

**CLASS 12 ACCOUNTANCY**  
**MODEL QUESTION PAPER – SET 7**

**Time: 3 Hours**

**Maximum Marks: 80**

**PATTERN**

- Section A – MCQ (1×16 = 16 Marks)
- Section B – Very Short Numerical (4×4 = 16 Marks)
- Section C – Case Based (6×3 = 18 Marks)
- Section D – Long Numerical (6×5 = 30 Marks)

**SECTION A – MCQs**

**(1×16=16 Marks)**

1. If total capital based on new partner's capital is ₹10,00,000 and net assets are ₹8,00,000, hidden goodwill = \_\_\_\_\_.
2. Under Capitalisation of Average Profit Method, Goodwill = \_\_\_\_\_ – Capital Employed.
3. Premium on redemption of debentures is treated as:
  - a) Capital loss
  - b) Revenue loss
  - c) Fictitious asset
  - d) Reserve
4. Maximum discount on reissue of forfeited shares equals:
  - a) Face value
  - b) Called-up amount
  - c) Amount forfeited
  - d) Premium amount
5. Quick Ratio excludes:
  - a) Debtors
  - b) Cash
  - c) Inventory
  - d) Bills Receivable
6. Issue of shares for purchase of building is recorded in Cash Flow as:
  - a) Financing activity
  - b) Investing activity

- c) Operating activity
  - d) Non-cash transaction
7. Interest on debentures is shown in Cash Flow under:
- a) Operating activity
  - b) Financing activity
  - c) Investing activity
  - d) Not shown
8. In Garner v/s Murray rule, deficiency of insolvent partner is distributed among solvent partners in \_\_\_\_\_ ratio.
9. Pro-rata allotment means:
- a) Full allotment
  - b) Partial proportional allotment
  - c) Equal allotment
  - d) No allotment
10. Depreciation is added back in operating activities because it is:
- a) Cash expense
  - b) Non-cash expense
  - c) Liability
  - d) Reserve
11. If CA ₹12,00,000 and CL ₹6,00,000, current ratio equals:
- a) 1:1
  - b) 1.5:1
  - c) 2:1
  - d) 3:1
12. Increase in creditors results in:
- a) Increase in cash
  - b) Decrease in cash
  - c) No effect
  - d) Loss
13. If super profit ₹4,00,000 and goodwill = 3 years purchase, goodwill equals:
- a) ₹10,00,000
  - b) ₹11,00,000
  - c) ₹12,00,000
  - d) ₹13,00,000

14. Capital Redemption Reserve is created on:
- a) Issue of debentures
  - b) Redemption of preference shares
  - c) Forfeiture
  - d) Bonus issue
15. Interest on drawings is:
- a) Expense
  - b) Income
  - c) Asset
  - d) Liability
16. If 5,000 shares ₹10 at par issued, total share capital equals:
- a) ₹40,000
  - b) ₹45,000
  - c) ₹50,000
  - d) ₹55,000

**● SECTION B – Very Short Numerical**

**(4×4 = 16 Marks)**

17. Calculate Hidden Goodwill:

A & B share profits 4:3.

C admitted for 1/6 share for ₹75,000 as capital.

Total firm capital after admission ₹6,00,000.

18. Calculate Goodwill under Capitalisation Method:

Actual Profit ₹3,00,000

Normal Rate of Return 15%

Capital Employed ₹15,00,000

19. A company issued 15,000 shares of ₹10 each at ₹3 premium.

Applications received for 18,000 shares.

Pro-rata allotment made.

Calculate excess application adjustment.

20. Calculate Debt-Equity Ratio:

Long-term Loan ₹6,00,000  
Debentures ₹4,00,000  
Equity Share Capital ₹12,00,000  
Reserves ₹3,00,000

**● SECTION C – Case Based**

**(6×3 = 18 Marks)**

**21.**

P and Q share profits 3:2.  
General Reserve ₹1,00,000.  
Land appreciated by ₹60,000.  
R admitted for 1/5 share.

- (a) New ratio
- (b) Sacrificing ratio
- (c) Journal entry for reserve & revaluation

**22.**

A, B, C share 5:3:2.  
C retires.  
Goodwill ₹4,00,000.  
A & B new ratio 2:1.  
C's capital ₹3,00,000.  
Firm's total capital ₹15,00,000.

Find hidden goodwill & pass adjustment entry.

**23.**

3,000 shares ₹10 each issued at premium ₹2.  
₹9 called-up.  
Forfeited for non-payment of first call ₹3.  
Reissued at ₹8 per share.

- (a) Forfeiture entry
- (b) Reissue entry
- (c) Capital Reserve amount

**24.**

Net Profit ₹4,00,000

Depreciation ₹1,00,000

Gain on sale of land ₹40,000

Increase in Debtors ₹80,000

Increase in Creditors ₹50,000

Dividend Paid ₹1,20,000

Calculate Cash from Operating Activities.

**25.**

Company redeemed 4,000 debentures ₹100 each at 5% premium.

DRR ₹2,50,000.

DRR Investments sold for ₹2,70,000.

(a) Amount payable

(b) Profit/Loss on sale

(c) Journal entries

**26.**

A and B share profits 2:1.

Capitals: A ₹1,20,000, B ₹90,000.

Loss on dissolution ₹1,50,000.

A is insolvent and pays ₹20,000 only.

Calculate B's deficiency share.

**● SECTION D – Long Numerical**

**(6×5 = 30 Marks)**

**27. Extreme Retirement with Full Adjustment**

A, B, C share profits 4:4:2.

C retires.

Goodwill ₹5,00,000

General Reserve ₹1,50,000

Revaluation Loss ₹70,000

Machinery undervalued ₹80,000

A & B agree to share profits 3:2

Prepare:

- Revaluation A/c
- Partners' Capital A/c
- All journal entries

## 28. Issue & Redemption of Debentures

Company issued 8,000 debentures of ₹100 at 10% premium redeemable at 5% premium.

DRR created 20% of face value.

Pass journal entries for issue, DRR creation and redemption.

## 29. FULL CASH FLOW STATEMENT

Prepare Cash Flow Statement:

| <b>Liabilities</b> | <b>2024</b> | <b>2025</b> |
|--------------------|-------------|-------------|
| Share Capital      | 12,00,000   | 15,00,000   |
| Reserves           | 4,00,000    | 4,80,000    |
| Long-term Loan     | 5,00,000    | 4,00,000    |
| Creditors          | 3,00,000    | 2,70,000    |
| <b>Assets</b>      | <b>2024</b> | <b>2025</b> |
| Building           | 10,00,000   | 12,00,000   |
| Machinery          | 8,00,000    | 7,00,000    |
| Debtors            | 4,00,000    | 3,50,000    |
| Cash               | 2,00,000    | 2,60,000    |

Additional Info:

Depreciation ₹1,20,000

Machinery sold at ₹50,000 profit

Dividend Paid ₹2,00,000

### **30. Advanced Ratio Analysis + Interpretation**

Current Assets ₹10,00,000

Inventory ₹3,00,000

Current Liabilities ₹5,00,000

EBIT ₹5,00,000

Capital Employed ₹25,00,000

Calculate:

- Current Ratio
- Quick Ratio
- Return on Capital Employed  
and analyse liquidity & profitability position critically.