JB Academy, Ayodhya
Half yearly Examination -2025-26

Time: 3 hrs. **Class - XII, Subject – Accountancy** **M.M: 80**

General Instructions:

*Question nos. 1 to 20 carry 1 marks each
* Question nos. 21 to 26 carry 3 marks each
*Question nos. 27 to 29 carry 4 marks each
*Question nos. 30 to 34 carry 6 marks each
** Show your workings clearly.

(Accounting for Partnership Firms)

Q1. The document that contains the terms of partnership is called:
(a) Partnership Agreement (b) Partnership Contract
(C) Partnership deed (d) Partnership Rules

Q2. A, B, C and D are partners in a firm. They want to expand their business for which additional capital and more managerial experts are required. For this they want to admit more members in their firm. What is the maximum number of additional members that can be admitted by them in the firm?
(a) 02 (b) 50 (c) 20 (d) 46

Q3. Which of the following statements are correct?
(i) The liability of a partner for acts of the firm is unlimited.
(ii) Private assets of a partner can also be used for paying the debts of the firm.
(iii) Each partner is liable jointly with all other partners and also severally to the third parties for all the acts of the firm done, while he is a partner.
(iv) The liability of a partner is limited to the extent of his capital contribution.

(a) Only (iii) (b) (i) and (ii)
(c) (i), (ii) and (iii) (d) (i), (ii), (iii) and (iv)

Q4.. A partnership firm has 45 partners. It wants to admit 7 more partners into partnership. Only —------ more partners can be admitted in the partnership firm according to Companies Act, 2013.
(a) 1 (b) 6 (c) 5 (d) 3

Q5. P, Q and R are in a partnership business. P used 1,00,000 of the firm for some speculation activity and earned an profit of 75,000. Which decision is the most appropriate regarding this case?
(a) P must return ₹ 1,00,000 to the firm (b) P must pay back₹ 1,00,000 equally Q and R
(c) P must return ₹ 1,75,000 to the firm (d) P must sacrifice his share of profit of 75,000 in that year.

Q6.A and B were partners in a firm. Their capitals at the end of the year ending on 31.3.2021 were 3,00,000 and ₹1,50,000 respectively. During the year B withdrew 10,000 which was debited to his capital account. Profit for the year ended 31st March, 2021 was ₹ 32,000 which was credited to their capital accounts. During the year B introduced additional capital ₹ 32,000. What was B's capital on 1.4.2020?
(a) ₹1,50,000 (b) ₹1,12,000 (c) ₹ 1,60,000 (d) ₹ 1,52,000

Q7. A and B are partners. B draws a fixed amount at the end of every quarter. Interest on drawings is charged @ 15% p.a. At the end of the year interest on B's drawings amounted to ₹9,000.Drawings of B were:
(a) ₹24,000 per quarter. (b) ₹40,000 per quarter.
(c) ₹30,000 per quarter. (d) ₹80,000 per quarter.

Q8. Rani and Shyam are partners in a firm. They are entitled to interest on their capital but the net profit was not sufficient for paying the interest, then the net profit will be distributed among partners in
(a) 1:2 (b) Profit Sharing Ratio (c) Capital Ratio (d) Equally

Q9. P, Q and R are partners sharing profits in the ratio 3: 2: 1. Interest on capital of P, Q and R ₹ 1,800, ₹ 2,100 and ₹1,500 respectively is omitted to be provided. The adjustment entry will be:

(a) P's Capital A/c Dr. ₹600
Q's Capital A/c Dr. ₹300
To R's Capital A/c ₹900

(b) P' Capital A/c Dr. 900
To Q's Capital A/c 300
To R's Capital A/c 600

(c) R's Capital A/c Dr. 900
To P's Capital A/c 300
To Q's Capital A/c 600

(d) Q's Capital A/c Dr.300
R's Capital A/c Dr.600
To P's Capital A/c 900

Q10.. E, F and G are partners sharing profits in the ratio of 3:3:2. As per the partnership agreement, G is to get a minimum amount of ₹ 80,000 as his share of profits every year and any deficiency on this account is to be personally borne by E. The net profit for the year ended 31st March, 2020 amounted to₹3,12,000. Calculate the amount of deficiency to be borne by E?
(a) ₹ 1,000 (b) ₹ 4,000 (c) ₹ 8,000 (d) ₹ 2,000

OR

P, Q and R were partners in a firm sharing profits and losses in the ratio 2:2:1. They admitted L as a new partner for 1/5th share in the profits. L was given a guarantee that his share of profit shall be₹ 1,00,000. Any deficiency arising on account of guarantee to L will be borne by Q. The profit of the firm during the year ended 31.3.2023 was ₹4,00,000. The amount of deficiency borne by Q was:
(a) ₹80,000 (b) ₹20,000 (c) ₹ 1,00,000 (d) 6,667

Q11. Choose the correct sequence of the following transactions in context of Division of Profits.
(i) Guarantee by Firm to Partners
(ii) Guarantee by Partners to Firm
(iii) Transfer of Profits to Profit and Loss Appropriation Account
(iv) Guarantee by Partner to Partner

(a) (i); (iii); (iv); (ii) (b) (iii); (i); (ii); (iv)
(c) (iii); (ii); (i); (iv) (d) (ii); (iii); (iv); (i)

Q12. In the following questions, a statement of assertion followed by a statement of reason is correct answer out of the following choices.
(a) Both (A) and (R) are correct, and (R) is the correct explanation of (A)
(b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
(c) (A) is correct but (R) is incorrect
(d) (A) is incorrect but (R) is correct.

Assertion (A): A Profit and Loss Appropriation Account is prepared to show the distribution of profits among partners as per the provision of Partnership Deed.
Reason (R): Only working partner(s) can inspect the books of accounts.

Q13.. In case of fixed capital account, interest on partner's drawings is credited to:
(a) Profit and Loss A/c (b) Profit and Loss Appropriation A/c
(c) Partner's Capital A/c (d) Partner's Current A/c

Q14.. When goodwill is not purchased, goodwill account can:
(a) Never be raised in the books (b) Be raised in the books
(c) Be partially raised in the books. (d) Be raised as per partnership deed

Case study : Goodwill is to be calculated at two years' purchase of the average of last three years profit. The profit of the first year was ₹60,000, second year twice the profit of the first year and the third year one and half times of the profit of second year. Based on the above information you are required to answer the following questions:

15. Average profit of the firm will be:
(a) ₹60,000 (b) ₹ 1,00,000 (c) ₹1,20,000 (d) ₹1,40,000

16..Goodwill of the firm will be:
(a) ₹1,20,000 (b) 2,40,000 (c) ₹2,00,000 (d) 2,80,000

Q17.In case of Workmen Compensation Reserve, if the amount claimed is more than the amount lying in WCR, then the shortfall will be recorded in:
(a) Revaluation Account (b) Partner's Capital Account
(c) Balance Sheet (d) None of these

Q18. Nita and Samar are partners in a firm sharing profits in the ratio of 3: 2. Their fixed capitals were ₹90,000 and 2,10,000 respectively. They admitted Mitali on April 1, 2022 as a new partner for 1/5th share in future profits. Mitali brought ₹1,50,000 as her capital. The value of goodwill of the firm on Mitali's admission was:
(a) ₹3,00,000 (b) ₹7,50,000 (c) ₹1,50,000 (d) ₹ 30,000

Q19.- A and B were partners in a firm sharing profit or loss equally. With effect from 1st April, 2023 they agreed to share profits in the ratio
of 4: 3. Due to change in profit sharing ratio,
B's gain or sacrifice will be:
(a) Gain 1/14 (b) Sacrifice 1/14 (c) Gain 4/7 (d) Sacrifice 3/7

Q20. On the reconstitution of a firm, the value of land was to be appreciated by ₹2,00,000 and plant and machinery was to be reduced to ₹7,00,000 from ₹10,00,000. Gain or Loss on revaluation will be:
(a) Gain₹ 1,00,000 (b) Loss 1,00,000 (c) Loss₹ 5,00,000

Q21. Cashily Ltd.took over assets of ₹5,00,000 and liabilities of ₹ 50,000 of Instantly Ltd. at an agreed value of 5,40,000. Cashily Ltd. issued 10% Debentures of 100 each at a discount of 10% Instantly Ltd. in full satisfaction of the price.Pass the necessary Journal entries to record the above transactions in the books of Cashily Ltd.

Q22. Pass necessary journal entries for issue of debentures for the following transactions:
(i) Suhavo Ltd. issued 10,000, 11% Debentures of 100 each at a discount of 10%, redeemable at a premium of 5%.
(ii) Mudit Ltd. issued 20,000, 9% Debentures of 100 each at a premium of 5%, redeemable at a premium of 10%.

Q23. Sandesh Ltd. took over the assets of ₹7,00,000 and liabilities of ₹ 2,00,000 from Sanchar Ltd. for a purchase consideration of 4,59,500.₹ 8,500 were paid by accepting a draft in favour of Sanchar Ltd. Payable after three months and the balance was paid by issue of equity shares of 10 each at a premium of 10% in favour of Sanchar Ltd. Pass necessary Journal entries for the above transactions in the books of Sandesh Ltd.

Q24. To provide employment to the youth and to develop Baramula district of Jammu and Kashmir, Jyoti Power Ltd. decided to setup a power plant. For raising funds the company decided to issue 8,50,000 equity shares of 10 each at a premium of 3 per share. The whole amount was payable on application. Applications for 20,00,000 shares were received. Application for 3,00,000 shares were rejected and shares were allotted to the remaining application on pro-rata basis.
Pass necessary journal entries for the above transactions in the books of the company.

Q25. State any three purposes other than 'writing off the preliminary expenses of the company' for which Securities Premium Reserve can be utilised.

OR

Lilly Ltd. forfeited 100 shares of ₹10 each issued at 10% premium (₹8 called up) on which a shareholder did not pay 3 of allotment (including premium) and first call of ₹2. Out of these, 60 shares were reissued to Ram as fully paid for ₹8 per share and 20 shares to Suraj as fully paid up @ 12 per share at different intervals of time.Prepare a Share Forfeiture account.

Q26. Madhu, Raj, Atul and Prachi were partners in a firm sharing profit and losses in the ratio of 3:2: 4: 1. With effect from 1st April, 2023, they decided to share profits and losses equally. Their Balance Sheet showed a General Reserve of ₹ 1,00,000. The goodwill of the firm was valued at 20,00,000. Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.

Q27. Atishyokti Ltd. company was registered with an authorised capital of ₹20,00,000 divided into 2,00,000 Equity Shares of ₹10 each, payable ₹3 on application, 6 on allotment (including 1 premium)
and balance on call. The company offered 80,000 shares for public subscription. All the money has
been duly called and received except allotment and call money on 5,000 shares held by Manish and call money on 4,000 shares held by Alok. Manish's shares were forfeited and out of these 3,000 shares were re-issued 9 per share as fully paid up. Show share capital in the books of the company. Also prepare notes to accounts.

Q28. BGP Ltd. invited applications for issuing 15,000, 11% debentures of ₹100 each at a premium of ₹50 per debenture. The full amount was payable on
application. Applications were received for 25,000 debentures. Applications for 5,000 debentures were rejected and the application money was refunded. Debentures were allotted to the remaining applicants on pro-rata basis. Pass the necessary journal entries for the above transactions in the books of BGP Ltd.

Q29. Rajan, Hemand and Krishna are partners in a firm sharing profits and losses in the ratio of 12:8: 5. Partner Krishna is guaranteed a minimum profit of *50,00 p.a. by the firm. The profits and losses for the years ended 31st March, were: 2018 - Profit ₹ 2,00,000; 2019 -Profit ₹3,00,000 and 2020 -Loss ₹2,00,000. Pass necessary Journal entries in the books of the firm.

Q30. Jeet, Meet and Geet are partners in a firm sharing profits and losses in the ratio of 2:2:1. On 31st March, 2024, Meet retired and his share was taken over by other partners equally. On that date the capitals of Jeet, Meet and Geet before the necessary adjustments stood at ₹ 3,00,000, ₹3,00,000 and ₹ 1,00,000 respectively.

On Meet's retirement, Revaluation of assets and reassessment of liabilities resulted in a Loss of 6,000. The Goodwill of the firm was valued at ₹ 1,45,000. General Reserve stood in the books of the firm at 18,000. The amount payable to Meet was transferred to his loan account. Jeet and Geet agreed to pay Meet two yearly instalments of 1,20,000 each along with interest @ 8% p.a. on the outstanding balance during the first two years and the balance including interest in the third year. The firm closes its books on 31st March every year.

Based on the above information you are required to answer the following question.

I. What is the new profit sharing ratio between Jeet and Geet?

(a) 2:1 (b) 3:1

(c) 3:2 (d) 1:2

II. What will be the Journal entry for treatment of Goodwill at the time of retirement of Meet?

(a) Debit Meet's Capital A/c by ₹ 58,000 and Credit Jeet and Geet's Capital A/c by 29,000 each.

(b) Debit Meet's Capital A/c by 58,000 and Credit Jeet and Geet's Capital A/c by ₹ 38,667 and 19,333 respectively

(c) Debit Jeet and Geet's Capital A/c by 29,000 each and Credit Meet's Capital A/c by ₹ 58,000

(d) Debit Jeet and Geet's Capital A/c by 38,667 and 19.333 respectively and Credit Meet's Capital A/c by ₹ 58,000.

III. General reserve will be transferred to:

(a) All partners' Capital Accounts in their old ratio

(b) Remaining partners' Capital Accounts in their new ratio

(c) Remaining partners' Capital Accounts in their gaining ratio

(d) Retiring partner's Capital Account.

IV. What will be the total amount paid by firm to meet at the end of third year?

(a) ₹1,72,500

(b) ₹1,62,800

(c) ₹1,32,624

(d) ₹1,89,750

OR

Rony, Bony and Tony are partners in a grocery trading firm. The firm has a fixed total capital of 4,50,000 held equally by all the partners. Bony died on 1st January, 2022 due to heart attack. According to the partnership deed, the legal representatives of the deceased partner were entitled to:

(1) Balance in his Capital Account

(ii) Share of goodwill (Goodwill of the firm on Bony's death was valued at 90,000.)

(ii) Share in the profits of the firm till the date of his death, calculated on the basis of average profit of the last three years (The average profit of the firm for the last three years 1,50,000.)

Based on the above information you are required to answer the following questions:

1. Journal entry for Bony's share of profit due till the date of death is:

(a) Dr. Rony and Tony's Capital A/c by 18,750 each and Credit Bony's Capital A/c by 37,500

(b) Dr. Profit and Loss Suspense A/c by ₹ 37,500 and Cr. Bony's capital A/e by 37.500

(c) Dr. Profit and Loss A/c by ₹ 37,500 and Cr. Bony's Capital A/c by 37,500

(d) Dr. Revaluation A/c by ₹ 37,500 and Cr. Bony's Capital A/e by ₹ 37,500

II. For goodwill Rony's capital account will be:

(a) Debited with 15,000 (b) Debited with₹ 5,000(c) Credited with 30,000 (d) Credited with 12,400

Q31. Sun and Kiran are partners sharing profits and losses equally. They decided to dissolve their firm. Assets and Liabilities have been transferred to Realisation Account. Pass necessary Journal entries for the following:

(a) All partners are agreed that the process of realisation at the time of dissolution will be accomplished by Sun for which he will be paid 10,000 along with the amount of expense which amounted to 2% of total value realised from the Assets on dissolution. Some assets were sold for Cash at a cumulative Value of₹ 12,00,000 and the remaining were taken over by creditors at a valuation of ₹ 3,00,000.

(b) Deferred Advertisement Expenditure A/c appeared in the books at ₹ 28,000.
(c) Out of the Stock of ₹ 1,20,000; Kiran (a partner) took over 1/3 of the stock at a discount of 25% and 50% of remaining stock was took over by a Creditor of 30,000 in full settlement of his claim. Balance amount of stock realized at 25,000.
(d) An outstanding bill for repairs and renewal of 3,000 was settled through an unrecorded asset which was valued at 10,000, balance being settled in Cash.

OR

A and B are partners sharing profits and losses in the ratio of 3 : 1. On Ist April. 2023 they admitted C as a new partner for 1/4 share in the profits of the firm which he takes entirely from A. C was to bring capital equal to 25% of the total capital of A and B after all adjustments and ₹20,000 in respect of goodwill. The capitals of A and B after all adjustments in respect of goodwill, revaluation of assets and liabilities, etc. has been worked out at ₹80,000 for A and 40,000 for B. Calculate the amount of capitals that bring by C for more also give journal entries for the above.

Q32. Dinesh, Ramesh and Suresh are partners in a firm sharing profits and losses in the ratio of 3:3:2. They decided to share the profits equally w.e.f. April 1, 2015. Their Balance Sheet as on March 31. 2016 was as follows:

Liabilities	Amount	Assets	Amount
Sundry Creditors General Reserve	1,50,000 80,000	Cash at Bank	40,000
Partner's Laon: Dinesh 40,000 Ramesh 30,000	70,000	Bills Receivable Sundry Debtors	50,000 60,000
Capitals: Dinesh 1,00,000 Ramesh 80,000 Suresh 70,000	2,50,000	Stock	1,20,000
		Fixed Assets	2,80,000
Total	5,50,000	Total	5,50,000

It was also decided that:
(i) The fixed assets should be valued at 3,31,000.
(ii) A provisions of 5% on sundry debtors be made doubtful debts.
(iii) The goodwill of the firm will be valued at two years purchase of last five years average profit. Five years profit was as under : ₹ 14,000:₹17,000: ₹20,000; ₹22,000 and 27,000 respectively.
(iv) The value of stock be reduced to 1,12,000,
(v) Goodwill was not to appear in the books. Pass the necessary journal entries and prepare the revised Balance sheet of the firm.

Q33.. The capitals of X, Y and Z as on 31st March, 2020 amounted to ₹1,50,000, ₹5,50,000 and ₹11,00,000 respectively. Divisible profit amounting to ₹3,00,000 for the year ended 31st March, 2020 was distributed in the ratio of 4 : 1 : 1 after allowing interest on capital @ 10% p.a. During the year, each partner withdrew ₹50,000 per month in the beginning of each month. The Partnership Deed was silent as to profit-sharing ratio and interest on drawings but provided for interest on capital @ 12% p.a.
Showing your workings, pass the necessary adjustment entry to rectify the above error.

Q34. DF Ltd. invited applications for issuing 50,000 shares of 10 each at a premium of 2 per share. The amount was payable as follows:

On Application; 3 per share (including premium (1)

On Allotment: 3 per share (including premium (1)

On First call: 3 per share

On Second and Final call: Balance amount Application for 70,000 shares were received. Allotment was made on the following basis.

Applications for 5,000 shares - Full

Application for 50,000 shares - 90%

Balance of the applications were rejected. 1,11,000 were received on account of allotment. The amount of allotment due from the shareholders to whom shares were allotted on pro-rata basis was fully received. A few shareholders to whom shares were allotted in full, failed to pay the allotment money. Rs.1,20,000 were received on first call. Directors decided to forfeit those shares on which allotment and call money was due. Half of the forfeited shares were re-issued @8 per share fully paid up. Final call was not made.

Pass the necessary journal entries for the above transactions in the book of DF Ltd.

OR

Pass necessary journal entries for forfeiture and reissue of shares in the following cases:

(1) Star Ltd. forfeited 8,000 shares of ₹100 each issued at 10% premium for non-payment of allotment money of ₹ 40 per share (including premium) and first call of ₹ 30 per share. The second and final call of 20 per share was not yet called. Out of these, 6,000 shares were reissued at 80 paid up for ₹70 per share.

(ii) Premier Ltd. forfeited 3,000 shares of ₹10 each on which the first call of ₹3 per share was not received and the second and final call of *2 per share was not yet called. Out of these. 2,000 shares were reissued to Vrinda at 8 paid up for per share.