

**CLASS 12 ACCOUNTANCY**  
**MODEL QUESTION PAPER – SET 4**

**Time: 3 Hours**

**Maximum Marks: 80**

**● SECTION A – MCQs**

**(1×20 = 20 Marks)**

1. Hidden goodwill arises when total capital based on new partner's capital is:
  - a) Equal to net assets
  - b) Less than net assets
  - c) More than net assets
  - d) Negative
  
2. If revaluation loss is not recorded at retirement, it will:
  - a) Affect only retiring partner
  - b) Affect continuing partners
  - c) Affect all partners equally
  - d) Not affect anyone
  
3. Shares forfeited and reissued at discount – maximum discount allowed is:
  - a) Amount received on forfeited shares
  - b) Face value
  - c) Premium amount
  - d) Called-up amount
  
4. Debenture Redemption Reserve is created out of:
  - a) Capital profit
  - b) Revenue profit
  - c) Share premium
  - d) Revaluation reserve
  
5. Quick Ratio ideal standard is:
  - a) 2:1
  - b) 1:1
  - c) 3:1
  - d) 0.5:1
  
6. Loss on sale of fixed asset is shown under:
  - a) Investing activity
  - b) Operating activity (adjustment)
  - c) Financing activity
  - d) Non-cash item only

7. In dissolution, if a partner is insolvent, loss is borne by solvent partners in:
- a) Old ratio
  - b) New ratio
  - c) Capital ratio
  - d) Equal ratio
8. Issue of bonus shares affects:
- a) Total capital
  - b) Cash
  - c) Reserves
  - d) Liabilities
9. Capital employed includes:
- a) Current liabilities
  - b) Long-term funds
  - c) Debtors only
  - d) Cash only
10. Interest on drawings is credited to:
- a) Partner's capital
  - b) Profit & Loss A/c
  - c) Current A/c
  - d) Cash A/c
11. If net assets ₹20,00,000 and new partner brings ₹4,00,000 for 1/5 share, implied value equals:
- a) ₹16,00,000
  - b) ₹20,00,000
  - c) ₹24,00,000
  - d) ₹25,00,000
12. Revaluation loss is debited to partners in:
- a) New ratio
  - b) Old ratio
  - c) Gaining ratio
  - d) Equal ratio
13. Cash Flow Statement is prepared as per:
- a) AS-1

- b) AS-2
  - c) AS-3
  - d) AS-10
14. If 5,000 shares ₹10 at par issued, total capital raised equals:
- a) ₹40,000
  - b) ₹45,000
  - c) ₹50,000
  - d) ₹55,000
15. Non-cash transactions are disclosed in Cash Flow Statement in:
- a) Main body
  - b) Operating section
  - c) Notes
  - d) Financing section
16. If capital employed ₹40,00,000 and NRR 12%, normal profit is:
- a) ₹3,80,000
  - b) ₹4,80,000
  - c) ₹5,00,000
  - d) ₹6,00,000
17. Super profit ₹3,00,000; goodwill 4 years purchase equals:
- a) ₹9,00,000
  - b) ₹10,00,000
  - c) ₹11,00,000
  - d) ₹12,00,000
18. Hidden goodwill arises when implied firm value is:
- a) Less than net assets
  - b) More than net assets
  - c) Equal to reserves
  - d) Equal to capital
19. Sacrificing ratio is calculated at the time of:
- a) Retirement
  - b) Admission
  - c) Dissolution
  - d) Insolvency.

20. Revaluation profit is transferred to partners in:

- a) New ratio
- b) Gaining ratio
- c) Old ratio
- d) Equal ratio

**SECTION B – Short Answer**

**(3×6 = 18 Marks)**

11. A, B, C share profits 3:2:1.

C retires.

New ratio between A and B is 5:3.

Goodwill ₹1,50,000.

Pass journal entries.

12. Calculate Goodwill under Capitalisation of Super Profit Method:

Actual Profit = ₹1,20,000

Normal Rate of Return = 12%

Capital Employed = ₹8,00,000

13. Z Ltd. issued 10,000 shares of ₹10 each at ₹2 premium.

Applications received for 12,000 shares.

Allotment on pro-rata basis.

Pass necessary journal entries.

14. A company forfeited 1,000 shares of ₹10 each, ₹8 called-up issued at 10% premium.

Reissued at ₹7 per share.

Pass journal entries.

15. Calculate Debt-Equity Ratio and Return on Capital Employed:

Debentures ₹5,00,000

Long-term Loan ₹3,00,000

Equity ₹6,00,000

Reserves ₹2,00,000

EBIT ₹2,00,000

16. Calculate Gaining Ratio:

P, Q, R share profits 4:3:2.

R retires.

New ratio between P and Q is 3:2.

**SECTION C – Case Based**

**(4×3 = 12 Marks)**

**17. Complex Admission with Hidden Goodwill**

A and B share profits 3:2.

C admitted for 1/5 share for ₹40,000.

Total capital after admission ₹3,00,000.

(a) Calculate hidden goodwill

(b) Calculate sacrificing ratio

(c) Pass goodwill adjustment entry

**18. Cash Flow Case**

Net Profit ₹2,00,000

Depreciation ₹50,000

Profit on sale of land ₹20,000

Increase in Debtors ₹40,000

Decrease in Creditors ₹10,000

Calculate Cash from Operating Activities.

**19. Debenture Redemption Case**

A Ltd. redeemed 3,000 debentures of ₹100 each at 5% premium.

DRR balance ₹2,00,000.

(a) Amount payable

(b) Journal entry

(c) Treatment of DRR after redemption

**SECTION D – Long Answer**

**(6×5 = 30 Marks)**

## 20. Retirement with Revaluation & Reserve Adjustment

A, B, C share profits 5:3:2.

C retires.

Goodwill ₹2,00,000

General Reserve ₹60,000

Revaluation Loss ₹30,000

New ratio between A & B = 3:2

Prepare:

- Revaluation A/c
- Partners' Capital A/c
- Journal entries

## 21. Issue & Redemption of Debentures (Complex)

A Ltd. issued 10,000 debentures of ₹100 at 10% discount redeemable at 5% premium.

Pass journal entries for issue and redemption.

## 22. FULL CASH FLOW STATEMENT

( 8 Mark)

Prepare Cash Flow Statement:

<b>Liabilities</b>	<b>2024</b>	<b>2025</b>
Share Capital	8,00,000	10,00,000
Reserves	2,00,000	2,50,000
Long-term Loan	1,50,000	1,00,000
Creditors	1,00,000	80,000

  

<b>Assets</b>	<b>2024</b>	<b>2025</b>
Building	6,00,000	7,50,000
Machinery	3,00,000	2,50,000
Debtors	2,00,000	1,80,000
Cash	50,000	70,000

Additional Info:

- Depreciation ₹40,000

- Dividend Paid ₹50,000
  - Machinery sold at ₹20,000 loss
- 

### **23. Dissolution with Insolvency**

A and B share profits 3:2.

Capitals: A ₹1,50,000, B ₹1,00,000.

Assets realised ₹4,00,000.

Creditors ₹2,00,000 paid at full.

B is insolvent and pays only ₹30,000.

Prepare:

- Realisation A/c
  - Capital A/c
  - Cash A/c
- 

### **24. Advanced Ratio Analysis**

Calculate & interpret:

Current Assets ₹4,00,000

Inventory ₹1,20,000

Current Liabilities ₹2,00,000

Net Profit ₹1,50,000

Capital Employed ₹10,00,000

Find:

- Current Ratio
- Quick Ratio
- Return on Capital Employed