Total number of printed pages – 15 **52 Acc 23/26**

2026

ACCOUNTANCY

Full Marks : 100

Pass Marks : 33

Time : Three hours

PART – A
PARTNERSHIP AND COMPANY ACCOUNTS
MARKS : 60

PART – B
ANALYSIS OF FINANCIAL STATEMENTS
MARKS : 40

Instructions :

I. *All the questions are compulsory.*

II. *Marks are indicated on the right margin of each question.*

III. *For Question Nos. 1 to 7 and 26 to 30, four alternatives are given of which one is correct or the best alternatives. Choose the correct or the best alternatives and re-write them.*

IV. *For Question Nos. 8 to 12 and 31 to 33, answers and calculations may be as short as possible.*

V. *For Question Nos. 13 to 18, 34 and 35, answers and solutions are to be given as required.*

VI. *For Question Nos. 19 to 23 and 36 to 38, answers and solutions are to be given in detail.*

VII. *Question Nos. 24, 25, 39 and 40 are essay type questions. Calculations and solutions are to be shown as required.*

P.T.O.

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PART – A
PARTNERSHIP AND COMPANY ACCOUNTS
MARKS : 60

1. A partner withdrew ₹ 10,000 each on 1st January and 1st July. Interest on his drawings @ 10% p.a on 31st December, 2024 will be _____. 1

   (A) ₹ 500 (B) ₹ 1000

   (C) ₹ 1250 (D) ₹ 1500

2. On the death of a partner, Ram, his share in the Profits of the firm ₹45,000 till the date of his death is transferred to the_____. 1

   (A) Credit of Profit and Loss Suspense Account

   (B) Debit of Profit and Loss Suspense Account

   (C) Credit of Profit and Loss Account

   (D) Debit of Profit and Loss Account

3. L, M and N are partners in a firm. On 1st October, 2024 'M' died on an accident and on 1st December, 2024 'N' became insolvent. These events will result in – 1

   (A) Reconstitution of partnership firm

   (B) Dissolution of partnership

   (C) Dissolution of partnership firm

   (D) Continuity of partnership

4. A notice of____ days must be given to the shareholders for payment of calls on shares. 1

   (A) 14 (B) 25

   (C) 51 (D) 90

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5. What correct order of capitals is followed while preparing Notes to Account to find out the amount of share capital to be shown in Balance Sheet_____. 1

(A) Issued capital, Authorised capital, Subscribed capital

(B) Subscribed capital, Issued capital, Authorised capital

(C) Authorised capital, Issued capital, Subscribed capital

(D) Authorised capital, Subcribed capital, Issued capital

6. Assertion (A) : A company can issue debentures as collateral security against loans taken from banks or other agencies. 1

Reason (R) : Collateral Security is to be realised only when the principal security fails to meet the amount of loan.

In the context of the above two statements, which of the following is correct ?

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)

(C) Assertion (A) is true but Reason (R) is false

(D) Assertion (A) is false but Reason (R) is true

7. Loss on issue of Debentures is written off _____. 1

(A) during the lifetime of the Debentures

(B) in the year of the issue of debentures

(C) within two years of the issue of debentures

(D) when debentures are redeemed

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8. If a firm earns a profit of ₹ 50,000 p.a. on an average basis and the normal rate of return is 10% p.a. What will be the capitalised value of average profits? 1

9. How can the gaining partner compensate the sacrificing partner in case of change in profit sharing ratio? 1

10. Mention one purpose for admitting a new partner in a firm. 1

11. What is meant by public issue of shares ? 1

12. A company sent letter of regret for 200 shares and allotment letters for 25,000 shares to its applicants. Application money was ₹ 20 per share. Calculate the amount of Application money which company is refunding ? 1

13. What is the status of a partnership firm from the viewpoint of Legal and Accounting ? 2

14. P and Q are partners. They have obtained loan from the PNB of ₹ 60,000 @ 8% p.a. and Q has advanced ₹ 25,000 to the firm as loan @ 7% per annum. Calculate interest on Bank Loan and Q's Loan when there is no partnership Deed. 2

15. 6000 shares of ₹ 10 each were issued to promoter at a premium of 10% for the service rendered by them. Give the necessary journal entry. 2

16. State two effects of Forfeiture of shares. 2

17. Enumerate the types of Debentures based on coupon rate. 2

18. PRIYA Pvt. Ltd. purchased a well established business for ₹ 15,00,000. The payment was settled in cash ₹ 5,00,000 and balance in 9% debentures of ₹ 100 each.

    (i) What type of Issue of debentures is it ?

    (ii) Show a journal entry to the above effect with narration. 2

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19. A, B and C are partners in a firm sharing profit in 2 : 1 : 3 ratio. The firm earned ₹ 70,000 profit during the year before allowing rent of building to A amounting ₹ 8,000 and municipal taxes on the building ₹ 2,000 which as per agreement are payable by the firm.

C's salary is fixed ₹ 15,000. B is to get 10% commission on net profits after making all appropriations.

A is to get bonus ₹ 5,000. Amount transfered to General Reserve is ₹ 7,000.Prepare Profit and Loss Appropriation Account. 4

Or

The partners of a firm distributed the Profits for the year ended 31st March, 2025, ₹ 90,000 in the ratio of 3 : 2 : 1 without providing for the following adjustments :

(a) S and T were entitled to a salary of ₹ 1,500 each per annum.

(b) T was entitled to a commission of ₹ 4,500.

(c) T and W had guaranteed a minimum Profit of ₹ 35,000 p.a. to S.

(d) Profits were to be shared in the ratio of 3 : 3 : 2.

Pass necessary journal entry for the above adjustments in the books of the firm. 4

20. A, B and C are sharing profits and losses in the ratio 5: 3: 2. They decide to share future profits and losses in the ratio 2: 3: 5 with effect from 1st April, 2024. They also decide to record the effect of the following accumulated profits, losses and reserves without affecting their book figures by passing a single adjusting entry :

	₹
General Reserve	80,000
Profit and Loss Account (Cr.)	20,000
Advertisement Suspense Account (Dr.)	40,000

You are required to give the necessary single journal entry. 4

Or

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K, L and M are three partners sharing profits in the ratio of 5: 3: 2. Y is admitted on introducing ₹ 2,50,000 as his capital. His share will be $\frac{1}{5}$ th. Goodwill of the firm is to be valued at the average of last three years' profits which have been ₹ 40,000, ₹ 46,000 and ₹ 64,000 respectively. Give journal entries if the goodwill account already appears at ₹ 30,000 in the books. 4

21. Joy, Suraj and Upen were partners in a partnership firm. The firm was in the business of manufacturing polythene bags. After the government ban on polythene bags, the partners decided to dissolve the firm. There was a loss of ₹ 1,20,000 on dissolution of the firm.

(a) Write journal entry to distribute the loss among the partners.

(b) Identity two values highlighted by the firm. 4

22. Read the following case study and answer the questions (i) to (iv) on the basis of the same : 4

PAN Ltd. invited applications for subscription of 80,000 Equity Shares. Applications were received in excess of 50% of the shares offered for subscription and pro-rata allotment was made to the applications of 1,00,000 shares. Lenin had applied for 52,000 shares and Alex was allotted 16,000 shares.

(i) How many Applications have been received ?

(ii) What is the Pro-rata ratio ?

(iii) Alex applied for how many shares ?

(iv) How many shares were allotted to Lenin ?

23. How can debentures be issued by a company for cash ? 4

Or

How interest is paid to Debenture holders ? Show the journal entries in connection with interest payment. 4

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24. Ajoy, Bijoy and Candy are partners sharing profits and losses in the ratio of 3: 1: 2. Bijoy retires on 31st March, 2025. The Balance Sheet of the firm as on 31st March, 2025 stood as follows:

Balance Sheet

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	20,000	Cash at Bank	13,000
Current Account :		Bijoy's Current A/C	9,000
Ajoy	24,000	Sundry Debtors - 80,000	
Candy	26,000	Less: Reserve for	
Capital Accounts:		doubtful debts- 2000	78,000
Ajoy	1,30,000	Inventory	95,000
Bijoy	1,00,000	Furniture	60,000
Candy	80,000	Buildings	1,21,000
		Patents	4,000
	3,80,000		3,80,000

Bijoy retires on the following conditions :

(a) Goodwill of the firm be valued at ₹ 90,000 and adjustment in this respect be made without raising Goodwill Account.

(b) The reserve for doubtful debts was considered unnecessary.

(c) An outstanding liability for ₹ 5,000 for expenses was to brought in books.

(d) Patents were worth less.

(e) Inventory to be taken of worth ₹ 99,980.

(f) Buildings be appreciated by 10%.

Prepare : (i) Revaluation Account

(ii) Current Accounts and Capital Accounts of the partners. 3+5=8

Or

Aken, Kamei and Salim were partners in a firm sharing profits in the ratio of 5 : 3 : 2. On 31st December, 2024, their Balance Sheet was as follows :

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Balance Sheet

Liabilities	Amount (₹)	Assets	Amount(₹)
Sundry Creditors	43,000	Cash	10,200
Bill payable	17,000	Stock	24,500
General Reserve	70,000	Debtors	27,300
Capital Accounts:		Land and Building	1,40,000
Aken	40,000		
Kamei	50,000	Profit and Loss A/C	70,000
Salim	52,000		
	2,72,000		2,72,000

Aken deid on 31st March, 2025. The partnership deed provided for the following on the death of a partner :

(i) Goodwill of the firm was to be valued at 3 years' purchase of the average profits of last 5 years. The profits for the year ending- 31-12-2023 - ₹ 70,000; 31-12-2022 - ₹ 60,000 ; 31-12-2021 - ₹ 50,000 and 31-12-2020 - ₹ 40,000 respectively.

(ii) Aken's share of profit or loss till the date of his death was to be calculated on the basis of the profit or loss for the year ending 31st December, 2024.

You are required to calculate the following :

(a) Goodwill of the firm and Aken's share of Goodwill at the time of his death.

(b) Aken's share in profit or loss of the firm till the date of his death.

(c) Prepare Aken's Capital Account at the time of his death to be presented to his Executors. 2+1+5=8

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25. The Hills and Valley Pvt. Ltd. issued 50,000 Equity shares of ₹ 10 each at ₹ 12 per share payable as follows :

On Application :	:	₹ 5(including Premium)
On Allotment	:	₹ 4
On First and Final call	:	The Balance Amount

Application for 70,000 shares had been received.

Of the cash received ₹ 40,000 was returned and ₹ 60,000 was applied to the amount due on allotment the balance of which was paid.

All shareholders paid the call due with the exception of 'Y', one share holder of 500 shares. These shares were forfeited and re-issued as fully paid at ₹ 8 per share.

Pass necessary journal entries in the books of company. 8

Or

PS. Ltd. was formed with an authorised capital of ₹ 4,00,000 divided into 3,00,000 Equity shares of ₹ 10 each and 1,000 Preference shares of ₹ 100 each. Both classes of shares were issued to the public in full and they are to be paid as follows :

	Equity Shares	**Preference Shares**
Application	20%	25%
Allotment	30%	25%
First call	50%	25%
Second call	–	25%

All the calls were made and in due course the money were received in full.

Give the necessary journal entries and prepare Cash Book in the books of PS. Ltd. 8

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PART – B

ANALYSIS OF FINANCIAL STATEMENTS

MARKS : 40

26. Office Building under construction which may take 3 to 4 years for completion will be shown under_____in the Balance Sheet of the Company. 1

(A) Intangible assets under development

(B) Capital work in Progress

(C) Non-Current Assets

(D) Work in Progress

27. Assertion(A) : Accounting ratio is a mathematical expression of relationship between different items of the group of items in the Financial Statements for two consecutive years.

Reason (R) : Accounting ratio is a mathematical expression of relation between two items of the group of items in the Financial Statement.

In the context of the above statements, which of the following is correct ? 1

(A) Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A)

(B) Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A)

(C) Assertion (A) is true but Reason (R) is false

(D) Assertion (A) is false but Reason (R) is true

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28. Profit before Interest and Tax is ₹ 3,00,000 and Interest ₹ 75,000. The Interest coverage Ratio is _____. 1

(A) 4 : 1 (B) 3 : 1

(C) 2 : 1 (D) 1 : 1

29. The _____ is useful in evaluating Credit and collection policies. 1

(A) Average payment period (B) Average collection period

(C) Inventory holding period (D) Revenue from operation

30. Maturity period for a Short-term Investment from the date of its purchase to be considered as cash equivalent should be _____. 1

(A) 3 months (B) less than 3 months

(C) 3 months or less than 3 months (D) 6 months

31. Why is public interested in analysing financial statements? 1

32. Profit from sale of Land is ₹ 3,00,000. Will it increase operating profit? Give reason. 1

33. When is interest received considered as financing activity ? 1

34. State which of the following is Inter firm comparision and Intra firm comparison : 2

(a) Balance Sheet of Eastern Motor Ltd. 2023-24 is compared with Balance Sheet of Tulasi Motor Ltd. 2023-24.

(b) Balance Sheet of Loktak Hydro Copn., 2023-24 is compared with its Balance Sheet of 2024-25.

35. Read the following case study and answer the question that follows :

Manipur Handloom and Handicraft Corporation lost his Inventories worth ₹ 20 lakh due to heavy rain and flood recently occurred in the state. It received 50% of the loss as an insurance claim.

How will you show it in the Cash Flow statement ? 2

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36. Prepare a Comparative Statement of Profit and Loss from the following details : 4

Particulars	Note No.	31st March, 2025	31st March, 2024
Revenue from operations		₹ 3,00,000	₹ 2,00,000
Other Income (% of Revenue from operating)		15%	20%
Expenses (% of operating Revenue)		60%	50%

37. If you are a Shareholder, then how Ratio Analysis helps to you ? 4

Or

Explain in brief the categories into which the ratios are grouped on the basis of the purposes which they serve. 4

38. Calculate Trade Receivebles Turnover Ratio from the following : 4

	₹
Credit Revenue from operations	1,90,000
Revenue from operations Returns	10,000
Trade Receivables on 1st January, 2024	35,000
Trade Receivables on 31st December,2024	55,000

State giving reasons what will be the effect of the following on trade receivables turnover ratio :

(a) Received ₹ 10,000 from a customer.

(b) Sale of goods on Credit ₹ 15,000.

39. On the basis of the following information compute : (i) Current Ratio (ii) Debt Equity Ratio (iii) Gross Profit Ratio (iv) Inventory Turnover Ratio.

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Information : Equity share Capital ₹ 2,50,000 ; 12% Debentures ₹ 3,00,000 ; 9% Preference Share Capital ₹ 1,50,000 ; General Reserve ₹ 50,000 ; Revenue from operations ₹ 5,00,000 ; Opening Inventory ₹ 40,000 ; Purchase ₹ 3,00,000 ; Wages ₹ 50,000 ; Closing Inventory ₹ 50,000 ; Selling and distribution expences ₹ 10,000 ; Other Current Assets ₹ 2,50,000 and current Liabilities ₹ 1,50,000. 8

Or

You are given the following information :

(a) Gross Profit at 30% on Revenue from operations - ₹ 60,000.

(b) Inventory Turnover Ratio - 7 times

(c) The opening Inventory is ₹ 5,000 less than the closing Inventory.

(d) Opening Trade payables - ₹ 30,000 ; Closing Trade payables - ₹ 38,000.

Calculate : (i) Net purchases

(ii) Trade Payables Turnover Ratio

(iii) Average Payment Period 4+2+2=8

40. Prepare a Cash Flow Statement on the basis of the information given in the Balance Sheet of SK. Ltd. as on 31st March, 2024 and 2025 as per revised AS-3 under indirect method :

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Particulars	Note no.	31st March, 2025(₹)	31st March, 2024 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		3,50,000	2,00,000
(b) Reserve and Surplus (i.e. Balance in Statement of Profit and Loss)		(1,60,000)	(25,000)
2. Non-current Liabilities			
Long-term-Borrowing: 9% Debentures.		2,00,000	1,00,000
3. Current Liabilities			
(a) Trade current liabilities		75,000	55,000
(b) Outstanding Expenses		10,000	5,000
Total		4,75,000	3,35,000

II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets		2,50,000	1,50,000
(b) Investments		70,000	1,00,000
2. Current Assets			
(a) Inventories		50,000	25,000
(b) Trade Receivables		85,000	50,000
(c) Cash and Cash Equivalents		20,000	10,000
Total		4,75,000	3,35,000

Additional information :

(i) Included in the fixed assets was a piece of machinery costing ₹ 35,000 on which depreciation charged was ₹ 20,000 and its was sold for ₹ 15,000.

(ii) During the year ₹ 70,000 depreciation was charged on fixed assets. 8

Or

SHIJA Ltd. involves in trading of Medicines. The profits of SHIJA Ltd. in the year 2024-25 after all appropriations was ₹ 5,00,000. This profit was arrived after taking into consideration for the following items.

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Sl. No.	Particulars	Amount (₹)
1.	Depreciation on Machinery	70,000
2.	Loss on sale of furniture	30,000
3.	Goodwill amortised	10,000
4.	Provision for taxation	35,000
5.	Transfer to General Reserve	20,000
6.	Interest Received on debentures held as Investments	5,000
7.	Interest on 10% debentures	10,000

Particulars	31-3-2025 (₹)	31-3-2024 (₹)
Trade Receivable (Debtors)	1,70,000	1,50,000
Inventories (Raw Material)	1,05,000	75,000
Trade payable (Creditors)	65,000	50,000
Outstanding Expenses	5,000	7,000

Calculate: (i) Net profit before tax and extra ordinary items.

(ii) Operating Profit before working Capital changes.

(iii) Cash Flow from operating activities before tax.

(iv) Cash Flow from operating activities after tax. 8

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