

CLASS 12 ACCOUNTANCY
MODEL QUESTION PAPER – SET 1

Time: 3 Hours

Maximum Marks: 80

● SECTION A – MCQs (1×20 = 20 Marks)

1. Goodwill is valued under which head in Balance Sheet?
 - a) Current Asset
 - b) Intangible Asset
 - c) Fictitious Asset
 - d) Revenue Expenditure

2. Gaining Ratio is calculated at the time of:
 - a) Admission
 - b) Retirement
 - c) Dissolution
 - d) Incorporation

3. Share premium can be used for:
 - a) Dividend
 - b) Writing off preliminary expenses
 - c) Salaries
 - d) Revenue expenses

4. Debentures are shown under:
 - a) Current Liabilities
 - b) Non-current Liabilities
 - c) Reserves
 - d) Assets

5. Interest on Capital is:
 - a) Mandatory
 - b) Allowed only if mentioned in partnership deed
 - c) Always 12%
 - d) Illegal

6. Cash Flow Statement is prepared as per:
 - a) AS-1
 - b) AS-2
 - c) AS-3
 - d) AS-10

7. Issue of shares at premium increases:
 - a) Revenue
 - b) Capital Reserve
 - c) Securities Premium
 - d) Profit

8. Revaluation Account is prepared at time of:
 - a) Admission
 - b) Retirement
 - c) Death
 - d) All of these

9. Bank Overdraft is:
 - a) Operating Activity
 - b) Investing Activity
 - c) Financing Activity
 - d) Asset

10. Reserve Capital is:
 - a) Part of Authorised Capital
 - b) Uncalled Capital
 - c) Portion of uncalled capital reserved for winding up
 - d) Paid-up Capital

11. Issue of shares for machinery is:
 - a) Financing activity
 - b) Investing activity
 - c) Operating activity
 - d) Non-cash transaction

12. If 5,000 debentures ₹100 at 5% discount issued, cash received equals:
 - a) ₹4,50,000
 - b) ₹4,75,000
 - c) ₹5,00,000
 - d) ₹5,25,000

13. Capitalisation of super profit method compares:
 - a) Profit & Capital
 - b) Actual profit & Normal profit

- c) Assets & Liabilities
 - d) Debt & Equity
14. If net assets ₹15,00,000 and implied value ₹18,00,000, hidden goodwill equals:
- a) ₹2,00,000
 - b) ₹3,00,000
 - c) ₹4,00,000
 - d) ₹5,00,000
15. Return on Capital Employed formula:
- a) NP / CE
 - b) EBIT / CE ×100
 - c) Sales / CE
 - d) CA / CL
16. In insolvency of partner, deficiency is borne in:
- a) Old ratio
 - b) New ratio
 - c) Capital ratio
 - d) Equal ratio
17. Securities Premium cannot be used for:
- a) Bonus shares
 - b) Writing off discount on debentures
 - c) Dividend payment
 - d) Premium on redemption
18. Depreciation is added back in cash flow because it is:
- a) Cash expense
 - b) Non-cash expense
 - c) Liability
 - d) Reserve
19. If quick assets ₹6,00,000 and CL ₹3,00,000, quick ratio equals:
- a) 1:1
 - b) 1.5:1
 - c) 2:1
 - d) 3:1
20. At retirement, goodwill adjustment is made in:
- a) New ratio

- b) Gaining ratio
- c) Sacrificing ratio
- d) Old ratio

SECTION B – Short Answer

(3×6 = 18 Marks)

11. A, B, C share profits 3:2:1. C retires. Calculate new ratio if A gains $\frac{1}{6}$ from C.
 12. What is goodwill? Explain any two methods of its valuation.
 13. Distinguish between Capital Reserve and Revenue Reserve.
 14. Prepare Revaluation Account from given adjustments.
 15. What is Cash Flow from Operating Activities?
 16. Explain Accounting Treatment of Forfeiture of Shares.
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SECTION C – Case Based

(4×3 = 12 Marks)

17. Case Study: 1

X and Y share profits in 3:2 ratio. They admit Z for $\frac{1}{5}$ share. Z brings ₹50,000 as goodwill.

- (a) Calculate sacrificing ratio.
 - (b) Pass journal entry for goodwill.
 - (c) What is new profit-sharing ratio?
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18. Case Study: 2

A company issued 10,000 shares of ₹10 each at ₹2 premium.

- (a) Total amount received?
 - (b) Securities premium amount?
 - (c) Journal entry for allotment.
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19. Case Study: 3

From following data calculate Net Cash Flow from Operating Activities:

Net Profit ₹1,00,000

Depreciation ₹20,000

Increase in Debtors ₹10,000

SECTION D – Long Answer

(6×5 = 30 Marks)

20. X, Y, Z are partners sharing 4:3:2. Y retires. Prepare:

- New ratio
- Gaining ratio
- Adjust goodwill ₹90,000

21. Issue of 5,000 shares of ₹100 at 10% premium payable in instalments.

Pass necessary journal entries.

22. Prepare Cash Flow Statement from given Balance Sheets.

23. Dissolution of partnership firm – prepare Realisation Account.

24. Calculate Current Ratio, Debt-Equity Ratio from given data and interpret.