Particulars</i>	<i>Note No.</i>	<i>2024 ₹</i>	<i>2023 ₹</i>
II. Assets :			
1. Non-current Assets :			
(a) Plant & Machinery		98,000	84,000
(b) Non-current Investments		16,000	6,000
2. Current Assets :			
(a) Current Investments		18,000	20,000
(b) Inventories		49,000	12,000
(c) Cash and Bank Balances		8,000	5,000
Total		<u>1,89,000</u>	<u>1,27,000</u>

Notes to Accounts :

<i>Particulars</i>	<i>31.03.2024 ₹</i>	<i>31.03.2023 ₹</i>
1. Reserves and Surplus :		
General Reserve	30,000	20,000
Surplus, i.e., Balance in Statement of Profit and Loss	14,000	(12,000)
	<u>44,000</u>	<u>8,000</u>
2. Trade Payables :		
Sundry Creditors	23,500	6,500
Bills Payable	1,500	2,500
	<u>25,000</u>	<u>9,000</u>

Additional Information :

(i) Depreciation provided on Machinery during the year—₹ 8,000

(ii) Interest paid on Debentures—₹ 5,000

Prepare Cash Flow Statement.

6

(19)

Or

From the following Balance Sheets of Eastern Co. Ltd.,
prepare Cash Flow Statement :

Balance Sheets

<i>Particulars</i>	<i>Note No.</i>	<i>31.03.2025 ₹</i>	<i>31.03.2024 ₹</i>
I. <i>Equity and Liabilities :</i>			
1. Shareholders' Funds :			
(a) Share Capital		14,00,000	10,00,000
(b) Reserves and Surplus	1	5,00,000	4,00,000
2. Non-current Liabilities :			
Long-term Borrowings	2	5,00,000	1,40,000
3. Current Liabilities :			
(a) Outstanding Expenses		20,000	30,000
(b) Trade Payables		1,00,000	60,000
(c) Short-term Provisions	3	60,000	30,000
Total		<u>25,80,000</u>	<u>16,60,000</u>
II. <i>Assets :</i>			
1. Non-current Assets :			
Fixed Assets :			
(a) Tangible Assets	4	16,00,000	9,00,000
(b) Intangible Assets	5	1,40,000	2,00,000
2. Current Assets :			
(a) Inventories		2,50,000	2,00,000
(b) Trade Receivables		5,00,000	3,00,000
(c) Cash and Cash Equivalents		90,000	60,000
Total		<u>25,80,000</u>	<u>16,60,000</u>

Notes to Accounts :

<i>Particulars</i>	<i>31.03.2025</i> ₹	<i>31.03.2024</i> ₹
1. Reserves and Surplus :		
General Reserve	3,40,000	3,00,000
Statement of Profit and Loss	1,60,000	1,00,000
	<u>5,00,000</u>	<u>4,00,000</u>
2. Long-term Borrowings :		
Debentures	<u>5,00,000</u>	<u>1,40,000</u>
3. Short-term Provisions :		
(a) Provision for Tax	20,000	10,000
(b) Proposed Dividend	40,000	20,000
	<u>60,000</u>	<u>30,000</u>
4. Tangible Assets :		
Plant & Machinery	17,60,000	10,00,000
Less : Accumulated Depreciation	1,60,000	1,00,000
	<u>16,00,000</u>	<u>9,00,000</u>
5. Intangible Assets :		
Goodwill	<u>1,40,000</u>	<u>2,00,000</u>

Additional Information :

(i) Tax paid—₹ 18,000

(ii) A part of the machine costing ₹ 50,000, accumulated ₹ 20,000 was sold for ₹ 18,000
