



**OSDAV Public School**  
**First Unit Test (May 2024)**  
**Class :XII**  
**Subject :Accountancy**

**SET :A**  
**M.M. : 30**

**Time: 1hr**

**General Instructions:-**

**All questions are compulsory.**

Q.NO	Questions	Marks
1	<p><b>Assertion (A):</b> Commission paid to manager is shown in Profit and Loss Appropriation A/c.</p> <p><b>Reason (R):</b> Commission paid to manager is a charge against profits.</p> <p>(a) (A) is correct but (R) is wrong.</p> <p>(b) Both (A) and (R) are correct, but (R) is not the correct explanation of (A).</p> <p>(c) Both (A) and (R) are incorrect.</p> <p>(d) Both (A) and (R) are correct, and (R) is the correct explanation of (A).</p>	1
2	<p>Vivek and Manish are partners sharing profits and losses in the ratio of 5: 2. They have capital balance as on 31st March 2023 ₹2,00,000 and ₹2,40,000 respectively. Their drawings for the year was 60,000 each. Interest on capital to be provided @ 10% p.a. Calculate the opening capital of Manish if divisible profit during the year was ₹3,50,000 and it is distributed without providing interest on capital.</p> <p>(a) ₹3,00,000. (b) ₹2,00,000. (c) 2,80,000. (d) ₹2,40,000</p>	1
3	<p>Following are essential features of partnership firm except</p> <p>A) At Least two persons</p> <p>B) There is agreement between all partners</p> <p>C) Equal share of profit and losses</p> <p>D) Partnership agreement is for some business</p>	1
4	<p>Romisha And Anuradha are partners with a capital of ₹ 10,00,000 and ₹12,00,000 .Interest on capital provided is 10% p.a .During the year firm earned profit of ₹ 1,10,000.Interest on capital allowed to Anuradha will be</p> <p>a) 50,000 b) ₹60,000 c ) ₹70,000 d) ₹ 1,20,000</p>	1
5	<p>P and Q are partners in a firm .You find that :</p> <p>(i) P drew ₹6,000 in the end of every month for 6 months ending 31st March 2022. Calculate Interest on drawing @8%p.a .</p> <p>a) ₹500. b) ₹600. c) ₹720. d) ₹900</p>	1

6	Green and Orange are partners .Green draws a fixed amount at the beginning of every month.Interest on drawing is Charged @8% p.a At the end of year interest on Green drawings amount ₹2,600 .Monthly drawings of green were a) ₹8,000. b) ₹60,000 c) ₹7,000 D ) ₹5,000	1
7	A and B were partners in a firm sharing profit or loss in the ratio of 3:1 .with effect from Jan 1 ,2023 they agreed to share profit or loss in the ratio of 2:1 .Due to change in profit -loss sharing ratio , A gain or sacrifice will be : a) Gain 1/12. b) sacrifice 1/12. c) Gain $\frac{1}{3}$ d) sacrifice 1/3	1
8	Weighted average method of calculating goodwill is used when a)When profit shows trend. b) profits are not equal C) profits are fluctuating. d) None of above	1
9	Tangible Assets of the Firm are ₹14,00,000and Outside liabilities Are ₹4,00,000.Profit of the firm is ₹1,50,000 and normal rate of return is 15% .The amount of capital Employed Will be A) ₹10,00,000 B ) ₹1,00,000 C) ₹50,000 D) ₹20,000	1
10	<b>Assertion (A)</b> Value of goodwill is subjective and not an exact value under any method. <b>Reason (R):</b> Value of goodwill is subjective because it is based on estimates as to number of years purchase or rate of return on capital employed. In the context of the above two statements, which of the following is correct? Codes: (A) Both (A) and (R) are true, but (R) is not the correct explanation of (A). (B) Both (A) and (R) are true and (R) is the correct explanation of (A). (C) Both (A) and (R) are false. (D) (A) is false, but (R) is true.	1
11	State three difference between drawing against profits and drawing against capital	3
12	A. B, C and D are partners in a firm sharing profits and losses in the ratio of 2:2:1:1. They decided to share future profits and losses in the ratio of 3:2:2:3. For this purpose goodwill of the firm valued at ₹1,50,000. There was also a reserve of ₹60,000 in the books of the firm. Find out sacrifice ratio and gaining ratio and pass necessary journal entry assuming that reserve is not distributed	3
14	Mohan, Sohan and Suresh were partners in a firm sharing profits in the ratio of 2:2:1. Suresh was guaranteed a profit of ₹70,000. Any deficiency on account of guarantee to Suresh was to be borne by Mohan and Sohan in 3: 2 ratio. The profit of the firm for the year ended 31.3.2022 amounted to ₹2,00,000.Pass the necessary entries with proper working notes	4
15	Aman and Bishnoi were partners in a firm sharing profits in ratio 3:2 Following is	4

balance sheet of firm as on 31st March 2023:

Liabilities	Amount	Assets	Amount
Aman capital 30,000 — Drawings 4,000 Bishnoi Capital 10,000 — Drawings. 2,000	26,000  8,000  34,000	Sundry Assets	34,000   34,000

Profits for the year ending 31st March 2023, ₹8,000 was divided between The partners in agreed ratio but interest on capital @5% p.a and interest on drawings @ 6% p.a were ignored. Give adjustment entry

**16** Calculate the goodwill of a firm on the basis of two year's purchase of the weighted average profits of the last five years. Weights assigned to each year would be: 1, 2, 3, 4 and 5 respectively to the profits ended 31st March 2015, 2016, 2017, 2018 and 2019.

The Profits for these five years were:

Year ended	2015	2016	2017	2018	2019
Profits (₹)	36,000	1,70,000	1,90,000	2,00,000	3,50,000

Scrutiny of books of accounts revealed the following:

- (i) An abnormal loss of 50,000 was incurred during the year ended 31st March, 2015.
- (ii) An abnormal gain of 30,000 was earned during the year ended 31st March, 2016.
- (iii) Repairs to Car amounting to 40,000 was wrongly debited to Vehicles A/c on 1st January, 2018. Depreciation was charged on Vehicles @ 10% p.a. on Straight Line Method.
- (iv) Closing Stock as on 31st March 2018 was undervalued by ₹50,000.

**6**



OSDAV Public School, Kaithal

First Unit Test (May,2024)

Class :XII

Subject :Accountancy.

SET :B

M.M. : 30

Time: 1hr.

1	In the absence of partnership deed following rules will apply : a) No interest on capital b) Profit sharing in capital ratio c) Profit based salary to working partner. d) 9% p.a interest on drawing s	1
2	On 1st June 2021 a partner advanced a loan of ₹1,00,000 to the firm .In the absence of partnership deed ,interest on loan on 31st March, 2022 will be : a) Zero. b) ₹4,500. c) ₹3,000. d) ₹6,000	1
3	Net profit of a firm is ₹79,800 .Manager is entitled to a commission of 5% of profits after charging his commission. Manager commission will be : a) ₹4200. b) ₹380. c) ₹3,990. d) ₹3,800.	1
4.	Any change in the relationship of existing partners which results in an end of the existing agreement and entering into a new agreement is called : a) Revaluation of Partnership Firm. b) Reconstitution of partnership firm c) Dissolution of Partnership firm. d) Amalgamation of partnership firms	1
5	A and B were partners in a firm sharing profit or loss in the ratio of 3:1 .with effect from Jan 1 ,2023 they agreed to share profit or loss in the ratio of 2:1 .Due to change in profit -loss sharing ratio , B gain or sacrifice will be : a) Gain 1/12. b) sacrifice 1/12. c) Gain 1/3 d) sacrifice 1/3	1
6	<b>Assertion (A) :</b> Fixed capital Accounts of partner always show a credit balance even firm suffer losses year after year. <b>Reason (R ) :</b> current Account of partners are maintained under fluctuating capital method In the context of the above statement, which of the following is correct ? <b>Codes :</b> A) Both A and R are correct and R is correct explanation of A B) Both A and R are correct and R is not correct explanation of A C) A is correct and R is wrong D) Both A and R are wrong	1
7	Vidit and Seema were partners In a firm sharing profit and loss in the ratio of 3:2 .Their capital were ₹1,20,000 and ₹2,40,000 respectively. They were entitled to interest on capital @10% p.a .The firm earned a profit of ₹18,000 during the year .The interest on vidit capital will be : a) ₹12,000. b) ₹10,800. c) ₹7,200. d) ₹6,000	1
8	Under the Capitalisation method ,the formula for calculating goodwill is : A) Super profits multiple by normal rate of return B) Capital employed multiply by normal rate of return C) Super profits divided by normal rate of return D) Capital employed divided by normal rate of return	1
9	P,Q and R sharing profits in the ratio of 2:1:1 having fixed Capital of ₹4,00,000, ₹3,00,000 and ₹ 2,00,000 respectively. After Closing the accounts for the year ended 31st March 2021 it was discovered that Interest on Capital was provided 6% instead of 8% p.a In the Adjusting entry :	1

	<p>A) Cr. P ₹1,000 Dr. Q 1500 and Cr R ₹500            B) Dr. P ₹500 Cr Q ₹1500 and Dr R ₹1,000            C) Cr. P ₹500 Dr Q ₹1500 and Cr R ₹1,000            D) Dr. P ₹1,000 ,Cr Q ₹1500 and Dr R 500</p>													
10	<p>Green and Orange are partners .Green draws a fixed amount at the beginning of every month. Interest on drawing is Charged @8% p.a At the end of year interest on Green drawings amount ₹2,600 .Monthly drawings of green were            a) ₹8,000. b) ₹60,000 c) ₹7,000 D ) ₹5,000</p>	1												
11	<p>State three difference between Profit and loss Account and profit and Loss appropriation Account</p>	3												
12	<p>Chaman, Burman and Aman were partners in a firm sharing profits and losses in the ratio of 3:2:1 .Aman was guaranteed minimum profit of ₹60,000 as his share of profit every year .The net profit for the year ending amounted to ₹1,20,000. <b>Prepare necessary entries in the books of firm showing distribution of profits .</b></p>	3												
13	<p>Babita, Kavita and Dinesh were partners in a firm. From 1st April, 2018 they decided to share the profits in the ratio of 2: 3: 5. On this date the Balance Sheet of the firm showed a balance of ₹60,000 in Contingency Reserve and debit balance of 1,20,000 in Profit and Loss Account. The Goodwill of the firm was valued at ₹3,60,000. <b>Pass necessary journal entries for the above transactions in the books of the firm. Also show your workings clearly.</b></p>	4												
14	<p>Alex, John and Sam are partners in a firm. Their capital accounts on 1st April, 2021, stood at 1,00,000, 80,000 and 60,000 respectively.            Each partner withdrew 5,000 during the financial year 2021-22. As per the provisions of their partnership deed: <b>(a)</b> John was entitled to a salary of 1,000 per month  <b>(b)</b> Interest on capital was to be allowed @10% per annum.  <b>(c)</b> Interest on drawings was to be charged @4% per annum.  <b>(d)</b> Profits and losses were to be shared in the ratio of their capitals.            The net profit of 75,000 for the year ended 31st March 2022, was divided equally amongst the partners without providing for the terms of the deed.            You are required <b>to pass a Single Adjusting Journal Entry to rectify the error. Show the working clearly</b></p>	4												
15	<p>Calculate the goodwill of a firm on the basis of two year's purchase of the weighted average profits of the last five years. Weights assigned to each year would be: 1, 2, 3, 4 and 5 respectively to the profits ended 31st March 2015, 2016, 2017, 2018 and 2019. The Profits for these five years were:</p> <table border="1"> <thead> <tr> <th>Year ended</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Profits (₹)</td> <td>36,000</td> <td>1,70,000</td> <td>1,90,000</td> <td>2,00,000</td> <td>3,50,000</td> </tr> </tbody> </table> <p>Scrutiny of books of accounts revealed the following:  <b>(i)</b> An abnormal loss of 50,000 was incurred during the year ended 31st March, 2015. <b>(ii)</b> An abnormal gain of 30,000 was earned during the year ended 31st March, 2016. <b>(iii)</b> Repairs to Car amounting to 40,000 was wrongly debited to Vehicles A/c on 1st January, 2018. Depreciation was charged on Vehicles @ 10% p.a. on Straight Line Method. <b>(iv)</b> Closing Stock as on 31st March 2018 was undervalued by ₹50,000.</p>	Year ended	2015	2016	2017	2018	2019	Profits (₹)	36,000	1,70,000	1,90,000	2,00,000	3,50,000	6
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**OSDAV Public School, Kaithal**  
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M. M :30

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12	<p>Calculating Gaining and Sacrificing ratio  A = 1/30 (s)  B = 4/30 (s)  C = 1/30 (G )  D = 4/30 (G)  Combine amount = Goodwill + Reserve = 1,50,000 +60,000=2,10,000  Journal</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;">Date</th> <th style="width: 30%;">Part</th> <th style="width: 5%;">L</th> <th style="width: 15%;">Dr.</th> <th style="width: 15%;">Cr.</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: center;">F</td> <td></td> <td></td> </tr> <tr> <td></td> <td>C's Capital A/c Dr D's Capital A/c Dr To A Capital</td> <td></td> <td style="text-align: center;">7,000 28,000</td> <td style="text-align: center;">7,000</td> </tr> </tbody> </table>	Date	Part	L	Dr.	Cr.			F				C's Capital A/c Dr D's Capital A/c Dr To A Capital		7,000 28,000	7,000	1+2			
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14	<p>Calculate opening capital Aman : 25,200 Bishnoi : 6800 Table Showing Adjustment</p> <table border="1"> <thead> <tr> <th>Part.</th> <th>Aman</th> <th>Bishnoi</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Int on cap (cr</td> <td>1260</td> <td>340</td> <td>1600</td> </tr> <tr> <td>Int on Drawings (Dr)</td> <td>(120)</td> <td>(60)</td> <td>(180)</td> </tr> <tr> <td>Total (cr)</td> <td>1140</td> <td>280</td> <td>1420</td> </tr> <tr> <td>Distribution Of loss</td> <td>(852)</td> <td>(568)</td> <td>(1420)</td> </tr> <tr> <td>Net effect</td> <td>288 cr.</td> <td>288 Dr.</td> <td></td> </tr> </tbody> </table> <p>Journal</p>	Part.	Aman	Bishnoi	Total	Int on cap (cr	1260	340	1600	Int on Drawings (Dr)	(120)	(60)	(180)	Total (cr)	1140	280	1420	Distribution Of loss	(852)	(568)	(1420)	Net effect	288 cr.	288 Dr.		4
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	Bishnoi Capital A/c Dr. 288 To Aman Capital A/c. 288				
15	Calculation of adjusted Profits				½ mark for each adjustment =6
			Weight	Product	
2020	36,000+50,000	86,000	1	86,000	
2021	1,70,000-30,000	1,40,000	2	2,80,000	
2022	1,90,000	1,90,000	3	5,70,000	
2023	2,00,000-40,000+1,000+50,000	2,11,000	4	8,44,000	
2024	3,50,000+4,000-50,000	3,04,000	5	15,20,000	
				33,00,000	
<p>WAP : <math>33,00,000/15 = 2,20,000</math>  Goodwill : <math>2,20,000 \times 2 = 4,40,000</math></p>					



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(Deficiency Borne)

Working notes

Suresh deficiency for 30,000 will be borne by Mohan and Sohan in their profit sharing ratio

13

Books of Babita, Kavita and Dinesh				
JOURNAL				
Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Contingency Reserve A/c	Dr.	40,000	
	To Babita's Capital A/c			20,000
	To Kavita's Capital A/c			20,000
	To Dinesh's Capital A/c			20,000
	(Contingency reserve transferred in old ratio)			
	Babita's Capital A/c	Dr.	40,000	
	Kavita's Capital A/c	Dr.	40,000	
	Dinesh's Capital A/c	Dr.	40,000	
	To Profit and Loss A/c			1,20,000
	(Distrib. Balance of profit and loss a/c transferred in old ratio)			
	Dinesh's Capital A/c (₹70 of 3,60,000)	Dr.	60,000	
	To Babita's Capital A/c (₹70 of 3,60,000)			48,000
	To Kavita's Capital A/c (₹70 of 3,60,000)			12,000
	(Adjustment for goodwill)			

Calculation of Gaining/Sacrificing Ratio =

$$\text{Babita} = \frac{1}{3} - \frac{2}{10} = \frac{10 - 6}{30} = \frac{4}{30} \text{ (Sacrifice)}$$

$$\text{Kavita} = \frac{1}{3} - \frac{3}{10} = \frac{10 - 9}{30} = \frac{1}{30} \text{ (Sacrifice)}$$

$$\text{Dinesh} = \frac{1}{3} - \frac{5}{10} = \frac{10 - 15}{30} = \frac{5}{30} \text{ (Gain)}$$

3+1

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Particulars	Dr. or Cr. (₹)	Alex (₹)	John (₹)	Sam (₹)
Net Profit wrongly distributed	Dr.	25,000	25,000	25,000
Salary Cr		12,000		
Interest on Capital	Cr.	10,000	8,000	6,000
Interest on Drawings	Dr.	100	100	100
Corrected net profit WN1	Cr.	16,375	13,100	9,825
Net effect		1,275	8,000	9,275
		Cr.	Cr.	Dr.

Working Notes: 1.

**1. Corrected Net Profit** = Net Profit before adjustment - Salary - Interest on Capital + Interest on Drawings

$$= 75,000 - 12,000 - 24,000 + 300 = 39,300$$

Corrected Net Profit is distributed in the Capital ratio

$$1,00,000 : 80,000 : 60,000$$

or

$$5 : 4 : 3$$

Date	Particulars	L.F.	Debit	Credit
2012				
Mar.	Sam's Capital A/c	Dr.	9,275	
31	To Alex's Capital A/c			1,275
	To John's Capital A/c			8,000
	(Being adjustment entry for interest on capital, salary, interest on drawings and distribution of profit)			

½ mark for each adjustment and 1 mark for entry =4

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Calculation of adjusted Profits

			Weight	Product
2020	36,000+50,000	86,000	1	86,000

½ mark for each adjustment

	2021	1,70,000-30,000	1,40,000	2	2,80,000	=6
	2022	1,90,000	1,90,000	3	5,70,000	
	2023	2,00,000-40,000+1,000+50,000	2,11,000	4	8,44,000	
	2024	3,50,000+4,000-50,000	3,04,000	5	15,20,000	
					33,00,000	
	WAP : $33,00,000/15 = 2,20,000$ Goodwill : $2,20,000 \times 2 = 4,40,000$					