Class 12 Accountancy: Previous Year Questions, Chapter-wise

1230 CBSE board exam questions, 2022–2026 · 14 chapters · sorted by question type

Each question shows its exam year and marks. A question repeated across paper sets appears once. Questions that need a figure from the original paper are left out. Questions only, no answers. Chapter headings link to free notes and MCQs for that chapter on studyos.co.in.

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1 Accounting for Partnership: Basic Concepts

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (101)

Q1. CBSE 2026 · 1 mark Atul, Bajaj and Madan were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 5. The partnership deed provides that interest on drawings shall be charged at 18% per annum. During the year ended 31st March, 2025, Bajaj withdrew ₹7,000. The interest on Bajaj's drawings for the year will be:

(a) ₹1,890 **(b)** ₹3,150 **(c)** ₹420 **(d)** ₹5,040

Q2. CBSE 2026 · 1 mark Divya and Bholi were partners in a firm sharing profits and losses in the ratio of 3 : 1. On 1st April, 2024, their fixed capitals were ₹8,00,000 and ₹6,00,000 respectively. On 30th September, 2024, Bholi introduced ₹50,000 as additional capital. Partnership deed provided that interest on capital is allowed at 12% per annum. The interest on capital for the year ended 31st March, 2025 was:

(a) ₹78,000 **(b)** ₹75,000 **(c)** ₹72,000 **(d)** ₹3,000

Q3. CBSE 2026 · 1 mark Persons who have entered into partnership with one another are collectively called:

(a) Firm **(b)** Partnership **(c)** Partners **(d)** All of the above

Q4. CBSE 2026 · 1 mark When capitals of the partners are fluctuating, then the adjustments for interest on capital are shown in the _____.

(a) Current Account of partners
(b) Capital Account of partners **(c)** Drawings Account
(d) Profit and Loss Appropriation Account

Q5. CBSE 2026 · 1 mark Divya and Bholi were partners in a firm sharing profits and losses in the ratio of 3 : 1. On 1st April, 2024, their fixed capitals were 8,00,000 and 6,00,000 respectively. On 30th September, 2024, Bholi introduced 50,000 as additional capital. Partnership deed provided that interest on capital was allowed @ 6% p.a. The interest on capital for the year ended 31st March, 2025 was:

(a) 78,000 **(b)** 75,000 **(c)** 72,000 **(d)** 3,000

Q6. CBSE 2026 · 1 mark Atul, Bajaj and Madan were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 5. The partnership deed provides that interest on drawings @ 18% p.a. During the year ended 31st March, 2025, Bajaj withdrew 7,000 on 1st July, 2024. The interest on drawings for the year will be:

(a) 1,890 **(b)** 3,150 **(c)** 420 **(d)** 5,040

Q7. CBSE 2026 · 1 mark Reena and Teena were partners in a firm sharing profits and losses in the ratio of 2 : 1. Teena withdrew ₹20,000 at the beginning of each month during the year ended 31st March, 2025. Interest on drawings was to be charged @ 6% per annum. Interest on drawings for the year ended 31st March, 2025 will be:

(a) ₹7,800 **(b)** ₹7,200 **(c)** ₹9,600 **(d)** ₹6,600

Q8. CBSE 2026 · 1 mark Ankur and Angad were partners in a firm sharing profits and losses in the ratio of 8 : 7. On 1st July, 2024, Angad advanced a loan of ₹8,00,000 to the firm. There is no partnership deed. Angad demands interest on loan @ 10% p.a. On 31st March, 2025, the amount of interest on loan due to Angad will be:

(a) ₹36,000 **(b)** ₹48,000 **(c)** ₹80,000 **(d)** ₹60,000

Q9. CBSE 2026 · 1 mark Anita and Priyal were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2024, their capital accounts showed balances of ₹3,00,000 and ₹4,00,000 respectively. The partnership deed provided for interest on capital @ 8% p.a. The firm earned a profit of ₹28,000 for the year ended 31st March, 2025. Interest on capital allowed to Anita and Priyal was:

(a) Anita ₹24,000, Priyal ₹32,000

(b) Anita ₹16,000, Priyal ₹12,000

(c) Anita ₹12,000, Priyal ₹16,000

(d) Anita ₹16,800, Priyal ₹11,200

Q10. CBSE 2026 · 1 mark Arora and Gurmeet were partners in a firm sharing profits and losses in the ratio of 3 : 2. Starting from 1st October, 2024 Arora withdrew ₹30,000 at the beginning of each quarter for his personal use. Interest on drawings for the year ended 31st March, 2025 was:

(a) ₹1,800 **(b)** ₹2,700 **(c)** ₹450 **(d)** ₹3,600

Q11. CBSE 2026 · 1 mark Alok, Sarah and Aditya were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 1st January, 2025 Alok advanced a loan of ₹2,00,000 to the firm. In the absence of a partnership agreement, the amount of interest on loan due to Alok on 31st March, 2025 will be:

(a) ₹20,000 **(b)** ₹12,000 **(c)** ₹3,000 **(d)** ₹5,000

Q12. CBSE 2026 · 1 mark Munna and Sonu were partners in a firm sharing profits and losses in the ratio of 4 : 1. Their fixed capitals were ₹40,00,000 and ₹30,00,000 respectively. During the year ended 31st March, 2025, Munna withdrew ₹50,000 for personal use. Interest on drawings was to be charged @ 6% p.a. The journal entry for interest on drawings will be:

(a) Interest on Drawings A/c Dr. 1,500 To Munna's Capital A/c 1,500

(b) Munna's Capital A/c Dr. 1,500 To Interest on Drawings A/c 1,500

(c) Interest on Drawings A/c Dr. 1,500 To Sonu's Capital A/c 1,500

(d) Sonu's Capital A/c Dr. 1,500 To Interest on Drawings A/c 1,500

Q13. CBSE 2026 · 1 mark Naisha, Mansi and Aakash were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 2. On 1st January, 2025, Aakash advanced a loan of 3,00,000 to the firm. In the absence of a partnership deed, the amount of interest on loan due to Aakash on 31st March, 2025 will be:

(a) 18,000 **(b)** 4,500 **(c)** 9,000 **(d)** 30,000

Q14. CBSE 2026 · 1 mark Munna and Sonu were partners in a firm sharing profits and losses in the ratio of 4 : 1. Their fixed capitals were ₹40,00,000 and ₹30,00,000 respectively. During the year ended 31st March, 2025, Munna withdrew ₹50,000 for personal use. Interest on drawings was to be charged @ 6% p.a. The correct journal entry for interest on drawings would be:

(a) Interest on Drawings A/c Dr. 1,500 To Capital A/c 1,500

(b) Capital A/c Dr. 1,500 To Interest on Drawings A/c 1,500

(c) Interest on Drawings A/c Dr. 1,500 To Profit and Loss A/c 1,500

(d) Profit and Loss A/c Dr. 1,500 To Interest on Drawings A/c 1,500

Q15. CBSE 2026 · 1 mark Anish, Neha and Bindu were partners in a firm sharing profits and losses in the ratio of 4 : 2 : 1. On 1st October, 2024 Anish advanced a loan of ₹4,00,000 to the firm. In the absence of a partnership agreement, the amount of interest on loan due to Anish on 31st March, 2025 will be:

(a) ₹12,000 **(b)** ₹24,000 **(c)** ₹40,000 **(d)** ₹20,000

Q16. CBSE 2025 · 1 mark Emily, Flora and Ginni entered into a partnership on 1st October, 2023 with capitals of ₹10,00,000 each. The partnership deed provided for interest on capital at 10% p.a. The firm earned a net profit of ₹7,50,000 for the year ended 31st March, 2024. The amount of profit transferred to Capital Account was:

(a) ₹2,00,000 **(b)** ₹1,50,000 **(c)** ₹6,00,000 **(d)** ₹2,50,000

Q17. CBSE 2025 · 1 mark Assertion (A): Interest on Capital is shown in Profit and Loss Appropriation Account and not to Profit and Loss Account. Reason (R): Since interest on capital is an appropriation of profit, it is not a charge against profits. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Both Assertion (A) and Reason (R) are incorrect.

Q18. CBSE 2025 · 1 mark Reema, Meesha and Shikha were partners in a partnership firm sharing profits and losses in the ratio of 8 : 7 : 5. On 1st October, 2023, Reema advanced a loan of ₹5,00,000 to the firm. There is no partnership deed. The profit for the year ended 31st March, 2024 before charging interest on loan was ₹2,15,000. The amount of profit after charging interest on loan will be:

(a) ₹80,000 **(b)** ₹70,000 **(c)** ₹50,000 **(d)** ₹42,500

Q19. CBSE 2025 · 1 mark Elvis, Finch and Gordon entered into a partnership on 1st July, 2023 with capitals of ₹20,00,000 each. The partnership deed provided for interest on capital @ 10% per annum. The firm earned a net profit of ₹13,50,000 for the year ended 31st March, 2024. The amount of profit transferred to Elvis:

(a) ₹2,50,000 **(b)** ₹3,00,000 **(c)** ₹4,00,000 **(d)** ₹4,50,000

Q20. CBSE 2025 · 1 mark Reema, Meesha and Shikha were partners in a partnership firm sharing profits and losses in the ratio of 8 : 7 : 5. On 1st October, 2023, Reema advanced a loan of ₹5,00,000 to the firm. There is no partnership deed. The year ended 31st March, 2024 before charging interest, showed a profit of ₹2,15,000. The amount of profit:

(a) ₹80,000 **(b)** ₹70,000 **(c)** ₹50,000 **(d)** ₹42,500

Q21. CBSE 2025 · 1 mark Assertion (A): Interest on partner's loan is credited to Appropriation Account and not to Profit and Loss Account. Reason (R): Loan advanced by a partner is a charge against profits. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Both Assertion (A) and Reason (R) are incorrect.

Q22. CBSE 2025 · 1 mark Eklavya, Fateh and Girish entered into a partnership firm on 1st January, 2024 with capitals of ₹30,00,000 each. The partnership deed provided for interest on capital @ 10% per annum. The firm earned a net profit of ₹5,25,000 for the year ended 31st March, 2024. The amount of profit available for distribution after charging interest on capital will be:

(a) ₹4,75,000 **(b)** ₹3,00,000 **(c)** ₹2,00,000 **(d)** ₹1,00,000

Q23. CBSE 2025 · 1 mark Reema, Meesha and Shikha were partners in a partnership firm sharing profits and losses in the ratio of 8 : 7 : 5. On 1st October, 2023, Reema advanced a loan of ₹5,00,000 to the firm. There is no partnership deed. On 31st March, 2024 before charging interest on partner's loan, the profit was ₹2,15,000. The amount of profit to be credited to Reema's capital account will be:

(a) ₹80,000 **(b)** ₹70,000 **(c)** ₹50,000 **(d)** ₹42,500

Q24. CBSE 2025 · 1 mark Assertion (A): Interest on partner's loan is credited to the Appropriation Account and not to Profit and Loss Account. Reason (R): Since interest on partner's loan is a charge against profits, it is not a charge against profits. Choose the correct option from the following:

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

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

(c) Assertion (A) is correct, but Reason (R) is incorrect

(d) Both Assertion (A) and Reason (R) are incorrect

Q25. CBSE 2025 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): A partner's capital balance, which shall remain the same (fixed) year after year unless there is any addition or withdrawal of capital. Reason (R): When capitals are fixed, then various items like share of profit or loss, interest on capital, drawings, interest on drawings are credited or debited to a separate account. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q26. CBSE 2025 · 1 mark Sun and Moon were partners in a firm sharing profits and losses equally. Their fixed capitals were ₹5,00,000 each. After the accounts for the year ended 31st March, 2024 were prepared, it was discovered that interest on capital @ 10% p.a. was not provided in the partnership deed. The rectifying adjustment entry for the same will be:

(a) No Entry

(b) Current A/c Dr. 50,000 To Current A/c 50,000

(c) Moon Current A/c Dr. 50,000 To Sun Current A/c 50,000

(d) Current A/c Dr. 50,000 Current A/c Dr. 50,000 To Profit and Loss Appropriation A/c 1,00,000

Q27. CBSE 2025 · 1 mark Sudha, a partner withdrew ₹12,000 on 31st October, 2023 for her personal use. Interest on drawings is charged @ 6% p.a. The interest on drawings for the year ended 31st March, 2024 will be:

(a) ₹300 **(b)** ₹30 **(c)** ₹3,000 **(d)** ₹150

Q28. CBSE 2025 · 1 mark Manoj, Dilip and Rajinder were partners in a firm sharing profits and losses in the ratio of 7 : 3 : 5. Their fixed capitals were ₹10,00,000, ₹8,00,000 and ₹6,00,000, respectively. The partnership deed provided for interest on capital @ 12% p.a. Which of the following account will show the share of profit or loss?

(a) Interest on Capital Account

(b) Profit and Loss Appropriation Account

(c) Interest on Drawings Account

(d) Profit and Loss Account

Q29. CBSE 2025 · 1 mark Manoj, Dilip and Rajinder were partners in a firm sharing profits and losses in the ratio of 7 : 3 : 5. Their fixed capitals were ₹10,00,000, ₹8,00,000 and ₹6,00,000, respectively. The partnership deed provided for interest on capital @ 12%. Where will the interest on capital be shown?

(a) Profit and Loss Account

(b) Profit and Loss Appropriation Account

(c) Interest on Drawings Account **(d)** Capital Account

Q30. CBSE 2025 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): In the partnership firm, each partner's capital account will show a fixed balance, which shall remain the same (fixed) year after year unless there is any addition or withdrawal of capital. Reason (R): When capitals are fixed, then various items like share of profit or loss, interest on capital, drawings, interest on drawings are credited or debited to their respective current accounts. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q31. CBSE 2025 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): [Assertion text about fixed capital balance]. Reason (R): When capitals are fixed, then various items like share of profit or loss, interest on capital, drawings, interest on drawings are recorded in the Current Accounts. Choose the correct option:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q32. CBSE 2025 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): Partnership is the result of an agreement between two or more persons to do business and share its profits and losses. Reason (R): Partnership agreement should always be in written form. Choose the correct alternative from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q33. CBSE 2025 · 1 mark Mohan, a partner, withdrew 80,000 from the business for his personal use during the year ended 31st March, 2024. Interest on drawings was to be charged @ 12% per annum. Interest on drawings would be:

(a) 9,600 **(b)** 4,800 **(c)** 800 **(d)** 1,600

Q34. CBSE 2025 · 1 mark Ashok and Avinash were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2023, their capitals were 10,00,000 and 15,00,000 respectively. After the accounts for the year ending 31st March, 2024 were prepared, it was discovered that interest on capital at the rate of 10% per annum, as provided for in the partnership deed, was not credited to the partners. The profit would have:

(a) Reduced by 2,50,000 **(b)** Increased by 2,50,000

(c) No change in the profits **(d)** Reduced by 25,000

Q35. CBSE 2025 · 1 mark Ashok and Avinash were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2023, their capitals were ₹ 10,00,000 and ₹ 15,00,000 respectively. After the accounts for the year ending 31st March, 2024 were prepared, it was discovered that interest on capital at the rate of 10% per annum, as provided for in the partnership deed, was not allowed. If interest on capital had been allowed, the profit would have:

(a) Reduced by ₹ 2,50,000 **(b)** Increased by ₹ 2,50,000

(c) No change in the profits **(d)** Reduced by ₹ 25,000

Q36. CBSE 2025 · 1 mark Mohan, a partner, withdrew ₹ 80,000 from the business for his personal use during the year ended 31st March, 2024. Interest on drawings was to be charged @ 12% per annum. Interest on drawings for this withdrawal will be:

(a) ₹ 9,600 **(b)** ₹ 4,800 **(c)** ₹ 800 **(d)** ₹ 1,600

Q37. CBSE 2025 · 1 mark Ravi, Mohan and Vinod were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The partnership deed provided that interest on drawings would be charged @ 12% per annum. On 1st July, 2023, Mohan withdrew ₹ 20,000 every month for his personal use. For the year ended 31st March, 2024, interest on drawings was charged for _____ months.

(a) 6 **(b)** 9 **(c)** 5 **(d)** 7

Q38. CBSE 2025 · 1 mark Ravi, Mohan and Vinod were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The partnership deed provided that interest on capital will be allowed. On 1st July, 2023, Mohan withdrew ₹20,000 every month for his personal use. For the year ended 31st March, 2024, interest on drawings will be charged for _____ months.

(a) 6 **(b)** 6.5 **(c)** 5 **(d)** 5.5

Q39. CBSE 2025 · 1 mark Ashok and Avinash were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2023, their fixed capitals were ₹10,00,000 and ₹15,00,000 respectively. After the accounts for the year ending 31st March, 2024 were prepared, it was discovered that interest on capital at the rate of 10% per annum, as provided for in the partnership deed, was not credited to the partners. The net profit would have:

(a) Reduced by ₹2,50,000 **(b)** Increased by ₹2,50,000

(c) No change in the profits **(d)** Reduced by ₹25,000

Q40. CBSE 2025 · 1 mark Usha and Mohak were partners in a firm. Usha withdrew a fixed amount at the end of every half-year for the year ended 31st March, 2024. Interest charged for ____ months.

(a) 3 **(b)** 6 **(c)** 9 **(d)** 12

Q41. CBSE 2025 · 1 mark Saloni and Mohini were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2023, the balance in Saloni's capital account was ₹1,50,000. During the year, she withdrew ₹10,000 and introduced additional capital of ₹32,000. For the year ended 31st March, 2024, the firm earned a profit of ₹50,000. The balance in Saloni's capital account as on 1st April, 2023, was:

(a) ₹1,30,000 **(b)** ₹2,02,000 **(c)** ₹1,08,000 **(d)** ₹98,000

Q42. CBSE 2025 · 1 mark Saloni and Mohini were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2024, the opening balance in Mohini's capital account on 1st April, 2023, was ₹1,50,000. During the year, she withdrew ₹10,000 and introduced additional capital of ₹32,000. For the year ended 31st March, 2024, the firm earned a profit of ₹50,000. If Mohini's capital account on 1st April, 2023, was:

(a) ₹1,30,000 **(b)** ₹2,02,000 **(c)** ₹1,08,000 **(d)** ₹98,000

Q43. CBSE 2025 · 1 mark Radha and Rohit were partners in a firm. Radha withdrew a fixed amount at the beginning of every quarter for the year ended 31st March, 2024. Interest on drawings was charged for ____ months.

(a) 3 **(b)** 6 **(c)** 9 **(d)** 12

Q44. CBSE 2025 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): Private assets of a partner can also be used for paying off liabilities of the firm. Reason (R): Liability of a partner for acts of the firm is limited. Choose the correct alternative from the following:

(a) Assertion (A) is incorrect, but Reason (R) is correct.

(b) Assertion (A) is correct, but Reason (R) is incorrect.

(c) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

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

Q45. CBSE 2025 · 1 mark Saloni and Mohini were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2024, Mohini's capital was 1,50,000. During the year, she withdrew 10,000 and introduced additional capital of 32,000. For the year ended 31st March, 2024, the firm earned a profit of 50,000. What was her capital on 1st April, 2023?

(a) 1,30,000 **(b)** 2,02,000 **(c)** 1,08,000 **(d)** 98,000

Q46. CBSE 2025 · 1 mark Daksh and Moksh were partners in a firm. Moksh withdrew a fixed amount at the end of every quarter for the year ended 31st March, 2024. Interest on drawings was charged for _____ months.

(a) 6 **(b)** 7.5 **(c)** 9 **(d)** 3

Q47. CBSE 2025 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): Private assets of a partner can also be used for paying off the firm's liabilities. Reason (R): Liability of a partner for acts of the firm is limited. Choose the correct alternative from the following:

(a) Assertion (A) is incorrect, but Reason (R) is correct.

(b) Assertion (A) is correct, but Reason (R) is incorrect.

(c) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

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

Q48. CBSE 2025 · 1 mark White, Shaun and Todd were partners in a firm sharing profits and losses equally. White advanced ₹1,00,000 to the firm. The treatment of the loan will be:

(a) Capital account **(b)** Bank account

(c) Realisation account **(d)** Loan account

Q49. CBSE 2025 · 1 mark White, Shaun and Todd were partners in a firm sharing profits and losses equally. On 1st April, 2024, Shaun advanced ₹1,00,000 to the firm. In the books of the firm, the loan will be:

(a) Credited to Shaun's capital account

(b) Credited to Bank account

(c) Credited to Realisation account

(d) Debited to Shaun's capital account

Q50. CBSE 2025 · 1 mark On 1st April, 2024, the Balance Sheet of Radha and Mohan showed a loan of ₹10,000 given by Mohan to the firm. The firm was which of the following account?

(a) Realisation Account **(b)** Mohan's Capital Account

(c) Mohan's Loan Account **(d)** Bank Account

Q51. CBSE 2024 · 1 mark Abhay, Boris and Chetan were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Boris was guaranteed a profit of ₹ 95,000. Any deficiency on account of this was to be borne by Abhay and Chetan equally. The firm earned a profit of ₹ 2,00,000 for the year ended 31st March, 2023. The amount given by Abhay to Boris as guaranteed amount will be:

(a) ₹ 17,500 **(b)** ₹ 35,000 **(c)** ₹ 25,000 **(d)** ₹ 10,000

Q52. CBSE 2024 · 1 mark Assertion (A): Each partner is a principal as well as an agent for all the other partners. Reason (R): As per the definition of Partnership Act, partnership business may be carried on by all the partners or any of them acting for all. Choose the correct option from the following:

(a) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

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

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q53. CBSE 2024 · 1 mark Abha and Babita were partners in a clay toy making firm sharing profits in the ratio of 2 : 1. On 1st April, 2023, their capital accounts showed balances of ₹ 5,00,000 and ₹ 10,00,000 respectively. The partnership deed provides for interest on capital @ 10% p.a. The firm earned a profit of ₹ 90,000 during the year. The amount of interest on capital allowed to Abha will be:

(a) ₹ 50,000 **(b)** ₹ 1,00,000 **(c)** ₹ 60,000 **(d)** ₹ 30,000

Q54. CBSE 2024 · 1 mark Babita's share in profit will be:

(a) ₹ 60,000 **(b)** ₹ 30,000 **(c)** Nil **(d)** ₹ 1,00,000

Q55. CBSE 2024 · 1 mark Babita's share of profit will be:

(a) ₹ 60,000 **(b)** ₹ 30,000 **(c)** Nil **(d)** ₹ 1,00,000

Q56. CBSE 2024 · 1 mark Which of the following items cannot be recorded in the capital account of partners if the capital accounts of partners are fixed ?

(a) Drawings **(b)** Withdrawal of capital

(c) Introduction of additional capital

(d) Opening balance of capital

Q57. CBSE 2024 · 1 mark On 1st January, 2023, Abhishek, a partner, advanced a loan of ₹ 3,00,000 to the firm. In the absence of a partnership agreement, the amount of interest on the loan for the year ending 31st March, 2023 will be :

(a) ₹ 18,000 **(b)** ₹ 4,500 **(c)** ₹ 9,000

(d) No interest will be provided

Q58. CBSE 2024 · 1 mark Interest on capital payable to Vivek will be :Vivek and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capitals were ₹ 8,00,000 and ₹ 4,00,000 respectively. On 1st July, 2022, Vivek introduced additional capital of ₹ 2,00,000. Drawings of Vivek were ₹ 40,000 while drawings of Nisha were ₹ 80,000. As per the partnership agreement, interest on capital is allowed @ 6% p.a., interest on drawings will be charged @ 5% p.a. The net profit for the year ended 31st March, 2023 amounted to ₹ 6,50,000.

(a) ₹ 48,000 **(b)** ₹ 60,000 **(c)** ₹ 57,000 **(d)** ₹ 24,000

Q59. CBSE 2024 · 1 mark The amount of interest on drawings of Nisha would be :Vivek and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capitals were ₹ 8,00,000 and ₹ 4,00,000 respectively. On 1st July, 2022, Vivek introduced additional capital of ₹ 2,00,000. Drawings of Vivek were ₹ 40,000 while drawings of Nisha were ₹ 80,000. As per the partnership agreement, interest on capital is allowed @ 6% p.a., interest on drawings will be charged @ 5% p.a. The net profit for the year ended 31st March, 2023 amounted to ₹ 6,50,000.

(a) ₹ 2,000 **(b)** ₹ 1,000 **(c)** ₹ 4,000 **(d)** ₹ 4,800

Q60. CBSE 2024 · 1 mark The amount of interest on drawings of Nisha would be:Vivek and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capitals were ₹ 8,00,000 and ₹ 4,00,000 respectively. On 1st July, 2022, Vivek introduced additional capital of ₹ 2,00,000. During the year, drawings of Vivek were ₹ 40,000 while drawings of Nisha were ₹ 80,000. As per the partnership agreement, interest on capital is allowed @ 6% p.a., interest on drawings will be charged @ 5% p.a. The net profit for the year ended 31st March, 2023 amounted to ₹ 6,50,000.

(a) ₹ 2,000 **(b)** ₹ 1,000 **(c)** ₹ 4,000 **(d)** ₹ 4,800

Q61. CBSE 2024 · 1 mark Interest on capital payable to Vivek will be:Vivek and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capitals were ₹ 8,00,000 and ₹ 4,00,000 respectively. On 1st July, 2022, Vivek introduced additional capital of ₹ 2,00,000. During the year, drawings of Vivek were ₹ 40,000 while drawings of Nisha were ₹ 80,000. As per the partnership agreement, interest on capital is allowed @ 6% p.a., interest on drawings will be charged @ 5% p.a. The net profit for the year ended 31st March, 2023 amounted to ₹ 6,50,000.

(a) ₹ 48,000 **(b)** ₹ 60,000 **(c)** ₹ 57,000 **(d)** ₹ 24,000

Q62. CBSE 2024 · 1 mark Raju, Sohan and Tina are partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Tina is guaranteed a minimum amount of ₹ 40,000 as share of profit every year. Any deficiency arising on that account shall be borne by Raju. If profit of the firm for the year ended 31st March, 2023 is ₹ 1,60,000, Raju will bear a deficiency of:

(a) ₹ 8,000 **(b)** ₹ 40,000 **(c)** ₹ 48,000 **(d)** ₹ 4,000

Q63. CBSE 2024 · 1 mark The amount of interest on drawings of Nisha would be:Vivek and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capitals were ₹ 8,00,000 and ₹ 4,00,000 respectively. On 1st July, 2022, Vivek introduced additional capital of ₹ 2,00,000. Vivek's drawings during the year were ₹ 40,000 while drawings of Nisha were ₹ 80,000. As per the partnership agreement, interest on capital is allowed @ 6% p.a., interest on drawings will be charged @ 5% p.a. The net profit for the year ended 31st March, 2023 amounted to ₹ 6,50,000.

(a) ₹ 2,000 **(b)** ₹ 1,000 **(c)** ₹ 4,000 **(d)** ₹ 4,800

Q64. CBSE 2024 · 1 mark Interest on capital payable to Vivek will be:Vivek and Nisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capitals were ₹ 8,00,000 and ₹ 4,00,000 respectively. On 1st July, 2022, Vivek introduced additional capital of ₹ 2,00,000. Vivek's drawings during the year were ₹ 40,000 while drawings of Nisha were ₹ 80,000. As per the partnership agreement, interest on capital is allowed @ 6% p.a., interest on drawings will be charged @ 5% p.a. The net profit for the year ended 31st March, 2023 amounted to ₹ 6,50,000.

(a) ₹ 48,000 **(b)** ₹ 60,000 **(c)** ₹ 57,000 **(d)** ₹ 24,000

Q65. CBSE 2024 · 1 mark Shrikant and Ajay were partners in a firm sharing profits and losses in the ratio of 5 : 3. Shrikant withdrew ₹ 10,000 in the beginning of each quarter during the year ended 31st March, 2023. Interest on Shrikant's drawings @ 6% p.a for the year ended 31st March, 2023 will be:

(a) ₹ 2,400 **(b)** ₹ 1,200 **(c)** ₹ 1,500 **(d)** ₹ 900

Q66. CBSE 2024 · 1 mark Assertion (A): In the Fixed Capital Method, partners' capital accounts may show a debit or a credit balance. Reason (R): In the Fixed Capital Method, all items like share of profit or loss, interest on capital, drawings, interest on drawings etc. are recorded in the partners capital accounts. Choose the correct option from the following:

(a) Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

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

(c) Assertion (A) is correct, but Reason (R) is not correct.

(d) Both Assertion (A) and Reason (R) are not correct.

Q67. CBSE 2024 · 1 mark Richa, Sheena and Tapti were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. The partnership deed provided for charging interest on drawings @ 10% p.a. The drawings of Richa, Sheena and Tapti during the year ended 31st March, 2023 amounted to ₹ 50,000, ₹ 40,000 and ₹ 30,000 respectively. The net profit for the year ended 31st March, 2023 was ₹ 57,000. Sheena's interest on drawings will be:

(a) ₹ 5,000 **(b)** ₹ 4,000 **(c)** ₹ 3,000 **(d)** ₹ 2,000

Q68. CBSE 2024 · 1 mark Richa, Sheena and Tapti were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. The partnership deed provided for charging interest on drawings @ 10% p.a. The drawings of Richa, Sheena and Tapti during the year ended 31st March, 2023 amounted to ₹ 50,000, ₹ 40,000 and ₹ 30,000 respectively. The net profit for the year ended 31st March, 2023 was ₹ 57,000. Tapti's share of profit will be:

(a) ₹ 11,500 **(b)** ₹ 34,500 **(c)** ₹ 10,500 **(d)** ₹ 23,000

Q69. CBSE 2024 · 1 mark Richa, Sheena and Tapti were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. The partnership deed provided for charging interest on drawings @ 10% p.a. The drawings of Richa, Sheena and Tapti during the year ended 31st March, 2023 amounted to ₹ 50,000, ₹ 40,000 and ₹ 30,000 respectively. The net profit for the year ended 31st March, 2023 was ₹ 57,000. Interest on Sheena's drawings will be:

(a) ₹ 5,000 **(b)** ₹ 4,000 **(c)** ₹ 3,000 **(d)** ₹ 2,000

Q70. CBSE 2024 · 1 mark Assertion (A): In the fixed capital method, partners' current accounts are opened which can show debit as well as credit balances. Reason (R): In the fixed capital method, all items such as share of profit or loss, interest on capital, drawings, interest on drawings etc. are recorded in partners' current accounts. Choose the correct option from the following:

(a) Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

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

(c) Assertion (A) is correct, but Reason (R) is not correct.

(d) Both Assertion (A) and Reason (R) are not correct.

Q71. CBSE 2024 · 1 mark Assertion (A): In the Fixed Capital Method, capital accounts of partners are opened which may show debit balance as well as credit balance. Reason (R): In the Fixed Capital Method, all items such as share of profit or loss, interest on capital, drawings, interest on drawings etc. are recorded in the partners' capital accounts. Choose the correct option from the following:

(a) Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

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

(c) Assertion (A) is correct, but Reason (R) is not correct.

(d) Both Assertion (A) and Reason (R) are not correct.

Q72. CBSE 2023 · 1 mark Hina and Neena are partners in a firm. Neena withdrew ₹ 10,000 per month at the beginning of each month during the year ended 31st March, 2022. Interest on drawings was to be charged @ 6% per annum. Interest on Neena's drawings for the year ended 31st March, 2022 will be :

(a) ₹ 3,900 **(b)** ₹ 325 **(c)** ₹ 3,600 **(d)** ₹ 3,300

Q73. CBSE 2023 · 1 mark Aman and Chaman are partners in a firm. On 1st July, 2021 Aman advanced a loan of ₹ 6,00,000 to the firm. There is no partnership deed. On 31st March, 2022, Aman was entitled to get the following amount as interest on loan :

(a) ₹ 36,000 **(b)** ₹ 18,000 **(c)** ₹ 9,000 **(d)** ₹ 27,000

Q74. CBSE 2023 · 1 mark Kavita, Savita and Madhu were partners in a firm with capitals of ₹ 6,00,000, ₹ 4,00,000 and ₹ 2,00,000 respectively. After providing interest on capital @ 10% p.a., the profits are divisible as follows: Kavita 3/1, Savita 2/1 and Madhu 6/1. Kavita personally guaranteed that the firm would earn profits of not less than ₹ 1,00,000 in any year. The profit for the year ending 31st March, 2022 amounted to ₹ 3,00,000 before providing interest on capital. What amount of interest on capital will be provided to Kavita?

(a) ₹ 40,000 **(b)** ₹ 70,000 **(c)** ₹ 20,000 **(d)** ₹ 10,000

Q75. CBSE 2023 · 1 mark The total profits of the firm after adjustment of guaranteed amount will be distributed between the partners as :

(a) Kavita ₹ 60,000, Savita ₹ 40,000 and Madhu ₹ 20,000

(b) Kavita ₹ 50,000, Savita ₹ 1,00,000 and Madhu ₹ 30,000

(c) Kavita ₹ 60,000, Savita ₹ 90,000 and Madhu ₹ 30,000

(d) Kavita ₹ 60,000, Savita ₹ 1,00,000 and Madhu ₹ 20,000

Q76. CBSE 2023 · 1 mark Karan and Kiran are partners in a firm sharing profits and losses in the ratio of 7 : 1. Karan withdrew ₹ 12,000 at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. The journal entry for charging interest on drawings at the end of the year will be :

(a) Interest on drawings A/c Dr. ₹ 1,800 To Capital A/c ₹ 1,800

(b) Interest on drawings A/c Dr. ₹ 1,800 To Current A/c ₹ 1,800

(c) Capital A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800

(d) Profit and Loss Appropriation A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800

Q77. CBSE 2023 · 1 mark The amount of guarantee given by Kavita to Madhu will be :

(a) ₹ 40,000 **(b)** ₹ 70,000 **(c)** ₹ 20,000 **(d)** ₹ 10,000

Q78. CBSE 2023 · 1 mark P and Q are partners in a firm sharing profits and losses in the ratio of 7 : 1. Q withdrew ₹ 12,000 at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. The journal entry for charging interest on drawings at the end of the year will be :

(a) Interest on drawings A/c Dr. ₹ 1,800 To Capital A/c ₹ 1,800

(b) Interest on drawings A/c Dr. ₹ 1,800 To Current A/c ₹ 1,800

(c) Capital A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800

(d) Profit and Loss Appropriation A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800

Q79. CBSE 2023 · 1 mark (i) Hina and Neena are partners in a firm. Neena withdrew ₹ 10,000 per month at the beginning of each month during the year ended 31st March, 2022. Interest on drawings was to be charged @ 6% per annum. Interest on drawings for the year ended 31st March, 2022 will be :

(a) ₹ 3,900 **(b)** ₹ 325 **(c)** ₹ 3,600 **(d)** ₹ 3,300

Q80. CBSE 2023 · 1 mark Profits and losses in the ratio of 7 : 1. A partner withdrew ₹ 12,000 at the beginning of each quarter. Interest on drawings is charged @ 6% p.a. The journal entry for charging interest on drawings at the end of the year will be:

(a) Interest on drawings A/c Dr. ₹ 1,800 To Capital A/c ₹ 1,800

(b) Interest on drawings A/c Dr. ₹ 1,800 To Current A/c ₹ 1,800

(c) Capital A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800

(d) Profit and Loss Appropriation A/c Dr. ₹ 1,800 To Interest on drawings A/c ₹ 1,800

Q81. CBSE 2023 · 1 mark Kavita, Savita and Madhu were partners in a firm with capitals of ₹ 6,00,000, ₹ 4,00,000 and ₹ 2,00,000 respectively. After providing interest on capital @ 10% p.a., the profits are divisible as follows: Kavita 1/3, Savita 2/5 and Madhu 4/15. Kavita personally guaranteed that charging interest on capital would not be less than ₹ 1,00,000 in any year. The profit for the year ending 31st March, 2022 amounted to ₹ 3,00,000 before providing interest on capital. Shortage of interest guaranteed is:

(a) ₹ 40,000 **(b)** ₹ 70,000 **(c)** ₹ 20,000 **(d)** ₹ 10,000

Q82. CBSE 2023 · 1 mark _____ is the basis of relationship between the partners to run the partnership business.

(a) Offer **(b)** Agreement **(c)** Understanding

(d) Acceptance

Q83. CBSE 2023 · 1 mark Assertion (A): Interest on partners' loans is debited to Profit and Loss Account. Reason (R): Interest on partners' loans is a charge against profits. On the basis of the above Assertion (A) and Reason (R), choose the correct option from the following:

(a) Assertion (A) is correct and Reason (R) is wrong.

(b) Assertion (A) is wrong and Reason (R) is correct.

(c) Both Assertion (A) and Reason (R) are correct.

(d) Both Assertion (A) and Reason (R) are wrong.

Q84. CBSE 2023 · 1 mark The guaranteed amount of Divya's share is less than:Anu, Charu and Divya are partners sharing profits and losses in the ratio of 2 : 1 : 2. Their capitals were ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Anu personally gave a guarantee that Divya's share of profit after allowing interest on capital to all partners @ 5% p.a. would not be less than ₹ 75,000. The profit for the year ending 31st March, 2022 amounted to ₹ 2,00,000.

(a) ₹ 75,000 **(b)** ₹ 5,000 **(c)** ₹ 15,000 **(d)** ₹ 20,000

Q85. CBSE 2023 · 1 mark The final amount of profit distributed among the partners after adjustment of guaranteed amount will be:Anu, Charu and Divya are partners sharing profits and losses in the ratio of 2 : 1 : 2. Their capitals were ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Anu personally gave a guarantee that Divya's share of profit after allowing interest on capital to all partners @ 5% p.a. would not be less than ₹ 75,000. The profit for the year ending 31st March, 2022 amounted to ₹ 2,00,000.

(a) Anu ₹ 50,000; Charu ₹ 25,000; Divya ₹ 75,000

(b) Anu ₹ 55,000; Charu ₹ 30,000; Divya ₹ 65,000

(c) Anu ₹ 57,000; Charu ₹ 28,000; Divya ₹ 65,000

(d) Anu ₹ 45,000; Charu ₹ 30,000; Divya ₹ 75,000

Q86. CBSE 2023 · 1 mark Assertion (A): Interest on partners' loan is debited to Profit and Loss Account. Reason (R): Interest on partners' loan is a charge against profit. On the basis of the above Assertion (A) and Reason (R), choose the correct option:

(a) Assertion (A) is correct and Reason (R) is wrong.

(b) Assertion (A) is wrong and Reason (R) is correct.

(c) Both Assertion (A) and Reason (R) are correct.

(d) Both Assertion (A) and Reason (R) are wrong.

Q87. CBSE 2023 · 1 mark The final amount of profit distributed among the partners after adjustment of guaranteed amount will be:Anu, Charu and Divya are partners sharing profits and losses in the ratio of 2 : 1 : 2. Their capitals were ₹5,00,000, ₹3,00,000 and ₹2,00,000 respectively. Anu individually guaranteed that Divya's share of profit after allowing interest on capital to all partners @ 5% p.a. would not be less than ₹75,000. The profit for the year ending 31st March, 2022 amounted to ₹2,00,000.

(a) Anu ₹50,000; Charu ₹25,000; Divya ₹75,000

(b) Anu ₹55,000; Charu ₹30,000; Divya ₹65,000

(c) Anu ₹57,000; Charu ₹28,000; Divya ₹65,000

(d) Anu ₹45,000; Charu ₹30,000; Divya ₹75,000

Q88. CBSE 2023 · 1 mark Divya's guaranteed amount is less than the following amount:Anu, Charu and Divya are partners sharing profits and losses in the ratio of 2 : 1 : 2. Their capitals were ₹5,00,000, ₹3,00,000 and ₹2,00,000 respectively. Anu individually guaranteed that Divya's share of profit after allowing interest on capital to all partners @ 5% p.a. would not be less than ₹75,000. The profit for the year ending 31st March, 2022 amounted to ₹2,00,000.

(a) ₹75,000 **(b)** ₹5,000 **(c)** ₹15,000 **(d)** ₹20,000

Q89. CBSE 2023 · 1 mark If a fixed amount is withdrawn by a partner at the beginning of each month, interest on drawings on the total amount will be calculated for:

(a) 7 months **(b)** 6 months **(c)** 5.5 months **(d)** 6.5 months

Q90. CBSE 2023 · 1 mark Assertion (A): Interest on partners' loan is debited to Profit and Loss Appropriation Account. Reason (R): Interest on partners' loan is a charge against profit. On the basis of the above Assertion (A) and Reason (R), choose the correct option from the following :

(a) Assertion (A) is correct and Reason (R) is wrong.

(b) Assertion (A) is wrong and Reason (R) is correct.

(c) Both Assertion (A) and Reason (R) are correct.

(d) Both Assertion (A) and Reason (R) are wrong.

Q91. CBSE 2023 · 1 mark The guarantee amount is less than :Anu, Charu and Divya are partners sharing profits and losses in the ratio of 2 : 1 : 2. Their capitals were ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Divya gave a personal guarantee that her share of profit after allowing interest on capital to all partners @ 5% p.a. would not be less than ₹ 75,000. The profit for the year ending 31st March, 2022 amounted to ₹ 2,00,000.

(a) ₹ 75,000 **(b)** ₹ 5,000 **(c)** ₹ 15,000 **(d)** ₹ 20,000

Q92. CBSE 2023 · 1 mark The final amount of profit distributed among the partners after adjustment of guaranteed amount will be :Anu, Charu and Divya are partners sharing profits and losses in the ratio of 2 : 1 : 2. Their capitals were ₹ 5,00,000, ₹ 3,00,000 and ₹ 2,00,000 respectively. Divya gave a personal guarantee that her share of profit after allowing interest on capital to all partners @ 5% p.a. would not be less than ₹ 75,000. The profit for the year ending 31st March, 2022 amounted to ₹ 2,00,000.

(a) Anu ₹ 50,000; Charu ₹ 25,000; Divya ₹ 75,000

(b) Anu ₹ 55,000; Charu ₹ 30,000; Divya ₹ 65,000

(c) Anu ₹ 57,000; Charu ₹ 28,000; Divya ₹ 65,000

(d) Anu ₹ 45,000; Charu ₹ 30,000; Divya ₹ 75,000

Q93. CBSE 2023 · 1 mark If a fixed amount is withdrawn by a partner at the end of each quarter, interest on drawings will be calculated for :

(a) 4.5 months **(b)** 9 months **(c)** 6 months **(d)** 3 months

Q94. CBSE 2023 · 1 mark Vijay and Ajay are partners in a firm. The partnership agreement provides for interest on drawings @ 12% per annum. Which of the following account will be debited to transfer interest on drawings to Profit and Loss Appropriation A/c ?

(a) Interest on Drawings Account **(b)** Bank Account

(c) Partners Current Account **(d)** Partners Capital Account

Q95. CBSE 2023 · 1 mark (i) On 1st October 2020, Amit, a partner, advanced a loan of ₹ 1,20,000 to the firm. In the absence of partnership deed, the amount of interest on loan to be paid on 31st March, 2021 will be:

(a) ₹ 3,600 **(b)** ₹ 7,200 **(c)** ₹ 12,000 **(d)** ₹ 6,000

Q96. CBSE 2023 · 1 mark Keshav, Krishna and Murari were in partnership sharing profits and losses in the ratio of 3 : 2 : 1. Their fixed capitals were: ₹ 12,00,000, ₹ 10,00,000 and ₹ 8,00,000 respectively. It was agreed that interest on capital will be allowed at 10% per annum. Partners were entitled to salaries as follows: Keshav ₹ 5,000 per month and Krishna ₹ 3,000 per quarter. Profit of the firm for the year ended 31st March, 2022 was ₹ 6,72,000. Amount credited to the Partner Accounts for interest on capital and salary was:

(a) Keshav ₹ 1,20,000, Krishna ₹ 1,00,000 and Murari ₹ 80,000

(b) Keshav ₹ 1,80,000, Krishna ₹ 1,12,000 and Murari ₹ 80,000

(c) Keshav ₹ 60,000, Krishna ₹ 12,000 and Murari < Nil

(d) Keshav ₹ 3,30,000, Krishna ₹ 2,12,000 and Murari ₹ 1,30,000

Q97. CBSE 2023 · 1 mark Keshav, Krishna and Murari were in partnership sharing profits and losses in the ratio of 3 : 2 : 1. Their fixed capitals were: ₹ 12,00,000, ₹ 10,00,000 and ₹ 8,00,000 respectively. It was agreed that interest on capital will be allowed at 10% per annum. Partners were entitled to salaries as follows: Keshav ₹ 5,000 per month and Krishna ₹ 3,000 per quarter. Profit of the firm for the year ended 31st March, 2022 was ₹ 6,72,000. Profit transferred to Current Accounts was:

(a) Keshav ₹ 1,00,000, Krishna ₹ 1,50,000 and Murari ₹ 50,000

(b) Keshav ₹ 50,000, Krishna ₹ 1,50,000 and Murari ₹ 1,00,000

(c) Keshav ₹ 1,50,000, Krishna ₹ 1,00,000 and Murari ₹ 50,000

(d) Keshav ₹ 1,51,500, Krishna ₹ 1,01,000 and Murari ₹ 50,500

Q98. CBSE 2023 · 1 mark Keshav, Krishna and Murari were in partnership sharing profits and losses in the ratio of 3 : 2 : 1. Their fixed capitals were: ₹ 12,00,000, ₹ 10,00,000 and ₹ 8,00,000 respectively. It was agreed that interest on capital will be allowed at 10% per annum. Partners were entitled to salaries as follows: Keshav ₹ 5,000 per month and Krishna ₹ 3,000 per quarter. Profit of the firm for the year ended 31st March, 2022 was ₹ 6,72,000. Amount credited to the Partners Current Accounts:

(a) Keshav ₹ 1,20,000, Krishna ₹ 1,00,000 and Murari ₹ 80,000

(b) Keshav ₹ 1,80,000, Krishna ₹ 1,12,000 and Murari ₹ 80,000

(c) Keshav ₹ 60,000, Krishna ₹ 12,000 and Murari < Nil

(d) Keshav ₹ 3,30,000, Krishna ₹ 2,12,000 and Murari ₹ 1,30,000

Q99. CBSE 2023 · 1 mark Amount of profit transferred to Partners' Current Accounts was:

(a) Keshav ₹ 1,00,000, Krishna ₹ 1,50,000 and Murari ₹ 50,000

(b) Keshav ₹ 50,000, Krishna ₹ 1,50,000 and Murari ₹ 1,00,000

(c) Keshav ₹ 1,50,000, Krishna ₹ 1,00,000 and Murari ₹ 50,000

(d) Keshav ₹ 1,51,500, Krishna ₹ 1,01,000 and Murari ₹ 50,500

Q100. CBSE 2023 · 1 mark Amount credited to the Partners Current Accounts :

(a) Keshav ₹ 1,20,000, Krishna ₹ 1,00,000 and Murari ₹ 80,000

(b) Keshav ₹ 1,80,000, Krishna ₹ 1,12,000 and Murari ₹ 80,000

(c) Keshav ₹ 60,000, Krishna ₹ 12,000 and Murari ₹ Nil

(d) Keshav ₹ 3,30,000, Krishna ₹ 2,12,000 and Murari ₹ 1,30,000

Q101. CBSE 2023 · 1 mark Vijay and Ajay are partners in a firm. The partnership agreement provides for interest on drawings @ 12% per annum. Which of the following account will be debited to transfer interest on drawings to Profit and Loss Appropriation Account ?

(a) Interest on Drawings Account **(b)** Bank Account

(c) Partners Current Account **(d)** Partners Capital Account

SHORT ANSWER (22)

Q102. CBSE 2026 · 3 marks Laxmi, Rani and Priya were partners in a firm sharing profits and losses in the ratio of 5 : 7 : 8. Their fixed capitals were ₹8,00,000; ₹7,00,000 and ₹5,00,000 respectively. The partnership deed provided interest on capital @ 9% per annum. For the year ending 31st March, 2025, interest on capital was provided @ 12% per annum. Showing your workings clearly, pass a single adjustment entry to rectify the error.

Q103. CBSE 2026 · 3 marks Rohit, Ashish and Sameer entered into a partnership on 1st October, 2024 with capitals of ₹12,00,000; ₹6,00,000 and ₹6,00,000 respectively. They decided to share the profits and losses in the ratio of 3 : 1 : 1. Partners were entitled to interest on capital @ 5% per annum as per the provisions of the partnership deed. Sameer was given a guarantee that his share of profit, after charging interest on capital, will not be less than ₹1,50,000 per annum. Any deficiency arising on that account shall be met by Rohit. The profit for the year ended 31st March, 2025 amounted to ₹5,60,000. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2025.

Q104. CBSE 2025 · 3 marks Abhay and Sujoy entered into partnership on 1st April, 2024 with capitals of ₹80,00,000 and ₹60,00,000 respectively. The partners decided to share profits in the ratio of their capital contribution. They withdrew ₹6,00,000 and ₹4,00,000 respectively during the year. The partners were charged interest on drawings @ 10% per annum as per the provisions of the partnership deed. Sujoy's share of profit was guaranteed by Sujoy at a minimum of ₹3,50,000 per annum. The profit of the firm for the year ended 31st March, 2024 amounted to ₹6,50,000. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2024.

Q105. CBSE 2025 · 3 marks (a) Abhay and Sujoy entered into partnership on 1st April, 2024 with capitals of ₹80,00,000 and ₹60,00,000 respectively. The partners decided to share profits in the ratio of their capital contribution. They withdrew ₹6,00,000 and ₹4,00,000 respectively during the year. The partners were charged interest on drawings @ 10% per annum. Abhay's share of profit was guaranteed by Sujoy at a minimum of ₹3,50,000 per annum. The profit of the firm for the year ended 31st March, 2024 amounted to ₹6,50,000. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2024.

Q106. CBSE 2025 · 3 marks Suman and Lata were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2023, their capital accounts showed balances of ₹1,50,000 and ₹2,00,000, respectively. The partnership deed provided for interest on capital @ 8% p.a. Show the treatment of interest on capital in the following cases if: (i) The firm earned a profit of ₹14,000 for the year ended 31st March, 2024. (ii) The firm earned a profit of ₹60,000 for the year ended 31st March, 2024.

Q107. CBSE 2025 · 3 marks Daya and Deena were partners in a firm sharing profits and losses in the ratio of 3 : 1. On 1st April, 2023, their capital accounts showed balances of ₹5,00,000 and ₹6,00,000 respectively. The partnership deed provided for interest on capital @ 12% p.a. Show the treatment of interest on capital in the following cases if: (i) During the year ended 31st March, 2024, the firm earned a profit of ₹2,00,000. (ii) During the year ended 31st March, 2024, the firm earned a profit of ₹66,000.

Q108. CBSE 2025 · 3 marks Prathma, Madhyama and Tritiya were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 1st April, 2023, their capital accounts showed balances of ₹10,00,000, ₹8,00,000 and ₹6,00,000, respectively. The partnership deed provided for interest on capital @ 10% p.a. Show the treatment of interest on capital in the following cases if: (i) During the year ended 31st March, 2024, the firm earned a profit of ₹3,00,000. (ii) During the year ended 31st March, 2024, the firm earned a profit of ₹1,20,000.

Q109. CBSE 2025 · 3 marks On 1st April, 2023, Jain and Gupta started a partnership firm with fixed capitals of 15,00,000 and 12,00,000 respectively. They decided to share profits and losses in the ratio of 3 : 2. On 1st July, 2023, Jain withdrew 1,00,000 from this capital and Gupta introduced further capital of 2,00,000. Partnership deed provided for interest on capital @ 10% p.a. During the year Jain withdrew 50,000 and Gupta withdrew 60,000 for their personal use. Interest on drawings was to be charged @ 18% p.a. After preparing Profit and Loss Appropriation Account for the year ended 31st March, 2024, 72,000 and 48,000 were credited respectively to the current accounts of Jain and Gupta as their share of divisible profit. Prepare Current Accounts of Jain and Gupta.

Q110. CBSE 2025 · 3 marks Aman, Raj and Suresh were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 8. Suresh was guaranteed a minimum profit of 5,00,000 per year. Any deficiency on this account was to be borne by Aman and Raj equally. The net profit of the firm for the year ended 31st March, 2024 was 8,00,000. Prepare Profit and Loss Appropriation Account of Aman, Raj and Suresh for the year ended 31st March, 2024.

Q111. CBSE 2025 · 3 marks Devi and Anupam were partners in a firm. Their fixed capitals were ₹ 9,00,000 and ₹ 6,00,000 respectively on 1st April, 2023. The partnership deed provided for the following: (i) Interest on capital @ 12% p.a. (ii) Interest on drawings @ 15% p.a. On 1st May, 2023, Devi introduced additional capital of ₹ 1,00,000 and on 1st June, 2023 Anupam withdrew ₹ 2,00,000 from her capital. Devi withdrew ₹ 4,000 per month for her personal use and Anupam withdrew ₹ 2,000 per month for her personal use. The net divisible profit of the firm for the year ended 31st March, 2024 after allowing interest on capital and charging interest on drawings was ₹ 3,00,000. Prepare Current Accounts of the partners.

Q112. CBSE 2025 · 3 marks Sudha and Sudhir were partners in a firm sharing profits and losses in the ratio of 4 : 1. On 1st April, 2023, their fixed capitals were ₹12,00,000 and ₹4,00,000 respectively. On 1st July, 2023 Sudha invested ₹2,00,000 as additional capital. On 1st August, 2023 Sudhir withdrew ₹50,000 from his capital. The partnership deed provided for the following: (i) Interest on capital @ 6% p.a. (ii) Interest on drawings @ 8% p.a. During the year, Sudha withdrew ₹60,000 and Sudhir withdrew ₹40,000 for personal use. After providing interest on capital and charging interest on drawings, the net profit of the firm for the year ended 31st March, 2024 was ₹3,50,000. Prepare Current Accounts of Sudha and Sudhir.

Q113. CBSE 2025 · 3 marks Jay and Vijay were partners in a firm sharing profits and losses in the ratio of 7 : 3. Their respective fixed capitals were ₹ 9,00,000 and ₹ 7,00,000. The partnership deed provided for interest on capital @ 8% per annum. After preparing the accounts for the year ended 31st March, 2024, it was discovered that interest on capital was allowed @ 9% per annum. Showing your workings clearly, pass the necessary journal entry to rectify the error.

Q114. CBSE 2024 · 3 marks Mohan, Suhaan and Adit were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Their fixed capitals were: ₹ 2,00,000, ₹ 1,00,000 and ₹ 1,00,000 respectively. For the year ended 31st March, 2023, interest on capital was credited to their accounts @ 8% p.a. instead of 5% p.a. Pass necessary adjusting journal entry. Show your workings clearly.

Q115. CBSE 2024 · 3 marks Chaman, Burman and Aman were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Aman was guaranteed a minimum amount of ₹ 60,000 as his share of profit every year. The net profit for the year ended 31st March, 2023 amounted to ₹ 1,20,000. Pass necessary journal entries in the books of the firm showing the distribution of profit amongst the partners.

Q116. CBSE 2024 · 3 marks Misha and Prisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capital accounts showed balances of ₹ 50,000 and ₹ 30,000 respectively. During the year, Misha withdrew ₹ 12,900 while Prisha withdrew ₹ 9,600. They were allowed interest on capital @ 10% p.a. Interest on drawings of ₹ 660 was charged on Misha's drawings and ₹ 540 on Prisha's drawings. Prisha had advanced a loan of ₹ 20,000 to the firm on 1st August, 2022. The net profit for the year ended 31st March, 2023 amounted to ₹ 22,600. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023.

Q117. CBSE 2024 · 3 marks Misha and Prisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capital accounts showed balances of ₹ 50,000 and ₹ 30,000 respectively. During the year, Misha withdrew ₹ 12,900 while Prisha withdrew ₹ 9,600. They were allowed interest on capital @ 10% p.a. Interest on drawings of Misha amounted to ₹ 660 and on drawings of Prisha amounted to ₹ 540. Prisha advanced a loan of ₹ 20,000 to the firm on 1st August, 2022. The net profit for the year ended 31st March, 2023 amounted to ₹ 22,600. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023.

Q118. CBSE 2024 · 3 marks Misha and Prisha were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2022, their capital accounts showed balances of ₹ 50,000 and ₹ 30,000 respectively. During the year, Misha withdrew ₹ 12,900 while Prisha withdrew ₹ 9,600. They were allowed interest on capital @ 10% p.a. Interest on drawings of ₹ 660 was charged to Misha and ₹ 540 to Prisha. Prisha gave a loan of ₹ 20,000 to the firm on 1st August, 2022. The net profit for the year ended 31st March, 2023 amounted to ₹ 22,600. Prepare Profit and Loss Appropriation Account for the year ended 31st March, 2023.

Q119. CBSE 2023 · 3 marks (a) Raman, Manan and Naman were partners sharing profit in the ratio of 2 : 1 : 1. Raman withdrew ₹ 3,000 every month and Manan withdrew ₹ 4,000 every month. Interest on drawings @ 6% p.a. was charged whereas the partnership deed was silent about interest on drawings. Showing your working clearly, pass the necessary adjustment entry to rectify the error.

Q120. CBSE 2023 · 3 marks (a) Monika, Bhoomika and Kamolika are partners sharing profits in the ratio of 6 : 4 : 1. Kamolika is guaranteed a minimum amount of ₹ 3,00,000 as her share in profits. The firm earned a net profit of ₹ 22,00,000 for the year ended 31st March 2022. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2022.

Q121. CBSE 2023 · 3 marks A, B and C were partners in a firm sharing profits and losses equally. Their respective capitals were ₹ 10,00,000, ₹ 9,00,000 and ₹ 8,00,000. The partnership deed provided for the following: (1) Interest on capital @ 9% per annum. (2) Interest on drawings @ 12% per annum. (3) Interest on partners loan to the firm @ 10% per annum. During the year, B had withdrawn ₹ 20,000 for his personal use. On 30.9.2021, A had given a loan of ₹ 70,000 to the firm. Pass the necessary journal entries in the books of the firm for the following for the year ended 31st March, 2022: (i) Allowing interest on capital to C. (ii) Providing interest on A's loan. (iii) Charging interest on B's drawings. Also give transfer entries in the Profit and Loss Account/Profit and Loss Appropriation Account, as the case may be.

Q122. CBSE 2023 · 3 marks Raj, Mehak and Divya were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their respective capitals were: ₹ 6,00,000, ₹ 4,00,000 and ₹ 2,00,000. The partnership deed provided for the following: (a) Interest on capital @ 8% per annum. (b) Interest on drawings @ 6% per annum. (c) Interest on partners loan to the firm @ 5% per annum. During the year, Raj had withdrawn ₹ 12,000 on 1st October, 2021, while Mehak withdrew ₹ 60,000 on 1st December, 2021. On 1st January, 2021, Divya had given a loan of ₹ 1,20,000 to the firm. Pass the necessary journal entries in the books of the firm for the following transactions for the year ended 31st March, 2022: (i) Allowing interest on capital. (ii) Charging interest on drawings. (iii) Providing interest on loan given to the firm by Divya. Also pass transfer entries in the Profit and Loss Account/Profit and Loss Appropriation Account, as the case may be.

Q123. CBSE 2023 · 3 marks Aditi, Bobby and Krish were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their capitals were ₹ 5,00,000, ₹ 4,00,000 and ₹ 2,00,000 respectively. The partnership deed provided for the following: (a) Interest on capital @ 10% per annum. (b) Interest on drawings @ 6% per annum. During the year, Aditi had withdrawn ₹ 60,000 and Bobby ₹ 50,000. On 1st September, 2021, Krish had given a loan of ₹ 40,000 to the firm. Pass necessary journal entries in the books of the firm for the following transactions for the year ended 31st March, 2022: (i) Allowing interest on capital (ii) Charging interest on drawings (iii) Providing interest on loan. Also pass transfer entries in the Profit and Loss Account/Profit and Loss Appropriation Account, as the case may be.

2 Reconstitution of a Partnership Firm – Admission of a Partner

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (105)

Q1. CBSE 2026 · 1 mark Chaman, Raman and Suman were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. With effect from 1st April, 2025, they decided to share the future profits in the ratio of 2 : 3 : 5. For this purpose, it was agreed that the goodwill of the firm be valued at ₹1,00,000. The treatment of goodwill without opening goodwill account will be:

(a) Debit Chaman's Capital A/c by ₹30,000

(b) Credit Chaman's Capital A/c by ₹30,000

(c) Debit Chaman's Capital A/c ₹15,000 Credit Suman's Capital A/c ₹30,000

(d) Debit Chaman's Capital A/c ₹30,000 Credit Suman's Capital A/c ₹15,000

Q2. CBSE 2026 · 1 mark Anup, Bharti and Manoj were partners in a firm sharing profits and losses in the ratio of 11 : 8 : 1. From 1st April, 2025, they decided to share the future profits in the ratio of 2 : 2 : 1. The gain or sacrifice of each partner due to change in profit sharing ratio will be:

(a) Anup gain 30/60, Bharti sacrifice 18/60, Manoj sacrifice 12/60

(b) Anup sacrifice 30/60, Bharti gain 18/60, Manoj gain 12/60

(c) Anup gain 18/60, Bharti sacrifice 30/60, Manoj sacrifice 12/60

(d) Anup sacrifice 18/60, Bharti gain 30/60, Manoj gain 12/60

Q3. CBSE 2026 · 1 mark A business earned an average profit of ₹2,00,000 during the last few years. The value of net assets of the business is ₹17,00,000 and the normal rate of return in a similar business is 10%. The value of goodwill of the business by capitalisation of super-profits method will be:

(a) ₹17,00,000 **(b)** ₹2,00,000 **(c)** ₹3,00,000 **(d)** ₹30,000

Q4. CBSE 2026 · 1 mark Assertion (A): Goodwill is an intangible asset. Reason (R): Goodwill is the value of the reputation of a firm in respect of profits expected in future over and above the normal profits. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is incorrect, but Reason (R) is correct.

(d) Assertion (A) is correct, but Reason (R) is incorrect.

Q5. CBSE 2026 · 1 mark Mansi and Uma were partners in a firm and their capitals were ₹4,00,000 and ₹2,00,000 respectively. Normal rate of return in a similar business was 15% and the goodwill of the firm was valued at ₹4,00,000. If goodwill was calculated at four years purchase of super profits, the average profits of the firm were:

(a) ₹90,000 **(b)** ₹60,000 **(c)** ₹1,00,000 **(d)** ₹1,90,000

Q6. CBSE 2026 · 1 mark Aashree and Manvi were partners in a firm and their capitals were 6,00,000 and 4,00,000 respectively. Normal rate of return in a similar business was 15% and the goodwill of the firm was valued at 3,00,000. If goodwill was calculated at three years purchase of super profits, the average profits of the firm were:

(a) 1,00,000 **(b)** 45,000 **(c)** 2,50,000 **(d)** 1,50,000

Q7. CBSE 2026 · 1 mark Tanay and Ishaan were partners in a firm and their capitals were ₹4,00,000 and ₹1,00,000 respectively. Normal rate of return in a similar business was 15% and goodwill of the firm was valued at ₹1,00,000. If goodwill was calculated at two years purchase of super profits, the average profits of the firm were:

(a) ₹1,25,000 **(b)** ₹75,000 **(c)** ₹50,000 **(d)** ₹1,00,000

Q8. CBSE 2026 · 1 mark Dharam and Karan were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 1st April, 2025, they admitted Vinod as a new partner in the firm. Dharam surrendered 1/7 of his share in favour of Vinod and Karan surrendered 1/3 of his share in favour of Vinod. The new profit sharing ratio will be:

(a) 7 : 3 : 1 **(b)** 56 : 27 : 10 **(c)** 27 : 56 : 10 **(d)** 56 : 27 : 37

Q9. CBSE 2026 · 1 mark Assertion (A): In case of admission of a new partner in the partnership firm, there is a need to ascertain the new profit sharing ratio among all the partners. Reason (R): On admission of a new partner, the profit sharing ratio among the old partners will change, keeping in view their respective contribution to the profit sharing ratio of the incoming partner. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q10. CBSE 2026 · 1 mark Atul and Nisha were partners in a firm sharing profits and losses in the ratio of 4 : 1. Their capitals were ₹1,20,000 and ₹90,000 respectively. On 1st April, 2025, they admitted Mona as a new partner in the firm for 1/10 th share in the future profits. Mona brought ₹1,00,000 as her capital. The value of goodwill of the firm was:

(a) ₹22,500 **(b)** ₹4,00,000 **(c)** ₹90,000 **(d)** ₹1,00,000

Q11. CBSE 2026 · 1 mark Yashoda and Devi were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, their balance sheet showed land and building at ₹20,00,000 and furniture at ₹6,00,000. On that date they admitted Poonam as a new partner for 1/5 th share in the future profits of the firm. Land and building was valued and found to be undervalued by 20%. The Revaluation Account will be debited by ₹5,00,000. The effect on Revaluation Account due to change in value of furniture will be:

(a) debited by ₹5,00,000 **(b)** debited by ₹25,00,000

(c) credited by ₹25,00,000 **(d)** credited by ₹5,00,000

Q12. CBSE 2026 · 1 mark Atul and Nisha were partners in a firm sharing profits and losses in the ratio of 4 : 1. Their capitals were 1,20,000 and 90,000 respectively. On 1st April, 2025, they admitted Mona as a new partner in the firm for 1/5 th share in the future profits. Mona brought 1,00,000 as her capital. The value of goodwill of the firm was:

(a) 22,500 **(b)** 4,00,000 **(c)** 90,000 **(d)** 1,00,000

Q13. CBSE 2026 · 1 mark Yashoda and Devi were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, their balance sheet showed land and building at 20,00,000 and furniture at 6,00,000. On that date they admitted Poonam as a new partner for 1/5 th share in the future profits of the firm. The Land and Building Account will be:

(a) debited by 5,00,000 **(b)** debited by 25,00,000

(c) credited by 25,00,000 **(d)** credited by 5,00,000

Q14. CBSE 2026 · 1 mark Dharam and Karan were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 1st April, 2025, they admitted Vinod as a new partner in the firm. Dharam surrendered 1/10 th of his share in favour of Vinod and Karan surrendered 1/6 th of his share in favour of Vinod. The new profit sharing ratio will be:

(a) 7 : 3 : 1 **(b)** 56 : 27 : 10 **(c)** 27 : 56 : 10 **(d)** 56 : 27 : 37

Q15. CBSE 2026 · 1 mark Yashoda and Devi were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, their balance sheet showed land and building at ₹20,00,000 and furniture at ₹6,00,000. On that date they admitted Poonam as a new partner for th share in the future profits of ssion, it was found that land and building is be:

(a) debited by ₹5,00,000 **(b)** debited by ₹25,00,000

(c) credited by ₹25,00,000 **(d)** credited by ₹5,00,000

Q16. CBSE 2026 · 1 mark Dharam and Karan were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 1st April, 2025, they admitted Vinod as a new partner in the firm. Dharam surrendered rd of his share in favour of Vinod and Karan surrendered th of his share in favour of Vinod. The new profit sharing ratio will be:

(a) 7 : 3 : 1 **(b)** 56 : 27 : 10 **(c)** 27 : 56 : 10 **(d)** 56 : 27 : 37

Q17. CBSE 2026 · 1 mark P, Q and R were partners in a firm sharing profits and losses in the ratio of 6 : 5 : 4. They admitted S as a new partner for 1/6th share in the profits of the firm. It was agreed that Q would retain his original share. The sacrificing ratio of P and R will be:

(a) 6 : 5 **(b)** 4 : 5 **(c)** 3 : 2 **(d)** 5 : 4

Q18. CBSE 2026 · 1 mark Rohan and Meeta were partners in a firm sharing profits and losses in the ratio of 5 : 4. Their capitals were ₹3,00,000 and ₹2,00,000 respectively. They admitted Kabir as a new partner for 1/6th share in the profits of the firm. Kabir brought ₹1,50,000 as his capital. The value of goodwill of the firm was:

(a) ₹50,000 **(b)** ₹20,000 **(c)** ₹1,00,000 **(d)** ₹2,50,000

Q19. CBSE 2026 · 1 mark Asha, Manan and Niyati were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. With effect from 1st April, 2025, they agreed to share profits and losses equally. Due to change in the profit sharing ratio:

(a) Manan will have a Sacrifice **(b)** Manan will have a Gain

(c) Niyati will have a Sacrifice **(d)** Niyati will have a Gain

Q20. CBSE 2026 · 1 mark Rohan and Meeta were partners in a firm sharing profits and losses in the ratio of 5 : 4. Their capitals were ₹3,00,000 and ₹2,00,000 respectively. They admitted Kabir as a new partner for th share in the profits of the firm. Kabir brought ₹1,50,000 as his

(a) ₹50,000 **(b)** ₹20,000 **(c)** ₹1,00,000 **(d)** ₹2,50,000

Q21. CBSE 2026 · 1 mark There are two statements Assertion (A) and Reason (R): Assertion (A): At the time of admission of a new partner in a partnership firm, the newly admitted partner brings an agreed amount of capital either in cash or in kind. Reason (R): On admission, the new partner gets the right to acquire share in the assets and profits of the partnership firm. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is correct, but Reason (R) is incorrect.

(d) Assertion (A) is incorrect, but Reason (R) is correct.

Q22. CBSE 2026 · 1 mark Guru and Prakash were partners in a firm sharing profits and losses in the ratio of 7 : 3. They admitted Anu as a new partner for 1/4th share. Profit and Loss Account of Guru and Prakash showed a credit balance of ₹40,000. The necessary journal entry for its treatment will be:

(a) Profit and Loss A/c Dr. 40,000 To Guru's Capital 21,000 To Prakash's Capital 9,000 To Anu's Capital 10,000

(b) Profit and Loss A/c Dr. 40,000 To Guru's Capital 28,000 To Prakash's Capital 12,000

(c) Guru's Capital Dr. 21,000 Prakash's Capital Dr. 9,000 Anu's Capital Dr. 10,000 To Profit and Loss A/c 40,000

(d) Guru's Capital Dr. 28,000 Prakash's Capital Dr. 12,000 To Profit and Loss A/c 40,000

Q23. CBSE 2026 · 1 mark Sujata and Laxmi were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2025, they admitted Raghu as a new partner for 1/5th share. It was found that the equipment is undervalued by ₹90,000. After revaluation, the Balance Sheet of Sujata, Laxmi and Raghu showed equipment at ₹3,00,000. The value of equipment shown in the books of the firm before revaluation was:

(a) ₹3,90,000 **(b)** ₹2,10,000 **(c)** ₹3,00,000 **(d)** ₹90,000

Q24. CBSE 2026 · 1 mark Sujata and Laxmi were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2025, they admitted Raghu as a new partner for 1/5th share. It was found that the equipment is undervalued by ₹90,000. After revaluation, the Balance Sheet of Sujata, Laxmi and Raghu showed equipment at ₹3,00,000. The value of equipment shown in the books of the original firm was:

(a) ₹3,90,000 **(b)** ₹2,10,000 **(c)** ₹3,00,000 **(d)** ₹90,000

Q25. CBSE 2025 · 1 mark Neeru and Pooja were partners in a partnership firm sharing profits and losses in the ratio of 4 : 3. The firm earned average profits of ₹5,00,000 during the last few years. The normal rate of return in a similar business is 10%. The average super profits of the firm were ₹4,00,000. The amount of capital employed by the firm was:

(a) ₹90,00,000 **(b)** ₹40,00,000 **(c)** ₹50,00,000 **(d)** ₹10,00,000

Q26. CBSE 2025 · 1 mark Which of the following events does not result in reconstitution of a firm?

(a) Dissolution of partnership **(b)** Dissolution of partnership firm **(c)** Death of a partner **(d)** Change in profit sharing ratio of existing partners

Q27. CBSE 2025 · 1 mark (a) Jayant, Vijayant and Anant were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. With effect from 1st April, 2024, they decided to share the profits in the ratio of 5 : 3 : 2. For this purpose, the goodwill of the firm was valued at ₹6,00,000. The partners decided to treat goodwill without opening goodwill account. By what amount and to whom will the entries be passed?

(a) Debit Anant by ₹6,00,000 and Credit Vijayant by ₹6,00,000.
(b) Debit Vijayant by ₹6,000 and Credit Anant by ₹6,000.
(c) Debit Vijayant by ₹20,000 and Credit Anant by ₹20,000.
(d) Debit Anant by ₹20,000 and Credit Vijayant by ₹20,000.

Q28. CBSE 2025 · 1 mark Jayant, Vijayant and Anant were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. With effect from 1st April, 2024, they decided to share the profits in the ratio of 5 : 3 : 2. For this purpose, the goodwill of the firm was valued at ₹6,00,000. The partners decided to treat goodwill without opening goodwill account. Which of the following pairs will be debited and credited?

(a) Debit Anant by ₹6,00,000 and Credit Vijayant by ₹6,00,000.
(b) Debit Vijayant by ₹6,000 and Credit Anant by ₹6,000.
(c) Debit Vijayant by ₹20,000 and Credit Anant by ₹20,000.
(d) Debit Anant by ₹20,000 and Credit Vijayant by ₹20,000.

Q29. CBSE 2025 · 1 mark A, B and C were partners in a firm sharing profits and losses in the ratio of 8 : 5 : 3. It was decided that with effect from 1st April, 2024, profits and losses will be shared in the ratio of 6 : 5 : 5. Due to change in the profit sharing ratio, C will have a:

(a) sacrifice of gains **(b)** gain of sacrifice **(c)** sacrifice of loss **(d)** loss of gains

Q30. CBSE 2025 · 1 mark Ram and Shyam were partners in a firm sharing profits and losses in the ratio of 5 : 3. Mohan was admitted as a new partner for 1/8th share in the profits of the firm. Mohan brought ₹2,50,000 as his share of capital and ₹2,00,000 as his share of goodwill premium. The value of the firm's goodwill was:

(a) ₹2,00,000 **(b)** ₹4,50,000 **(c)** ₹12,50,000 **(d)** ₹10,00,000

Q31. CBSE 2025 · 1 mark Prakhar and Rajan were partners in a firm sharing profits and losses in the ratio of 3 : 2 with capitals of ₹10,00,000 and ₹9,00,000 respectively. Siddharth was admitted as a new partner for 1/5th share in the profits of the firm. The new profit sharing ratio between Prakhar, Rajan and Siddharth was agreed at 12 : 8 : 5. The sacrificing ratio of Prakhar and Rajan will be:

(a) 3 : 2 **(b)** 1 : 1 **(c)** 2 : 3 **(d)** 10 : 9

Q32. CBSE 2025 · 1 mark Kabir and Lara were partners in a firm sharing profits and losses in the ratio of 5 : 3. Mark was admitted as a new partner for 1/10th share in the profits of the firm. Mark was to bring 1/8th of the combined capital of Kabir and Lara after all adjustments are carried out. The capitals of Kabir and Lara after all adjustments were ₹8,00,000 and ₹7,00,000 respectively. The capital brought by Mark was:

(a) ₹3,75,000 **(b)** ₹3,00,000 **(c)** ₹6,00,000 **(d)** ₹15,00,000

Q33. CBSE 2025 · 1 mark Rajat and Samar were partners in a firm sharing profits and losses in the ratio of 5 : 3. Tarun was admitted as a new partner for 1/8th share in the profits of the firm. Tarun brought ₹5,00,000 as his share of capital and ₹3,00,000 as his share of goodwill premium. The value of goodwill of the firm was:

(a) ₹7,50,000 **(b)** ₹12,50,000 **(c)** ₹15,00,000 **(d)** ₹20,00,000

Q34. CBSE 2025 · 1 mark Kabir and Lara were partners in a firm sharing profits and losses in the ratio of 5 : 3. Mark was admitted as a new partner for 1/8th share in the profits of the firm. Mark was to bring 1/8th of the combined capital of Kabir and Lara after all adjustments are carried out. The capitals of Kabir and Lara after all adjustments were ₹8,00,000 and ₹7,00,000 respectively. The capital brought by Mark was:

(a) ₹3,75,000 **(b)** ₹3,00,000 **(c)** ₹6,00,000 **(d)** ₹15,00,000

Q35. CBSE 2025 · 1 mark Rakesh and Somesh were partners in a firm sharing profits and losses in the ratio of 2 : 3. Moksh was admitted as a new partner for 1/5th share in the profits of the firm. Moksh brought ₹3,00,000 as his share of capital. The amount of goodwill was:

(a) ₹30,00,000 **(b)** ₹20,00,000 **(c)** ₹15,00,000 **(d)** ₹10,00,000

Q36. CBSE 2025 · 1 mark Kabir and Lara were partners in a firm sharing profits and losses in the ratio of 5 : 3. Mark was admitted as a new partner for 1/5th share in the profits of the firm. Mark was to bring 1/6th of the combined capital of Kabir and Lara after all adjustments are carried out. The capitals of Kabir and Lara after all adjustments were ₹8,00,000 and ₹7,00,000 respectively. The capital brought by Mark was:

(a) ₹3,75,000 **(b)** ₹3,00,000 **(c)** ₹6,00,000 **(d)** ₹15,00,000

Q37. CBSE 2025 · 1 mark Rani, Maharani and Laxmi were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 2. On 1st April, 2024 they admitted Reena as a new partner for 1/10th share in the profits of the firm. Reena acquired her share from Rani and Maharani in the ratio of 3 : 2. The new profit sharing ratio between Rani, Maharani, Laxmi and Reena will be:

(a) 51 : 59 : 40 : 50 **(b)** 51 : 59 : 50 : 40 **(c)** 59 : 51 : 50 : 40 **(d)** 40 : 51 : 59 : 50

Q38. CBSE 2025 · 1 mark John and Harry were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2023, they admitted Dinesh as a new partner for 1/6th share in the profits of the firm with a guarantee that his share in the profits shall be at least ₹1,00,000. The net profit of the firm for the year ended 31st March, 2024 was ₹2,80,000. The share in the profits of the firm after giving the guaranteed amount of profit to Dinesh will be:

(a) ₹1,40,000 **(b)** ₹1,20,000 **(c)** ₹1,00,000 **(d)** ₹70,000

Q39. CBSE 2025 · 1 mark A, B and C were partners in a firm sharing profits and losses in the ratio of 8 : 5 : 3. It was decided that with effect from 1st April, 2024, profits and losses will be shared in the ratio of 6 : 5 : 5. Due to change in the profit sharing ratio, A will have:

(a) gain **(b)** no gain or loss **(c)** sacrifice

(d) loss and sacrifice

Q40. CBSE 2025 · 1 mark Ajay and Parth were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2024, they admitted Vinod as a new partner in the ratio 2 : 1 : 1. The amount of goodwill brought by Vinod will be:

(a) Amount equal to Ajay's capital **(b)** Nil

(c) Amount equal to Parth's capital

(d) Amount equal to average of Ajay's and Parth's capital

Q41. CBSE 2025 · 1 mark A, B and C were partners in a firm sharing profits and losses in the ratio of 8 : 5 : 3. It was decided that with effect from 1st April, 2024, profits and losses will be shared in the ratio of 6 : 5 : 5. Due to change in the

(a) A will have a gain **(b)** B will have a gain

(c) C will have a sacrifice **(d)** A will have a sacrifice

Q42. CBSE 2025 · 1 mark John and Harry were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2023, they admitted Dinesh as a new partner for 1/6th share in the profits of the firm with a guarantee that his share in the profits shall be at least ₹1,00,000. The net profit of the firm for the year ended 31st March, 2024 was ₹2,80,000. The profit available to the firm after giving the guaranteed amount of profit to Dinesh will be:

(a) ₹1,40,000 **(b)** ₹1,20,000 **(c)** ₹1,00,000 **(d)** ₹70,000

Q43. CBSE 2025 · 1 mark Sona and Mona were partners in a firm sharing profits and losses in the ratio of 4 : 3. On 1st April, 2024, they admitted Leena as a new partner. The amount of goodwill to be credited to Leena's account will be:

(a) Nil **(b)** Equal share of Goodwill

(c) Proportionate share of Goodwill

(d) Double share of Goodwill

Q44. CBSE 2025 · 1 mark Rani, Maharani and Laxmi were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 2. On 1st April, 2024 they admitted Reena as a new partner for 1/8th share in the profits of the firm. Reena acquired her share from Rani and Maharani in the ratio of 3 : 2. The new profit sharing ratio between Rani, Maharani, Laxmi and Reena will be:

(a) 51 : 59 : 40 : 50 **(b)** 51 : 59 : 50 : 40 **(c)** 59 : 51 : 50 : 40

(d) 40 : 51 : 59 : 50

Q45. CBSE 2025 · 1 mark John and Harry were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2023, they admitted Dinesh as a new partner for 1/6th share in the profits of the firm with a guarantee that his share in the profits shall be at least ₹1,00,000. The net profit of the firm for the year ended 31st March, 2024 was ₹2,80,000. The share in profit of the firm after giving the guaranteed amount of profit to Dinesh will be:

(a) ₹1,40,000 **(b)** ₹1,20,000 **(c)** ₹1,00,000 **(d)** ₹70,000

Q46. CBSE 2025 · 1 mark A, B and C were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. D was admitted as a new partner for 1/10th share in the profits of the firm. D acquired his share entirely from A. The new profit sharing ratio between A, B, C and D will be:

(a) 5 : 2 : 2 : 1 **(b)** 3 : 3 : 2 : 2 **(c)** 3 : 2 : 3 : 2 **(d)** 4 : 3 : 2 : 1

Q47. CBSE 2025 · 1 mark Uma and Veena were partners in a firm sharing profits and losses in the ratio of 4 : 5. On 1st April, 2024 they decided to admit Usha as a new partner for 1/9th share. On admission it was decided that the goodwill of the firm will be valued equal to the average profits of the last two years. The profits for the year ended 31st March, 2024 were 5,76,000. However, to arrive at this profit, both the opening stock and closing stock were overvalued by 50,000. The goodwill of the firm will be:

(a) 5,76,000 **(b)** 6,76,000 **(c)** 4,76,000 **(d)** 7,76,000

Q48. CBSE 2025 · 1 mark Giri and Shyam were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their capitals were 1,60,000 and 1,00,000 respectively. Hema was admitted for 1/6th share in the profits of the firm. Hema brought 1,50,000 as her capital. The goodwill of the firm on the basis of capital invested will be:

(a) 4,10,000 **(b)** 7,50,000 **(c)** 3,40,000 **(d)** 2,50,000

Q49. CBSE 2025 · 1 mark P, Q and R were partners in a firm sharing profits and losses in the ratio of 3 : 5 : 2. S was admitted as a new partner for 1/10 share in the profits of the firm. S acquired his share entirely from Q. The new profit sharing ratio among P, Q, R and S will be:

(a) 2 : 5 : 2 : 1 **(b)** 3 : 3 : 2 : 2 **(c)** 3 : 2 : 3 : 2 **(d)** 3 : 4 : 2 : 1

Q50. CBSE 2025 · 1 mark Giri and Shyam were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their capitals were ₹ 1,60,000 and ₹ 1,00,000 respectively. Hema was admitted for 1/5 share in the profits of the firm. Hema brought ₹ 1,50,000 as her capital. The goodwill of the firm on admission was:

(a) ₹ 4,10,000 **(b)** ₹ 7,50,000 **(c)** ₹ 3,40,000 **(d)** ₹ 2,50,000

Q51. CBSE 2025 · 1 mark Uma and Veena were partners in a firm sharing profits and losses in the ratio of 4 : 5. On 1st April, 2024 they decided to admit Usha as a new partner for 1/10 share. It was decided that the goodwill of the firm will be valued equal to the profits of the previous year. The profits for the year ended 31st March, 2024 were ₹ 5,76,000. However, to arrive at this profit, both the opening stock and closing stock were overvalued by ₹ 50,000. The goodwill of the firm will be:

(a) ₹ 5,76,000 **(b)** ₹ 6,76,000 **(c)** ₹ 4,76,000 **(d)** ₹ 7,76,000

Q52. CBSE 2025 · 1 mark D, E and F were partners in a firm sharing profits and losses in the ratio of 2 : 3 : 5. G was admitted as a new partner for 1/10th share in the profits of the firm. G acquired his share entirely from F. The new profit sharing ratio among D, E, F and G will be:

(a) 5 : 2 : 2 : 1 **(b)** 2 : 3 : 3 : 2 **(c)** 3 : 3 : 2 : 2 **(d)** 4 : 3 : 2 : 1

Q53. CBSE 2025 · 1 mark Uma and Veena were partners in a firm sharing profits and losses in the ratio of 4 : 5. On 1st April, 2024 they decided to admit Usha as a new partner for 1/6th share in the profits. It was decided that the goodwill of the firm will be valued equal to the average profit for the past three years. The profits for the year ended 31st March, 2024 were ₹5,76,000. However, to arrive at this profit, both the opening stock and closing stock were overvalued by ₹50,000. The goodwill of the firm will be:

(a) ₹5,76,000 **(b)** ₹6,76,000 **(c)** ₹4,76,000 **(d)** ₹7,76,000

Q54. CBSE 2025 · 1 mark Pooja and Kumari were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2023, Noori was admitted for a new partner 1/4th share in the profits of the firm. Noori was guaranteed a minimum profit of ₹1,20,000. Any deficiency on this account was to be borne by Pooja and Kumari in their profit sharing ratio. During the year ended 31st March, 2024, the firm earned a net profit of ₹3,60,000. The amount of deficiency borne by Pooja will be:

(a) ₹20,000 **(b)** ₹1,20,000 **(c)** ₹10,000 **(d)** ₹1,60,000

Q55. CBSE 2025 · 1 mark Jim and Joy were partners in a firm sharing profits and losses equally. On 1st April, 2024, they admitted John as a new partner for 1/5th share in the profits. The Balance Sheet of Jim and Joy showed a debit balance of ₹45,000 in Profit and Loss Account. From the following, what will be the accounting treatment for this balance?

(a) Debit Jim and Joy by ₹22,500 each and Credit Profit and Loss Account by ₹45,000.

(b) Debit Jim and Joy by ₹18,000 each, Debit John by ₹9,000 and Credit Profit and Loss Account by ₹45,000.

(c) Debit John by ₹45,000 and Credit Jim and Joy by ₹22,500 each.

(d) Debit Profit and Loss Account by ₹45,000 and Credit Jim and Joy by ₹22,500 each.

Q56. CBSE 2025 · 1 mark Jim and Joy were partners in a firm sharing profits and losses equally. On 1st April, 2024, they admitted John as a new partner for 1/5th share in the profits. On that date, the Profit and Loss Account of Jim and Joy showed a debit balance of ₹45,000. From the following, what will be the accounting treatment for this balance?

(a) Debit Jim and Joy by ₹22,500 each and Credit Profit and Loss Account by ₹45,000.

(b) Debit Jim and Joy by ₹18,000 each, Debit John by ₹9,000 and Credit Profit and Loss Account by ₹45,000.

(c) Debit John by ₹45,000 and Credit Jim and Joy by ₹22,500 each.

(d) Debit Profit and Loss Account by ₹45,000 and Credit Jim and Joy by ₹22,500 each.

Q57. CBSE 2025 · 1 mark Pooja and Kumari were partners in a firm sharing profits and losses in the ratio of 2 : 1. On 1st April, 2023, Noori was admitted for a new partner for 1/4th share in the profits of the firm. Noori was guaranteed a minimum profit of ₹1,20,000. Any deficiency on this account was to be borne by Pooja and Kumari in their profit sharing ratio. During the year ended 31st March, 2024, the firm earned a net profit of ₹3,60,000. The amount of deficiency borne by Pooja will be:

(a) ₹20,000 **(b)** ₹1,20,000 **(c)** ₹10,000 **(d)** ₹1,60,000

Q58. CBSE 2025 · 1 mark Nandan and Abhinandan were partners in a firm. They admitted Govindan as a new partner for 1/3rd share. At the time of admission, the Balance Sheet of the firm showed sundry debtors at ₹3,00,000 and a provision for bad debts at ₹24,000. It was decided to maintain the provision for bad debts at 10% of the debtors. Which of the following journal entries will show the correct accounting treatment for the above transactions?

(a) Revaluation A/c Dr. 30,000 To Provision for Bad Debts 30,000

(b) Revaluation A/c Dr. 6,000 To Provision for Bad Debts 6,000

(c) Revaluation A/c Dr. 2,000 To Provision for Bad Debts 2,000

(d) Revaluation A/c Dr. 2,000 Provision for Bad Debts Dr. 2,000 To Provision for Bad Debts 6,000

Q59. CBSE 2025 · 1 mark Nandan and Abhinandan were partners in a firm. They admitted Govindan as a new partner for 1/3rd share in the profits of the firm. Before his admission, the Balance Sheet of the firm showed sundry debtors at 3,00,000 and a provision for bad debts at 24,000. It was decided to maintain the provision for bad debts at 10% of the debtors. Which of the following journal entries will show the correct accounting treatment for the above transactions?

(a) Revaluation A/c Dr. 30,000 To Provision for Bad Debts 30,000

(b) Revaluation A/c Dr. 6,000 To Provision for Bad Debts 6,000

(c) Provision for Bad Debts Dr. 2,000 To Revaluation A/c 2,000

(d) Revaluation A/c Dr. 2,000 Provision for Bad Debts Dr. 2,000 To Revaluation A/c 6,000

Q60. CBSE 2025 · 1 mark Jayant, Vijayant and Anant were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. With effect from 1st April, 2024, they decided to share the profits in the ratio of 5 : 3 : 2. For this purpose, the goodwill of the firm was valued at 6,00,000. The partners decided to treat goodwill without opening goodwill account. Which account will be debited and which will be credited?

(a) Debit Anant by 6,00,000 and Credit Vijayant by 6,00,000.

(b) Debit Vijayant by 6,000 and Credit Anant by 6,000.

(c) Debit Vijayant by 20,000 and Credit Anant by 20,000.

(d) Debit Anant by 20,000 and Credit Vijayant by 20,000.

Q61. CBSE 2024 · 1 mark Dan, Elf and Furhan were partners in a firm sharing profits in the ratio of 5 : 3 : 2. With effect from 1st April, 2023, they decided to change their profit sharing ratio to 2 : 3 : 5. There existed a General Reserve of ₹ 90,000 on the date of change in profit sharing ratio. The partners decided not to distribute General Reserve. The necessary adjustment entry to show the effect of the above will be:

(a) Dr. Dan's Capital A/c 27,000 To Furhan's Capital A/c 27,000

(b) Dr. 90,000 To Furhan's Capital A/c 90,000

(c) Dr. Furhan's Capital A/c 27,000 To Dan's Capital A/c 27,000

(d) Dr. Furhan's Capital A/c 90,000 To Dan's Capital A/c 90,000

Q62. CBSE 2024 · 1 mark Bhim, Arjun and Nakul were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. With effect from 1st April, 2023, they agreed to share profits equally. Due to change in the profit sharing ratio, Arjun's sacrifice or gain will be :

(a) Sacrifice 3/01 **(b)** Gain 3/01 **(c)** Sacrifice 1/51 **(d)** Gain 1/51

Q63. CBSE 2024 · 1 mark Bhim, Arjun and Nakul were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. With effect from 1st April, 2023, they agreed to share profits equally. Due to change in the profit sharing ratio, Arjun's sacrifice/gain will be:

(a) Sacrifice 3/01 **(b)** Gain 3/01 **(c)** Sacrifice 1/51 **(d)** Gain 1/51

Q64. CBSE 2024 · 1 mark Manu, Sonu and Rahul were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. With effect from 1st April, 2023, they decided to share profits and losses in the future in the ratio of 3 : 2 : 1. Their Balance Sheet showed Workmen Compensation Reserve of ₹ 84,000. The claim on account of Workmen Compensation is estimated at ₹ 75,000. The journal entry to give effect to the above transaction will be:

(a) Workmen Compensation Reserve A/c Dr 84,000 To Workmen Compensation Claim A/c 75,000 To Manu's Capital A/c 4,000 To Sonu's Capital A/c 3,000 To Rahul's Capital A/c 2,000

(b) Workmen Compensation Reserve A/c Dr 84,000 To Workmen Compensation Claim A/c 75,000 To Manu's Capital A/c 4,500 To Sonu's Capital A/c 3,000 To Rahul's Capital A/c 1,500

(c) Manu's Capital A/c Dr 500 To Rahul's Capital A/c 500

(d) Workmen Compensation Reserve A/c Dr 84,000 To Workmen Compensation Claim A/c 75,000 To Manu's Capital A/c 3,000 To Sonu's Capital A/c 3,000 To Rahul's Capital A/c 3,000

Q65. CBSE 2024 · 1 mark Atul, Beena and Sita were partners in a firm sharing profits and losses in the ratio of 8 : 7 : 5. Damini was admitted as a new partner for 1/5th share in the profits which she acquired entirely from Atul. The new profit sharing ratio will be:

(a) 7 : 7 : 5 : 1 **(b)** 4 : 7 : 5 : 4 **(c)** 8 : 7 : 5 : 4 **(d)** 7 : 5 : 8 : 4

Q66. CBSE 2024 · 1 mark Piyush, Rajesh and Avinash were partners in a firm sharing profits and losses equally. Shiva was admitted as a new partner for an equal share. Shiva brought his share of capital and premium for goodwill in cash. The premium for goodwill amount will be divided among:

(a) Old partners in old ratio **(b)** New partners in new ratio

(c) New partners in sacrificing ratio

(d) Old partners in sacrificing ratio

Q67. CBSE 2024 · 1 mark Alex, Benn and Cole were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. They admitted Dona as a new partner for 1/5th share in the future profits. Dona agreed to contribute proportionate capital. On the date of admission, capitals of Alex, Benn and Cole after all adjustments were ₹ 1,20,000; ₹ 80,000 and ₹ 1,00,000 respectively. The amount of capital brought in by Dona will be:

(a) ₹ 75,000 **(b)** ₹ 60,000 **(c)** ₹ 65,000 **(d)** ₹ 70,000

Q68. CBSE 2024 · 1 mark Ashu and Basu are partners sharing profits and losses in the ratio of 2 : 1. Chetan is admitted as a new partner with 1/4th share in the profits which he acquires equally from Ashu and Basu. The new profit sharing ratio between Ashu, Basu and Chetan will be :

(a) 13 : 5 : 6 **(b)** 13 : 2 : 1 **(c)** 2 : 13 : 5 **(d)** 1 : 1 : 1

Q69. CBSE 2024 · 1 mark Kishore and Bimal are partners in a firm sharing profits and losses in the ratio of 4 : 3. Nand is admitted as a new partner in the firm for 1/4th share in the profits. Kishore and Bimal decide to share profits and losses equally in the future. The sacrificing ratio of Kishore and Bimal will be :

(a) 1 : 1 **(b)** 4 : 3 **(c)** 11 : 3 **(d)** 3 : 11

Q70. CBSE 2024 · 1 mark Manas and Ranvir are partners in a firm having capital balances of ₹ 1,20,000 and ₹ 80,000 respectively. Sanju is admitted as a new partner in the firm for 1/5th share in future profits. Sanju brought ₹ 1,00,000 as his capital. The goodwill of the firm will be :

(a) ₹ 5,00,000 **(b)** ₹ 2,00,000 **(c)** ₹ 3,00,000 **(d)** ₹ 1,00,000

Q71. CBSE 2024 · 1 mark Assertion (A): In a partnership firm, at the time of admission, the new partner brings in an agreed amount of capital either in cash or in kind. Reason (R): In a partnership firm, at the time of admission, the new partner acquires the right to share the assets and the profits of the partnership firm. Choose the correct option from the following :

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is incorrect, but Reason (R) is correct.

(d) Assertion (A) is correct, but Reason (R) is incorrect.

Q72. CBSE 2024 · 1 mark Manas and Ranvir are partners in a firm having capital balances of ₹ 1,20,000 and ₹ 80,000 respectively. Sanju is admitted as a new partner in the firm for 5/1th share in future profits. Sanju brought ₹ 1,00,000 as capital. The capital of the firm will be:

(a) ₹ 5,00,000 **(b)** ₹ 2,00,000 **(c)** ₹ 3,00,000 **(d)** ₹ 1,00,000

Q73. CBSE 2024 · 1 mark Ashu and Basu are partners sharing profits and losses in the ratio of 2 : 1. Chetan is admitted as a new partner with 4/1th share in the profits which he acquires equally from Ashu and Basu. The new profit sharing ratio between Ashu, Basu and Chetan will be:

(a) 13 : 5 : 6 **(b)** 13 : 2 : 1 **(c)** 2 : 13 : 5 **(d)** 1 : 1 : 1

Q74. CBSE 2024 · 1 mark Kishore and Bimal are partners in a firm sharing profits and losses in the ratio of 4 : 3. Nand is admitted as a new partner in the firm for 4/1th share in the profits. Kishore and Bimal decide to share profits and losses equally in the future. The sacrificing ratio of Kishore and Bimal will be:

(a) 1 : 1 **(b)** 4 : 3 **(c)** 11 : 3 **(d)** 3 : 11

Q75. CBSE 2024 · 1 mark Manas and Ranvir are partners in a firm having capital balances of ₹ 1,20,000 and ₹ 80,000 respectively. Sanju is admitted as a new partner in the firm for 1/5th share in future profits. Sanju brought ₹ 1,00,000 as capital. The capital of the firm will be:

(a) ₹ 5,00,000 **(b)** ₹ 2,00,000 **(c)** ₹ 3,00,000 **(d)** ₹ 1,00,000

Q76. CBSE 2024 · 1 mark Seema and Laksh were partners in a firm sharing profits and losses in the ratio of 2 : 1. Their capitals were ₹ 2,00,000 and ₹ 1,80,000 respectively. They admitted Aadi as a new partner on 1st April, 2023 for 1/5th share in future profits. Aadi brought ₹ 1,50,000 as his share of capital. The goodwill of the firm on Aadi's admission will be:

(a) ₹ 7,50,000 **(b)** ₹ 2,20,000 **(c)** ₹ 3,70,000 **(d)** ₹ 1,50,000

Q77. CBSE 2024 · 1 mark Geeta and Hari were partners in a firm sharing profits and losses in the ratio of 3 : 2. Krish was admitted as a new partner for 1/5th share in profits of the firm which he acquired from Geeta and Hari in the ratio of 2 : 3. Krish brought ₹ 1,00,000 as his share of capital and ₹ 50,000 as premium for goodwill in cash. The sacrificing ratio of Geeta and Hari will be:

(a) 3 : 2 **(b)** 1 : 1 **(c)** 2 : 3 **(d)** 13 : 7

Q78. CBSE 2024 · 1 mark Nikhil, Arun and Mansi were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. With effect from 1st April, 2023, they decided to share profits and losses in the ratio of 5 : 3 : 2. Due to change in the profit sharing ratio, Mansi's gain or sacrifice will be:

(a) Gain 10/10 **(b)** Sacrifice 10/3 **(c)** Sacrifice 10/10 **(d)** Gain 10/3

Q79. CBSE 2024 · 1 mark Hema and Tara were partners in a firm sharing profits and losses in the ratio of 2 : 3. They admitted Ojas as a new partner. Hema surrendered 1/3rd of her share and Tara surrendered 1/2 of her share in favour of Ojas. The new profit sharing ratio of Hema, Tara and Ojas will be:

(a) 8 : 9 : 13 **(b)** 3 : 2 : 5 **(c)** 2 : 3 : 5 **(d)** 2 : 3 : 2/5

Q80. CBSE 2024 · 1 mark Hema and Tara were partners in a firm sharing profits and losses in the ratio of 2 : 3. They admitted Ojas as a new partner. Hema surrendered 1/3 of her share and Tara surrendered 1/2 of her share in favour of Ojas. The new profit sharing ratio of Hema, Tara and Ojas will be:

(a) 8 : 9 : 13 **(b)** 3 : 2 : 5 **(c)** 2 : 3 : 5 **(d)** 2 : 3 : 25

Q81. CBSE 2024 · 1 mark Nikhil, Arun and Mansi were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. With effect from 1st April, 2023, they decided to share profits and losses in the ratio of 5 : 3 : 2. Due to change in profit sharing ratio, Mansi's gain or sacrifice will be:

(a) Gain 101 **(b)** Sacrifice 103 **(c)** Sacrifice 101 **(d)** Gain 103

Q82. CBSE 2024 · 1 mark Dan, Elf and Furhan were partners in a firm sharing profits in the ratio of 5 : 3 : 2. With effect from 1st April, 2023, they decided to change their profit sharing ratio to 2 : 3 : 5. There existed a General Reserve of ₹ 90,000 on the date of change in profit sharing ratio. The partners decided not to distribute General Reserve. The necessary adjustment entry to show the effect of the above will be: Dr. Dan's Capital Account 27,000 / Cr. Furhan's Capital Account 27,000

(a) Dr. Dan's Capital Account Nm 27,000; Dr. Elf's Capital Account To Furhan's Capital Account 27,000

(b) Dr. 90,000 To Profit and Loss A/c 90,000

(c) Dr. Furhan's Capital Account 27,000 To Dan's Capital Account 27,000

(d) Dr. Furhan's Capital Account 90,000 To Dan's Capital Account 90,000

Q83. CBSE 2023 · 1 mark Assertion (A): Goodwill is a intangible asset. Reason (R): Goodwill is the value of the reputation of a firm in respect of profits expected in future, over and above the normal profits. Select the correct answer from the following:

(a) Assertion (A) is correct, but Reason (R) is wrong.

(b) Assertion (A) is wrong, but Reason (R) is correct.

(c) Both Assertion (A) and Reason (R) are correct.

(d) Both Assertion (A) and Reason (R) are wrong.

Q84. CBSE 2023 · 1 mark Keshav and Karan were partners in a firm sharing profits equally. The capitalised value of average profits of the firm was ₹ 18,00,000. Assets of the firm were ₹ 20,00,000 (excluding goodwill) and Liabilities were ₹ 5,00,000. The value of goodwill of the firm by capitalisation of average profits method will be:

(a) ₹ 2,00,000 **(b)** ₹ 3,00,000 **(c)** ₹ 4,00,000 **(d)** ₹ 3,50,000

Q85. CBSE 2023 · 1 mark A partnership firm has capital employed of ₹ 6,00,000. Its average profits are ₹ 80,000. The normal rate of return in similar type of business is 10%. The amount of super profits are:

(a) ₹ 60,000 **(b)** ₹ 8,000 **(c)** ₹ 20,000 **(d)** ₹ 52,000

Q86. CBSE 2023 · 1 mark Average capital employed in a firm is ₹1,60,000. The normal rate of return is 15% and its average profits are ₹60,000. Value of goodwill by capitalisation of average profits method is:

(a) ₹16,40,000 **(b)** ₹4,00,000 **(c)** ₹2,40,000 **(d)** ₹14,40,000

Q87. CBSE 2023 · 1 mark Average capital employed in a firm is ₹ 3,00,000. The normal rate of return is 20% and firm's average profit is ₹ 80,000. Value of goodwill by capitalisation of super profits method is :

(a) ₹ 8,00,000 **(b)** ₹ 1,00,000 **(c)** ₹ 2,00,000 **(d)** ₹ 6,00,000

Q88. CBSE 2023 · 1 mark The goodwill of a firm was valued on the basis of 3 years purchase of average profits for the last four years. The profits of last four years ending 31st March were as follows: Year 2018-19: (14,500); Year 2019-20: 15,400; Year 2020-21: 32,900; Year 2021-22: 16,800. The value of goodwill of the firm was:

(a) ₹ 8,885 **(b)** ₹ 37,950 **(c)** ₹ 58,950 **(d)** ₹ 20,690

Q89. CBSE 2023 · 1 mark The goodwill of a firm was valued on the basis of 3 years purchase of average profits for the last four years. The profits of last four years ending 31st March were as follows: 2018-19 (14,500); 2019-20 15,400; 2020-21 32,900; 2021-22 16,800. The value of goodwill of the firm was:

(a) ₹ 8,885 **(b)** ₹ 37,950 **(c)** ₹ 58,950 **(d)** ₹ 20,690

Q90. CBSE 2023 · 1 mark Ria and Surbhi were partners in a firm sharing profits and losses in the ratio of 3 : 2. With effect from 1st April, 2022, they agreed to share profits equally. The goodwill of the firm was valued at ₹ 3,00,000. The adjustment will be done by which of the following transaction ?

(a) by ₹ 30,000 and credit account by ₹ 30,000.

(b) ₹ 30,000 account by ₹ 30,000.

(c) ₹ 3,000 account by ₹ 3,000.

(d) ₹ 3,000 s account by ₹ 3,000.

Q91. CBSE 2023 · 1 mark The goodwill of a firm was valued on the basis of 3 years purchase of average profits for the last four years. The profits of last four years ending 31st March were as follows: Year 2018-19 (₹14,500); 2019-20 ₹15,400; 2020-21 ₹32,900; 2021-22 ₹16,800. The value of goodwill of the firm was :

(a) ₹ 8,885 **(b)** ₹ 37,950 **(c)** ₹ 58,950 **(d)** ₹ 20,690

Q92. CBSE 2023 · 1 mark Assertion (A): Goodwill is an intangible asset. Reason (R): Goodwill is the value of the reputation of a firm in respect of profits expected in future, over and above the normal profits. Select the correct answer from the following:

(a) Assertion (A) is correct, but Reason (R) is wrong.

(b) Assertion (A) is wrong, but Reason (R) is correct.

(c) Both Assertion (A) and Reason (R) are correct.

(d) Both Assertion (A) and Reason (R) are wrong.

Q93. CBSE 2023 · 1 mark Niva, Naman and Nityam were partners sharing profits in the ratio of 4 : 3 : 2. Niva and Naman each give 1/9 from their share to Nityam on reconstitution of the firm. The new profit sharing ratio among Niva, Naman and Nityam will be :

(a) 3 : 4 : 2 **(b)** 2 : 3 : 4 **(c)** 4 : 2 : 3 **(d)** 3 : 2 : 4

Q94. CBSE 2023 · 1 mark Akshita and Anurag are partners in a firm sharing profits in the ratio of 2 : 1. Akshat is admitted in the firm with 3/1 share in profits. Akshat acquires 3/2 of his share from Akshita and 3/1 of his share from Anurag. The new profit sharing ratio of Akshita, Anurag and Akshat will be :

(a) 3 : 2 : 4 **(b)** 4 : 3 : 2 **(c)** 2 : 1 : 1 **(d)** 4 : 2 : 3

Q95. CBSE 2023 · 1 mark Akshita and Anurag are partners in a firm sharing profits in the ratio of 2 : 1. Akshat is admitted in the firm with 1/3 share in profits. Akshat acquires 1/2 of his share from Akshita and 1/3 of his share from Anurag. The new profit sharing ratio of Akshita, Anurag and Akshat will be :

(a) 3 : 2 : 4 **(b)** 4 : 3 : 2 **(c)** 2 : 1 : 1 **(d)** 4 : 2 : 3

Q96. CBSE 2023 · 1 mark Akshita and Anurag are partners in a firm sharing profits in the ratio of 2 : 1. Akshat is admitted in the firm with 1/3 share in profits. Akshat acquires 1/3 of his share from Akshita and 1/3 of his share from Anurag. The new profit sharing ratio of Akshita, Anurag and Akshat will be:

(a) 3 : 2 : 4 **(b)** 4 : 3 : 2 **(c)** 2 : 1 : 1 **(d)** 4 : 2 : 3

Q97. CBSE 2023 · 1 mark Vikram and Sumit were partners in a firm sharing profits and losses in the ratio of 2 : 1. The capitals of Vikram and Sumit after all adjustments were ₹ 50,000 and ₹ 40,000 respectively. They admitted Jayant as a partner for 1/3 share in the profits of the firm. Jayant brought proportionate capital in the firm. The amount of capital brought in by Jayant was:

(a) ₹ 45,000 **(b)** ₹ 30,000 **(c)** ₹ 60,500 **(d)** ₹ 90,000

Q98. CBSE 2023 · 1 mark Isha and Naman were partners in a firm sharing profits and losses in the ratio of 2 : 3. With effect from 1st April, 2022 they agreed to share profits equally. Isha's sacrifice or gain will be:

(a) Sacrifice 1/10 **(b)** Gain 1/10 **(c)** Sacrifice 5/2

(d) Gain 5/2

Q99. CBSE 2023 · 1 mark At the time of change in profit sharing ratio among existing partners, Reserves are transferred to Partners in the following ratio:

(a) Sacrificing ratio **(b)** Gaining ratio

(c) Old profit sharing ratio **(d)** New profit sharing ratio

Q100. CBSE 2023 · 1 mark Surbhi and Leena were partners in a firm sharing profits and losses in the ratio of 5 : 3. Ashi was admitted as a new partner for 1/4 share in the profits of the firm. Ashi acquired 5/3 of her share from Surbhi. From the following, how much share did Ashi acquire from Leena:

(a) 1/0 **(b)** 2/30 **(c)** 5/2 **(d)** 8/3

Q101. CBSE 2023 · 1 mark Aditi and Bobby were partners with capitals of ₹30,000 each. They admitted Chetan as a new partner for 1/4 share in the profits of the firm. Chetan brought ₹48,000 as his capital. Profit and Loss Account of the firm showed a credit balance of ₹24,000. Value of goodwill of the firm will be:

(a) ₹40,000 **(b)** ₹60,000 **(c)** ₹75,000 **(d)** ₹30,000

Q102. CBSE 2023 · 1 mark Mehak and Chehak were partners with capitals of ₹ 40,000 each. They admitted Aadi as a new partner for 1/5 share in the profits of the firm. Aadi brought ₹ 80,000 as capital. At the time of Aadi's admission, Loss Account of the firm showed a debit balance of ₹ 10,000. Value of goodwill of the firm will be :

(a) ₹ 2,50,000 **(b)** ₹ 2,40,000 **(c)** ₹ 2,30,000 **(d)** ₹ 4,00,000

Q103. CBSE 2023 · 1 mark Assertion (A): Increase in the value of liabilities on reconstitution of a firm is debited to Revaluation Account. Reason (R): Increase in the value of liabilities is a loss. Select the correct alternative from the following:

(a) Assertion (A) is correct, but Reason (R) is wrong.

(b) Assertion (A) is wrong, but Reason (R) is correct.

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

(d) Both Assertion (A) and Reason (R) are wrong.

Q104. CBSE 2023 · 1 mark Niva, Naman and Nityam were partners sharing profits in the ratio of 4 : 3 : 2. Niva and Naman each give 9th from their share to Nityam on reconstitution of the firm. The new profit sharing ratio among Niva, Naman and Nityam will be :

(a) 3 : 4 : 2 **(b)** 2 : 3 : 4 **(c)** 4 : 2 : 3 **(d)** 3 : 2 : 4

Q105. CBSE 2023 · 1 mark Surbhi and Leena were partners in a firm sharing profits and losses in the ratio of 5 : 3. Ashi was admitted as a new partner for 4/1 share in the profits of the firm. Ashi acquired 5/3 of her share from Surbhi. From the following, how much share did Ashi acquire from Leena:

(a) 10/1 **(b)** 20/3 **(c)** 5/2 **(d)** 8/3

SHORT ANSWER (45)

Q106. CBSE 2026 · 3 marks Dhruv and Seema were partners in a firm sharing profits and losses in the ratio of 2 : 3. Their capitals were ₹18,00,000 and ₹12,00,000 respectively. The normal rate of return was 15%. The profits of the last four years were: ₹7,75,000, ₹5,00,000, (₹75,000), ₹7,00,000, ₹1,00,000. Calculate the value of goodwill of the firm using the purchase of last four years' profits method.

Q107. CBSE 2026 · 4 marks Raman, Daman and Vikram were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. On 31st March, 2025, their capitals were ₹6,00,000; ₹3,00,000 and ₹2,00,000 respectively. With effect from 1st April, 2025, they decided to share the future profits equally. Due to change in profit sharing ratio, it was agreed that: (i) Goodwill of the firm will be valued at ₹3,00,000. (ii) Revaluation of assets and liabilities will be carried out. The revaluation of assets and liabilities resulted in a loss of ₹12,000. (iii) Total capital of the reconstituted firm will be ₹12,00,000 and will be in the new profit sharing ratio of the partners. For this purpose, necessary cash will be brought in by the partners or paid off to the partners, as the case may be.

Q108. CBSE 2026 · 3 marks Akash and Mita were partners in a firm sharing profits and losses in the ratio of 5 : 3. Their capitals were 9,00,000 and 6,00,000 respectively. The normal rate of return was 15%. The profits of the last four years were: Year 1: 5,50,000 Year 2: 5,00,000 Year 3: (1,50,000) Year 4: 6,50,000 Year 5: 50,000. Goodwill will be calculated on the basis of average super profits. Calculate the value of goodwill of the firm.

Q109. CBSE 2026 · 3 marks Rita and Mohit were partners in a firm sharing profits and losses in the ratio of 7 : 3. Their capitals were ₹7,00,000 and ₹3,00,000 respectively. The normal rate of return was 10%. The profits for the last four years were: ₹3,30,000, ₹4,00,000, (₹70,000), ₹5,00,000, ₹40,000. super profits. Calculate the value of goodwill of the firm.

Q110. CBSE 2026 · 3 marks Chaitanya and Divya were partners in a firm sharing profits and losses in the ratio of 2 : 1. From 1st April 2025, they decided to share future profits and losses in the ratio of 2 : 3. On this date, their balance sheet showed a debit balance of ₹1,80,000 in the Profit and Loss Account and a balance of ₹90,000 in General Reserve. The partners decided to distribute the General Reserve, but decided not to disturb the Profit and Loss Account, which will continue in the books of the reconstituted firm. Pass necessary journal entries for the above transactions on the reconstitution of the firm. Show your workings clearly.

Q111. CBSE 2026 · 3 marks Sukesh and Surbhi were partners in a firm sharing profits and losses in the ratio of 5 : 3. On 1st April, 2024, they admitted Suman, as a new partner for 1/8 th share in the profits of the firm with a minimum guaranteed profit of ₹1,20,000. Any deficiency arising on that account will be borne by Sukesh. The net profit of the firm for the year ended 31st March, 2025 was ₹5,50,000. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2025.

Q112. CBSE 2026 · 3 marks Sukesh and Surbhi were partners in a firm sharing profits and losses in the ratio of 5 : 3. On 1st April, 2024, they admitted Suman, as a new partner for 1/5 th share in the profits of the firm with a minimum guaranteed profit of 1,20,000. Any deficiency arising on that account will be borne by Sukesh. The net profit of the firm for the year ended 31st March, 2025 was 5,50,000. Prepare Profit and Loss Appropriation Account of the firm for the year ended 31st March, 2025.

Q113. CBSE 2026 · 3 marks Sanjana and Mehul were partners in a firm sharing profits and losses in the ratio of 4 : 1. From 1st April, 2025, they decided to share future profits and losses in the ratio of 5 : 3. On this date, their balance sheet showed a balance of ₹40,000 in General Reserve Account and a debit balance of ₹1,80,000 in the Profit and Loss Account. The partners decided to distribute the General Reserve, but decided not to disturb the Profit and Loss Account, which will continue in the books of the reconstituted firm. Pass necessary journal entries for the above transactions on the reconstitution of the firm. Show your workings clearly.

Q114. CBSE 2026 · 3 marks Sakshi and Anumita were partners in a firm sharing profits and losses in the ratio of 2 : 3. From 1st April, 2025, they decided to share future profits and losses in the ratio of 4 : 1. On this date, their balance sheet showed a balance of ₹60,000 in Contingency Reserve and a debit balance of ₹2,00,000 in the Profit and Loss Account. The partners decided to distribute the Contingency Reserve, but decided not to disturb the Profit and Loss Account, which will continue in the books of the reconstituted firm. Pass necessary journal entries for the above transactions on the reconstitution of the firm. Show your workings clearly.

Q115. CBSE 2026 · 3 marks Akash and Mita were partners in a firm sharing profits and losses in the ratio of 5 : 3. Their capitals were ₹9,00,000 and ₹6,00,000 respectively. The normal rate of return was 15%. The profits of the last four years were: ₹5,50,000, ₹5,00,000, (₹1,50,000) and ₹6,50,000. The average profits are to be calculated on the basis of super profits. Calculate the value of goodwill of the firm.

Q116. CBSE 2025 · 3 marks Abha and Sara were partners in a firm. Their capitals were: Abha ₹3,00,000 and Sara ₹2,00,000. The normal rate of return in similar business is 10%. The profits of the firm of Abha and Sara for the last three years were: 2021-22 ₹60,000, 2022-23 ₹90,000 and 2023-24 ₹1,20,000. Calculate goodwill of the firm on the following basis: (i) Four years purchase of the average profits for the last three years. (ii) Capitalisation of super-profits.

Q117. CBSE 2025 · 3 marks Jeevan and Kavi were partners in a firm with capitals of 12,00,000 and 15,00,000 respectively. Annual salary of the partners was 2,00,000 each. The market rate of interest was 10%. During the previous three years the profits were 8,00,000, 9,00,000 and 7,00,000. The goodwill of the firm is to be valued at 2 years super profits. Calculate the goodwill of the firm.

Q118. CBSE 2025 · 3 marks Alok, Sameer and Tushar were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. With effect from 1st April, 2024, they decided to share future profits and losses in the ratio of 3 : 2 : 4. Their Balance Sheet as at 31st March, 2024 showed the following: (i) Advertisement Suspense Account ₹90,000. (ii) Credit Balance of ₹2,70,000 in Profit and Loss Account. Goodwill of the firm was valued at ₹4,50,000 and revaluation of assets and liabilities resulted in a loss of ₹1,80,000. Partners did not want to distribute the amount of Advertisement Suspense Account and the Profit and Loss Account. They also decided that revalued values of assets and liabilities were not to be recorded in the books. Pass a single adjustment entry to give effect to the above. Also show your workings clearly.

Q119. CBSE 2025 · 3 marks Vinay and Pankaj were partners in a firm sharing profits and losses in the ratio of 3 : 2. The following is the extract of their Balance Sheet as at 31st March, 2024: Balance Sheet of Vinay and Pankaj as at 31st March, 2024 Liabilities Amount (₹) Assets Amount (₹) Investment Fluctuation Fund 6,00,000 Investments 15,00,000 Workmen Compensation Fund 8,00,000 On 1st April, 2024, Parth was admitted as a new partner for 1/8th share in the profits of the firm on the following terms: (i) Market value of investments was ₹13,00,000. (ii) Claim on account of Workmen Compensation was estimated at ₹9,00,000. Pass necessary journal entries for treatment of Investment Fluctuation Fund.

Q120. CBSE 2025 · 3 marks Nishu, Rishu and Kishu were partners in a firm sharing profits and losses in the ratio of 8 : 7 : 5. They decided to share future profits and losses in the ratio of 5 : 8 : 7 with effect from 1st April, 2024. Their Balance Sheet as at 31st March, 2024 showed: (i) General Reserve ₹10,00,000. (ii) Debit Balance of ₹2,00,000 in Profit and Loss Account. Goodwill of the firm was valued at ₹20,00,000 and revaluation of assets and liabilities resulted in a profit of ₹7,00,000. The partners did not want to distribute the General Reserve and the balance of Profit and Loss Account. They also decided that revalued values of assets and liabilities were not to be recorded in the books. Pass a single adjustment entry to give effect to the above. Show your workings clearly.

Q121. CBSE 2025 · 3 marks Sudhir and Balbir were partners in a firm sharing profits and losses in the ratio of 5 : 4. The following is the extract of their Balance Sheet as at 31st March, 2024. Balance Sheet of Sudhir and Balbir as at 31st March, 2024 - Liabilities: Investment Fluctuation Fund ₹15,00,000, Workmen Compensation Fund ₹50,00,000; Assets: Investments ₹75,00,000. On 1st April, 2024, Sushant was admitted as a new partner for 1/9th share in the profits of the firm on the following terms: (i) Market value of investments was ₹60,00,000. (ii) Claim on account of Workmen Compensation was estimated at ₹41,00,000. Pass necessary journal entries for treatment of Investment Fluctuation Fund and Workmen Compensation Fund on Sushant's admission.

Q122. CBSE 2025 · 3 marks Aman, Suman and Tanvi were partners in a firm sharing profits and losses in the ratio of 9 : 8 : 7. They decided to share future profits and losses in the ratio of 7 : 9 : 8 with effect from 1st April, 2024. Their Balance Sheet as at 31st March, 2024 showed: (i) Contingency Reserve of ₹24,00,000. (ii) Credit Balance of ₹12,00,000 in Profit and Loss Account. Goodwill of the firm was valued at ₹42,00,000 and Revaluation of assets and liabilities resulted in a loss of ₹6,00,000. The partners did not want to distribute the Contingency Reserve and the Balance of the Profit and Loss Account. They also decided that revalued values of assets and liabilities were not to be recorded in the books. Pass a single adjustment entry to give effect to the above. Show your workings clearly.

Q123. CBSE 2025 · 3 marks Vishal and Pulkit were partners in a firm sharing profits and losses in the ratio of 7 : 3. The following is the extract of their Balance Sheet as at 31st March, 2024. Balance Sheet of Vishal and Pulkit as at 31st March, 2024 shows Investment Fluctuation Fund ₹5,00,000, Workmen Compensation Fund ₹25,00,000 (Assets: Investments ₹50,00,000). On 1st April, 2024, Tarun was admitted as a new partner for 1/5th share in the profits of the firm on the following terms: (i) Market value of investments was ₹44,00,000. (ii) Claim on account of Workmen Compensation was estimated at ₹25,00,000. Pass necessary journal entries for treatment of Investment Fluctuation Fund and Workmen Compensation Fund on Tarun's admission.

Q124. CBSE 2025 · 3 marks Aman, Govind and Guru were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Sudarshan was admitted for 1/4th share in the profits of the firm. The new profit sharing ratio between Aman, Govind, Guru and Sudarshan was agreed at 9 : 5 : 4 : 6. The total capital of the new firm was agreed upon as ₹3,60,000. Sudarshan will bring 1/4th of this as his capital. The capitals of the other partners were also to be adjusted according to the new profit sharing ratio. The capitals of Aman, Govind and Guru after all adjustments stood at ₹60,000, ₹80,000 and ₹45,000 respectively. Calculate the new capitals of Aman, Govind and Guru. Also pass necessary journal entries for the above transactions in the books of the firm.

Q125. CBSE 2025 · 3 marks Aman, Govind and Guru were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Sudarshan was admitted for 1/6th share in the profits of the firm. The new profit sharing ratio between Aman, Govind, Guru and Sudarshan was agreed at 9 : 5 : 4 : 6. The total capital of the new firm was agreed upon as ₹3,60,000. Sudarshan will bring 1/6th of this as his capital. The capitals of the other partners were also to be adjusted according to the new profit sharing ratio. The capitals of Aman, Govind and Guru after all adjustments stood at ₹60,000, ₹80,000 and ₹45,000 respectively. Calculate the new capitals of Aman, Govind and Guru. Also pass necessary journal entries for the above transactions in the books of the firm.

Q126. CBSE 2025 · 3 marks Vijay, Ravi and Raman were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 1st April, 2024, they admitted Kamal as a new partner for 1/6th share in the profits. It was decided that new profit sharing ratio will be 4 : 2 : 3 : 1. The firm's goodwill was valued at ₹6,00,000. Kamal brought his share of goodwill premium in cash. (i) Calculate the sacrificing ratio. (ii) Pass necessary journal entries for the treatment of goodwill on Kamal's admission. Show your working notes clearly.

Q127. CBSE 2025 · 3 marks (a) Bharat and Ishu were partners in a firm sharing profits and losses in the ratio of 4 : 1. Rishab was admitted into partnership for 1/4th share in the profits of the firm. Goodwill of the firm was valued at ₹4,00,000. Rishab brought ₹2,00,000 as his capital and ₹60,000 out of goodwill premium. At the date of admission, goodwill was appearing in the books of the firm at ₹50,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q128. CBSE 2025 · 3 marks Bharat and Ishu were partners in a firm sharing profits and losses in the ratio of 4 : 1. Rishab was admitted into partnership for 1/4th share in the profits of the firm. Goodwill of the firm was valued at ₹4,00,000. Rishab brought ₹2,00,000 as his capital and ₹60,000 out of his share of goodwill. At the time of admission, goodwill was appearing in the books of the firm at ₹50,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q129. CBSE 2025 · 3 marks Bharat and Ishu were partners in a firm sharing profits and losses in the ratio of 4 : 1. Rishab was admitted into partnership for 1/4th share in the profits of the firm. Goodwill of the firm was valued at 4,00,000. Rishab brought 2,00,000 as his capital and 60,000 out of the goodwill premium. On admission, goodwill was appearing in the books of the firm at 50,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q130. CBSE 2024 · 3 marks Norah and Mallika were partners in a firm with a combined capital of ₹ 2,00,000. The normal rate of return was 10%. The profits of the last four years were as follows: 2019-20: ₹ 20,000; 2020-21: ₹ 30,000; 2021-22: ₹ 27,000; 2022-23: ₹ 35,000. The closing stock for the year 2022-23 was undervalued by ₹ 4,000. Calculate the value of goodwill using average profit method based on two years' purchase.

Q131. CBSE 2024 · 3 marks Pran and Ron were partners in a firm with a combined capital of ₹ 3,00,000. The normal rate of return was 15%. The profits of the last four years were as follows: 2019-20 ₹ 50,000, 2020-21 ₹ 90,000, 2021-22 ₹ 80,000, 2022-23 ₹ 70,000. The closing stock for the year 2022-23 was undervalued by ₹ 10,000. Calculate goodwill of the firm based on capitalisation of super profit.

Q132. CBSE 2024 · 3 marks Anu, Manu, Sonu and Rohan were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 1 : 2. With effect from 1st April, 2023, they decided to share profits and losses in the ratio of 2 : 4 : 1 : 3. Their Balance Sheet showed General Reserve of ₹ 90,000. The goodwill of the firm was valued at ₹ 4,50,000. Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.

Q133. CBSE 2024 · 3 marks On 1st April, 2023, a partnership firm had assets of ₹ 2,00,000 including cash of ₹ 6,000 and bank balance of ₹ 14,000. Partners' capital accounts showed a balance of ₹ 1,90,000 and reserves constituted the rest. If the normal rate of return is 10% and the goodwill of the firm is valued at ₹ 60,000 at 4 years purchase of super profits, find the average profits of the firm.

Q134. CBSE 2024 · 3 marks On 1st April, 2023, the books of a partnership firm showed assets of ₹ 5,00,000 including cash of ₹ 23,000 and bank balance of ₹ 27,000. The capital accounts of partners showed ₹ 3,50,000 and reserves constituted the rest. If the normal rate of return is 10% and the goodwill of the firm is valued at ₹ 1,00,000 at 4 years purchase of super profits, find the average profits of the firm.

Q135. CBSE 2024 · 3 marks Madhu, Raj, Atul and Prachi were partners in a firm sharing profit and losses in the ratio of 3 : 2 : 4 : 1. With effect from 1st April, 2023, they decided to share profits and losses equally. Their Balance Sheet showed a General Reserve of ₹ 1,00,000. The goodwill of the firm was valued at ₹ 20,00,000. Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.

Q136. CBSE 2024 · 3 marks On 1st April, 2023, the books of the firm of Kashish and Sagar showed assets of ₹ 9,00,000 including cash of ₹ 32,000 and bank balance of ₹ 1,68,000. Partners' capital accounts showed a balance of ₹ 6,00,000 and reserves constituted the rest. If the normal rate of return is 8% and the goodwill of the firm is valued at ₹ 4,00,000 at 5 years purchase of super profits, find the average profits of the firm.

Q137. CBSE 2024 · 3 marks Rishi and Suman were partners in a firm. Their capitals were: Rishi ₹ 1,20,000 and Suman ₹ 80,000. The normal rate of return in similar business is 12%. The profits of the last four years were: 2019-20 ₹ 33,000; 2020-21 ₹ 22,000; 2021-22 ₹ 31,000; 2022-23 ₹ 34,000. Calculate goodwill of the firm based on: (i) Three years purchase of the last four years average profits. (ii) Capitalisation of super profit.

Q138. CBSE 2024 · 3 marks The average profit for the last five years of a firm was ₹ 20,000. The normal rate of return in a similar business is 8%. Goodwill of the firm is valued at ₹ 24,000 at three years purchase of super profit. Calculate the amount of capital employed by the firm.

Q139. CBSE 2024 · 3 marks The average profit for last five years of a firm of Suman and Dhawan was ₹ 6,00,000. The normal rate of return in a similar business is 10%. Goodwill of the firm is valued at ₹ 40,00,000 calculated by capitalisation of super profit. Find out the amount of capital employed by the firm.

Q140. CBSE 2024 · 3 marks Soham, Ashish, Vishesh and Rashi were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2 : 1. With effect from 1st April, 2023, they decided to share profits and losses in the ratio of 2 : 1 : 1 : 1. Their Balance Sheet showed a General Reserve of ₹ 80,000. The goodwill of the firm was valued at ₹ 5,00,000. Pass necessary journal entries for the above on account of change in the profit sharing ratio. Show your working clearly.

Q141. CBSE 2024 · 3 marks Pearl and Ruby were partners in a firm with a combined capital of ₹ 2,50,000. The normal rate of return was 10%. The profits of the last four years were as follows: 2019-20 ₹ 35,000; 2020-21 ₹ 25,000; 2021-22 ₹ 32,000; 2022-23 ₹ 33,000. The closing stock for the year 2022-23 was overvalued by ₹ 5,000. Calculate goodwill of the firm on the basis of three years' purchase of average super-profit.

Q142. CBSE 2023 · 3 marks On 1st April, 2022, the capital of the firm of Ashu and Madhav is ₹ 1,50,000. The normal rate of return on capital employed is 10%. Average profits of the firm are ₹ 23,500. Calculate goodwill of the firm based on three years purchase of super profits.

Q143. CBSE 2023 · 3 marks Isha, Surbhi, Naman and Manya were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2 : 1. They decided to share profits and losses in the ratio of 5 : 2 : 2 : 1 with effect from 1st April, 2022. On this date, the goodwill of the firm was valued at ₹ 6,00,000 and General Reserve appeared in the books at ₹ 2,00,000. Pass necessary journal entries for the above transactions. Show your workings clearly.

Q144. CBSE 2023 · 3 marks Sangeeta, Deepa, Ajay and Lalit were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 4 : 1. They decided to share profits and losses in the ratio of 5 : 1 : 2 : 2 with effect from 1st April, 2022. On this date, the goodwill of the firm was valued at ₹ 5,20,000, General Reserve appeared in the books at ₹ 1,00,000. Pass necessary journal entries for the above transactions. Show your workings clearly.

Q145. CBSE 2023 · 3 marks Anu, Manu, Tanu and Kanu were partners in a firm sharing profits and losses in the ratio of 2 : 1 : 2 : 1. They decided to share profits and losses in the ratio of 4 : 2 : 3 : 1 with effect from 1st April, 2022. On this date, goodwill of the firm was valued at ₹ 1,20,000 and General Reserve appeared in the books at ₹ 36,000. Pass necessary journal entries for the above transactions. Show your workings clearly.

Q146. CBSE 2023 · 3 marks Vanshika and Shikha were partners in a firm with capitals of ₹ 1,00,000 and ₹ 80,000 respectively. They admitted Nisha on 1st April, 2022 as a new partner for 1/4 share in the future profits of the firm. Nisha brought ₹ 90,000 as her capital. Nisha acquired her share equally from Vanshika and Shikha. Calculate the value of goodwill of the firm and pass necessary journal entries assuming Nisha did not bring her share of goodwill premium in cash. Show the working clearly.

Q147. CBSE 2023 · 3 marks A and B are partners in a firm sharing profits in the ratio of 3 : 2. C is admitted into the firm for 1/4 share in profits. The total capital of the firm is agreed upon as ₹ 2,00,000 and C is to bring in cash equivalent to 1/4 of this amount as his capital. The capitals of other partners are also to be adjusted in the ratio of their respective share in profits. The capitals of A and B after all adjustments are ₹ 60,000 and ₹ 45,000 respectively. Calculate the new capitals of A and B and pass necessary journal entries.

Q148. CBSE 2023 · 3 marks Rohit and Mohit were partners in a firm sharing profits and losses in the ratio of 3 : 2. Rahul was admitted into partnership for 1/3 share in profits. Goodwill of the firm was valued at ₹ 30,000. Rahul brought ₹ 40,000 as capital and ₹ 5,000 out of his share of goodwill premium in cash. At the time of admission, the firm's goodwill was recorded at ₹ 15,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q149. CBSE 2023 · 3 marks Niti and Aditi were partners in a firm sharing profits and losses in the ratio of 2 : 3. They admitted John into partnership for 1/4th share in the profits of the firm, which he acquired equally from Niti and Aditi. John brought ₹ 5,00,000 as his capital and ₹ 1,00,000 as premium for goodwill. One-fourth of the goodwill was withdrawn by the old partners. Pass necessary journal entries for the above transactions in the books of the firm.

Q150. CBSE 2023 · 3 marks Mahesh and Suresh were partners in a firm sharing profits and losses in the ratio of 2 : 1. They decided to admit Nita into partnership with 1/4th share in the profits. Nita brought ₹ 2,00,000 for her capital and the requisite amount of goodwill premium in cash. The goodwill of the firm is valued at ₹ 12,00,000. The new profit sharing ratio of the partners is 2 : 1 : 1. Mahesh and Suresh withdraw their share of goodwill. Pass necessary journal entries in the books of the firm for the above transactions.

LONG ANSWER (37)

Q151. CBSE 2026 · 4 marks Annu, Bandhu, Sheelu and Golu were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2 : 1. On 1st April, 2025, they decided to share the future profits equally. For this purpose the goodwill of the firm was valued at ₹4,00,000. Calculate gain or sacrifice of the partners on change in profit sharing ratio and pass a single adjustment journal entry for the treatment of goodwill.

Q152. CBSE 2026 · 6 marks Promil, Kamlesh and Ritika were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. From 1st April, 2025 they decided to share future profits in the ratio of 2 : 3 : 5. On 31st March, 2025, their Balance Sheet was as follows: Liabilities: Sundry Creditors 3,00,000; General Reserve 1,60,000; Capitals - Promil 2,80,000, Kamlesh 2,20,000, Ritika 1,40,000 (Total 6,40,000). Assets: Bank 1,80,000; Sundry Debtors 1,20,000; Stock 2,40,000; Land and Building 5,60,000. It was agreed that: (i) Land and Building will be valued at 6,62,000. (ii) A provision of 5% on debtors will be made for bad and doubtful debts. (iii) Goodwill of the firm will be valued at 1,80,000 and the same will be treated without opening goodwill account. (iv) The value of stock will be reduced to 2,00,000. Showing your working clearly, pass necessary journal entries for the above transactions in the books of the firm.

Q153. CBSE 2026 · 6 marks Anand and Bir were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, their Balance Sheet was as follows: Balance Sheet of Anand and Bir as on 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Creditors 45,000 Cash 9,000 Workmen Compensation Fund 15,000 Debtors 36,000 Capitals: Anand 90,000 Stock 45,000 Bir 60,000 1,50,000 Furniture 30,000 Plant and Machinery 90,000 2,10,000 2,10,000 On 1st April, 2025, they admitted Vishal as a new partner for 1/5 th share in the profits of the firm. It was agreed that: (i) Vishal will bring ₹45,000 as his capital and ₹15,000 for his share of goodwill premium. (ii) Stock was to be reduced by 10% and machinery was to be appreciated by 10%. (iii) Furniture was revalued at ₹27,000. (iv) 5% provision for bad debts was to be created and ₹600 were to be provided for outstanding repair bill. (v) There were unrecorded investments of ₹3,000 which were to be recorded. (vi) A creditor of ₹900 was not likely to claim his money and hence was to be written off. Pass necessary journal entries for the above transactions in the books of the firm.

Q154. CBSE 2026 · 4 marks Vikas, Saurav and Govind were partners in a firm sharing profits and losses in the ratio of 2 : 3 : 5. On 31st March, 2025, their capitals were 5,00,000; 3,00,000 and 2,00,000 respectively. With effect from 1st April, 2025, they decided to share the future profits equally. Due to change in profit sharing ratio, it was agreed that: (i) Goodwill of the firm will be valued at 9,00,000. (ii) Revaluation of assets and liabilities will be carried out. The revaluation of assets and reassessment of liabilities resulted in a loss of 1,00,000. (iii) The total capital of the reconstituted firm will be 12,00,000 and the same will be in proportion of the new profit sharing ratio of the partners. For this purpose, necessary cash will be brought in by the partners or paid off to the partners, as the case may be. Pass necessary journal entries for the above transactions.

Q155. CBSE 2026 · 4 marks Namrata, Bhavi and Surbhi were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 31st March, 2025, their capitals were ₹10,00,000; ₹8,00,000 and ₹6,00,000 respectively. With effect from 1st April, 2025, they decided to share the future profits equally. It was agreed that on change in profit sharing ratio: (i) Goodwill of the firm will be valued at ₹2,40,000. (ii) Revaluation of assets and liabilities will be carried out. The revaluation of assets and reassessment of liabilities resulted in a gain of ₹20,000. (iii) Total capital of the reconstituted firm will be ₹30,00,000 and the same will be in proportion of the new profit sharing ratio of the partners. For this purpose, necessary cash will be brought in by the partners or paid off to the partners, as the case may be.

Q156. CBSE 2026 · 6 marks Arjun and Kavya were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2025 was as follows: Capitals: Arjun ₹4,80,000; Kavya ₹5,20,000; Building ₹6,00,000; Investments ₹2,80,000; Investment Fluctuation Reserve ₹1,00,000; Creditors ₹4,00,000; Stock ₹3,76,000; Debtors ₹1,60,000 Less: Provision for doubtful debts ₹7,000 (₹1,53,000); Cash ₹91,000. On 1st April, 2025, Raghav was admitted as a new partner for 1/5th share in the profits of the firm on the following terms: (i) Raghav shall bring ₹5,00,000 as his capital. (ii) Goodwill of the firm was valued at ₹4,00,000. Raghav was unable to bring his share of goodwill premium in cash. (iii) Provision for doubtful debts was to be created @ 10% on debtors. (iv) Investments were valued at ₹2,00,000 and building was to be brought down to ₹5,00,000. (v) Capitals of Arjun and Kavya were to be adjusted on the basis of the amount paid off or brought in by the old partners as the case may be. Pass necessary journal entries and prepare the Revaluation Account and Partners' Capital Accounts.

Q157. CBSE 2026 · 6 marks Arjun and Kavya were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Arjun and Kavya as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Building 6,00,000 Arjun 4,80,000 Investments 2,80,000 Kavya 5,20,000 10,00,000 Stock 3,76,000 Investment Fluctuation Reserve Creditors Debtors 1,60,000 1,00,000 Less: Provision for doubtful debts 7,000 1,53,000 4,00,000 Cash 91,000 15,00,000 15,00,000 On 1st April, 2025, Raghav was admitted as a new partner for th share in the profits of the firm on the following terms: (i) Raghav shall bring ₹5,00,000 as his capital. (ii) Goodwill of the firm was valued at ₹4,00,000. Raghav was unable to bring his share of goodwill premium in cash. (iii) Provision for doubtful debts was to be created @ 10% on debtors. (iv) Investments were valued at ₹2,00,000 and building was to be brought down to ₹5,00,000. (v) Capitals of Arjun and Kavya were to be adjusted on the basis paid off or brought in by the old partners as the case may be.

Q158. CBSE 2026 · 4 marks Jain and Gupta were partners in a firm sharing profits and losses in the ratio of 3 : 1. On 1st April, 2024, Agarwal was admitted as a new partner for 1/5th share in the profits of the firm with a minimum guaranteed amount of ₹75,000. Any deficiency arising out of this account will be borne by Jain and Gupta in the ratio of 1 : 3. During the year ended 31st March, 2025, the firm earned a net profit of ₹3,00,000. Prepare Profit and Loss Appropriation Account of Jain, Gupta and Agarwal for the year ended 31st March, 2025.

Q159. CBSE 2026 · 6 marks Asha and Indra were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet on 31st March, 2025 was as follows: Liabilities: Capitals - Asha 4,00,000, Indra 3,00,000 (Total 7,00,000); General Reserve 50,000; Creditors 20,000. Assets: Plant and Machinery 4,05,000; Furniture 1,20,000; Debtors 80,000 (Less: Provision for doubtful debts 4,000 = 76,000); Stock 1,54,000; Cash at bank 15,000. On 1st April, 2025, Suraj was admitted for 1/4th share in the profits of the firm on the following terms: (i) Suraj will bring capital proportionate to his share in the profits of the firm. (ii) Goodwill of the firm was valued at 1,00,000 and Suraj will bring his share of goodwill premium in cash. (iii) Furniture was taken over by Asha at 1,00,000. (iv) A liability of 5,000 included in creditors was not likely to arise. (v) Plant and Machinery was revalued at 4,35,000. Prepare the new Balance Sheet of Asha, Indra and Suraj on admission. Show the calculation of proportionate capital clearly.

Q160. CBSE 2026 · 4 marks Raman, Daman and Vikram were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. On 31st March, 2025, their capitals were ₹6,00,000; ₹3,00,000 and ₹2,00,000 respectively. With effect from 1st April, 2025, they decided to share the future profits equally. Due to change in profit sharing ratio, it was agreed that: (i) Goodwill of the firm will be valued at ₹3,00,000. (ii) Revaluation of assets and liabilities will be carried out. The revaluation of assets and liabilities resulted in a loss of ₹12,000. (iii) Total capital of the reconstituted firm will be ₹12,00,000 and will be in the new profit sharing ratio of the partners. For this purpose, necessary cash will be brought in by the partners or paid off to the partners, as the case may be. Pass necessary journal entries for the above transactions.

Q161. CBSE 2025 · 6 marks Atharv and Anmol were partners in a firm sharing profits and losses in the ratio of 5 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Atharv and Anmol as at 31st March, 2024 Liabilities Amount (₹) Assets Amount (₹) Capitals: Fixed Assets 14,00,000 Atharv 8,00,000 Stock 4,90,000 Anmol 4,00,000 12,00,000 Debtors 5,60,000 General Reserve 3,50,000 Cash 10,000 Creditors 9,10,000 24,60,000 24,60,000 On 1st April, 2024, Surya was admitted as a new partner for 1/7th share in the profits of the firm on the following terms: (i) The new profit sharing ratio between Atharv, Anmol and Surya will be 4 : 1 : 2. (ii) Fixed Assets were to be reduced by 10%. (iii) Stock was sold at ₹4,20,000. (iv) Surya shall bring ₹3,00,000 as capital and ₹2,00,000 for his share of goodwill premium in cash. (v) Capital accounts of old partners be adjusted on the basis of profit sharing ratio or brought in by the old partners, as the case may be.

Q162. CBSE 2025 · 6 marks (a) Atharv and Anmol were partners in a firm sharing profits and losses in the ratio of 5 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Atharv and Anmol as at 31st March, 2024 - Liabilities: Capitals (Atharv ₹8,00,000, Anmol ₹4,00,000) ₹12,00,000, General Reserve ₹3,50,000, Creditors ₹9,10,000; Assets: Fixed Assets ₹14,00,000, Stock ₹4,90,000, Debtors ₹5,60,000, Cash ₹10,000. On 1st April, 2024, Surya was admitted as a new partner for 1/7th share in the profits of the firm on the following terms: (i) The new profit sharing ratio between Atharv, Anmol and Surya will be 4 : 1 : 2. (ii) Fixed Assets were to be reduced by 10%. (iii) Stock was sold at ₹4,20,000. (iv) Surya shall bring ₹3,00,000 as capital and ₹2,00,000 for his share of goodwill premium in cash. (v) Capital accounts of old partners be adjusted on the basis of amount brought in by the new partner or brought in by the old partners, as the case may be. Pass the necessary journal entries and prepare the Capital Accounts of all partners after Surya's admission.

Q163. CBSE 2025 · 6 marks Atharv and Anmol were partners in a firm sharing profits and losses in the ratio of 5 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Capitals: Atharv ₹8,00,000, Anmol ₹4,00,000 (Total ₹12,00,000); General Reserve ₹3,50,000; Creditors ₹9,10,000. Assets: Fixed Assets ₹14,00,000, Stock ₹4,90,000, Debtors ₹5,60,000, Cash ₹10,000. On 1st April, 2024, Surya was admitted as a new partner for 1/7th share in the profits of the firm on the following terms: (i) The new profit sharing ratio between Atharv, Anmol and Surya will be 4 : 1 : 2. (ii) Fixed Assets were to be reduced by 10%. (iii) Stock was sold at ₹4,20,000. (iv) Surya shall bring ₹3,00,000 as capital and ₹2,00,000 for his share of goodwill premium in cash. (v) Capital accounts of old partners be adjusted on the basis of new profit sharing ratio or brought in by the old partners, as the case may be. Pass necessary journal entries and show your workings clearly.

Q164. CBSE 2025 · 6 marks Kishore and Ranjan were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2024, their Balance Sheet was as follows: Balance Sheet of Kishore and Ranjan as at 1st April, 2024 Liabilities - Sundry Creditors ₹1,80,000, General Reserve ₹20,000, Capitals - Kishore ₹6,00,000, Ranjan ₹4,00,000 (Total ₹10,00,000). Assets - Cash in hand ₹30,000, Debtors ₹1,20,000, Stock ₹1,50,000, Furniture ₹1,00,000, Land and Building ₹8,00,000. Total ₹12,00,000. On the above date, Singh was admitted as a new partner on the following terms: (i) Singh will bring ₹1,50,000 as his capital and ₹50,000 as his share of goodwill premium. (ii) The value of stock will be reduced by 10% and Land and Building will be appreciated by 10%. (iii) Furniture will be revalued at ₹90,000. (iv) A provision for doubtful debts will be created on sundry debtors at 5%. (v) Investments worth ₹10,000 not mentioned in the Balance Sheet will be taken into account. (vi) A creditor of ₹1,000 is not likely to claim his money and is to be written off. Pass necessary journal entries for the above transactions in the books of the firm.

Q165. CBSE 2025 · 6 marks Kishore and Ranjan were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2024, their Balance Sheet was as follows: Balance Sheet of Kishore and Ranjan as at 1st April, 2024. Liabilities: Sundry Creditors ₹1,80,000, General Reserve ₹20,000, Capitals - Kishore ₹6,00,000, Ranjan ₹4,00,000 (Total ₹10,00,000). Assets: Cash in hand ₹30,000, Debtors ₹1,20,000, Stock ₹1,50,000, Furniture ₹1,00,000, Land and Building ₹8,00,000. On the above date, Singh was admitted as a new partner on the following terms: (i) Singh will bring ₹1,50,000 as his capital and ₹50,000 as his share of goodwill premium. (ii) The value of stock will be reduced by 10% and Land and Building will be appreciated by 10%. (iii) Furniture will be revalued at ₹90,000. (iv) A provision for doubtful debts will be created on sundry debtors at 5%. (v) Investments worth ₹10,000 not mentioned in the Balance Sheet will be taken into account. (vi) A creditor of ₹1,000 is not likely to claim his money and is to be written off. Pass necessary journal entries for the above transactions in the books of the firm.

Q166. CBSE 2025 · 6 marks Mita and Vihaan were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2024 their Balance Sheet was as follows: Liabilities: Sundry Creditors 2,00,000; Capitals - Mita 4,00,000, Vihaan 3,00,000 (Total 7,00,000). Total 9,00,000. Assets: Cash 50,000; Sundry Debtors 2,00,000 Less Provision for doubtful debts 7,000 (1,93,000); Stock 2,50,000; Plant and Machinery 3,50,000; Patents 57,000. Total 9,00,000. On the above date, Zen was admitted as a new partner for 1/5th share in the profits on the following terms: (i) Zen will bring 3,00,000 as his capital and his share of the firm was valued at 4,12,500. (ii) The provision for bad debts will be maintained at 5% of the debtors. (iii) Stock will be valued at 2,00,000, plant and machinery at 4,00,000 and patents at 1,20,000. (iv) There was a bill of 30,000 for goods purchased which was omitted from the books. Pass necessary journal entries for the above transactions in the books of the firm.

Q167. CBSE 2025 · 6 marks Mita and Vihaan were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2024 their Balance Sheet was as follows: Liabilities: Sundry Creditors ₹ 2,00,000; Capitals: Mita ₹ 4,00,000 and Vihaan ₹ 3,00,000 (Total ₹ 7,00,000); Total ₹ 9,00,000. Assets: Cash ₹ 50,000; Sundry Debtors ₹ 2,00,000 (Less: Provision for doubtful debts ₹ 7,000) = ₹ 1,93,000; Stock ₹ 2,50,000; Plant and Machinery ₹ 3,50,000; Patents ₹ 57,000; Total ₹ 9,00,000. On the above date, Zen was admitted as a new partner for 1/5 share in the profits on the following terms: (i) Zen will bring ₹ 3,00,000 as his capital and his share of the firm was valued at ₹ 4,12,500. (ii) The provision for bad debts will be maintained at 5% of the debtors. (iii) Stock will be valued at ₹ 2,00,000, plant and machinery at ₹ 4,00,000 and patents at ₹ 1,20,000. (iv) There was a bill of ₹ 30,000 for goods purchased which was omitted from the books. Pass necessary journal entries for the above transactions in the books of the firm.

Q168. CBSE 2025 · 6 marks (a) Uma and Umesh were partners in a firm sharing profits and losses in the ratio of 2 : 3. On 31st March, 2024, their Balance Sheet was as follows: Liabilities - Capitals: Uma ₹5,00,000, Umesh ₹7,50,000 (Total ₹12,50,000); Creditors ₹50,000; General Reserve ₹75,000; Workmen Compensation Fund ₹25,000; Outstanding Electricity Bill ₹10,000; Total ₹14,10,000. Assets - Land and Building ₹10,00,000; Furniture ₹1,00,000; Debtors ₹80,000 Less: Provision for doubtful debts ₹5,000 (₹75,000); Stock ₹40,000; Bank ₹1,95,000; Total ₹14,10,000. On 31st March, 2024, Daya was admitted as a new partner on the following terms: (i) The new profit sharing ratio of Uma, Umesh and Daya will be 2 : 3 : 5. (ii) Daya will bring ₹10,00,000 as her capital and ₹2,00,000 as her share of goodwill premium. (iii) The value of Land and Building will be increased by ₹2,00,000. (iv) Furniture will be depreciated by 10%. (v) ₹3,000 bad debts will be written off and a provision for bad and doubtful debts be created @ 5% of debtors. (vi) Outstanding electricity bill will be paid off. Prepare the Balance Sheet of the firm after admission.

Q169. CBSE 2025 · 6 marks Uma and Umesh were partners in a firm sharing profits and losses in the ratio of 2 : 3. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Uma and Umesh as at 31st March, 2024. Liabilities: Capitals: Uma ₹5,00,000, Umesh ₹7,50,000 (Total ₹12,50,000), Creditors ₹50,000, General Reserve ₹75,000, Workmen Compensation Fund ₹25,000, Outstanding Electricity Bill ₹10,000. Total ₹14,10,000. Assets: Land and Building ₹10,00,000, Furniture ₹1,00,000, Debtors ₹80,000 Less: Provision for doubtful debts ₹5,000 (Net ₹75,000), Stock ₹40,000, Bank ₹1,95,000. Total ₹14,10,000. On the above date, Daya was admitted as a new partner on the following terms: (i) The new profit sharing ratio of Uma, Umesh and Daya will be 2 : 3 : 5. (ii) Daya will bring ₹10,00,000 as her capital and ₹2,00,000 as her share of goodwill premium. (iii) The value of Land and Building will be increased by ₹2,00,000. (iv) Furniture will be depreciated by 10%. (v) ₹3,000 bad debts will be written off and a provision for bad and doubtful debts be created @ 5% of debtors. (vi) Outstanding electricity bill will be paid off. Pass necessary journal entries for the above admission.

Q170. CBSE 2025 · 6 marks Uma and Umesh were partners in a firm sharing profits and losses in the ratio of 2 : 3. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Uma and Umesh as at 31st March, 2024. Liabilities: Capitals - Uma 5,00,000, Umesh 7,50,000 (Total 12,50,000); Creditors 50,000; General Reserve 75,000; Workmen Compensation Fund 25,000; Outstanding Electricity Bill 10,000. Assets: Land and Building 10,00,000; Furniture 1,00,000; Debtors 80,000 Less: Provision for doubtful debts 5,000 (Net 75,000); Stock 40,000; Bank 1,95,000. Total: 14,10,000. On the above date, Daya was admitted as a new partner on the following terms: (i) The new profit sharing ratio of Uma, Umesh and Daya will be 2 : 3 : 5. (ii) Daya will bring 10,00,000 as her capital and 2,00,000 as her share of goodwill premium. (iii) The value of Land and Building will be increased by 2,00,000. (iv) Furniture will be depreciated by 10%. (v) 3,000 bad debts will be written off and a provision for bad and doubtful debts be created @ 5% of debtors. (vi) Outstanding electricity bill will be paid off. Pass necessary journal entries for the above admission.

Q171. CBSE 2024 · 4 marks Frank, George and Hemant were partners in a firm sharing profits in the ratio of 5 : 3 : 2. They decided to change their profit sharing ratio to 2 : 5 : 3 with effect from 1st April, 2023. Their Balance Sheet as at 31st March, 2023 was as follows: Liabilities: Capitals (Frank ₹ 4,00,000, George ₹ 3,00,000, Hemant ₹ 2,00,000), Creditors ₹ 5,00,000, General Reserve ₹ 2,00,000. Assets: Land ₹ 5,00,000, Building ₹ 3,00,000, Machinery ₹ 2,00,000, Stock ₹ 1,50,000, Debtors ₹ 2,50,000, Cash ₹ 3,00,000. It was decided that (i) The value of land having appreciated be brought up to ₹ 6,50,000. (ii) Goodwill of the firm was valued at ₹ 2,00,000. Goodwill was not to appear in the books of the firm. Pass the necessary journal entries in the books of the firm.

Q172. CBSE 2024 · 6 marks Shubhi and Revanshi were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 was as follows: Liabilities - Capitals: Shubhi ₹ 60,000, Revanshi ₹ 32,000 (Total 92,000); General Reserve ₹ 30,000; Bank Loan ₹ 18,000; Creditors ₹ 70,000 (Total 2,10,000). Assets - Fixed Assets ₹ 90,000; Stock ₹ 38,000; Debtors ₹ 30,000; Cash ₹ 52,000 (Total 2,10,000). On 1st April, 2023 they admitted Pari into the partnership on the following terms: (i) Pari will bring ₹ 50,000 as her capital and ₹ 50,000 for her share of premium for goodwill for 1/4th share in the profits of the firm. (ii) Fixed assets were depreciated @ 30%. (iii) Stock was valued at ₹ 45,000. (iv) Bank loan was paid off. (v) After all adjustments capitals of Shubhi and Revanshi were to be in the ratio of their new profit sharing ratio. Any cash deficit or surplus was to be paid off or brought in by the old partners as the case may be. Prepare Revaluation Account and Partners' Capital Accounts.

Q173. CBSE 2024 · 6 marks Shubhi and Revanshi were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 was as follows: Balance Sheet of Shubhi and Revanshi as at 31st March, 2023. Liabilities: Capitals - Shubhi ₹ 60,000, Revanshi ₹ 32,000 (Total ₹ 92,000); General Reserve ₹ 30,000; Bank Loan ₹ 18,000; Creditors ₹ 70,000; Total ₹ 2,10,000. Assets: Fixed Assets ₹ 90,000; Stock ₹ 38,000; Debtors ₹ 30,000; Cash ₹ 52,000; Total ₹ 2,10,000. On 1st April, 2023 they admitted Pari into the partnership on the following terms: (i) Pari will bring ₹ 50,000 as her capital and ₹ 50,000 for her share of premium for goodwill for 1/4th share in the profits of the firm. (ii) Fixed assets were depreciated @ 30%. (iii) Stock was valued at ₹ 45,000. (iv) Bank loan was paid off. (v) After all adjustments capitals of Shubhi and Revanshi were to be adjusted according to Pari's capital. Any excess or deficiency was to be paid off or brought in by the old partners as the case may be. Prepare Revaluation Account and Partners' Capital Accounts.

Q174. CBSE 2024 · 6 marks Shubhi and Revanshi were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 showed: Capitals - Shubhi ₹ 60,000, Revanshi ₹ 32,000 (Total ₹ 92,000); General Reserve ₹ 30,000; Bank Loan ₹ 18,000; Creditors ₹ 70,000; Fixed Assets ₹ 90,000; Stock ₹ 38,000; Debtors ₹ 30,000; Cash ₹ 52,000. On 1st April, 2023 they admitted Pari into the partnership on the following terms: (i) Pari will bring ₹ 50,000 as her capital and ₹ 50,000 for her share of premium for goodwill for 1/4th share in the profits of the firm. (ii) Fixed assets were depreciated @ 30%. (iii) Stock was valued at ₹ 45,000. (iv) Bank loan was paid off. (v) After all adjustments capitals of Shubhi and Revanshi were to be adjusted at the ratio of their new profit sharing ratio. Any balance was to be paid off or brought in by the old partners as the case may be. Prepare Revaluation Account and Partner's Capital Accounts.

Q175. CBSE 2024 · 6 marks Sanju and Manju were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet on 31st March, 2023 was as follows: Liabilities: Capitals - Sanju ₹ 1,40,000, Manju ₹ 1,20,000 (Total ₹ 2,60,000); General Reserve ₹ 40,000; Creditors ₹ 1,80,000. Total: ₹ 4,80,000. Assets: Plant and Machinery ₹ 80,000; Furniture ₹ 1,32,000; Investments ₹ 60,000; Debtors ₹ 76,000 (Less: Provision for doubtful debts ₹ 4,000 = ₹ 72,000); Cash at Bank ₹ 1,36,000. Total: ₹ 4,80,000. On 1st April, 2023, Uday was admitted into the firm for 1/4th share in profits on the following terms: (i) Furniture was to be depreciated by ₹ 6,000. (ii) Investments were valued at ₹ 72,000. (iii) Plant and Machinery was taken over by Sanju and Manju in their profit sharing ratio. (iv) Uday will bring in proportionate capital and ₹ 10,000 as his share of goodwill premium in cash. Prepare Revaluation Account and partners' capital accounts.

Q176. CBSE 2024 · 6 marks Sanju and Manju were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April, 2023, Uday was admitted into the firm for 4/1th share in profits on the following terms: (i) Furniture was to be depreciated by ₹ 6,000. (ii) Investments were valued at ₹ 72,000. (iii) Plant and Machinery was taken over by Sanju and Manju in their profit sharing ratio. (iv) Uday will bring in proportionate capital and ₹ 10,000 as his share of goodwill premium in cash. Prepare Revaluation Account and Partners' Capital Accounts.

Q177. CBSE 2024 · 4 marks Frank, George and Hemant were partners in a firm sharing profits in the ratio of 5 : 3 : 2. They decided to change their profit sharing ratio to 2 : 5 : 3 with effect from 1st April, 2023. Their Balance Sheet as at 31st March, 2023 showed: Capitals - Frank ₹ 4,00,000, George ₹ 3,00,000, Hemant ₹ 2,00,000; Land ₹ 5,00,000, Building ₹ 3,00,000, Machinery ₹ 2,00,000, Stock ₹ 1,50,000, Debtors ₹ 2,50,000, Cash ₹ 3,00,000; Creditors ₹ 5,00,000, Workmen Compensation Fund ₹ 1,00,000, General Reserve ₹ 2,00,000. It was decided that: (i) The value of land having appreciated be brought up to ₹ 6,50,000. (ii) Goodwill of the firm was valued at ₹ 2,00,000. Goodwill was not to appear in the books of the firm. Pass the necessary journal entries in the books of the firm.

Q178. CBSE 2024 · 6 marks Sarah and Varsha were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 was as follows: Capitals - Sarah ₹ 60,000, Varsha ₹ 50,000; Plant and Machinery ₹ 2,00,000, Stock ₹ 30,000, Debtors ₹ 50,000 (less Provision for doubtful debts ₹ 5,000), Cash ₹ 25,000; Workmens Compensation Fund ₹ 20,000, Provident Fund ₹ 1,20,000, Creditors ₹ 50,000. On 1st April, 2023, they decided to admit Tasha as a new partner for 1/4th share in the profits of the firm on the following terms: (i) Tasha brought ₹ 40,000 as her capital and ₹ 20,000 as her share of premium for goodwill. (ii) Plant and Machinery was valued at ₹1,90,000. (iii) An item of ₹ 20,000, included in creditors, is not likely to be claimed and should be written off. (iv) Capitals of the partners in the new firm are to be in the new profit sharing ratio, by bringing or paying off cash, as the case may be. Prepare Revaluation Account and Partners' Capital Accounts.

Q179. CBSE 2024 · 4 marks Frank, George and Hemant were partners in a firm sharing profits in the ratio of 5 : 3 : 2. They decided to change their profit sharing ratio to 2 : 5 : 3 with effect from 1st April, 2023. Their Balance Sheet as at 31st March, 2023 was as follows: Liabilities Amount (₹) Assets Amount (₹) Capitals: Frank 4,00,000 Land 5,00,000 George 3,00,000 Building 3,00,000 Hemant 2,00,000 Machinery 2,00,000 Total: 9,00,000 Stock 1,50,000 Creditors 5,00,000 Debtors 2,50,000 Workmen Compensation Reserve 1,00,000 Cash 3,00,000 General Reserve 2,00,000 Total: 17,00,000 Total: 17,00,000. It was decided that: (i) The value of land having appreciated be brought up to ₹ 6,50,000. (ii) Goodwill of the firm was valued at ₹ 2,00,000. Goodwill was not to appear in the books of the firm. Pass the necessary journal entries in the books of the firm.

Q180. CBSE 2024 · 6 marks Sarah and Varsha were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 was as follows: Liabilities Amount (₹) Assets Amount (₹) Capital: Plant and Machinery 2,00,000 Sarah 60,000 Stock 30,000 Varsha 50,000 Debtors 50,000 Total: 1,10,000 Less: Provision for doubtful debts 5,000 (45,000) Workmen Compensation Fund 20,000 Cash 25,000 Provident Fund 1,20,000 Creditors 50,000 Total: 3,00,000 Total: 3,00,000. On 1st April, 2023, they decided to admit Tasha as a new partner for 1/4th share in the profits of the firm on the following terms: (i) Tasha brought ₹ 40,000 as her capital and ₹ 20,000 as her share of premium for goodwill. (ii) Plant and Machinery was valued at ₹ 1,90,000. (iii) An item of ₹ 20,000, included in creditors, is not likely to be claimed and should be written off. (iv) Capitals of the partners in the new firm are to be in the new profit sharing ratio, by bringing or paying off cash, as the case may be. Prepare Revaluation Account and Partners' Capital Accounts.

Q181. CBSE 2024 · 6 marks Sarah and Varsha were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2023 was as follows: Liabilities: Capital (Sarah ₹ 60,000, Varsha ₹ 50,000), Compensation Fund ₹ 20,000, Provident Fund ₹ 1,20,000, Creditors ₹ 50,000. Assets: Plant and Machinery ₹ 2,00,000, Stock ₹ 30,000, Debtors ₹ 50,000 less Provision for doubtful debts ₹ 5,000 (₹ 45,000), Cash ₹ 25,000. On 1st April, 2023, they decided to admit Tasha as a new partner for 1/4th share in the profits of the firm on the following terms: (i) Tasha brought ₹ 40,000 as her capital and ₹ 20,000 as her share of premium for goodwill. (ii) Plant and Machinery was valued at ₹ 1,90,000. (iii) An item of ₹ 20,000, included in creditors, is not likely to be claimed and should be written off. (iv) Capitals of the partners in the new firm are to be in the ratio of their profit sharing ratio, by bringing or paying off cash, as the case may be. Prepare Revaluation Account and Partners' Capital Accounts.

Q182. CBSE 2023 · 6 marks (a) Yuv and Veer were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet as on 31st March, 2022 was as provided. They decided to admit Yash in the firm on 1st April, 2022 for 1/4 share in profits on the following terms: (i) Yash will bring in proportionate capital and ₹ 4,000 as his share of goodwill premium in cash. (ii) Investments were valued at ₹ 68,000. (iii) Plant and Machinery was to be depreciated by 10%. Prepare Revaluation Accounts and Partners' Capital Accounts.Balance Sheet of Yuv and Veer as at 31st March, 2022 Liabilities Amount < Assets Amount < Creditors 41,000 Plant and Machinery 60,000 General Reserve 80,000 Building 40,000 Outstanding Expenses 12,000 Investments 60,000 Capitals: Stock 50,000 Yuv 79,000 Debtors 38,000 Veer 48,000 1,27,000 Less: Provision for Doubtful Debts 4,000 34,000 Cash 16,000 2,60,000 2,60,000

Q183. CBSE 2023 · 6 marks Yuv and Veer were partners in a firm sharing profits and losses in the ratio of 3 : 1. Their Balance Sheet as on 31st March, 2022 was as under: Balance Sheet of Yuv and Veer as at 31st March, 2022 Liabilities Amount ₹ | Assets Amount ₹ Creditors 41,000 | Plant and Machinery 60,000 General Reserve 80,000 | Building 40,000 Outstanding Expenses 12,000 | Investments 60,000 Capitals: | Stock 50,000 Yuv 79,000 | Debtors 38,000 Veer 48,000 | Less: Provision for Doubtful Debts 4,000 (34,000) 1,27,000 | Cash 16,000 2,60,000 | 2,60,000 They decided to admit Yash in the firm on 1st April, 2022 for 1/4 share in profits on the following terms: (i) Yash will bring in proportionate capital and ₹ 4,000 as his share of goodwill premium in cash. (ii) Investments were valued at ₹ 68,000. (iii) Plant and Machinery was to be depreciated by 10%. Prepare Revaluation Accounts and Partners' Capital Accounts.

Q184. CBSE 2023 · 6 marks (a) On 31st March, 2022 the Balance Sheet of partners A and B, who were sharing profits in the ratio of 3 : 2 was as provided. On 1st April 2022, they decided to admit C as a new partner for 1/5 share in the profits on the following terms: (i) C brought ₹ 1,00,000 as his Capital and ₹ 50,000 as his share of Premium for Goodwill. (ii) One month salary ₹ 2,000 was outstanding. (iii) The market value of investments was ₹ 50,000. (iv) A debtor, whose dues were written off as bad debts, paid ₹ 12,000 in full settlement. Prepare Revaluation Account and Partners Capital Accounts.

Q185. CBSE 2023 · 6 marks On 1st April 2022, they decided to admit C as a new partner for 1/5 share in the profits on the following terms: (i) C brought ₹1,00,000 as his Capital and ₹50,000 as his share of Premium for Goodwill. (ii) One month salary ₹2,000 was outstanding. (iii) The market value of investments was ₹50,000. (iv) A debtor, whose dues were written off as bad debts, paid ₹12,000 in full settlement. Prepare Revaluation Account and Partners Capital Accounts.On 31st March, 2022 the Balance Sheet of partners A and B, who were sharing profits in the ratio of 3 : 2 was as follows: Balance Sheet of A and B as at 31st March, 2022. Liabilities - Creditors ₹30,000, Investment Fluctuation Fund ₹12,000, General Reserve ₹25,000, Capitals: A ₹1,60,000, B ₹1,40,000. Assets - Cash at Bank ₹20,000, Debtors ₹85,000 (Less provision ₹5,000 = ₹80,000), Stock ₹1,30,000, Investments ₹60,000, Furniture ₹77,000.

Q186. CBSE 2023 · 6 marks (a) Bhumi and Chavi were partners in a firm sharing profits and losses in the ratio of 5 : 3. They admitted Aditi in the firm on 1st April, 2022. On that date their Balance Sheet showed Liabilities: Capitals: Bhumi ₹ 3,20,000, Chavi ₹ 3,40,000 (6,60,000), General Reserve ₹ 80,000, Bank loan ₹ 60,000, Creditors ₹ 60,000. Assets: Machinery ₹ 3,80,000, Furniture ₹ 50,000, Debtors ₹ 2,30,000, Stock ₹ 1,50,000, Cash ₹ 50,000. Total: ₹ 8,60,000. Aditi was admitted in the firm with 1/3 share in profits on the following terms: (i) Aditi will bring ₹ 3,00,000 as her capital. (ii) Aditi will bring her share of goodwill premium in cash. Goodwill of the firm was valued on the basis of two years purchase of average profits of the last three years. Average profits of the last three years were ₹ 60,000. (iii) Machinery was revalued at ₹ 4,60,000. (iv) The capitals of Bhumi and Chavi were adjusted on the basis of Aditi's capital in current accounts. Prepare Revaluation Account and Partners Capital Accounts.

Q187. CBSE 2023 · 6 marks (a) Bhumi and Chavi were partners in a firm sharing profits and losses in the ratio of 5 : 3. They admitted Aditi in the firm on 1st April, 2022. On that date their Balance Sheet was as follows: Balance Sheet of Bhumi and Chavi as at 1st April, 2022 with Liabilities: Capitals - Bhumi 3,20,000, Chavi 3,40,000 (Total 6,60,000); General Reserve 80,000; Bank loan 60,000; Creditors 60,000; Total 8,60,000. Assets: Machinery 3,80,000; Furniture 50,000; Debtors 2,30,000; Stock 1,50,000; Cash 50,000; Total 8,60,000. Aditi was admitted in the firm with 1/3 share in profits on the following terms: (i) Aditi will bring ₹ 3,00,000 as her capital. (ii) Aditi will bring her share of goodwill premium in cash. Goodwill of the firm was valued on the basis of two years purchase of average profits of the last three years. Average profits of the last three years were ₹ 60,000. (iii) Machinery was revalued at ₹ 4,60,000. (iv) The capitals of Bhumi and Chavi were adjusted on the basis current accounts. Prepare Revaluation Account and Partners Capital Accounts.

CASE-BASED (1)

CASE STUDY · CBSE 2026

Anand and Bir were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, their Balance Sheet was as follows: Balance Sheet of Anand and Bir as on 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Creditors 45,000 Cash 9,000 Workmen Compensation Fund 15,000 Debtors 36,000 Capitals: Anand 90,000 Stock 45,000 Bir 60,000 1,50,000 Furniture 30,000 Plant and Machinery 90,000 2,10,000 2,10,000 On 1st April, 2025, they admitted Vishal as a new partner for th share in the profits of the firm. It was agreed that: (i) Vishal will bring ₹45,000 as his capital and ₹15,000 for his share of goodwill premium. (ii) Stock was to be reduced by 10% and machinery was to be appreciated by 10%. (iii) Furniture was revalued at ₹27,000. (iv) 5% provision for bad debts was to be created and ₹600 were to be provided for outstanding repair bill. (v) There were unrecorded investments of ₹3,000 which were to be recorded. (vi) A creditor of ₹900 was not likely to claim his money and hence was to be written off.

Q188. CBSE 2026 · 6 marks Anand and Bir were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, their Balance Sheet was as follows: Balance Sheet of Anand and Bir as on 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Creditors 45,000 Cash 9,000 Workmen Compensation Fund 15,000 Debtors 36,000 Capitals: Anand 90,000 Stock 45,000 Bir 60,000 1,50,000 Furniture 30,000 Plant and Machinery 90,000 2,10,000 2,10,000 On 1st April, 2025, they admitted Vishal as a new partner for th share in the profits of the firm. It was agreed that: (i) Vishal will bring ₹45,000 as his capital and ₹15,000 for his share of goodwill premium. (ii) Stock was to be reduced by 10% and machinery was to be appreciated by 10%. (iii) Furniture was revalued at ₹27,000. (iv) 5% provision for bad debts was to be created and ₹600 were to be provided for outstanding repair bill. (v) There were unrecorded investments of ₹3,000 which were to be recorded. (vi) A creditor of ₹900 was not likely to claim his money and hence was to be written off. Pass necessary journal entries for the above transactions in the books of the firm.

3 Reconstitution of a Partnership Firm – Retirement/Death of a Partner

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (47)

Q1. CBSE 2026 · 1 mark Arun, Varun and Tarun were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 31st March, 2025, Arun died. Varun and Tarun decided to share future profits equally. The gaining ratio of Varun and Tarun will be:

(a) 1 : 1 **(b)** 3 : 2 **(c)** 2 : 3 **(d)** 5 : 2

Q2. CBSE 2026 · 1 mark Ravi, Sunil and Amit were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 5. On 1st April, 2025, Ravi retired. Sunil and Amit decided to share future profits in the ratio of 2 : 3. After all adjustments with respect to general reserve, goodwill and revaluation, etc., the balances in the capital accounts of Ravi, Sunil and Amit stood at ₹3,00,000; ₹2,40,000 and ₹3,60,000 respectively. It was decided that the amount payable to Ravi will be brought by Sunil and Amit in such a way so as to make their capitals proportionate to their new profit sharing ratio. The amount brought in by Sunil and Amit will be:

(a) Sunil ₹1,00,000, Amit ₹2,00,000

(b) Sunil ₹1,20,000, Amit ₹1,80,000

(c) Sunil ₹1,50,000, Amit ₹1,50,000

(d) Sunil ₹80,000, Amit ₹2,20,000

Q3. CBSE 2026 · 1 mark Ravi, Sohan and Neena were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 1st April 2025, Sohan retired and his share was taken up by Ravi and Neena in the ratio of 2 : 1. The new profit sharing ratio between Ravi and Neena will be:

(a) 3 : 2 **(b)** 2 : 1 **(c)** 5 : 4 **(d)** 7 : 3

Q4. CBSE 2026 · 1 mark Ravi, Nisha and Priya were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. Ravi retired and the balance in his Capital Account after making necessary adjustments on account of reserves and revaluation of assets and re-assessment of liabilities was ₹2,40,000. Nisha and Priya agreed to pay him ₹2,70,000 in full settlement of his claim. The value of goodwill of the firm was:

(a) ₹30,000 **(b)** ₹90,000 **(c)** ₹60,000 **(d)** ₹1,20,000

Q5. CBSE 2026 · 1 mark Samta, Mamta and Geeta were partners in a firm sharing profits and losses in the ratio of 11 : 5 : 4. On 31st March, 2025 Samta died. Her Capital Account balance was ₹1,80,000. The journal entry to transfer her share in the loss on revaluation of assets on her death will be:

(a) Samta's Capital A/c Dr. 99,000 Mamta's Capital A/c Dr. 55,000 Geeta's Capital A/c Dr. 44,000

(b) Revaluation A/c Dr. 1,00,000 Mamta's Capital A/c Dr. 80,000 To Samta's Capital A/c 1,80,000

(c) Revaluation A/c Dr. 1,80,000 To Samta's Capital A/c 1,00,000 To Mamta's Capital A/c 80,000

(d) Mamta's Capital A/c Dr. 55,000 Geeta's Capital A/c Dr. 44,000 To Samta's Capital A/c 99,000

Q6. CBSE 2026 · 1 mark John, Honey and Racob were partners in a firm sharing profits and losses equally. On 31st July, 2025 John died. His share in the profits of the firm from the date of last balance sheet till the date of his death will be:

(a) Debited to Profit and Loss Account

(b) Credited to Profit and Loss Account

(c) Debited to Profit and Loss Suspense Account

(d) Credited to Profit and Loss Suspense Account

Q7. CBSE 2026 · 1 mark Sudama, Sharma and Varun were partners in a firm sharing profits and losses in the ratio of 6 : 4 : 3. Sharma retired from the firm on 31st March, 2025. The gaining ratio of Sudama and Varun will be:

(a) 3 : 2 **(b)** 2 : 1 **(c)** 1 : 2 **(d)** 2 : 3

Q8. CBSE 2026 · 1 mark Raha, Naveen and Vandana were partners in a firm sharing profits and losses equally. Naveen retired on 31st March, 2025. The balance in his capital account after making the necessary adjustments on account of reserves and revaluation of assets and reassessment of liabilities was ₹1,27,000. Naveen was paid ₹1,50,000 in full settlement of his claim. The difference represents:

(a) ₹1,50,000 **(b)** ₹23,000 **(c)** ₹69,000 **(d)** ₹4,50,000

Q9. CBSE 2026 · 1 mark Anchal, Prabhat and Karan were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. On 31st March, 2025, Anchal retired. The balance in her capital account after making the necessary adjustments on account of reserves and revaluation of assets and reassessment of liabilities was 5,10,000. Anchal was paid 5,90,000 in full settlement of her claim. The amount of goodwill credited on her retirement was:

(a) 80,000 **(b)** 5,10,000 **(c)** 5,90,000 **(d)** 1,60,000

Q10. CBSE 2026 · 1 mark Samta, Mamta and Geeta were partners in a firm sharing profits and losses in the ratio of 11 : 5 : 4. On 31st March, 2025 Samta died. The firm's Profit and Loss Account showed a credit balance of ₹1,80,000. The journal entry for Samta's share of profit on death will be:

(a) Profit and Loss A/c Dr. 99,000 To Samta's Capital A/c 99,000 Mamta's Capital A/c Dr. 55,000 Geeta's Capital A/c Dr. 44,000

(b) Samta's Capital A/c Dr. 1,00,000 Mamta's Capital A/c Dr. 80,000 To Profit and Loss A/c 1,80,000

(c) Profit and Loss A/c Dr. 1,80,000 To Samta's Capital A/c 1,00,000 To Mamta's Capital A/c 80,000

(d) Mamta's Capital A/c Dr. 55,000 Geeta's Capital A/c Dr. 44,000 To Profit and Loss A/c 99,000

Q11. CBSE 2026 · 1 mark Shaurya, Morya and Gaurav were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. On 31st March, 2025, Shaurya retired. The balance in his capital account after making the necessary adjustments on account of reserves and revaluation of assets and reassessment of liabilities was ₹3,20,000. Shaurya was paid ₹3,90,000 in full settlement of his claim. The amount of goodwill on his retirement was:

(a) ₹1,40,000 **(b)** ₹70,000 **(c)** ₹3,20,000 **(d)** ₹3,90,000

Q12. CBSE 2026 · 1 mark Samta, Mamta and Geeta were partners in a firm sharing profits and losses in the ratio of 11 : 5 : 4. On 31st March, 2025 Samta died. Her share in the profits for the year was ₹1,80,000. The journal entry for the treatment of her share in profits on the date of death will be:

(a) Profit and Loss A/c Dr. 99,000 Dr. 55,000 Dr. 44,000

(b) Profit and Loss A/c Dr. 1,00,000 Mamta's Capital A/c Dr. 80,000 To Samta's Executor A/c 1,80,000

(c) Samta's Executor A/c Dr. 1,80,000 Mamta's Capital A/c Dr. 1,00,000 Geeta's Capital A/c Dr. 80,000

(d) Mamta's Capital A/c Dr. 55,000 Geeta's Capital A/c Dr. 44,000 To Profit and Loss A/c 99,000

Q13. CBSE 2025 · 1 mark Tavish, Umesh and Varun were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Tavish retired. Umesh and Varun decided to share profits and losses in future in the ratio of 5 : 3. The gaining share of Umesh will be:

(a) 1/30 **(b)** 1/15 **(c)** 1/60 **(d)** 1/20

Q14. CBSE 2025 · 1 mark Ajit, Biswas and Chitra were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Biswas died on 30th September, 2024. The firm closes its books on 31st of March every year. His share of profits till the date of death from the last Balance Sheet date, was to be calculated on the basis of sales. Sales for the year ended 31st March, 2024 amounted to ₹24,00,000 and that from 1st April, 2024 to 30th September, 2024 amounted to ₹15,00,000. The profits for the year ended 31st March, 2024 were ₹2,40,000. The amount of profit:

(a) ₹11,250 **(b)** ₹70,000 **(c)** ₹45,000 **(d)** ₹22,500

Q15. CBSE 2025 · 1 mark (a) Ajit, Biswas and Chitra were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Biswas died on 30th September, 2024. The firm closes its books on 31st March. His share in the profits till the date of death from the last Balance Sheet date, was to be calculated on the basis of sales. Sales for the year ended 31st March, 2024 amounted to ₹24,00,000 and that from 1st April, 2024 to 30th September, 2024 amounted to ₹15,00,000. The profits for the year ended 31st March, 2024 were ₹2,40,000.

(a) ₹11,250 **(b)** ₹70,000 **(c)** ₹45,000 **(d)** ₹22,500

Q16. CBSE 2025 · 1 mark Ajit, Biswas and Chitra were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Biswas died on 30th September, 2024. The firm closes its books on 31st of every month. His share of profits till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2024 amounted to ₹24,00,000 and that from 1st April, 2024 to 30th September, 2024 amounted to ₹15,00,000. The profits for the year ended 31st March, 2024 were ₹2,40,000. The amount of profit on the basis of sales will be:

(a) ₹11,250 **(b)** ₹70,000 **(c)** ₹45,000 **(d)** ₹22,500

Q17. CBSE 2025 · 1 mark Ravita, Savita, Kavita and Babita were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2 : 2. On 1st April, 2024 Savita retired and her share was acquired equally by the remaining partners. The new profit sharing ratio between Ravita, Kavita and Babita will be:

(a) 2 : 1 : 1 **(b)** 1 : 2 : 1 **(c)** 1 : 1 : 2 **(d)** 3 : 3 : 2

Q18. CBSE 2025 · 1 mark Daman, Mohit and Paras were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Daman retires. Mohit and Paras decided to share future profits and losses in the ratio of 5 : 3. The gaining ratio of Mohit and Paras will be:

(a) 21 : 11 **(b)** 3 : 2 **(c)** 5 : 3 **(d)** 1 : 1

Q19. CBSE 2025 · 1 mark Sona, Mona and Raghav were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Raghav retired. The balance in Raghav's Capital Account was 2,20,000 and the credit balance in the General Reserve and Revaluation Account of reserves and revaluation of assets and liabilities was 2,20,000. Sona and Mona agreed to pay him 4,00,000 in full settlement of his claim. The amount of goodwill was:

(a) 2,20,000 **(b)** 1,80,000 **(c)** 4,00,000 **(d)** 40,000

Q20. CBSE 2025 · 1 mark Sharma, Verma and Khan were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 31st December, 2024, Verma died. Sharma's share in the profits of the firm till the date of his death was to be calculated on the basis of the profit of the previous year. During the year ended 31st March, 2024 the firm earned a profit of 6,00,000. The journal entry to record Verma's share in the profits of the firm till the date of his death will be:

(a) Verma 90,000 and Profit and Loss Suspense Account will be credited by 90,000.

(b) Profit and Loss Suspense Account will be debited by 90,000 and Verma will be credited by 90,000.

(c) Verma 1,20,000 and Profit and Loss Suspense Account will be credited by 1,20,000.

(d) Profit and Loss Suspense Account will be debited by 1,20,000 and Verma will be credited by 1,20,000.

Q21. CBSE 2025 · 1 mark Sharma, Verma and Khan were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 31st March, 2024 Verma died. His share in the profits of the firm till the date of his death was to be calculated on the basis of the profit of the previous year. During the year ended 31st March, 2024 the firm earned a profit of 6,00,000. Verma's share in the profits of the firm till the date of his death will be:

(a) ₹ 90,000 and Profit and Loss Suspense Account will be credited by ₹ 90,000.

(b) Profit and Loss Suspense Account will be debited by ₹ 90,000 and ₹ 90,000.

(c) ₹ 1,20,000 and Profit and Loss Suspense Account will be credited by ₹ 1,20,000.

(d) Profit and Loss Suspense Account will be debited by ₹ 1,20,000 and ₹ 1,20,000.

Q22. CBSE 2025 · 1 mark Sona, Mona and Raghav were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Raghav retired. The balance in General Reserve on account of reserves and revaluation of assets and liabilities was ₹ 2,20,000. Sona and Mona agreed to pay him ₹ 4,00,000 in full settlement of his claim. The gain on retirement will be:

(a) ₹ 2,20,000 **(b)** ₹ 1,80,000 **(c)** ₹ 4,00,000 **(d)** ₹ 40,000

Q23. CBSE 2025 · 1 mark Sharma, Verma and Khan were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. The firm closes its books on 31st March every year. On 31st March, 2024 Sharma died. His share in the profits of the firm till the date of his death was to be calculated on the basis of the profit of the previous year. During the year ended 31st March, 2024 the firm earned a profit of ₹6,00,000. Sharma's share in the profits of the firm till the date of his death will be:

(a) ₹90,000 and Profit and Loss Suspense Account will be credited by ₹90,000.

(b) Profit and Loss Suspense Account will be debited by ₹90,000 and Sharma's Capital Account will be credited by ₹90,000.

(c) ₹1,20,000 and Profit and Loss Suspense Account will be credited by ₹1,20,000.

(d) Profit and Loss Suspense Account will be debited by ₹1,20,000 and Sharma's Capital Account will be credited by ₹1,20,000.

Q24. CBSE 2025 · 1 mark Sona, Mona and Raghav were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. Raghav retired. The balance in Revaluation Account on account of reserves and revaluation of assets and liabilities was ₹2,20,000. Sona and Mona agreed to pay him ₹4,00,000 in full settlement. The amount payable to Raghav on account of Premium on Retirement will be:

(a) ₹2,20,000 **(b)** ₹1,80,000 **(c)** ₹4,00,000 **(d)** ₹40,000

Q25. CBSE 2025 · 1 mark Hari, Chander, Prakash and Govind were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 1 : 1. On 1st April, 2024, Hari retired and his share was acquired equally by Chander, Prakash and Govind. The new profit sharing ratio of Chander, Prakash and Govind will be:

(a) 7 : 4 : 4 **(b)** 15 : 8 : 7 **(c)** 1 : 1 : 1 **(d)** 16 : 7 : 7

Q26. CBSE 2025 · 1 mark Vimal, Bose and Ghosh were partners in a firm sharing profits and losses equally. On 1st April, 2024, Bose retired from the firm and the new profit sharing ratio of Vimal and Ghosh became 1 : 1. On the date of retirement, the goodwill of the firm was valued at ₹2,10,000. It was decided to treat goodwill without opening goodwill account. By what amount will Bose's capital account be credited?

(a) Debit Vimal by ₹70,000, Credit Vimal and Ghosh by ₹50,000 and ₹20,000, respectively.

(b) Debit Vimal by ₹50,000, Debit Ghosh by ₹20,000 and Credit Bose by ₹70,000.

(c) Credit Vimal, Bose and Ghosh by ₹70,000 each and Debit Goodwill A/c by ₹2,10,000.

(d) Debit Vimal by ₹1,20,000, Debit Ghosh by ₹90,000 and Credit Goodwill A/c by ₹2,10,000.

Q27. CBSE 2025 · 1 mark Vimal, Bose and Ghosh were partners in a firm sharing profits and losses equally. On 1st April, 2024, Bose retired from the firm and the new profit sharing ratio of Vimal and Ghosh was decided to be 1 : 1. At the time of retirement, the goodwill of the firm was valued at ₹2,10,000. It was decided to treat goodwill without opening goodwill account. By what amount will Bose be credited?

(a) Debit Vimal by ₹70,000, Credit Bose by ₹70,000, Credit Vimal and Ghosh by ₹50,000 and ₹20,000, respectively.

(b) Debit Vimal by ₹50,000, Debit Ghosh by ₹20,000 and Credit Bose by ₹70,000.

(c) Credit Vimal, Bose and Ghosh by ₹70,000 each and Debit Goodwill A/c by ₹2,10,000.

(d) Debit Vimal by ₹1,20,000, Debit Ghosh by ₹90,000 and Credit Goodwill A/c by ₹2,10,000.

Q28. CBSE 2024 · 1 mark Anju, Divya and Bobby were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Bobby retired. The new profit sharing ratio of Anju and Divya after Bobby's retirement was 5 : 3. The gaining ratio of remaining partners will be:

(a) 3 : 2 **(b)** 5 : 3 **(c)** 3 : 1 **(d)** 2 : 3

Q29. CBSE 2024 · 1 mark Anju, Divya and Bobby were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Bobby retired. The new profit sharing ratio of Anju and Divya after Bobby's retirement is 5 : 3. The gaining ratio of remaining partners will be:

(a) 3 : 2 **(b)** 5 : 3 **(c)** 3 : 1 **(d)** 2 : 3

Q30. CBSE 2024 · 1 mark Nicku, Mala and Ritu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Nicku died on 30th September, 2023. The deceased partner was entitled to his share of profit up to the date of death which was to be calculated on the basis of previous year profit. Previous year's profit was ₹ 80,000. Nicku's share of profit will be:

(a) ₹ 10,000 **(b)** ₹ 20,000 **(c)** ₹ 30,000 **(d)** ₹ 40,000

Q31. CBSE 2024 · 1 mark Nicku, Mala and Ritu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Nicku died on 30th September, 2023. The deceased partner was entitled to his share of profit up to the date of death which was to be calculated on the basis of last year's profit. The last year's profit was ₹ 80,000. Nicku's share of profit will be:

(a) ₹ 10,000 **(b)** ₹ 20,000 **(c)** ₹ 30,000 **(d)** ₹ 40,000

Q32. CBSE 2024 · 1 mark Nicku, Mala and Ritu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Nicku died on 30th September, 2023. The deceased partner was entitled to his share of profit up to the date of death which was to be calculated on the basis of profit of the previous year. The profit of the previous year was ₹ 80,000. Nicku's share of profit will be:

(a) ₹ 10,000 **(b)** ₹ 20,000 **(c)** ₹ 30,000 **(d)** ₹ 40,000

Q33. CBSE 2024 · 1 mark Aaroh, Bhuvan and Charu were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 6. Charu died. Aaroh and Bhuvan acquired Charu's share in the ratio of 2 : 1. The new profit sharing ratio between Aaroh and Bhuvan after Charu's death will be:

(a) 2 : 1 **(b)** 1 : 2 **(c)** 5 : 4 **(d)** 4 : 5

Q34. CBSE 2023 · 1 mark Vidit, Sumit and Mita were partners in a firm sharing profits in the ratio of 4 : 3 : 1. Mita died and her entire share was taken up by Vidit. The new profit sharing ratio of Vidit and Sumit will be:

(a) 1 : 1 **(b)** 5 : 3 **(c)** 3 : 5 **(d)** 5 : 2

Q35. CBSE 2023 · 1 mark Aman, Aadhar and Avinash were partners and sharing profits in the ratio of 3 : 2 : 1. Avinash retired from the firm on 1st July, 2022. On the date of retirement, there was a debit balance of ₹ 1,20,000 in the Profit and Loss Account. For calculating the amount payable to Avinash, this balance will be transferred :

(a) To the debit side of the capital accounts of Aman and Aadhar in old profit sharing ratio.

(b) To the debit side of the capital accounts of Aman, Aadhar and Avinash in old profit sharing ratio.

(c) To the credit side of the capital accounts of Aman and Aadhar in new profit sharing ratio.

(d) To the credit side of the capital accounts of Aman and Aadhar in their gaining ratio.

Q36. CBSE 2023 · 1 mark Nidhi, Kunal and Kabir are partners in a firm sharing profits in the ratio of 2 : 1 : 2. Kunal retired and the balance in his capital account after making necessary adjustments on account of reserves, revaluation of assets and reassessment of liabilities was ₹ 80,000. Nidhi and Kabir agreed to pay him ₹ 1,00,000. What was the share of goodwill of the firm, on his retirement?

(a) ₹ 4,000 **(b)** ₹ 20,000 **(c)** ₹ 16,000 **(d)** ₹ 1,80,000

Q37. CBSE 2023 · 1 mark P, Q and R were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. P died on 1st September, 2022. On the date of death, profit for the full year is calculated as ₹ 80,000. For calculating P's share of profit will be adjusted by :

(a) Debiting Profit and Loss Account with ₹ 40,000.

(b) Debiting Profit and Loss Appropriation Account by ₹ 40,000.

(c) Debiting Profit and Loss Suspense Account with ₹ 80,000.

(d) Debiting Profit and Loss Suspense Account with ₹ 40,000.

Q38. CBSE 2023 · 1 mark (i) P, Q and R were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. P died on 1st September, 2022. On the date of death, the profits of the firm were calculated as ₹ 80,000. P's share of profit will be adjusted by :

(a) Debiting Profit and Loss Account with ₹ 40,000

(b) Debiting Profit and Loss Appropriation Account by ₹ 40,000

(c) Debiting Profit and Loss Suspense Account with ₹ 80,000

(d) Debiting Profit and Loss Suspense Account with ₹ 40,000

Q39. CBSE 2023 · 1 mark Gurpreet, Vishal and Ananya are partners in a firm sharing profits in the ratio of 2 : 3 : 1. Vishal retires and the balance in his capital account after making necessary adjustments on account of reserves, revaluation of assets and re-assessment of liabilities is ₹ 1,20,000. Gurpreet and Ananya agreed to pay him ₹ 1,80,000 in full settlement of his claim. Vishal's share in the firm's goodwill on retirement will be :

(a) ₹ 1,20,000 **(b)** ₹ 60,000 **(c)** ₹ 30,000 **(d)** ₹ 15,000

Q40. CBSE 2023 · 1 mark Gaurav, Sonu and Anita are partners in a firm sharing profits in the ratio of 4 : 3 : 2. Sonu retires and the balance in his capital account after making necessary adjustments on account of reserves, revaluation of assets and re-assessment of liabilities is ₹ 4,00,000. Gaurav and Anita agreed to pay him ₹ 4,60,000. The value of goodwill of the firm, on his retirement is:

(a) ₹ 20,000 **(b)** ₹ 60,000 **(c)** ₹ 1,80,000 **(d)** ₹ 1,20,000

Q41. CBSE 2023 · 1 mark Aman, Aadhar and Avinash were partners and sharing profits in the ratio of 3 : 2 : 1. Avinash retired from the firm on 1st July, 2022. On the date of Balance Sheet, the Balance Sheet showed a debit balance of ₹ 1,20,000 in the Profit and Loss Account. For calculating the amount payable to Avinash, this balance will be transferred:

(a) To the debit side of the capital accounts of Aman and Aadhar in old profit sharing ratio.

(b) To the debit side of the capital accounts of Aman, Aadhar and Avinash in old profit sharing ratio.

(c) To the credit side of the capital accounts of Aman and Aadhar in new profit sharing ratio.

(d) To the credit side of the capital accounts of Aman and Aadhar in their gaining ratio.

Q42. CBSE 2023 · 1 mark P, Q and R were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 1. P died on 1st September, 2022. On the date of death, profits of the firm were calculated as ₹ 80,000. P's share of profit will be adjusted by:

(a) Debiting Profit and Loss Account with ₹ 40,000.

(b) Debiting Profit and Loss Appropriation Account by ₹ 40,000.

(c) Debiting Profit and Loss Suspense Account with ₹ 80,000.

(d) Debiting Profit and Loss Suspense Account with ₹ 40,000.

Q43. CBSE 2023 · 1 mark Gopal, Krishna and Govind are partners sharing profits and losses in the ratio of 5 : 4 : 3. Krishna retired on 1st April, 2022. Gopal and Govind purchased her share of profit by giving her ₹ 1,20,000, ₹ 80,000 being paid by Gopal and ₹ 40,000 by Govind. The gaining ratio will be:

(a) 5 : 3 **(b)** 4 : 3 **(c)** 1 : 1 **(d)** 2 : 1

Q44. CBSE 2023 · 1 mark (ii) Vijay, Ajay and Sanjay are partners in a firm sharing profits and losses in the ratio of 7 : 5 : 8. Sanjay died on 28th August, 2021. His share in the profits of the firm till the date of his death was determined at ₹ 75,000. It will be debited to which of the following accounts ?

(a) Profit and Loss Suspense Account

(b) Profit and Loss Account

(c) Profit and Loss Appropriation Account

(d) Profit and Loss Adjustment Account

Q45. CBSE 2023 · 1 mark (i) Anu, Monu and Sonu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Monu died on 1st January, 2022. Anu and Sonu will acquire Monu's share in the ratio:

(a) 1 : 1 **(b)** 3 : 2 **(c)** 5 : 3 **(d)** 5 : 2

Q46. CBSE 2023 · 1 mark Anu, Monu and Sonu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Monu died on 1st January, 2022. Anu and Sonu will share the balance profits in the ratio of:

(a) 1 : 1 **(b)** 3 : 2 **(c)** 5 : 3 **(d)** 5 : 2

Q47. CBSE 2023 · 1 mark Anu, Monu and Sonu were partners in a firm sharing profits in the ratio of 5 : 3 : 2. Monu died on 1st January, 2022. Anu and Sonu:

(a) 1 : 1 **(b)** 3 : 2 **(c)** 5 : 3 **(d)** 5 : 2

VERY SHORT ANSWER (8)

Q48. CBSE 2022 · 2 marks A, B and C are partners in a firm sharing profits and losses equally. C retired and his share was acquired by A and B in the ratio of 3 : 2. Calculate the new profit sharing ratio of A and B.

Q49. CBSE 2022 · 2 marks Anisha, Divya and Lata are partners sharing profits in the ratio of 2 : 2 : 1. Divya retires and her share is taken up by Anisha and Lata in the ratio of 3 : 2. Calculate the new profit sharing ratio of Anisha and Lata.

Q50. CBSE 2022 · 2 marks Pass the necessary journal entries for recording Compensation Reserve in the books of Abhimanyu (₹ 2,64,000) at the time of retirement when: (a) there is no claim against it, and (b) when a claim of ₹ 54,000 has been admitted against it. At the time of retirement of Abhimanyu, the firm had three partners Aviral, Abhimanyu and Mayank.

Q51. CBSE 2022 · 2 marks P, Q and R were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 1. On 31st March, 2022, R retired. R surrendered 1/3rd of his share in favour of P and the remaining share in favour of Q. Calculate the new profit sharing ratio of P and Q.

Q52. CBSE 2022 · 2 marks A, B and C were partners in a firm sharing profits and losses in the ratio of 7 : 2 : 1. The firm closes its books on 31st March every year. On 30th June, 2022 A died. In the year of death, A's share of profit will be calculated on the basis of the profit of the previous year. The profit of the firm for the year ended 31st March, 2022 was ₹ 16,00,000. Calculate A's share of profit in the year of his death.

Q53. CBSE 2022 · 2 marks A, B and C were partners in a firm sharing profits and losses in the ratio of 7 : 2 : 1. The firm closes its books on 31st March every year. On 30th June, 2022, A died. In the year of death, A's share of profit will be calculated on the basis of the profit of the previous year. The profit of the firm for the year ended 31st March, 2022 was ₹ 16,00,000. Calculate A's share of profit in the year of death.

Q54. CBSE 2022 · 2 marks Aman, Naman and Neel were partners in a firm sharing profits in the ratio of 1 : 2 : 1. Neel retires and he surrenders 3/2nd of his share in favour of Aman and the remaining share in favour of Naman. Calculate the new profit sharing ratio of Aman and Naman.

Q55. CBSE 2022 · 2 marks A, B and C were partners in a firm sharing profits and losses in the ratio of 7 : 2 : 1. The firm closes its books on 31st March every year. On 30th June, 2022 A died. His share of profit in the year of his death was to be calculated on the basis of the profit of the previous year. The profit of the firm for the year ended 31st March, 2022 was ₹ 16,00,000. Calculate A's share of profit in the year of his death.

SHORT ANSWER (42)

Q56. CBSE 2026 · 3 marks Tara, Meera and Neera were partners in a firm sharing profits and losses equally. Their capitals on 1st April, 2025 were ₹4,00,000; ₹3,00,000 and ₹2,00,000 respectively. The firm closes its books on 31st March every year. Tara died on 30th June, 2025. The partnership deed provides that in the event of death of a partner, her legal representatives will be entitled to the following: (i) Interest on capital @ 6% p.a. (ii) Her share in the profits of the firm till the date of her death. Tara had withdrawn ₹8,000 for her treatment till 30th June, 2025 and interest on drawings @ 12% p.a. is to be charged. Her share in the profits for the entire year was ₹1,80,000. Calculate the amount payable to Tara's legal representatives on her death.

Q57. CBSE 2026 · 3 marks Rani, Megha and Mahan were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 1st April, 2025, their capitals were 7,50,000; 4,00,000 and 5,00,000 respectively. The firm closes its books on 31st March every year. On 31st December, 2025, Mahan died. The partnership deed provides that in the event of death of a partner, his/her legal representatives will be entitled to the following: (i) Interest on capital @ 12% p.a. (ii) His share in the profits of the firm till the date of his death. Mahan had withdrawn 1,20,000 for personal use till 31st December, 2025 and interest on drawings @ 10% p.a. is to be charged. His share in the profits of the firm was calculated on the basis of the average profits of last three years. The average profits of last three years were 6,00,000. Pass necessary journal entries in the books of the firm to record the amounts due to Mahan's legal representatives.

Q58. CBSE 2026 · 3 marks Tanvi, Manvi and Noori were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 1st April, 2025, their capitals were ₹8,00,000; ₹6,00,000 and ₹4,00,000 respectively. The firm closes its books on 31st March every year. Tanvi died on 30th September, 2025. The partnership deed provides that in the event of death of a partner, his/her legal representatives will be entitled to the following: (i) Interest on capital @ 9% p.a. (ii) Her share in the profits of the firm till the date of her death. Till 30th September, 2025 Tanvi had withdrawn ₹1,00,000 for personal use and interest on drawings @ 12% p.a. is to be charged. Her share in ₹3,60,000. sented to her legal representatives.

Q59. CBSE 2026 · 3 marks Aarav, Karan and Meera were partners in a firm sharing profits and losses equally. On 31st March, 2023, Karan retired. On the date of his retirement, ₹1,80,000 became due to him. Aarav and Meera agreed to pay Karan in two equal yearly instalments plus interest @ 12% p.a. on unpaid balance, starting from 31st March, 2024. The firm closes its books on 31st March every year. Pass necessary journal entries for the above transactions for the payment of instalments and interest to Karan. Show your workings clearly. Draw his account till it is fully paid.

Q60. CBSE 2026 · 3 marks Rosy, Golu and Sonu were partners in a firm sharing profits and losses equally. On 31st March, 2023, Sonu retired. On the date of retirement, ₹2,00,000 became due to her. Rosy and Golu agreed to pay Sonu in two equal annual instalments plus interest @ 10% p.a. on the unpaid balance starting from 31st March, 2024. The firm closes its books on 31st March every year.

Q61. CBSE 2026 · 4 marks Anmol, Kapeesh and Meera were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. The firm closes its books on 31st March every year. On 1st July, 2025, Kapeesh died. On that date his capital account showed a credit balance of ₹2,50,000 and he had withdrawn the firm had a General Reserve of ₹90,000. The partnership deed provided that on the death of a partner, his executors will be entitled to the following: (i) Balance in the capital account and interest on the same @ 12% p.a. (ii) His share in the goodwill of the firm. The goodwill of the firm on 1,40,000. (iii) His share in the profits of the firm was to be calculated on the ended 31st March, 2025 was ₹6,00,000.

Q62. CBSE 2026 · 3 marks Shubh, Vansh and Veer were partners in a firm sharing profits and losses equally. On 31st March, 2023, Vansh retired. On the date of retirement, ₹2,40,000 became due to him. Shubh and Veer agreed to pay Vansh in two equal yearly instalments plus interest @ 10% p.a. on the unpaid balance starting from 31st March, 2024. The firm closes its books on 31st March every year. Prepare Vansh

Q63. CBSE 2026 · 3 marks Namita, Narendra and Kunwar were partners in a firm sharing profits and losses in the ratio of 3 : 1 : 1. The firm closes its books on 31st March every year. Kunwar died on 30th September, 2025. His share in the profits of the firm from 1st April, 2025 to 30th September, 2025 was calculated as per the provisions of the partnership deed which amounted to ₹15,600. On the date of death, the Balance Sheet showed a General Reserve of ₹40,000 and Profit and Loss Account (Dr.) ₹80,000. Pass necessary journal entries for the treatment of these items on Kunwar's death in the books of the firm.

Q64. CBSE 2026 · 3 marks Nandini, Shweta and Hiren were partners in a firm sharing profits and losses in the ratio of 9 : 7 : 4. On 1st April, 2025, Shweta retired. On the date of retirement, her share in the goodwill was valued at ₹1,00,000 in the books on the following terms: (i) Goodwill brought in cash by the gaining partners for ₹1,20,000. (ii) Goodwill brought in cash by the gaining partners for ₹80,000. (iii) Shweta's share of goodwill was paid off from the firm ₹1,00,000. Pass necessary journal entries for the treatment of goodwill for each alternative.

Q65. CBSE 2026 · 3 marks Aastha, Diya and Mohit were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 31st March, 2025 their Balance Sheet was as follows: Liabilities: Capitals - Aastha 2,20,000, Diya 3,10,000, Mohit 4,00,000 (Total 9,30,000); General Reserve 50,000; Creditors 20,000. Assets: Patents 2,50,000; Land and Building 4,76,000; Stock 1,34,000; Debtors 95,000; Cash at bank 45,000. Aastha retired from the firm on the above date on the following terms: (i) Goodwill of the firm was valued at 2,00,000 and the same was to be treated without opening goodwill account. (ii) Revaluation of assets and reassessment of liabilities resulted in a loss of 60,000. (iii) Amount payable to Aastha was transferred to her loan account. Pass necessary journal entries for goodwill, general reserve and revaluation of assets and reassessment of liabilities on retirement.

Q66. CBSE 2026 · 3 marks Namita, Narendra and Kunwar were partners in a firm sharing profits and losses in the ratio of 3 : 1 : 1. The firm closes its books on 31st March every year. Kunwar died on 30th September, 2025. His share in the profits of the firm from 1st April, 2025 to 30th September, 2025 was calculated as per the provisions of the partnership deed which amounted to 15,600. On 31st March, 2025 the firm had a balance of 40,000 in General Reserve and Profit and Loss Account (Dr.) 80,000. Pass necessary journal entries for Kunwar's death.

Q67. CBSE 2026 · 3 marks Anita, Gaurav and Suresh were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. On 1st April, 2025, Gaurav retired. On the date of his retirement, his capital was 1,50,000. Goodwill was valued at different amounts in three cases: Calculate the amount due to Gaurav in the following cases: (i) 2,00,000. (ii) 1,20,000. (iii) 1,50,000.

Q68. CBSE 2026 · 3 marks Namita, Narendra and Kunwar were partners in a firm sharing profits and losses in the ratio of 3 : 1 : 1. The firm closes its books on 31st March every year. Kunwar died on 30th September, 2025. His share in the profits of the firm from 1st April, 2025 to 30th September, 2025 was calculated as per the provisions of the partnership deed which amounted to ₹15,600. On the date of his death, there were following balances: Reserve of ₹40,000 and Profit and Loss Account (Dr.) ₹80,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q69. CBSE 2026 · 3 marks Diksha, Raj and Amit were partners in a firm sharing profits and losses in the ratio of 6 : 3 : 1. On 1st April, 2025 Diksha retired. On the date of retirement, there existed a balance of ₹1,50,000 in the Employees Compensation Fund. Pass necessary journal entries for Diksha's retirement if the amount to be paid to Diksha as compensation on retirement is: (i) ₹1,00,000. (ii) ₹70,000. (iii) ₹90,000.

Q70. CBSE 2025 · 4 marks Gopal, Heera and Iqbal were partners in a firm sharing profits and losses equally. Iqbal died on 1st April, 2022. The balance in the executor account as on the date of death amounted to ₹4,00,000. Starting from 31st March, 2023, the executor was to be paid in two equal annual instalments of ₹2,00,000 each, with interest @ 10% per annum. Accounts are closed on 31st March every year. Pass the necessary journal entries for the year ended 31st March, 2024.

Q71. CBSE 2025 · 3 marks Rani, Manav and Pushpa were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 1st April, 2024, Rani decided to retire from the firm. On that day, the balance in her capital account after making necessary adjustments on account of reserves, revaluation of assets and reassessment of liabilities was ₹3,08,000. Manav and Pushpa agreed to pay her ₹3,80,000 in full settlement of her claim. Pass necessary journal entries for the same.

Q72. CBSE 2025 · 3 marks Amar, Ali and Ajay were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 1st April, 2024, Ajay decided to retire from the firm. On that day, the balance in his capital account after making necessary adjustments on account of reserves, revaluation of assets and reassessment of liabilities was ₹2,64,000. Amar and Ali agreed to pay him ₹3,00,000 in full settlement of his claim. Pass necessary journal entries for the payment of the same.

Q73. CBSE 2025 · 4 marks Hans, Sohan and Kishore were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. The firm closes its books on 31st March every year. On 1st August, 2024, Kishore died. The partnership deed provided that on the death of a partner, his executors will be entitled for: (i) Balance in his capital account less drawings. (ii) Interest on capital @ 12% p.a. (iii) His share of goodwill. (iv) His share in the profits of the firm till the date of his death calculated on the basis of average profit of the previous four years. The following information was obtained from the books of the firm on 1st August, 2024: (a) Balance in his capital account on 1st April, 2024 was ₹4,00,000 and he had withdrawn ₹90,000 till that date for his treatment. (b) Goodwill of the firm was valued at ₹60,000. (c) Profits of the firm for the last four completed years were: ₹2,00,000, ₹2,20,000, ₹1,20,000 and ₹1,80,000. Calculate the amount payable to Kishore's executors.

Q74. CBSE 2025 · 3 marks Diksha, Krish and Rajan were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. On 1st April, 2024, Rajan decided to retire from the firm. On that day, the balance in his capital account after making the necessary adjustments on account of reserves, revaluation of assets and reassessment of liabilities was 1,80,000. Diksha and Krish agreed to pay him 2,20,000 in full settlement of his claim. Pass necessary journal entries for the same.

Q75. CBSE 2024 · 3 marks Aamir, Bashir and Chirag were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 2. Chirag retired. Aamir and Bashir decided to share profits and losses in future in the ratio of 1 : 2. On the day of Chirag's retirement, goodwill of the firm was valued at ₹ 5,40,000. Calculate gaining ratio and pass necessary journal entry to record the retirement.

Q76. CBSE 2024 · 3 marks Akshay, Baljeet and Cizan were partners in a firm sharing profits and losses in the ratio of 2 : 3 : 3. Akshay retired. Baljeet and Cizan decided to share profits and losses in future in the ratio of 2 : 1. On the day of Akshay's retirement, the firm's goodwill was valued at ₹ 2,70,000. Calculate gaining ratio and pass necessary journal entry to record the treatment of goodwill (without opening goodwill account), on Akshay's retirement.

Q77. CBSE 2024 · 3 marks Anmol, Badal and Cheenu were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 3. Badal retired. Anmol and Cheenu decided to share profits and losses in future in the ratio of 1 : 2. On the day of Badal's retirement, the goodwill of the firm was valued at ₹ 1,20,000. Calculate gaining ratio and pass necessary journal entry to record the treatment of goodwill (without opening goodwill account), on retirement.

Q78. CBSE 2024 · 3 marks Prateek, Charu and Sirima were partners in a firm sharing profits in the ratio of 3 : 2 : 1. Prateek retired from the firm on 31st March, 2023. Charu and Sirima decided that the capital of the new firm will be ₹ 6,30,000. The capital accounts of Charu and Sirima after all adjustments on the date of retirement showed a credit balance of ₹ 4,35,000 and ₹ 1,89,000 respectively. Calculate the amount of actual cash to be brought into the firm or to be paid to the partners. Also pass necessary journal entries.

Q79. CBSE 2024 · 3 marks Aaria, Beenu and Clara were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. On 30th June, 2023, Clara died. Clara's share in the profits of the firm till the date of death was to be calculated on the basis of sales. Sales during the year 2022-23 were ₹ 20,00,000 and sales from 1st April, 2023 to 30th June, 2023 were ₹ 4,00,000. The profit for the year ended 31st March, 2023 was ₹ 5,00,000. Calculate Clara's share of profit up to the date of death and pass the necessary journal entry for the same in the books of the firm. Show your workings clearly.

Q80. CBSE 2024 · 3 marks Alisha, Bobby and Pooja were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Pooja died on 30th September, 2023. Pooja's share of profit in the profits of the firm till the date of death was to be calculated on the basis of sales. Sales during the year 2022-23 were ₹ 30,00,000 and sales from 1st April, 2023 to 30th September, 2023 were ₹ 10,00,000. The profit for the year ended 31st March, 2023 was ₹ 3,00,000. Calculate Pooja's share of profit up to the date of death and pass the necessary journal entry for the same in the books of the firm. Show your workings clearly.

Q81. CBSE 2024 · 3 marks Sangeet, Anju and Shiva were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 5. Sangeet died on 31st July, 2023. Sangeet's share in the profits of the firm till the date of death was to be calculated on the basis of sales. Sales during the year 2022-23 were ₹ 40,00,000 and sales from 1st April, 2023 to 31st July, 2023 were ₹ 10,00,000. The profit for the year ended 31st March, 2023 was ₹ 4,00,000. Calculate Sangeet's share of profit up to the date of death and pass the necessary journal entry for the same in the books of the firm. Show your workings clearly.

Q82. CBSE 2023 · 3 marks Suman, Vivek and Vinod were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Suman retired on 1st April, 2022. After making all adjustments relating to revaluation, goodwill and accumulated profits, etc., the capital accounts of Vivek and Vinod showed credit balances of ₹ 3,60,000 and ₹ 1,40,000 respectively. It was decided to adjust the capitals of Vivek and Vinod in their new profit sharing ratio. Pass necessary journal entries for bringing in or withdrawal of the necessary amounts. Show your working clearly.

Q83. CBSE 2023 · 3 marks Mansi, Mona and Amar were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Mona retired on 1st April, 2022. After making all adjustments relating to revaluation, goodwill and accumulated profits etc., the capital accounts of Mansi and Amar showed credit balance of ₹ 2,50,000 and ₹ 2,00,000 respectively. It was decided to adjust the capitals of Mansi and Amar in their new profit sharing ratio. Pass necessary journal entries for bringing in or withdrawal of the necessary amounts involved. Show your working clearly.

Q84. CBSE 2023 · 4 marks Sudhir, Deepak and Naveen were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022 their Balance Sheet was as provided. Sudhir died on 30th June, 2022. The partnership deed provided for the following, on the death of a partner: (i) Goodwill of the firm was to be valued at 2 1/2 years purchase of average profits of the previous four years which were ₹ 1,80,000. (ii) Profit to be calculated on the basis of sales. Sales for the year ended 31st March, 2022 amounted to ₹ 4,00,000 and that from 1st April, 2022 to 30th June, 2022 amounted ₹ 1,50,000. The profit for the year ended 31st March, 2022 was ₹ 1,00,000. (iii) Interest on capital was to be provided @ 7% p.a. Prepare Sudhir's Capital Account to be handed over to his executors.Balance Sheet of Sudhir, Deepak and Naveen as at 31st March, 2022 Liabilities Amount < Assets Amount < Creditors 50,000 Land and Building 2,10,000 General Reserve 1,00,000 Machinery 1,90,000 Loan 1,20,000 Stock 30,000 Capitals: Investments 1,70,000 Sudhir 1,60,000 Advertisement Suspense A/c 1,20,000 Deepak 1,50,000 Naveen 1,40,000 4,50,000 7,20,000 7,20,000

Q85. CBSE 2023 · 3 marks Shweta, Meenu and Asha were partners in a firm sharing profits and losses in the ratio of 3 : 5 : 2. Meenu retired on 1st April, 2022. After making all adjustments relating to revaluation, goodwill and accumulated profits, etc., the capital accounts of Shweta and Asha showed credit balance of ₹ 3,00,000 and ₹ 1,00,000 respectively. It was decided to adjust the capitals of Shweta and Asha in their new profit sharing ratio. Pass necessary journal entries for bringing in or withdrawal of the necessary amounts involved. Show your working clearly.

Q86. CBSE 2023 · 4 marks Sudhir, Deepak and Naveen were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022 their Balance Sheet was as under: Balance Sheet of Sudhir, Deepak and Naveen as at 31st March, 2022 Liabilities Amount ₹ | Assets Amount ₹ Creditors 50,000 | Land and Building 2,10,000 General Reserve 1,00,000 | Machinery 1,90,000 Loan 1,20,000 | Stock 30,000 Capitals: | Investments 1,70,000 Sudhir 1,60,000 | Advertisement Suspense A/c 1,20,000 Deepak 1,50,000 | Naveen 1,40,000 | 4,50,000 | 7,20,000 | 7,20,000 Sudhir died on 30th June, 2022. The partnership deed provided for the following, on the death of a partner: (i) Goodwill of the firm was to be valued at 2.5 years purchase of average profits of the previous four years which were ₹ 1,80,000. (ii) Share of profit or loss till the date of death was to be calculated on the basis of sales. Sales for the year ended 31st March, 2022 amounted to ₹ 4,00,000 and that from 1st April, 2022 to 30th June, 2022 amounted ₹ 1,50,000. The profit for the year ended 31st March, 2022 was ₹ 1,00,000. (iii) Interest on capital was to be provided @ 7% p.a. Prepare Sudhir's Capital Account to be handed over to his executors.

Q87. CBSE 2023 · 3 marks Kanak, Kamal and Kanha are partners in a firm. Their fixed capitals were ₹ 5,00,000, ₹ 10,00,000 and ₹ 15,00,000 respectively. They share profits in the ratio of their fixed capitals. Firm closes its books of accounts on 31st March every year. Kanak died on 30th September, 2021. Share of profit till the date of death from the last Balance Sheet date, was to be calculated on the basis of sales. Sales and Profit for the year 2020-21 were ₹ 20,00,000 and ₹ 2,00,000 respectively. Sales from 1st April, 2021 to 30th September, 2021 were ₹ 6,00,000. (i) Calculate Kanak's share of profit. (ii) Pass the necessary journal entries for the accounting of Kanak's share of profit.

Q88. CBSE 2023 · 3 marks Kanak, Kamal and Kanha are partners in a firm. Their fixed capitals were ₹5,00,000, ₹10,00,000 and ₹15,00,000 respectively. They share profits in the ratio of their fixed capitals. Firm closes its books of accounts on 31st March every year. Kanak died on 30th September, 2021. His share of profit till the date of death from the last Balance Sheet date, was to be calculated on the basis of sales. Sales and Profit for the year 2020-21 were ₹20,00,000 and ₹2,00,000 respectively. Sales from 1st April, 2021 to 30th September, 2021 were ₹6,00,000. (i) Calculate Kanak's share of profit. (ii) Pass necessary journal entries for recording share of profit of Kanak.

Q89. CBSE 2023 · 3 marks Sunny, Vaibhav and Mita were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Sunny retired on 31st March, 2022. After making all adjustments relating to revaluation, goodwill and accumulated profit, etc. the capital accounts of Vaibhav and Mita showed a credit balance of ₹1,00,000 and ₹50,000 respectively. It was decided to adjust the capitals of Vaibhav and Mita in their new profit sharing ratio. Calculate the new capitals of the partners and pass necessary journal entries for bringing in or withdrawal of the necessary amounts by the partners.

Q90. CBSE 2023 · 3 marks Kanak, Kamal and Kanha are partners in a firm. Their fixed capitals were ₹ 5,00,000, ₹ 10,00,000 and ₹ 15,00,000 respectively. They share profits in the ratio of their fixed capitals. Firm closes its books of accounts on 31st March every year. Kanak died on 30th September, 2021. Share of profit till the date of death, was to be calculated on the basis of sales. Sales and Profit for the year 2020-21 were ₹ 20,00,000 and ₹ 2,00,000 respectively. Sales from 1st April, 2021 to 30th September, 2021 were ₹ 6,00,000. (i) Calculate Kanak's share of profit. (ii) Pass the necessary journal entry for recording Kanak's share of profit.

Q91. CBSE 2022 · 2 marks Suman, Shubham and Siya were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Shubham retired from the firm and Suman and Siya decided to continue the business. Their gaining ratio was 3 : 2. Calculate the new profit sharing ratio of Suman and Siya.

Q92. CBSE 2022 · 3 marks Ramesh, Rajesh and Raman are partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 30th June, 2021, Ramesh died. Sales for the year ended 31st March, 2021 were ₹ 12,00,000 and profits were ₹ 1,20,000. The sales for the period from 1st April, 2021 to 30th June, 2021 amounted to ₹ 4,00,000. Accounts are closed on 31st March every year. Calculate Ramesh's share of profit till the date of death and pass the necessary journal entry for the same in the books of the firm.

Q93. CBSE 2022 · 3 marks Ramesh, Rajesh and Raman are partners in a firm sharing profits and losses in the ratio of 2:2:1. On 30th June, 2021, Ramesh died. Sales for the year ended 31st March, 2021 were ₹ 12,00,000 and profits were ₹ 1,20,000. The sales for the period from 1st April, 2021 to 30th June, 2021 amounted to ₹ 4,00,000. Accounts are closed on 31st March every year. Calculate Ramesh's share in the profit till the date of death and pass the necessary journal entry for the same in the books of the firm.

Q94. CBSE 2022 · 3 marks Ramesh, Rajesh and Raman are partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 30th June, 2021, Ramesh died. Sales for the year ended 31st March, 2021 were ₹ 12,00,000 and profits were ₹ 1,20,000. The sales for the period from 1st April, 2021 to 30th June, 2021 amounted to ₹ 4,00,000. Accounts are closed on 31st March every year. Calculate Ramesh's share of profit up to the date of his death and pass the necessary journal entry for the same in the books of the firm.

Q95. CBSE 2022 · 3 marks Mohan, Girdhari and Shyam were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. On 31st March, 2022, Girdhari retired. After making all adjustments on account of reserves, revaluation of assets and reassessment of liabilities, Girdhari's Capital Account stood at ₹ 5,00,000. Mohan and Shyam agreed to pay Girdhari ₹ 5,90,000 in full settlement of his claim. Calculate the value of goodwill of the firm and pass the necessary journal entries raising goodwill account.

Q96. CBSE 2022 · 3 marks Mohan, Girdhari and Shyam were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. On 31st March, 2022, Girdhari retired. After making all adjustments on account of reserves, revaluation of assets and reassessment of liabilities, stood at ₹ 5,00,000. Mohan and Shyam agreed to pay Girdhari ₹ 5,90,000 in full settlement of his claim. Calculate the value of goodwill of the firm and pass the necessary journal entry for the treatment of goodwill without raising goodwill account.

Q97. CBSE 2022 · 3 marks Mohan, Girdhari and Shyam were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 2. On 31st March, 2022, Girdhari retired. After making all adjustments on account of reserves, revaluation of assets and reassessment of liabilities, Girdhari's Capital Account stood at ₹ 5,00,000. Mohan and Shyam agreed to pay Girdhari ₹ 5,90,000 in full settlement of his claim. Calculate the value of goodwill of the firm and pass the necessary journal entries for raising goodwill account.

LONG ANSWER (47)

Q98. CBSE 2026 · 6 marks Radha, Shyam and Meera were partners in a firm sharing profits and losses equally. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Radha, Shyam and Meera as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Patents 1,80,000 Radha 4,00,000 Building 6,90,000 Shyam 4,00,000 Debtors 2,70,000 Meera 4,00,000 12,00,000 Stock 3,60,000 General Reserve 3,00,000 Bank 1,80,000 Creditors 1,80,000 16,80,000 16,80,000 Shyam retired from the firm on the above date on the following terms: (i) The new profit sharing ratio between the remaining partners was agreed at 3 : 2. (ii) The value of stock was to be reduced by ₹1,20,000. (iii) Patents were considered as valueless and hence were to be written off. (iv) Goodwill of the firm was valued at ₹6,00,000. (v) Shyam was paid ₹1,00,000 immediately on his retirement and the balance was transferred to his loan account. Pass necessary journal entries for Shyam's retirement from the firm.

Q99. CBSE 2026 · 6 marks Radha, Shyam and Meera were partners in a firm sharing profits and losses equally. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Radha, Shyam and Meera as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Patents 1,80,000 Radha 4,00,000 Building 6,90,000 Shyam 4,00,000 Debtors 2,70,000 Meera 4,00,000 12,00,000 Stock 3,60,000 General Reserve 3,00,000 Bank 1,80,000 Creditors 1,80,000 16,80,000 16,80,000 Shyam retired from the firm on the above date on the following terms: (i) The new profit sharing ratio between the remaining partners was agreed at 3 : 2. (ii) The value of stock was to be reduced by 1,20,000. (iii) Patents were considered as valueless and hence were to be written off. (iv) Goodwill of the firm was valued at 6,00,000 and Shyam's share in goodwill was 1,00,000 on his retirement. (v) Shyam was paid 1,00,000 immediately on his retirement and the balance was transferred to his loan account. Pass necessary journal entries for Shyam's retirement in the books of the firm.

Q100. CBSE 2026 · 4 marks Anmol, Kapeesh and Meera were partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. The firm closes its books on 31st March every year. On 1st July, 2025, Kapeesh died. On that date his capital account showed a credit balance of ₹2,50,000 and he had withdrawn ₹20,000. The firm had a General Reserve of ₹90,000. The partnership deed provided that on the death of a partner, his executors will be entitled to the following: (i) Balance in the capital account and interest on the same @ 12% p.a. (ii) His share in the goodwill of the firm. The goodwill of the firm on 1st July, 2025 was valued at ₹1,40,000. (iii) His share in the profits of the firm was to be calculated on the basis of average profit of the last three years. The average profit of the firm for the three years ended 31st March, 2025 was ₹6,00,000. Prepare Kapeesh's Loan Account showing the amount payable to his executors.

Q101. CBSE 2026 · 6 marks Aarav, Kunal and Manav were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2025 was as follows: Sundry Creditors ₹70,000; Workmen Compensation Reserve ₹1,00,000; Capitals: Aarav ₹3,00,000; Kunal ₹2,50,000; Manav ₹1,50,000; Cash ₹2,30,000; Debtors ₹90,000 Less: Provision for doubtful debts ₹10,000 (₹80,000); Stock ₹1,60,000; Machinery ₹2,50,000; Building ₹1,50,000. Aarav retired on the above date and it was agreed that: (i) Kunal and Manav will share future profits in the ratio of 1 : 4. (ii) Goodwill of the firm be valued at ₹6,00,000 and the retiring partner should be paid through the private resources of the remaining partners and debited to the capital accounts of the remaining partners. (iii) An unrecorded creditor of ₹20,000 was to be taken into account. (iv) Debtors of ₹15,000 were to be written off as bad debts. (v) Liability on account of workmen compensation amounted to ₹40,000. (vi) Amount payable to Aarav was transferred to his loan account. Pass necessary journal entries for the above transactions in the books of the firm.

Q102. CBSE 2026 · 6 marks Aarav, Kunal and Manav were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Aarav, Kunal and Manav as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Sundry Creditors 70,000 Cash 2,30,000 Workmen Compensation Reserve 1,00,000 Debtors 90,000 Less: Provision for doubtful debts 10,000 80,000 Stock 1,60,000 Capitals: Machinery 2,50,000 Aarav 3,00,000 Kunal 2,50,000 Manav 1,50,000 7,00,000 Building 1,50,000 8,70,000 8,70,000 Aarav retired on the above date and it was agreed that: (i) Kunal and Manav will share future profits in the ratio of 1 : 4. (ii) Goodwill of the firm be valued at ₹6,00,000 and the retiring accounts of the remaining partners. (iii) An unrecorded creditor of ₹20,000 was to be taken into account. (iv) Debtors of ₹15,000 were to be written off as bad debts. (v) Liability on account of workmen compensation amounted to ₹40,000. (vi) Amount payable to Aarav was transferred to his loan account. Pass necessary journal entries for the above transactions in the books of the firm.

Q103. CBSE 2026 · 6 marks Radha, Shyam and Meera were partners in a firm sharing profits and losses equally. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Radha, Shyam and Meera as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Patents 1,80,000 Radha 4,00,000 Building 6,90,000 Shyam 4,00,000 Debtors 2,70,000 Meera 4,00,000 12,00,000 Stock 3,60,000 General Reserve 3,00,000 Bank 1,80,000 Creditors 1,80,000 16,80,000 16,80,000 Shyam retired from the firm on the above date on the following terms: (i) The new profit sharing ratio between the remaining partners was agreed at 3 : 2. (ii) The value of stock was to be reduced by ₹1,20,000. (iii) Patents were considered as valueless and hence were to be written off. (iv) Goodwill of the firm was valued at retirement. (v) Shyam was paid ₹1,00,000 immediately on his retirement and the balance was transferred to his loan account.

Q104. CBSE 2026 · 6 marks Aarav, Kunal and Manav were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Aarav retired on 31st March, 2025 and it was agreed that: (i) Kunal and Manav will share future profits in the ratio of 1 : 4. (ii) Goodwill of the firm be valued at ₹6,00,000 and the retiring partner's share in the same will be transferred to the Capital Accounts of the remaining partners in their gaining ratio. (iii) An unrecorded creditor of ₹20,000 was to be taken into account. (iv) Debtors of ₹15,000 were to be written off as bad debts. (v) Liability on account of workmen compensation amounted to ₹40,000. (vi) Amount payable to Aarav was transferred to his loan account. Pass necessary journal entries for the above transactions. Balance Sheet of Aarav, Kunal and Manav as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Sundry Creditors 70,000 Cash 2,30,000 Workmen Compensation Reserve 1,00,000 Debtors 90,000 Capitals: Less: Provision for doubtful debts 10,000 80,000 Aarav 3,00,000 Stock 1,60,000 Kunal 2,50,000 Machinery 2,50,000 Manav 1,50,000 Building 1,50,000 7,00,000 8,70,000 8,70,000

Q105. CBSE 2025 · 4 marks Gopal, Heera and Iqbal were partners in a firm sharing profits and losses equally. Iqbal died on 1st April, 2022. The amount due to Iqbal's executor as on the date of death amounted to ₹4,00,000. Starting from 31st March, 2023, the executor was to be paid in two equal annual instalments of ₹2,00,000 each, with interest @ 10% per annum. Accounts are closed on 31st March every year. Pass journal entries relating to the payment of Iqbal's executor's dues till the amount was fully paid.

Q106. CBSE 2025 · 6 marks (b) Chandan, Deepak and Elvish were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 2. Their Balance Sheet as at 31st March, 2024 stood as follows: Balance Sheet of Chandan, Deepak and Elvish as at 31st March, 2024 - Liabilities: Capitals (Chandan ₹7,00,000, Deepak ₹5,00,000, Elvish ₹3,00,000) ₹15,00,000, General Reserve ₹4,50,000, Creditors ₹13,50,000; Assets: Fixed Assets ₹27,00,000, Stock ₹3,00,000, Debtors ₹2,00,000, Cash ₹1,00,000. Chandan retired from the firm on 1st April, 2024 on the following terms: (i) Fixed assets were to be depreciated by 10%. (ii) Debtors of ₹30,000 were to be written off as bad debts. (iii) Goodwill of the firm was valued at ₹6,00,000 and the accounts of the remaining partners. (iv) Chandan was paid through cash brought in by Deepak and Elvish in such a way so as to make their capitals proportionate to their new profit sharing ratio. Pass the necessary journal entries and prepare the Capital Accounts of all partners after Chandan's retirement.

Q107. CBSE 2025 · 4 marks Gopal, Heera and Iqbal were partners in a firm sharing profits and losses equally. Iqbal died on 1st April, 2022. The amount due to his executor as on the date of death amounted to ₹4,00,000. Starting from 31st March, 2023, the executor was to be paid in two equal annual instalments of ₹2,00,000 each, with interest @ 10% per annum. Accounts are closed on 31st March every year. Pass journal entries for the above transactions.

Q108. CBSE 2025 · 4 marks Sudha, Sudama and Sulochna were partners in a firm sharing profits equally. On 31st March, 2020, Sudha retired. On the date of retirement ₹2,40,000 became due to her. Sudama and Sulochana agreed to pay Sudha in four equal yearly instalments plus interest @ 10% p.a. on the unpaid balance starting from 31st March, 2021. The firm closes its books on 31st March every year. Pass necessary journal entries in Sudha's loan account for the year ended 31st March, 2021 to 2024.

Q109. CBSE 2025 · 6 marks Arti, Bharti and Gayatri were partners in a firm sharing profits and losses in ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Arti, Bharti and Gayatri as at 31st March, 2024 Liabilities - Creditors ₹1,50,000, General Reserve ₹1,30,000, Investments Fluctuation Fund ₹25,000, Workmen Compensation Fund ₹75,000, Capitals - Arti ₹2,00,000, Bharti ₹1,00,000, Gayatri ₹50,000 (Total ₹3,50,000). Assets - Cash at Bank ₹1,30,000, Debtors ₹70,000, Stock ₹1,05,000, Machinery ₹1,40,000, Building ₹2,00,000, Patents ₹5,000, Profit and Loss A/c ₹80,000. Total ₹7,30,000. On the above date, Arti retired from the firm on the following terms: (i) Goodwill of the firm was valued at ₹3,00,000. (ii) A provision of 5% for doubtful debts was to be created on debtors. (iii) Machinery was to be depreciated by 10% and building was to be appreciated by ₹22,500. (iv) Patents were considered as valueless and hence had to be written off. (v) A claim of ₹15,000 was admitted for workmen compensation. Pass necessary journal entries for the above transactions in the books of the firm.

Q110. CBSE 2025 · 4 marks Gupta, Jain and Singh were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. On 31st March, 2020, Gupta retired. On the date of retirement ₹4,80,000 became due to him. Jain and Singh agreed to pay Gupta in four equal yearly instalments plus interest @ 10% p.a. on the unpaid balance starting from 31st March, 2021. The firm closes its books on 31st March every year. Pass necessary journal entries for the payment of these instalments.

Q111. CBSE 2025 · 6 marks Arti, Bharti and Gayatri were partners in a firm sharing profits and losses in ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Arti, Bharti and Gayatri as at 31st March, 2024. Liabilities: Creditors ₹1,50,000, General Reserve ₹1,30,000, Workmen Compensation Fund ₹75,000, Capitals - Arti ₹2,00,000, Bharti ₹1,00,000, Gayatri ₹50,000. Assets: Cash at Bank ₹1,30,000, Debtors ₹70,000, Stock ₹1,05,000, Machinery ₹1,40,000, Building ₹2,00,000, Patents ₹5,000, Profit and Loss A/c ₹80,000. On the above date, Arti retired from the firm on the following terms: (i) Goodwill of the firm was valued at ₹3,00,000. (ii) A provision of 5% for doubtful debts was to be created on debtors. (iii) Machinery was to be depreciated by 10% and building was to be appreciated by ₹22,500. (iv) Patents were considered as valueless and hence had to be written off. (v) A claim of ₹15,000 was admitted for workmen compensation. Pass necessary journal entries for the retirement of Arti.

Q112. CBSE 2025 · 4 marks Rohit, Mohit and Sandeep were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 1st April, 2020, Rohit retired. On the date of retirement ₹6,00,000 were due to him. Mohit and Sandeep agreed to pay Rohit in four equal yearly instalments plus interest @ 9% p.a. on the unpaid balance starting from 31st March, 2021. The firm closes its books on 31st March every year. Pass necessary journal entries.

Q113. CBSE 2025 · 4 marks Chandni, Bhanu and Garima were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. The firm closes its books on 31st March every year. On 1st October, 2024, Chandni died. On that date her capital account showed a credit balance of 3,00,000. On the date of Chandni's death, the firm had a general reserve of 60,000. The partnership deed provided that on the death of a partner, her representatives will be entitled to the following: (i) Balance in the capital account and interest on the same @ 10% p.a. (ii) Her share in the goodwill of the firm. The goodwill of the firm on the date was valued at 1,20,000. (iii) Her share in the profits of the firm to be calculated on the basis of the profit of the previous year. The profit for the year ended 31st March, 2024 was 4,50,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q114. CBSE 2025 · 6 marks Ratan, Singh and Sharma were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet on 31st March, 2024 was as follows: Liabilities: Creditors 90,000; Outstanding Wages 10,000; General Reserve 3,00,000; Capitals - Ratan 3,60,000, Singh 2,40,000, Sharma 1,00,000 (Total 7,00,000); Profit and Loss A/c 1,00,000. Total 11,00,000. Assets: Bank 65,000; Stock 1,50,000; Debtors 90,000 Less Provision for Doubtful Debts 5,000 (85,000); Plant and Machinery 2,50,000; Land and Building 4,50,000. Total 11,00,000. On 1st April, 2024 Sharma retired from the firm on the following terms: (i) Plant and Machinery is revalued at 2,00,000. (ii) Land and Building was to be appreciated by 49,500 and provision for bad debts will be maintained at 5% of the debtors. (iii) Goodwill of the firm was valued at 60,000 through the capital accounts of remaining partners. (iv) Sharma was paid in cash brought by Ratan and Singh in such a way so as to make their capitals proportionate to their new profit sharing ratio. Prepare the journal entries and the new Balance Sheet.

Q115. CBSE 2025 · 4 marks Asha, Ashish and Naman were partners in a firm sharing profits and losses in the ratio of 2 : 5 : 3. The firm closes its books on 31st March every year. On 31st December, 2024 Ashish died. On the date of his death, there was a balance of ₹ 3,00,000 in his capital account and ₹ 2,00,000 in General Reserve. The partnership deed provided that on the death of a partner, his representatives will be entitled to the following: (i) Balance in the capital account and interest on the same @ 10% p.a. (ii) His share in the goodwill of the firm. The goodwill of the firm on 31st March, 2024 was ₹ 6,00,000. (iii) His share in the profits of the firm to be calculated on the basis of average profits. The profit for the year ended 31st March, 2024 was ₹ 3,60,000. Pass the necessary journal entries for settlement of Ashish's accounts.

Q116. CBSE 2025 · 6 marks Ratan, Singh and Sharma were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 1st April, 2024 Sharma retired from the firm on the following terms: (i) Plant and Machinery is revalued at ₹ 2,00,000. (ii) Land and Building was to be appreciated by ₹ 49,500 and provision for bad debts will be maintained at 5% of the debtors. (iii) Goodwill of the firm was valued at ₹ 60,000 through the capital accounts of remaining partners. (iv) Sharma was paid in cash brought by Ratan and Singh in such a way so as to make their capitals proportionate to their new profit sharing ratio. Prepare the necessary ledger accounts and the new balance sheet.

Q117. CBSE 2025 · 4 marks Shobha, Kalyani and Kaveri were partners in a firm sharing profits and losses in the ratio of 3 : 5 : 2. The firm closes its books on 31st March every year. On 30th June, 2024 Kalyani died. On that date, her capital account showed a credit balance of ₹3,00,000. On the same date the firm had a General Reserve of ₹1,20,000. The partnership deed provided for the following on the death of a partner: (i) Balance in her capital account. (ii) Interest on capital @ 12% p.a. (iii) Her share in the profits of the firm till the date of her death calculated on the basis of profits of the previous year. The profit of the firm for the year ended 31st March, 2024 was ₹2,80,000. (iv) Her share in the goodwill of the firm. The goodwill of the firm on 31st March, 2024 was valued at ₹4,00,000. Prepare Kalyani's Capital Account.

Q118. CBSE 2025 · 6 marks Ratan, Singh and Sharma were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet on 31st March, 2024 was as follows: Balance Sheet of Ratan, Singh and Sharma as at 31st March, 2024. Liabilities: Creditors ₹90,000; Outstanding Wages ₹10,000; General Reserve ₹3,00,000; Capitals: Ratan ₹3,60,000, Singh ₹2,40,000, Sharma ₹1,00,000 (Total ₹7,00,000); Profit and Loss A/c ₹1,00,000. Total: ₹11,00,000. Assets: Bank ₹65,000; Stock ₹1,50,000; Debtors ₹90,000; Less: Provision for Doubtful Debts ₹5,000 (Net ₹85,000); Plant and Machinery ₹2,50,000; Land and Building ₹4,50,000. Total: ₹11,00,000. On 1st April, 2024 Sharma retired from the firm on the following terms: (i) Plant and Machinery is revalued at ₹2,00,000. (ii) Land and Building was to be appreciated by ₹49,500 and provision for bad debts will be maintained at 5% of the debtors. (iii) ₹60,000 will be paid to Sharma through the capital accounts of remaining partners. (iv) Sharma was paid in cash brought by Ratan and Singh in such a way so as to make their capitals proportionate to their new profit sharing ratio. Prepare: (a) Revaluation Account (b) Sharma's Capital Account (c) New Capital Accounts of Ratan and Singh after retirement.

Q119. CBSE 2025 · 4 marks Hans, Sohan and Kishore were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. The firm closes its books on 31st March every year. On 1st August, 2024, Kishore died. The partnership deed provided that on the death of a partner, his executors will be entitled for: (i) Balance in his capital account less drawings. (ii) Interest on capital @ 12% p.a. (iii) His share of goodwill. (iv) His share in the profits of the firm till the date of his death calculated on the basis of average profit of the previous four years. The following information was obtained from the books of the firm on the date of death: (a) Balance in his capital account on 1st April, 2024 was ₹4,00,000 and he had withdrawn ₹90,000 till that date. (b) Goodwill of the firm was valued at ₹60,000. (c) Profits of the firm for the last four completed years were: ₹2,00,000, ₹2,20,000, ₹1,20,000 and ₹1,80,000. Pass necessary journal entries to give effect to the above on the death of Kishore.

Q120. CBSE 2025 · 6 marks (b) Naval, Nyaya and Nritya were partners in a firm sharing profits and losses in the ratio of 3 : 5 : 2. On 31st March, 2024, their Balance Sheet was as follows: Liabilities - Capitals: Naval ₹2,00,000, Nyaya ₹3,00,000, Nritya ₹5,00,000 (Total ₹10,00,000); General Reserve ₹80,000; M ₹2,00,000; Creditors ₹1,50,000; Total ₹14,30,000. Assets - Land and Building ₹9,50,000; Plant and Machinery ₹2,00,000; Furniture ₹50,000; Stock ₹70,000; Debtors ₹95,000 Less: Provision for doubtful debts ₹5,000 (₹90,000); Bank ₹70,000; Total ₹14,30,000. On 31st March, 2024, Nyaya retired from the firm on the following terms: (i) Goodwill of the firm was valued at ₹1,20,000 and Nyaya's share of the same was to be adjusted through the capital accounts of remaining partners. (ii) Land and Building was to be increased by ₹50,000. (iii) Plant and Machinery will be depreciated by 10%. (iv) All debtors were found to be good, hence provision for bad debts was not required. (v) Investments of ₹65,000 were unrecorded. (vi) Amount payable to Nyaya was transferred to his loan account. Prepare the Balance Sheet of the firm after Nyaya's retirement.

Q121. CBSE 2025 · 6 marks Naval, Nyaya and Nritya were partners in a firm sharing profits and losses in the ratio of 3 : 5 : 2. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Naval, Nyaya and Nritya as at 31st March, 2024. Liabilities: Capitals: Naval ₹2,00,000, Nyaya ₹3,00,000, Nritya ₹5,00,000 (Total ₹10,00,000), General Reserve ₹80,000, Creditors ₹1,50,000. Total ₹14,30,000. Assets: Land and Building ₹9,50,000, Plant and Machinery ₹2,00,000, Furniture ₹50,000, Stock ₹70,000, Debtors ₹95,000 Less: Provision for doubtful debts ₹5,000 (Net ₹90,000), Bank ₹70,000. Total ₹14,30,000. On the above date, Nyaya retired from the firm on the following terms: (i) Goodwill of the firm was valued at ₹1,20,000 and Nyaya's share of the same was to be adjusted through the capital accounts of remaining partners. (ii) Land and Building was to be increased by ₹50,000. (iii) Plant and Machinery will be depreciated by 10%. (iv) All debtors were found to be good, hence provision for bad debts was not required. (v) Investments of ₹65,000 were unrecorded. (vi) Amount payable to Nyaya was transferred to his loan account. Pass necessary journal entries for Nyaya's retirement and prepare his capital account after adjustment.

Q122. CBSE 2025 · 4 marks Hans, Sohan and Kishore were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. The firm closes its books on 31st March every year. On 1st August, 2024, Kishore died. The partnership deed provided that on the death of a partner, his executors will be entitled for: (i) Balance in his capital account less drawings. (ii) Interest on capital @ 12% p.a. (iii) His share of goodwill. (iv) His share in the profits of the firm till the date of his death calculated on the basis of average profit of the previous four years. The following information was obtained from the books of the firm on the death of Kishore: (a) Balance in his capital account on 1st April, 2024 was 4,00,000 and he had withdrawn 90,000 till that date. (b) Goodwill was valued at 60,000. (c) Profits of the firm for the last four completed years were: 2,00,000, 2,20,000, 1,20,000 and 1,80,000. Calculate the amount due to Kishore's executors.

Q123. CBSE 2025 · 6 marks Chandan, Deepak and Elvish were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 2. Their Balance Sheet as at 31st March, 2024 stood as follows: Balance Sheet of Chandan, Deepak and Elvish as at 31st March, 2024 Liabilities Amount (₹) Assets Amount (₹) Capitals: Fixed Assets 27,00,000 Chandan 7,00,000 Stock 3,00,000 Deepak 5,00,000 Debtors 2,00,000 Elvish 3,00,000 15,00,000 Cash 1,00,000 General Reserve 4,50,000 Creditors 13,50,000 33,00,000 33,00,000 Chandan retired from the firm on 1st April, 2024 on the following terms: (i) Fixed assets were to be depreciated by 10%. (ii) Debtors of ₹30,000 were to be written off as bad debts. (iii) Goodwill of the firm was valued at ₹6,00,000 and Chandan's share was adjusted in the accounts of the remaining partners. (iv) Chandan was paid through cash brought in by Deepak and Elvish in such a way so as to make their capitals proportionate to their new profit sharing ratio. Prepare the Balance Sheet of the firm after Chandan's retirement.

Q124. CBSE 2024 · 4 marks Aditi, Renu and Varsha were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 5. On 31st March, 2023 their Balance Sheet showed: Buildings ₹ 6,00,000, Machinery ₹ 3,00,000, Stock ₹ 1,00,000, Patents ₹ 1,50,000, Debtors ₹ 2,50,000, Cash ₹ 1,00,000. Capitals: Aditi ₹ 5,00,000, Renu ₹ 4,00,000, Varsha ₹ 3,00,000, General Reserve ₹ 1,00,000, Creditors ₹ 2,00,000. Varsha died on 31st July, 2023. The partnership deed provided that interest on capital @ 6% p.a., goodwill valued at 3 years purchase of average profits of ₹ 90,000 for five years, and profit on basis of sales. Sales for year ended 31st March, 2023 were ₹ 60,00,000 and 1st April to 31st July 2023 were ₹ 15,00,000. Profit for year ended 31st March 2023 was ₹ 12,00,000. Prepare Varsha's Capital Account to be rendered to her executors.

Q125. CBSE 2024 · 6 marks Jatin, Kartik and Lakhan were partners in a firm sharing profits and losses in the ratio of 7 : 5 : 3. Their Balance Sheet as at 31st March, 2023, was as follows: Liabilities - Bills Payable ₹ 80,000, General Reserve ₹ 60,000, Capitals: Jatin ₹ 1,00,000, Kartik ₹ 60,000, Lakhan ₹ 40,000 (Total ₹ 3,40,000). Assets - Bank ₹ 40,000, Stock ₹ 80,000, Debtors ₹ 1,00,000, Fixed Assets ₹ 1,20,000 (Total ₹ 3,40,000). Kartik died on 30th September, 2023. According to the partnership deed, Kartik was entitled to the following: (i) Balance in his Capital Account. (ii) Interest on capital @ 10% p.a. (iii) His share of goodwill. Goodwill of the firm was valued on the basis of twice the average of the preceding four years profits. (iv) His share in profits up to the date of death on the basis of total profits for the preceding two years. Profits for the previous four years were: 2019-20: ₹ 1,41,000; 2020-21: Loss (₹ 30,000); 2021-22: ₹ 60,000; 2022-23: ₹ 69,000. Prepare Kartik's Capital Account to present to his legal representatives.

Q126. CBSE 2024 · 6 marks Azhar, Sumit and Robit were partners in a firm sharing profits and losses in the ratio of 3 : 1 : 1. Their Balance Sheet as at 31st March, 2023, was as follows: Liabilities - Creditors ₹ 90,000; General Reserve ₹ 60,000; Capitals: Azhar ₹ 60,000, Sumit ₹ 40,000, Robit ₹ 20,000 (Total 1,20,000) (Total 2,70,000). Assets - Bank ₹ 20,000; Stock ₹ 40,000; Debtors ₹ 1,50,000; Fixed Assets ₹ 60,000 (Total 2,70,000). Robit died on 30th June, 2023. According to the partnership deed, Robit's legal representatives were entitled to: (i) Balance in his Capital Account. (ii) His share of General Reserve. (iii) Interest on capital @ 10% p.a. (iv) His share of goodwill. Goodwill of the firm was valued on the basis of three times the average profit of the last four years. (v) His share in profits up to the date of death on the basis of the profit for the last year. Profit for the previous years were: 2019-20 < (3,000) loss; 2020-21 ₹ 28,000; 2021-22 ₹ 16,000; 2022-23 ₹ 15,000. Prepare Robit's Capital Account to be presented to his legal representatives.

Q127. CBSE 2024 · 6 marks Rishi, Shashi and Trishi were partners in a firm sharing profits and losses in proportion of 2/6, 2/6 and 2/6 respectively. Their Balance Sheet as at 31st March, 2023 was as follows: Liabilities - Capitals: Rishi ₹ 36,000, Shashi ₹ 30,000, Trishi ₹ 20,000 (Total 86,000); General Reserve ₹ 30,000; Creditors ₹ 54,000 (Total 1,70,000). Assets - Fixed Assets ₹ 80,000; Stock ₹ 20,000; Debtors ₹ 30,000; Cash ₹ 40,000 (Total 1,70,000). Shashi retired from the firm on 1st April, 2023 on the following terms: (i) Fixed Assets were valued at ₹ 56,000. (ii) Stock was taken over by Shashi at ₹ 26,000. (iii) Goodwill of the firm was valued at ₹ 18,000 on Shashi's retirement. (iv) Shashi's capital account balance was transferred to his loan account. Prepare Revaluation Account and Partners' Capital Accounts.

Q128. CBSE 2024 · 6 marks Gagan, Harsh and Ishan were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2023 was as follows: Balance Sheet of Gagan, Harsh and Ishan as at 31st March, 2023. Liabilities: Bills Payable ₹ 20,000; General Reserve ₹ 15,000; Capitals - Gagan ₹ 25,000, Harsh ₹ 15,000, Ishan ₹ 10,000 (Total ₹ 50,000); Total ₹ 85,000. Assets: Bank ₹ 10,000; Stock ₹ 20,000; Debtors ₹ 25,000; Fixed Assets ₹ 30,000; Total ₹ 85,000. Gagan died on 30th June, 2023. According to the partnership deed, his legal representatives were entitled to the following: (i) Balance in his Capital Account. (ii) Interest on capital @ 12% p.a. (iii) His share of goodwill. Goodwill of the firm was valued on the basis of average profit for the last four years and two years' purchase. (iv) His share in the profits up to the date of death on the basis of the average profit for the preceding three years. Profits for the previous four years were: 2019-20: ₹ 12,000; 2020-21: ₹ (15,000); 2021-22: ₹ 45,000; 2022-23: ₹ 18,000. Prepare Gagan's Capital Account to present to his legal representatives.

Q129. CBSE 2024 · 6 marks Rishi, Shashi and Trishi were partners in a firm sharing profits and losses in proportion of 1/2, 1/6 and 1/3 respectively. Their Balance Sheet as at 31st March, 2023 was as follows: Balance Sheet of Rishi, Shashi and Trishi as at 31st March, 2023. Liabilities: Capitals - Rishi ₹ 36,000, Shashi ₹ 30,000, Trishi ₹ 20,000 (Total ₹ 86,000); General Reserve ₹ 30,000; Creditors ₹ 54,000; Total ₹ 1,70,000. Assets: Fixed Assets ₹ 80,000; Stock ₹ 20,000; Debtors ₹ 30,000; Cash ₹ 40,000; Total ₹ 1,70,000. Shashi retired from the firm on 1st April, 2023 on the following terms: (i) Fixed Assets were valued at ₹ 56,000. (ii) Stock was taken over by Shashi at ₹ 26,000. (iii) Goodwill of the firm was valued at ₹ 18,000 at the date of Shashi's retirement. (iv) The amount due to Shashi on retirement was transferred to his loan account. Prepare Revaluation Account and Partners' Capital Accounts.

Q130. CBSE 2024 · 6 marks Jatin, Kartik and Lakhan were partners in a firm sharing profits and losses in the ratio of 7 : 5 : 3. Their Balance Sheet as at 31st March, 2023 showed: Bills Payable ₹ 80,000; General Reserve ₹ 60,000; Capitals - Jatin ₹ 1,00,000, Kartik ₹ 60,000, Lakhan ₹ 40,000 (Total ₹ 2,00,000); Bank ₹ 40,000; Stock ₹ 80,000; Debtors ₹ 1,00,000; Fixed Assets ₹ 1,20,000. Kartik died on 30th September, 2023. According to the partnership deed, Kartik was entitled to: (i) Balance in his Capital Account, (ii) Interest on capital @ 10% p.a., (iii) His share of goodwill. Goodwill of the firm was valued on the basis of twice the average of the preceding four years profits, (iv) His share in profits up to the date of death on the basis of total profits for the preceding two years. Profits for the previous four years were: 2019-20 ₹ 1,41,000, 2020-21 (₹ 30,000), 2021-22 ₹ 60,000, 2022-23 ₹ 69,000. Prepare Kartik's Capital Account to present to his legal representatives.

Q131. CBSE 2024 · 4 marks Aditi, Renu and Varsha were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 5. On 31st March, 2023 their Balance Sheet was as under: Liabilities: Capitals - Aditi ₹ 5,00,000, Renu ₹ 4,00,000, Varsha ₹ 3,00,000 (Total ₹ 12,00,000); General Reserve ₹ 1,00,000; Creditors ₹ 2,00,000. Total: ₹ 15,00,000. Assets: Buildings ₹ 6,00,000; Machinery ₹ 3,00,000; Stock ₹ 1,00,000; Patents ₹ 1,50,000; Debtors ₹ 2,50,000; Cash ₹ 1,00,000. Total: ₹ 15,00,000. Varsha died on 31st July, 2023. The partnership deed provided for the following, on the death of a partner: (i) Interest on capital was to be provided @ 6% p.a. (ii) Goodwill of the firm was to be valued at 3 years purchase of average profits of the previous five years which were ₹ 90,000. (iii) Profit be calculated on the basis of sales. Sales for the year ended 31st March, 2023 amounted to ₹ 60,00,000 and that from 1st April, 2023 to 31st July, 2023 amounted to ₹ 15,00,000. The profit for the year ended 31st March, 2023 was ₹ 12,00,000. Prepare Varsha's Capital Account to be rendered to her executors.

Q132. CBSE 2024 · 6 marks Ravi, Tanu and Sara were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Ravi retired from the firm due to his illness on 31st March, 2023. The Balance Sheet showed: Fixed Assets ₹ 1,20,000, Stock ₹ 1,60,000, Debtors ₹ 2,00,000, Cash in hand ₹ 80,000. Capitals: Ravi ₹ 80,000, Tanu ₹ 1,24,000, Sara ₹ 66,000, Profit and Loss ₹ 1,70,000, Creditors ₹ 1,00,000, Employee Benefit Liability ₹ 20,000. Additional Information: (i) Creditors included ₹ 4,000 which was not likely to be claimed. (ii) Provision of 5% for doubtful debts on debtors. (iii) Goodwill valued at ₹ 1,60,000. (iv) Fixed Assets overvalued by ₹ 5,000. (v) New profit sharing ratio of Tanu and Sara 2 : 3. (vi) Amount due to Ravi transferred to loan account. Prepare Revaluation Account and Partners' Capital Accounts on Ravi's retirement.

Q133. CBSE 2024 · 6 marks Inder, Jonny and Kapil were partners in a firm sharing profits and losses in the ratio of 9 : 3 : 4. Their Balance Sheet as at 31st March, 2023 was as follows: Capitals - Inder ₹ 90,000, Jonny ₹ 75,000, Kapil ₹ 60,000; Fixed Assets ₹ 1,20,000, Stock ₹ 60,000, Debtors ₹ 1,00,000, Cash ₹ 35,000; General Reserve ₹ 80,000, Creditors ₹ 10,000. Kapil retired from the firm on 31st March, 2023 on the following terms: (i) Bad Debts amounting to ₹ 5,000 were to be written off. (ii) Fixed Assets were revalued at ₹ 96,000. (iii) Stock was undervalued by ₹ 29,000. (iv) Creditors were paid off. (v) Goodwill of the firm was valued at ₹ 80,000 and Kapil's share of goodwill was to be adjusted in the accounts of Inder and Jonny. (vi) New profit sharing ratio between Inder and Jonny was 3 : 2. Pass the necessary journal entries in the books of the firm on Kapil's retirement.

Q134. CBSE 2023 · 4 marks Sudhir, Deepak and Naveen were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022 their Balance Sheet showed: Sudhir died on 30th June, 2022. The partnership deed provided for: (i) Goodwill of the firm was to be valued at 221 years purchase of average profits of the previous four years which were ₹ 1,80,000. (ii) Stock was to be valued on the basis of sales. Sales for the year ended 31st March, 2022 amounted to ₹ 4,00,000 and that from 1st April, 2022 to 30th June, 2022 amounted ₹ 1,50,000. The profit for the year ended 31st March, 2022 was ₹ 1,00,000. (iii) Interest on capital was to be provided @ 7% p.a. Prepare Sudhir's capital account to settle the claim of his nominees.

Q135. CBSE 2023 · 6 marks (b) Reyansh, Aayushman and Sabhya were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2022 was as provided. Reyansh retired on the above date and it was agreed that: (i) Goodwill was valued at ₹ 12,00,000. (ii) Aayushman and Sabhya will share future profits in the ratio of 2 : 3. (iii) An unrecorded creditor of ₹ 40,000 will be taken into account. (iv) Debtors of ₹ 30,000 will be written off as bad debts. (v) Amount payable to Reyansh was to be transferred to his loan amount. Pass necessary journal entries for the above transactions in the books of the firm.Balance Sheet of Reyansh, Aayushman and Sabhya as at 31st March, 2022 Liabilities Amount < Assets Amount < Sundry Creditors 2,20,000 Cash 1,60,000 General Reserve 1,20,000 Debtors 1,80,000 Capitals: Less: Provision for Doubtful Debts 20,000 1,60,000 Reyansh 6,00,000 Stock 2,00,000 Aayushman 5,00,000 Machinery 6,00,000 Sabhya 3,00,000 14,00,000 Building 4,00,000 Patents 1,20,000 Profit and Loss A/c 1,00,000 17,40,000 17,40,000

Q136. CBSE 2023 · 6 marks Reyansh, Aayushman and Sabhya were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as at 31st March, 2022 was as under: Balance Sheet of Reyansh, Aayushman and Sabhya as at 31st March, 2022 Liabilities Amount ₹ | Assets Amount ₹ Sundry Creditors 2,20,000 | Cash 1,60,000 General Reserve 1,20,000 | Debtors 1,80,000 Capitals: | Less: Provision for Doubtful Debts 20,000 (1,60,000) Reyansh 6,00,000 | Stock 2,00,000 Aayushman 5,00,000 | Machinery 6,00,000 Sabhya 3,00,000 | Building 4,00,000 14,00,000 | Patents 1,20,000 | Profit and Loss A/c 1,00,000 17,40,000 | 17,40,000 Reyansh retired on the above date and it was agreed that: (i) Goodwill of the firm was valued at ₹ 12,00,000. (ii) Aayushman and Sabhya will share future profits in the ratio of 2 : 3. (iii) An unrecorded creditor of ₹ 40,000 will be taken into account. (iv) Debtors of ₹ 30,000 will be written off as bad debts. (v) Amount payable to Reyansh was to be transferred to his loan amount. Pass necessary journal entries for the above transactions in the books of the firm.

Q137. CBSE 2023 · 6 marks On the above date, Anita retired from the firm and the remaining partners decided to carry on the business. It was agreed to revalue the assets and reassess the liabilities as follows: (i) Goodwill of the firm was valued at ₹3,00,000. (ii) Land and Building was to be appreciated by ₹1,23,000. (iii) Bad debts amounted to ₹20,000. A provision for doubtful debts was to be maintained at 10% on debtors. (iv) Anita was paid ₹80,000 immediately by cheque. The balance amount was transferred to her loan account which was to be paid in two equal annual instalments along with interest @ 10% p.a. Prepare Revaluation Account and Partners Capital Accounts on Anita's retirement.Anita, Geeta and Sita were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2022 was as follow: Balance Sheet of Anita, Geeta and Sita as at 31st March, 2022. Liabilities - Capitals: Anita ₹2,00,000, Geeta ₹2,00,000, Sita ₹1,00,000, General Reserve ₹30,000, Creditors ₹5,00,000. Assets - Land and Building ₹4,80,000, Investments ₹1,20,000, Debtors ₹1,50,000 (Less Provision ₹10,000 = ₹1,40,000), Stock ₹1,20,000, Cash at Bank ₹1,70,000.

Q138. CBSE 2023 · 6 marks Trisha died on 31st July, 2022. According to the partnership deed, the executors of the deceased partner were entitled to: (i) Balance in capital account, (ii) Salary @ ₹15,000 per quarter. (iii) Share of goodwill calculated on the basis of twice the average of past three years' profit. (iv) Share of profits from the closure of the last accounting year till the date of death on the basis of last year's profit. Profits for 2019-20, 2020-21 and 2021-22 were ₹1,00,000, ₹2,00,000 and ₹1,50,000 respectively. (v) Trisha withdrew ₹20,000 on 1st May, 2022 for her personal use. Showing your working clearly, prepare Trisha's Capital Account to be rendered to her executors.Trisha, Anisha and Rishika were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2022 was as follows: Balance Sheet of Trisha, Anisha and Rishika as at 31st March, 2022. Liabilities - Capitals: Trisha ₹3,00,000, Anisha ₹2,00,000, Rishika ₹1,00,000, General Reserve ₹50,000, Creditors ₹50,000. Assets - Plant and Machinery ₹5,00,000, Stock ₹1,00,000, Debtors ₹60,000, Cash at Bank ₹40,000.

Q139. CBSE 2023 · 4 marks Prakash, Aakash and Vikas were partners in a business sharing profits in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2022 showed Liabilities: Creditors ₹ 2,00,000, General Reserve ₹ 1,00,000, Capitals: Prakash ₹ 1,20,000, Aakash ₹ 2,00,000, Vikas ₹ 80,000. Assets: Bank ₹ 40,000, Stock ₹ 60,000, Debtors ₹ 1,60,000, Investments ₹ 1,40,000, Furniture ₹ 70,000, Building ₹ 2,30,000. Total: ₹ 7,00,000. Vikas died on 30th September, 2022. On the death of a partner the partnership deed provided for the following: (i) Deceased partner will be entitled to his share of profit up to the date of death, calculated on the basis of the last year's profit. (ii) His share in the Goodwill of the firm, calculated on the basis of 3 years purchase of average profits of last four years. Profits for last four years ended 31st March were: 2018-19, ₹ 1,60,000; 2019-20, ₹ 1,00,000; 2020-21, ₹ 80,000 and 2021-22, ₹ 60,000. (iii) Drawings of the deceased partner up to the date of death were ₹ 20,000. (iv) Interest on capital was allowed @ 12% per annum. Prepare the Capital Account of Vikas showing amounts due to his successors.

Q140. CBSE 2023 · 6 marks (b) Anna, Bina and Teena were partners sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet on 31st March, 2022 showed Liabilities: Creditors ₹ 66,000, Bills Payable ₹ 59,000, Capitals: Anna ₹ 2,00,000, Bina ₹ 2,00,000, Teena ₹ 1,00,000 (5,00,000). Assets: Furniture ₹ 1,12,000, Stock ₹ 1,77,000, Debtors ₹ 2,80,000 (less provision for bad debts ₹ 7,000 = ₹ 2,73,000), Cash ₹ 63,000. Total: ₹ 6,25,000. On the above date, Anna retired on the following terms: (i) Goodwill of the firm was valued at ₹ 60,000 and Anna's share of goodwill was adjusted through the capital accounts of remaining partners. (ii) Furniture was depreciated by ₹ 10,000. (iii) Anna was to be paid through cash brought in by Bina and Teena in such a way as to make their capitals proportionate to their new profit sharing ratio of 1 : 1. Prepare Revaluation and Partners Capital Accounts.

Q141. CBSE 2023 · 4 marks Prakash, Aakash and Vikas were partners in a business sharing profits in the ratio of 2 : 2 : 1. Their Balance Sheet as at 31st March, 2022 was as follows: Balance Sheet of Prakash, Aakash and Vikas as at 31st March, 2022 with Liabilities: Creditors 2,00,000; General Reserve 1,00,000; Capitals - Prakash 1,20,000, Aakash 2,00,000, Vikas 80,000 (Total 4,00,000); Total 7,00,000. Assets: Bank 40,000; Stock 60,000; Debtors 1,60,000; Investments 1,40,000; Furniture 70,000; Building 2,30,000; Total 7,00,000. Vikas died on 30th September, 2022. On the death of a partner the partnership deed provided for: (i) Deceased partner will be entitled to his share of profit up to the date of death, calculated on the basis of last year's profit. (ii) His share in the Goodwill of the firm, calculated on the basis of 3 years purchase of average profits of last four years. Profits for last four years ended 31st March: 2018-19 ₹1,60,000; 2019-20 ₹1,00,000; 2020-21 ₹80,000 and 2021-22 ₹60,000. (iii) Drawings of the deceased partner up to the date of death were ₹ 20,000. (iv) Interest on capital was allowed @ 12% per annum. Prepare Vikas's Capital Account.

Q142. CBSE 2022 · 5 marks Vidit, Vinay and Siya were partners in a firm. On 31st March, 2021, their Balance Sheet showed: Creditors: ₹ 72,000; Bank Loan: ₹ 18,000; General Reserve: ₹ 18,000; Vidit's Capital: ₹ 48,000; Vinay's Capital: ₹ 16,000; Siya's Capital: ₹ 32,000; Cash: ₹ 28,000; Stock: ₹ 46,000; Debtors: ₹ 34,000; Building: ₹ 30,000; Plant and Machinery: ₹ 66,000. On the above date, Vinay retired and it was agreed that: (i) The value of stock will be reduced by ₹ 10,000. (ii) Plant and Machinery will be valued at ₹ 80,000. (iii) An amount of ₹ 4,500 included in creditors is not likely to be claimed. (iv) Debtors to be valued at ₹ 30,000. (v) Amount due to Vinay will be transferred to Vinay's Loan Account. Prepare Revaluation Account and Vinay's Capital Account.

Q143. CBSE 2022 · 5 marks X, Y and Z were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. On 31st March, 2022 their Balance Sheet was as follows: Balance Sheet of X, Y and Z as at 31st March, 2022 Liabilities Amount ₹ Assets Amount ₹ Sundry Creditors 34,000 Bank 1,74,000 Bills Payable 29,000 Sundry Debtors 2,00,000 General Reserve 2,00,000 Bills Receivable 26,000 Capitals: Stock 1,50,000 X 3,00,000 Furniture 1,28,000 Y 3,00,000 Machinery 2,00,000 Z 4,00,000 Land and Building 3,85,000 Total 10,00,000 Total 12,63,000 12,63,000 On the above date, Z retired on the following terms: (i) A provision of 3% on debtors will be created for bad and doubtful debts. (ii) Stock will be reduced by ₹ 5,000 and furniture by ₹ 2,000. (iii) Land and building will be brought up to ₹ 4,00,000 and machinery will be brought down to ₹ 1,80,000. Prepare Revaluation Account and Z's Capital Account, transferring the amount due to his loan account.

Q144. CBSE 2022 · 5 marks X, Y and Z were partners in a firm sharing profits and losses in the ratio of 3 : 3 : 4. On 31st March, 2022 their Balance Sheet was as follows: Balance Sheet of X, Y and Z as at 31st March, 2022 Liabilities Amount ₹ Assets Amount ₹. Sundry Creditors 34,000 Bank 1,74,000. Bills Payable 29,000 Sundry Debtors 2,00,000. General Reserve 2,00,000 Bills Receivable 26,000. Capitals: Stock 1,50,000. X 3,00,000 Furniture 1,28,000. Y 3,00,000 Machinery 2,00,000. Z 4,00,000 10,00,000 Land and Building 3,85,000. 12,63,000 12,63,000. On the above date, Z retired on the following terms: (i) A provision of 3% on debtors will be created for bad and doubtful debts. (ii) Stock will be reduced by ₹ 5,000 and furniture by ₹ 2,000. (iii) Land and building will be brought up to ₹ 4,00,000 and machinery will be brought down to ₹ 1,80,000. Prepare Revaluation Account and Z's Capital Account, transferring the amount due to his loan account.

CASE-BASED (1)

CASE STUDY · CBSE 2026

Radha, Shyam and Meera were partners in a firm sharing profits and losses equally. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Radha, Shyam and Meera as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Patents 1,80,000 Radha 4,00,000 Building 6,90,000 Shyam 4,00,000 Debtors 2,70,000 Meera 4,00,000 12,00,000 Stock 3,60,000 General Reserve 3,00,000 Bank 1,80,000 Creditors 1,80,000 16,80,000 16,80,000 Shyam retired from the firm on the above date on the following terms: (i) The new profit sharing ratio between the remaining partners was agreed at 3 : 2. (ii) The value of stock was to be reduced by ₹1,20,000. (iii) Patents were considered as valueless and hence were to be written off. (iv) Goodwill of the firm was valued at retirement. (v) Shyam was paid ₹1,00,000 immediately on his retirement and the balance was transferred to his loan account.

Q145. CBSE 2026 · 6 marks Radha, Shyam and Meera were partners in a firm sharing profits and losses equally. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Radha, Shyam and Meera as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Patents 1,80,000 Radha 4,00,000 Building 6,90,000 Shyam 4,00,000 Debtors 2,70,000 Meera 4,00,000 12,00,000 Stock 3,60,000 General Reserve 3,00,000 Bank 1,80,000 Creditors 1,80,000 16,80,000 16,80,000 Shyam retired from the firm on the above date on the following terms: (i) The new profit sharing ratio between the remaining partners was agreed at 3 : 2. (ii) The value of stock was to be reduced by ₹1,20,000. (iii) Patents were considered as valueless and hence were to be written off. (iv) Goodwill of the firm was valued at retirement. (v) Shyam was paid ₹1,00,000 immediately on his retirement and the balance was transferred to his loan account.

4 Dissolution of Partnership Firm

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (24)

Q1. CBSE 2026 · 1 mark On 31st March, 2025, the partnership between Hari and Om was dissolved. Hari was appointed to look after dissolution work for which he was allowed a commission of ₹9,700. He agreed to bear the dissolution expenses. The actual expenses of dissolution amounted to ₹8,900. The credit side of Realisation Account will be:

(a) ₹9,700 **(b)** ₹8,900 **(c)** ₹10,000 **(d)** Nil

Q2. CBSE 2026 · 1 mark On 31st March, 2025, the partnership between Hari and Om was dissolved. Hari was appointed to look after dissolution work for which he was allowed a commission of 9,700. He agreed to bear the dissolution expenses. The actual expenses of dissolution amounted to 8,900 which would be transferred to Realisation Account will be:

(a) 9,700 **(b)** 8,900 **(c)** 10,000 **(d)** Nil

Q3. CBSE 2026 · 1 mark Dinesh, Siddharth and Naina were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 31st March, 2025, they decided to dissolve the firm. On this date, the firm had debtors amounting to ₹2,10,000 and provision for doubtful debts of ₹20,000. On dissolution, debtors of ₹10,000 proved bad and the remaining debtors realised 90%. Amount realised from debtors will be:

(a) ₹1,71,000 **(b)** ₹2,00,000 **(c)** ₹1,80,000 **(d)** ₹1,89,000

Q4. CBSE 2026 · 1 mark Sushil and Sapna were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2025, the firm was dissolved. On the date of dissolution there existed a balance of ₹1,20,000 in sundry creditors account. The sundry creditors were payable after three months. They were paid immediately at a discount of 12% p.a. The amount paid to sundry creditors was:

(a) ₹1,20,000 **(b)** ₹1,23,600 **(c)** ₹1,16,400 **(d)** ₹1,34,400

Q5. CBSE 2026 · 1 mark On 31st March, 2025, the partnership between Hari and Om was dissolved. Hari was appointed to look after dissolution work for which he was allowed a commission of ₹9,700. He agreed to bear the dissolution expenses. The actual expenses of dissolution amounted to ₹8,900 which he paid. The credit entry in the Realisation Account will be :

(a) ₹9,700 **(b)** ₹8,900 **(c)** ₹10,000 **(d)** Nil

Q6. CBSE 2025 · 1 mark In the event of dissolution of a partnership firm, the order of payment of losses including deficiencies of capital shall be:

(a) (i) First out of profits, (ii) Next by the partners individually in their profit sharing ratio, (iii) Lastly, if necessary, out of capital of partners.

(b) (i) First out of capital of partners, (ii) Next out of profits, (iii) Lastly, if necessary, by the partners individually in their profit sharing ratio.

(c) (i) First by the partners individually in their profit sharing ratio, (ii) Next out of profits, (iii) Lastly, if necessary, out of capital of partners.

(d) (i) First out of profits, (ii) Next out of capital of partners, (iii) Lastly, if necessary, by the partners individually in their profit sharing ratio.

Q7. CBSE 2025 · 1 mark (a) Which of the following will not result in compulsory dissolution of a partnership firm?

(a) When all partners or all but one partner become insolvent.

(b) When the business of the firm becomes illegal.

(c) When some event has taken place which makes it unlawful for the partners to carry on the business of the firm in partnership.

(d) When a partner dies.

Q8. CBSE 2025 · 1 mark Sandhya and Suman were partners in a firm sharing profits and losses in the ratio of 3 : 5. They decided to dissolve the firm on 31st March, 2024. On the date of dissolution, the Balance Sheet of the firm showed a balance of 80,000 in sundry debtors and a balance of 5,000 in provision for bad debts account. How much amount will be transferred to Realisation Account to close Sundry Debtors Account?

(a) 75,000 **(b)** 85,000 **(c)** 80,000 **(d)** 90,000

Q9. CBSE 2025 · 1 mark On dissolution of a firm, there was an unrecorded asset of ₹15,000 which was taken over by a partner at ₹13,000. Realisation Account will be debited by:

(a) ₹15,000 **(b)** ₹28,000 **(c)** ₹2,000 **(d)** ₹13,000

Q10. CBSE 2025 · 1 mark On the dissolution of the partnership firm of Raman, Hari and Suresh, realisation expenses of ₹17,000 were paid by a debtor of ₹75,000 on behalf of the firm. The remaining amount was received from him along with interest of ₹2,000 for delayed payment. Realisation Account will be _____ by _____.

(a) debited, ₹17,000 **(b)** credited, ₹50,000
(c) debited, ₹77,000 **(d)** credited, ₹60,000

Q11. CBSE 2025 · 1 mark On 1st April, 2024, the Balance Sheet of Radha and Mohan showed a loan of ₹10,000 given by Mohan to the firm. The firm was dissolved on 30th April, 2024. In which of the following account will the loan be recorded in the dissolution process?

(a) Realisation Account **(b)** Bank Account
(c) Partner's Capital Account **(d)** Mohan's Loan Account

Q12. CBSE 2025 · 1 mark White, Shaun and Todd were partners in a firm sharing profits and losses equally. Todd advanced ₹1,00,000 to the firm. On dissolution, Todd's loan was transferred to Realisation account. The account credited to loan will be:

(a) Capital Account **(b)** Bank Account
(c) Realisation Account **(d)** Drawings Account

Q13. CBSE 2025 · 1 mark On the dissolution of the partnership firm of Raman, Hari and Suresh, realisation expenses ₹17,000 were paid by a debtor of ₹75,000 on behalf of the firm. The remaining amount was received from him along with interest of ₹2,000 for delayed payment. Realisation Account will be _____ by _____.

(a) debited, ₹17,000 **(b)** credited, ₹50,000
(c) debited, ₹77,000 **(d)** credited, ₹60,000

Q14. CBSE 2025 · 1 mark On 1st April, 2024, the Balance Sheet of Radha and Mohan showed a loan of ₹10,000 given by Mohan to the firm. The firm was dissolved immediately. The loan will be adjusted through which of the following account?

(a) Realisation Account **(b)** Mohan's Capital Account
(c) Mohan's Current Account **(d)** Bank Account

Q15. CBSE 2024 · 1 mark Aavya, Mitansh and Praveen were partners in a firm. On 31st March, 2023, the firm was dissolved. Creditors took over furniture of book value of ₹ 50,000 at ₹ 45,000 in part settlement of their amount of ₹ 60,000. The balance amount was paid to them through cheque. The amount paid through cheque will be:

(a) ₹ 10,000 **(b)** ₹ 50,000 **(c)** ₹ 45,000 **(d)** ₹ 15,000

Q16. CBSE 2024 · 1 mark At the time of dissolution of a firm, the total assets were ₹ 6,00,000 and outside liabilities were ₹ 2,40,000. If assets realised ₹ 7,20,000 and realisation expenses of ₹ 8,000 were paid, the profit or loss on realisation will be :

(a) Loss ₹ 1,20,000 **(b)** Profit ₹ 1,20,000 **(c)** Loss ₹ 1,12,000
(d) Profit ₹ 1,12,000

Q17. CBSE 2024 · 1 mark Assertion (A): The court does not intervene when dissolution of partnership takes place. Reason (R): Dissolution of partnership takes place by mutual agreement between the partners. Choose the correct option from the following :

(a) Both Assertion (A) and Reason (R) are correct and Reason (R) is the correct explanation of Assertion (A).
(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).
(c) Assertion (A) is incorrect, but Reason (R) is correct.
(d) Assertion (A) is correct, but Reason (R) is incorrect.

Q18. CBSE 2024 · 1 mark Lata, Mehu and Namita were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. They decided to dissolve the firm on 31st March, 2023. Creditors took over stock of book value of ₹ 80,000 at 80%, in part settlement of their amount of ₹ 90,000. The balance amount was paid to the creditors by cheque. The amount paid by cheque to the creditors will be:

(a) ₹ 26,000 **(b)** ₹ 64,000 **(c)** ₹ 80,000 **(d)** ₹ 1,44,000

Q19. CBSE 2023 · 1 mark Which of the following will be transferred to Realisation Account at the time of dissolution of firm?

(a) (i) and (iv) **(b)** (i), (ii) and (iv) **(c)** (i), (iii) and (iv)
(d) (i), (ii) and (iii)

Q20. CBSE 2023 · 1 mark On dissolution of the firm of Ramesh, Suresh and Naresh, Naresh had agreed to bear all realisation expenses for which he was paid ₹ 14,500. Actual expenses on realisation amounted to ₹ 11,000 which were paid by:

(a) ₹ 11,000 **(b)** ₹ 3,500 **(c)** ₹ 14,500 **(d)** ₹ 25,500

Q21. CBSE 2023 · 1 mark On dissolution of a partnership firm, furniture appearing in the Balance Sheet was ₹ 2,00,000. 50% of the furniture was taken over by a partner at ₹ 65,000 and balance 50% was sold at 20% less than the book value. The amount debited to bank account was:

(a) ₹ 1,45,000 **(b)** ₹ 80,000 **(c)** ₹ 65,000 **(d)** ₹ 1,85,000

Q22. CBSE 2023 · 1 mark On dissolution of the firm of Ramesh, Suresh and Naresh, Naresh had agreed to bear all realisation expenses for which he was paid ₹ 14,500. Actual expenses on realisation amounted to ₹ 11,000 which were paid by Naresh. The amount to be credited to Naresh's Capital Account will be:

(a) ₹ 11,000 **(b)** ₹ 3,500 **(c)** ₹ 14,500 **(d)** ₹ 25,500

Q23. CBSE 2023 · 1 mark Mehak and Ravish were partners in a firm. On dissolution of the firm, the loan given by Mehak to the firm was ₹ 30,000, by Ravish was ₹ 15,000, and by Mrs. Ravish was ₹ 10,000. The first payment will be made for: Ravish's Loan, Mrs. Ravish's Loan, Mehak's Loan in the ratio of their loan amount

(a) Mehak's Loan **(b)** Ravish's Loan **(c)** Mrs. Ravish's Loan
(d) Mehak's Loan and Ravish's Loan in the ratio of their loan amount

Q24. CBSE 2023 · 1 mark Mehak and Ravish were partners in a firm. On dissolution of the firm, the loan given by Mehak to the firm was ₹ 30,000, by Ravish was ₹ 15,000, and by Mrs. Ravish was ₹ 10,000. The first payment will be made for:

(a) Ravish's loan **(b)** Mehak's loan **(c)** Mrs. Ravish's loan **(d)** Mehak's and Ravish's loans in the ratio of their loan amounts

VERY SHORT ANSWER (1)

Q25. CBSE 2022 · 2 marks Pass the necessary journal entry on dissolution of a partnership firm if an unrecorded creditor of ₹ 40,000 was paid by a partner, Amar, at a discount of 10%.

SHORT ANSWER (5)

Q26. CBSE 2025 · 3 marks Lata and Dheeraj were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 31st March, 2024, the firm was dissolved. After transferring various assets (other than cash) and third-party liabilities to Realisation Account, the following transactions took place: (i) A debtor whose debt of 40,000 had been written off as bad, paid 37,000 in full settlement. (ii) Land and building was sold for 9,00,000 through a broker who charged 50,000 as commission. (iii) Creditors amounting to 36,000 were paid 33,000 in full settlement. Pass necessary journal entries for the above transactions in the books of Lata and Dheeraj.

Q27. CBSE 2025 · 3 marks Jain and Gupta were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 31st March, 2024, the firm was dissolved. After transferring various assets (other than cash ₹6,400) and the third-party liabilities to Realisation Account, the following transactions took place: (i) Debtors ₹80,000 were taken over by a debt collection agency at 10% discount. (ii) Creditors amounting to ₹40,000 were taken over by Jain. (iii) Realisation expenses amounted to ₹5,100, which were paid by Gupta. Pass necessary journal entries for the above transactions in the books of Jain and Gupta.

Q28. CBSE 2025 · 3 marks Jain and Gupta were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 31st March, 2024, the firm was dissolved. After transferring various assets (other than cash and ₹6,400) and the third-party liabilities to Realisation Account, the following transactions took place: (i) Debtors ₹80,000 were taken over by a debt collection agency at 10% discount. (ii) Creditors amounting to ₹40,000 were taken over by Jain. (iii) Realisation expenses amounted to ₹5,100, which were paid by Gupta. Pass necessary journal entries for the above transactions in the books of Jain and Gupta.

Q29. CBSE 2025 · 3 marks Piyush and Mita were partners in a firm sharing profits and losses in the ratio of 5 : 2. On 31st March, 2024, the firm was dissolved. After transferring various assets (other than cash) and third-party liabilities to Realisation Account, the following transactions took place. (i) Investments whose book value was ₹50,000 were realised at 70%. (ii) Unrecorded liabilities of ₹21,000 were paid. (iii) Piyush took over stock worth ₹78,000 at ₹65,000. Pass necessary journal entries for the above transactions in the books of Piyush and Mita.

Q30. CBSE 2023 · 4 marks Ravi, Kavi and Chand were partners sharing profits in the ratio of 5 : 3 : 2. On 31st March, 2022, their Balance Sheet was as follows: The firm was dissolved on the above date. (i) Land and Building and Stock were sold for ₹6,00,000. Debtors were realised at 10% less than the book value. (ii) Mrs. Chand loan was settled by giving her a computer of ₹22,000 not recorded in the books. (iii) Ravi paid off one of the creditors ₹20,000 in settlement of his amount of ₹30,000. (iv) Remaining creditors were paid in cash. Prepare Realisation Account.Balance Sheet of Ravi, Kavi and Chand as on 31st March, 2022: Liabilities - Sundry Creditors ₹70,000, Chand ₹20,000, Mrs. Chand Loan ₹20,000, Capitals: Ravi ₹4,00,000, Kavi ₹3,00,000, Chand ₹1,00,000. Assets - Land and Building ₹3,50,000, Stock ₹3,00,000, Debtors ₹2,00,000 (Less provision ₹10,000 = ₹1,90,000), Cash ₹70,000.

LONG ANSWER (40)

Q31. CBSE 2026 · 6 marks Sophia and Lalit were partners in a firm sharing profits and losses equally. Their firm was dissolved on 31st March, 2025. After transferring sundry assets (other than cash in hand and cash at bank) and the third party liabilities to the Realisation Account, the following transactions took place: (i) The firm had stock of the book value of ₹80,000. 50% of the stock was taken over by Sophia at 10% less than its book value and the remaining stock was sold at a gain of 15%. (ii) There was an unrecorded investment which was sold for ₹25,000. (iii) There were debtors of ₹1,20,000. Debtors realised 90% only and ₹5,000 were recovered for bad debts written off last year. (iv) Sophia had given a loan to the firm of ₹52,000. She was paid ₹41,000 in full settlement of her claim. (v) Creditors of ₹60,000 were paid at a discount of 5%. (vi) Expenses of realisation amounting to ₹7,000 were paid by Lalit. Pass necessary journal entries for the above transactions in the books of the firm.

Q32. CBSE 2026 · 6 marks Arhan and Kanak were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2025 was as follows: Capitals: Arhan ₹6,00,000; Kanak ₹8,00,000; Bank Loan ₹7,00,000; Creditors ₹13,00,000; Machinery ₹12,00,000; Investments ₹7,00,000; Debtors ₹10,00,000; Stock ₹4,00,000; Cash ₹1,00,000. The firm was dissolved on the above date and the following transactions took place: (i) 50% of the creditors were given stock in full settlement of their dues. Remaining creditors were settled at 20% discount. (ii) Investments were taken over by Kanak at ₹8,40,000. (iii) Debtors realized ₹8,50,000 and machinery was sold at 70% of book value. (iv) Realisation expenses amounted to ₹1,20,000 which were paid by Arhan. Prepare Realisation Account and Partners' Capital Accounts.

Q33. CBSE 2026 · 6 marks Saket and Suveni were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Saket and Suveni as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Machinery 15,00,000 Saket 12,00,000 Investments 8,00,000 Suveni 8,00,000 20,00,000 Debtors 10,00,000 Stock 4,00,000 Bank Overdraft 8,00,000 Cash in hand 3,00,000 Creditors 12,00,000 40,00,000 40,00,000 The firm was dissolved on the above date and the following transactions took place: (i) 40% of the creditors were given stock in full settlement of their dues. Remaining creditors were settled at 20% discount. (ii) Investments were taken over by Suveni at ₹12,00,000. (iii) Debtors realised ₹8,00,000. (iv) Machinery was realised at 10% discount. (v) Suveni agreed to bear the realisation expenses for a remuneration of ₹20,000. Prepare Realisation Account.

Q34. CBSE 2026 · 6 marks Jhalak and Arsh were partners in a firm sharing profits and losses equally. Their Balance Sheet as at 31st March, 2025 was as follows: Balance Sheet of Jhalak and Arsh as at 31st March, 2025 Liabilities Amount (₹) Assets Amount (₹) Capitals: Machinery 12,00,000 Jhalak 8,00,000 Investments 8,00,000 Arsh 12,00,000 20,00,000 Debtors 15,00,000 s Loan 5,00,000 Stock 5,00,000 Creditors 13,00,000 Cash at bank 5,00,000 7,00,000 45,00,000 45,00,000 The firm was dissolved on the above date and the following transactions took place: (i) Debtors were taken over by Creditors in full settlement of their account. (ii) (iii) Investments were taken over by Arsh at 90% of book value. (iv) Machinery was realised at 20% discount. (v) 50% of the stock was sold at a profit of 20% and the balance was taken over by Jhalak at 10% discount. (vi) Realisation expenses were ₹20,000 which were paid by Jhalak. Prepare Realisation Account.

Q35. CBSE 2025 · 6 marks Lalit and Madan were partners in a firm sharing profits and losses in the ratio of 7 : 3. On 31st March, 2024 their firm was dissolved. After transferring sundry assets (other than cash) and third party liabilities to Realisation Account, the following transactions took place: (i) The firm had stock of 2,00,000. 40% of this stock was taken over by a creditor of 1,00,000 in full settlement of his claim. The remaining stock was sold at a loss of 10%. (ii) The remaining creditors were paid 2,10,000. (iii) Plant and Machinery of 5,00,000 were accepted by Mrs. Madan against the settlement of her loan of 5,40,000. (iv) Debtors of 3,50,000 were sold to a debt collection agency who charged a commission of 25,000. (v) Investments of 1,00,000 were taken over by the partners in their profit sharing ratio. (vi) Expenses of dissolution were 8,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q36. CBSE 2025 · 6 marks Rishi, Manu and Komal were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 5. On 31st March, 2024 their firm was dissolved. After transferring sundry assets (other than cash in hand and cash at bank) and third party liabilities to realisation account, the following transactions took place: (i) A creditor of ₹ 2,00,000 took over an old machine for ₹ 70,000 that had been completely written off and his balance was settled at a discount of 10%. (ii) Remaining creditors of ₹ 8,00,000 agreed to take over stock of ₹ 6,00,000 in full settlement of their claim. (iii) The remaining stock of ₹ 3,00,000 was sold at a loss of 30%. (iv) Dissolution expenses amounting to ₹ 90,000 were paid by Komal. (v) Saransh, an old customer whose account for ₹ 40,000 was written off as bad debt in the previous year, paid ₹ 36,000. (vi) Loss on dissolution amounted to ₹ 2,40,000. Pass necessary journal entries for the above transactions to close the books of Rishi, Manu and Komal at the time of dissolution of the firm.

Q37. CBSE 2025 · 6 marks Tushar, Mehta and Ghosh were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 4. On 31st March, 2024 their firm was dissolved. After transferring sundry assets (other than cash in hand and cash at bank) and external liabilities to realisation account, the following transactions took place: (i) There was a debit balance of ₹77,000 in the profit and loss account, which was transferred to the capital accounts of the partners. (ii) The firm had investments of ₹4,00,000 whose market price was ₹4,20,000. The investments were taken over by the partners in their profit sharing ratio at market price. (iii) The book value of the debtors was ₹8,00,000 and the provision for bad debts was ₹40,000. Debtors were realised at 90% of the book value and a debtor of ₹5,000 which had been previously written off as bad debt paid the full amount. (iv) Ram Lal, a creditor of ₹2,00,000 took over furniture of book value of ₹2,50,000 in full settlement of his claim. The remaining creditors allowed a discount of 10% on their claim of ₹2,20,000. (v) Expenses on realisation amounted to ₹50,000 which were paid by the firm. (vi) Gain on realisation amounted to ₹42,000. Pass necessary journal entries for the above transactions in the books of the firm.

Q38. CBSE 2025 · 6 marks Raja, Rajan and Rajani were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2024, their Balance Sheet was as follows: Liabilities - Capitals: Raja ₹3,00,000, Rajan ₹4,00,000, Rajani ₹5,00,000 (Total ₹12,00,000); General Reserve ₹1,60,000; Creditors ₹80,000; Bills Receivable ₹3,00,000; R ₹1,90,000; Outstanding Wages ₹10,000; Total ₹19,40,000. Assets - Land and Building ₹9,00,000; Plant and Machinery ₹6,00,000; Furniture ₹1,20,000; Debtors ₹80,000 Less: Provision for doubtful debts ₹8,000 (₹72,000); Bills Receivable ₹18,000; Stock ₹1,00,000; Bank ₹1,30,000; Total ₹19,40,000. On 31st March, 2024, the firm was dissolved. Assets were realised and liabilities were paid off as follows: (i) Land and Building was sold for ₹20,00,000. (ii) Plant and Machinery realised ₹40,000 less than their book value and furniture was taken over by the creditors in full settlement of their account. (iii) Debtors and Bills Receivable realised ₹90,000. (iv) 60% of the stock was taken over by Raja at 90% of the book value and the remaining stock realised at ₹44,000. (v) Outstanding wages were paid in full. (vi) Bank overdraft of ₹10,000 was settled. (vii) Realisation expenses were ₹8,000. Prepare Realisation Account.

Q39. CBSE 2025 · 6 marks Raja, Rajan and Rajani were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Raja, Rajan and Rajani as at 31st March, 2024. Liabilities: Capitals - Raja 3,00,000, Rajan 4,00,000, Rajani 5,00,000 (Total 12,00,000); General Reserve 1,60,000; Creditors 80,000; Bills Receivable 18,000; Rent Payable 3,00,000; Machinery Loan 1,90,000; Outstanding Wages 10,000. Assets: Land and Building 9,00,000; Plant and Machinery 6,00,000; Furniture 1,20,000; Debtors 80,000 Less: Provision for doubtful debts 8,000 (Net 72,000); Bills Receivable 18,000; Stock 1,00,000; Bank 1,30,000. Total: 19,40,000. On the above date, the firm was dissolved. Assets were realised and liabilities were paid off as follows: (i) Land and Building was sold for 20,00,000. (ii) Plant and Machinery realised 40,000 less than their book value and furniture was taken over by the creditors in full settlement of their account. (iii) Debtors and Bills Receivable realised 90,000. (iv) 60% of the stock was taken over by Raja at 90% of the book value and the remaining stock realised at 44,000. (v) Outstanding wages were paid in full. (vi) Rent payable was paid off at 10,000. (vii) Realisation expenses were 8,000. Prepare Realisation Account.

Q40. CBSE 2025 · 6 marks Manav and Namit were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Manav and Namit as at 31st March, 2024 Liabilities Amount (₹) Assets Amount (₹) Capitals: Machinery 8,00,000 Manav 4,00,000 Investments 5,00,000 Namit 6,00,000 10,00,000 Debtors 12,00,000 Bank Overdraft 9,00,000 Stock 3,00,000 Creditors 10,00,000 Cash in Hand 1,00,000 29,00,000 29,00,000 The firm was dissolved on the above date and the following transactions took place: (i) Stock was given to creditors in full settlement of their account. (ii) Investments were taken over by Manav at 120% of book value. (iii) Bad debts amounted to ₹2,00,000. (iv) Machinery was realised at 50% discount. (v) Realisation expenses amounted to ₹1,00,000 which were paid by Namit. Prepare Realisation Account.

Q41. CBSE 2025 · 6 marks Rishika and Shivika were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2024 stood as follows: Balance Sheet of Rishika and Shivika as at 31st March, 2024 Liabilities Amount (₹) Assets Amount (₹) Capitals: Equipment 45,00,000 Rishika 30,00,000 Investments 5,00,000 Shivika 20,00,000 50,00,000 Debtors 35,00,000 Reserves Fund 5,00,000 Stock 8,00,000 Creditors 40,00,000 Cash at Bank 2,00,000 95,00,000 95,00,000 The firm was dissolved on the above date and the following transactions took place: (i) Equipments were given to creditors in full settlement of their account. (ii) Investments were sold at a profit of 20% on its book value. (iii) Full amount was collected from debtors. (iv) Stock was taken over by Rishika at 50% discount. (v) Actual expenses of realisation amounted to ₹2,00,000 which were paid by the firm. Prepare Realisation Account.

Q42. CBSE 2025 · 6 marks Madhavan, Chatterjee and Pillai were partners in a firm sharing profits and losses in ratio of 2 : 1 : 2. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Madhavan, Chatterjee and Pillai as at 31st March, 2024. Liabilities: Creditors ₹1,10,000, Outstanding Expenses ₹17,000, General Reserve ₹2,00,000, Provisions ₹1,70,000, Capitals - Madhavan ₹2,00,000, Chatterjee ₹1,00,000, Pillai ₹2,00,000. Assets: Cash at Bank ₹4,05,000, Stock ₹2,20,000, Debtors ₹95,000, Provision for Doubtful Debts ₹5,000, Land and Building ₹1,82,000, Plant and Machinery ₹1,00,000. On the above date, the firm was dissolved and the following transactions took place: (i) Debtors were taken over by the creditors in full settlement of their account. (ii) Stock realised ₹2,50,000. (iii) 50% of the stock was taken over by Chatterjee at 10% less than the book value. The remaining stock was sold at a profit of 20%. (iv) Land and Building was taken over by Pillai for ₹10,00,000 and Plant and Machinery was sold as scrap for ₹20,000. (v) Realisation expenses ₹17,000 were paid by cheque. Prepare Realisation Account.

Q43. CBSE 2025 · 6 marks Madhur and Neeraj were partners in a firm sharing profits and losses in the ratio of 3 : 2. The Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Madhur and Neeraj as at 31st March, 2024 Liabilities Amount (₹) Assets Amount (₹) Capitals: Madhur 9,00,000 Machinery 7,00,000 Neeraj 8,00,000 17,00,000 Investments 4,00,000 Creditors 6,00,000 Debtors 11,00,000 Bills Payable 2,00,000 Stock 2,00,000 Cash at Bank 1,00,000 25,00,000 25,00,000 The firm was dissolved on the above date and the following transactions took place: (i) Machinery was taken over by creditors in full settlement of their account. (ii) Investments were taken over by Neeraj at ₹5,00,000. (iii) One of the debtors of ₹1,00,000 was untraceable. Remaining debtors were realised at 10% less. (iv) Stock was taken over by Madhur at 50% discount. (v) Realisation expenses amounting to ₹1,00,000 were paid by Madhur. Prepare Realisation Account.

Q44. CBSE 2025 · 6 marks Manav and Namit were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2024 was as follows: Balance Sheet of Manav and Namit as at 31st March, 2024 - Liabilities: Capitals (Manav ₹4,00,000, Namit ₹6,00,000) ₹10,00,000, Bank Overdraft ₹9,00,000, Creditors ₹10,00,000; Assets: Machinery ₹8,00,000, Investments ₹5,00,000, Debtors ₹12,00,000, Stock ₹3,00,000, Cash in Hand ₹1,00,000. The firm was dissolved on the above date and the following transactions took place: (i) Stock was given to creditors in full settlement of their account. (ii) Investments were taken over by Manav at 120% of book value. (iii) Bad debts amounted to ₹2,00,000. (iv) Machinery was realised at 50% discount. (v) Realisation expenses amounted to ₹1,00,000 which were paid by Namit. Prepare Realisation Account.

Q45. CBSE 2025 · 6 marks Rishika and Shivika were partners in a firm sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as at 31st March, 2024 showed: Capitals: Rishika ₹30,00,000, Shivika ₹20,00,000; Loan ₹5,00,000; Creditors ₹40,00,000. Assets: Equipment ₹45,00,000, Investments ₹5,00,000, Debtors ₹35,00,000, Stock ₹8,00,000, Cash ₹2,00,000. The firm was dissolved on the above date and the following transactions took place: (i) Equipments were given to creditors in full settlement of their account. (ii) Investments were sold at a profit of 20% on its book value. (iii) Full amount was collected from debtors. (iv) Stock was taken over by Rishika at 50% discount. (v) Actual expenses of realisation amounted to ₹2,00,000 which were paid by the firm. Prepare Realisation Account.

Q46. CBSE 2025 · 6 marks Madhavan, Chatterjee and Pillai were partners in a firm sharing profits and losses in ratio of 2 : 1 : 2. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Madhavan, Chatterjee and Pillai as at 31st March, 2024 Liabilities - Creditors ₹1,10,000, Outstanding Expenses ₹17,000, Loan ₹2,00,000 (Total Liabilities ₹3,27,000), Reserve ₹1,70,000, Capitals - Madhavan ₹2,00,000, Chatterjee ₹1,00,000, Pillai ₹2,00,000 (Total ₹5,00,000). Assets - Cash at Bank ₹4,05,000, Stock ₹2,20,000, Debtors ₹95,000, Less: Provision for Doubtful Debts ₹5,000 (Net ₹90,000), Land and Building ₹1,82,000, Plant and Machinery ₹1,00,000. Total ₹9,97,000. On the above date, the firm was dissolved and the following transactions took place: (i) Debtors were taken over by the creditors in full settlement of their account. (ii) Cash at Bank received ₹4,05,000. (iii) 50% of the stock was taken over by Chatterjee at 10% less than the book value. The remaining stock was sold at a profit of 20%. (iv) Land and Building was taken over by Pillai for ₹10,00,000 and Plant and Machinery was sold as scrap for ₹20,000. (v) Realisation expenses ₹17,000 were paid by cheque. Prepare Realisation Account.

Q47. CBSE 2025 · 6 marks Dev, Santosh and Arti were partners in a firm sharing profits and losses in the ratio of 1 : 2 : 2. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Dev, Santosh and Arti as at 31st March, 2024. Liabilities: Capitals - Dev ₹2,00,000, Santosh ₹4,00,000, Arti ₹4,00,000. Current Liabilities: Creditors ₹2,20,000, Outstanding Salary ₹34,000. Assets: Plant and Machinery ₹8,00,000, Land and Building ₹3,64,000, Debtors ₹1,90,000, Less: Provision for Doubtful Debts ₹10,000 (₹1,80,000), Stock ₹4,40,000, Cash at Bank ₹2,10,000. On the above date the firm was dissolved and the following transactions took place: (i) Debtors were taken over by the creditors in full settlement of their account. (ii) Stock was taken over by Govind at book value. (iii) 50% of the stock was taken over by Santosh at 10% less than the book value. The remaining stock was sold at a profit of 20%. (iv) Land and Building was taken over by Arti for ₹10,00,000 and Plant and Machinery was sold as scrap for ₹1,70,000. (v) Realisation expenses were ₹40,000. Prepare Realisation Account.

Q48. CBSE 2025 · 6 marks Raja, Rajan and Rajani were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2024, their Balance Sheet was as follows: Balance Sheet of Raja, Rajan and Rajani as at 31st March, 2024 Liabilities: Capitals: Raja ₹3,00,000, Rajan ₹4,00,000, Rajani ₹5,00,000 (Total ₹12,00,000), General Reserve ₹1,60,000, Creditors ₹80,000, Bills Receivable ₹18,000, Outstanding Wages ₹10,000. Total ₹19,40,000. Assets: Land and Building ₹9,00,000, Plant and Machinery ₹6,00,000, Furniture ₹1,20,000, Debtors ₹80,000 Less: Provision for doubtful debts ₹8,000 (Net ₹72,000), Stock ₹1,00,000, Bank ₹1,30,000. Total ₹19,40,000. On the above date, the firm was dissolved. Assets were realised and liabilities were paid off as follows: (i) Land and Building was sold for ₹20,00,000. (ii) Plant and Machinery realised ₹40,000 less than their book value and furniture was taken over by the creditors in full settlement of their account. (iii) Debtors and Bills Receivable realised ₹90,000. (iv) 60% of the stock was taken over by Raja at 90% of the book value and the remaining stock realised at ₹44,000. (v) Outstanding wages were paid in full. (vi) Bank loan of ₹10,000 was paid. (vii) Realisation expenses were ₹8,000. Prepare Realisation Account.

Q49. CBSE 2024 · 4 marks Archana, Vandana and Arti were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet on 31st March, 2023 was as follows: Balance Sheet of Archana, Vandana and Arti as at 31st March, 2023. Liabilities: Capitals - Archana ₹ 80,000, Vandana ₹ 70,000, Arti ₹ 60,000 (Total ₹ 2,10,000); General Reserve ₹ 30,000; Creditors ₹ 60,000; Total ₹ 3,00,000. Assets: Investments ₹ 80,000; Plant ₹ 1,00,000; Stock ₹ 40,000; Debtors ₹ 50,000; Cash at Bank ₹ 30,000; Total ₹ 3,00,000. The firm was dissolved on the above date. (i) Assets were realised as follows: Debtors ₹ 40,000; Stock ₹ 50,000; Plant ₹ 60,000. (ii) 25% of the Investments were taken over by Vandana at ₹ 18,000. Remaining Investments were taken over by Archana at 10% less than its book value. (iii) Expenses of realisation ₹ 20,000 were paid by Arti. Prepare Realisation Account.

Q50. CBSE 2024 · 4 marks Archana, Vandana and Arti were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet on 31st March, 2023 showed: Capitals - Archana ₹ 80,000, Vandana ₹ 70,000, Arti ₹ 60,000 (Total ₹ 2,10,000); General Reserve ₹ 30,000; Creditors ₹ 60,000; Investments ₹ 80,000; Plant ₹ 1,00,000; Stock ₹ 40,000; Debtors ₹ 50,000; Cash at Bank ₹ 30,000. The firm was dissolved on the above date. Assets were realised as follows: Debtors ₹ 40,000, Stock ₹ 50,000, Plant ₹ 60,000. 25% of the Investments were taken over by Vandana at ₹ 18,000. Remaining Investments were taken over by Archana at 10% less than its book value. Expenses of realisation ₹ 20,000 were paid by Arti. Prepare Realisation Account.

Q51. CBSE 2024 · 6 marks Nandu, Bandu and Chandu were partners in a firm. On 31st March, 2023 they decided to dissolve the firm. Pass necessary journal entries for the following transactions after the various assets (other than cash and bank) and outside liabilities have been transferred to Realisation Account: (i) Stock of ₹ 1,40,000 was taken by Nandu at a discount of 30%. (ii) Creditors to whom the firm owed ₹ 40,000 accepted stock at ₹ 4,000 and the balance amount was paid to them by a cheque. (iii) An old computer which had been written off completely from the books was sold for ₹ 4,000, whereas its estimated market value was ₹ 10,000. (iv) Chandu had given a loan of ₹ 1,00,000 to the firm, which was paid to him through a cheque. (v) ₹ 24,000 were recovered from a debtor which was written off as bad debt in the previous year. (vi) Bandu was appointed to look after the dissolution work for which he was allowed a remuneration of ₹ 26,000. Bandu agreed to bear the dissolution expenses. Actual dissolution expenses of ₹ 36,000 were paid by Bandu.

Q52. CBSE 2024 · 6 marks Rishan, Suzane and Tapti were partners in a firm sharing profits and losses equally. On 31st March, 2023 their Balance Sheet was as follows: Liabilities Amount (₹) Assets Amount (₹) Creditors 60,000 Cash at Bank 25,000 General Reserve 60,000 Debtors 40,000 Capital: Stock 60,000 Rishan 1,25,000 Investments 80,000 Suzane 1,05,000 Plant and Equipment 2,00,000 Tapti 55,000 Total: 2,85,000 Total: 4,05,000 Total: 4,05,000. On the above date, the firm was dissolved on the following terms: (i) Plant and Equipment were realised at 10% less than the book value. (ii) Debtors were realised at book value. (iii) Investments were taken over by Suzane at ₹ 1,00,000. (iv) Tapti took over 50% of the stock at ₹ 36,000. The remaining stock was sold for ₹ 19,000. (v) Expenses of realisation amounted to ₹ 20,000 which were paid by Rishan. Prepare Realisation Account.

Q53. CBSE 2024 · 6 marks David, Eden and Flora were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2023, their Balance Sheet was as follows: Liabilities: Capital (David ₹ 6,00,000, Eden ₹ 6,00,000, Flora ₹ 6,00,000), General Reserve ₹ 3,00,000, Bills Payable ₹ 1,00,000. Assets: Fixed Assets ₹ 10,00,000, Investments ₹ 5,00,000, Stock ₹ 3,00,000, Bills Receivable ₹ 2,00,000, Cash at Bank ₹ 2,00,000. On the above date, the firm was dissolved on the following terms: (i) Fixed Assets were realised at 15% less than the book value. (ii) Trade Receivables were realised at book value. (iii) Investments were taken over by Flora at ₹ 6,00,000. (iv) David took over 50% of the stock at ₹ 1,80,000. The remaining stock was taken over by Eden at ₹ 95,000. (v) Expenses of realisation amounted to ₹ 25,000 and were paid by Flora. Prepare Realisation Account.

Q54. CBSE 2024 · 6 marks Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Sharma and Verma after the various assets (other than cash and bank balance) and outside liabilities have been transferred to Realisation Account: (i) Sharma paid creditors ₹ 34,000 in full settlement of their claim of ₹ 40,000. (ii) Verma agreed to assume his wife's loan of ₹ 80,000. (iii) There was an old typewriter which had been written off completely from the books. It was estimated to realise ₹ 3,000. It was taken away by Verma at the estimated price less 20%. (iv) Neelu, an old customer whose account for ₹1,500 was written off as bad debt in the previous year, paid 80% of the amount. (v) Dissolution expenses amounting to ₹ 8,000 were paid by Sharma. (vi) Loss on realisation ₹ 40,000 was to be distributed between Sharma and Verma in their profit sharing ratio 3 : 2.

Q55. CBSE 2024 · 4 marks Archana, Vandana and Arti were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet on 31st March, 2023 was as follows: Liabilities - Capitals: Archana ₹ 80,000, Vandana ₹ 70,000, Arti ₹ 60,000 (Total 2,10,000); General Reserve ₹ 30,000; Creditors ₹ 60,000 (Total 3,00,000). Assets - Investments ₹ 80,000; Plant ₹ 1,00,000; Stock ₹ 40,000; Debtors ₹ 50,000; Cash at Bank ₹ 30,000 (Total 3,00,000). The firm was dissolved on the above date. (i) Assets were realised as follows: Debtors ₹ 40,000; Stock ₹ 50,000; Plant ₹ 60,000. (ii) 25% of the Investments were taken over by Vandana at ₹ 18,000. Remaining Investments were taken over by Archana at 10% less than its book value. (iii) Expenses of realisation ₹ 20,000 were paid by Arti. Prepare Realisation Account.

Q56. CBSE 2024 · 6 marks Pass the necessary journal entries for the following transactions on the dissolution of the partnership firm of Manish and Nikhil after various assets (other than cash and bank balance) and outside liabilities have been transferred to Realisation Account. Manish and Nikhil were sharing profits and losses in the ratio of 5 : 1. (i) Manish agreed to pay a loan of ₹ 50,000. (ii) An old vehicle which had been written off completely from the books was sold for ₹ 45,000 whereas its estimated market value was ₹ 58,000. (iii) Nikhil took over stock worth ₹ 75,000 at ₹ 69,000. (iv) Creditors worth ₹ 90,000 accepted ₹ 15,000 cash and stock ₹ 80,000 in full settlement of their claims. (v) Realisation expenses amounting to ₹ 18,000 were paid by Manish. (vi) Profit on realisation ₹ 36,000 was to be distributed between Manish and Nikhil.

Q57. CBSE 2024 · 6 marks Abhay, Bikram and Chris were partners in a firm sharing profits and losses equally. They decided to dissolve their partnership firm on 31st March, 2023. Their Balance Sheet on the date of dissolution was as follows: Capitals - Abhay ₹ 68,000, Bikram ₹ 1,00,000, Chris ₹ 77,000; Plant and Machinery ₹ 80,000, Furniture ₹ 45,000, Motor Car ₹ 1,25,000, Stock ₹ 30,000, Debtors ₹ 70,000, Cash at Bank ₹ 15,000; Creditors ₹ 1,20,000. The following information is available: (i) Plant and Machinery was taken over by Abhay at an agreed valuation of ₹ 75,000. (ii) Furniture realised ₹ 40,000. (iii) Motor car was taken over by Bikram for ₹ 1,30,000. (iv) Debtors realised 10% less. (v) 10% of the stock was taken over by Chris for ₹ 4,500. The remaining stock was sold for ₹ 30,000. (vi) Realisation expenses amounted to ₹ 5,000. Prepare Realisation Account.

Q58. CBSE 2024 · 6 marks Nandu, Bandu and Chandu were partners in a firm. On 31st March, 2023 they decided to dissolve the firm. Pass necessary journal entries for the following transactions after the various assets (other than cash and bank) and outside liabilities have been transferred to Realisation Account: (i) Stock of ₹ 1,40,000 was taken by Nandu at a discount of 30%. (ii) Creditors to whom the firm owed ₹ 40,000 accepted stock at ₹ 4,000 and the balance amount was paid to them by a cheque. (iii) An old computer which had been written off completely from the books was sold for ₹ 4,000, whereas its estimated market value was ₹ 10,000. (iv) Chandu had given a loan of ₹ 1,00,000 to the firm, which was paid to him through a cheque. (v) ₹ 24,000 were recovered from a debtor which was written off as bad debt in the previous year. (vi) Bandu was appointed to look after the dissolution work for which he was allowed a remuneration of ₹ 26,000. Bandu agreed to bear the dissolution expenses. Actual dissolution expenses of ₹ 36,000 were paid by Bandhu.

Q59. CBSE 2023 · 6 marks Aadish and Shreyansh were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2022 their Balance Sheet was provided. The firm was dissolved on 31st March, 2022 on the following terms: (i) Debtors realised ₹ 17,000 and plant realised 10% more than the book value. (ii) Shreyansh Loan of ₹ 30,000 was paid off in full. (iii) Shreyansh took away half of the investments at a discount of 10%. Remaining investments realised ₹ 4,500. (iv) Creditors were paid off at a discount of 10%. (v) Expenses of realisation amounted to ₹ 7,000. Prepare Realisation Account.

Q60. CBSE 2023 · 6 marks Aadish and Shreyansh were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2022 their Balance Sheet was as provided. The firm was dissolved on 31st March, 2022 on the following terms: (i) Debtors realised ₹ 17,000 and plant realised 10% more than the book value. (ii) Aadish Loan was settled by paying ₹ 20,000. (iii) Shreyansh took away half of the investments at a discount of 10%. Remaining investments realised ₹ 4,500. (iv) Creditors were paid off at a discount of 10%. (v) Expenses of realisation amounted to ₹ 7,000. Prepare Realisation Account.Balance Sheet of Aadish and Shreyansh as at 31st March, 2022 Liabilities Amount < Assets Amount < Creditors 90,000 Cash at Bank 20,000 Aadish Loan 30,000 Stock 24,000 Shreyansh Loan 30,000 Investments 30,000 General Reserve 45,000 Debtors 20,000 Capitals: Less: Provision for Doubtful Debts 2,000 18,000 Aadish 1,00,000 Plant 1,00,000 Shreyansh 97,000 1,97,000 Advertisement Suspense account 2,00,000 3,92,000 3,92,000

Q61. CBSE 2023 · 6 marks Pass the necessary journal entries for the following transactions on dissolution of the firm of Varun and Vivek after various assets (other than cash) and outside liabilities were transferred to Realisation Account: (i) Varun paid creditors ₹ 18,500 in full settlement of their claim of ₹ 20,000. (ii) Vivek agreed to pay his wife's loan of ₹ 70,000. (iii) The firm had unrecorded investments of ₹ 2,00,000, which were sold at a loss of 20%. (iv) The firm had stock of ₹ 1,00,000. Varun took over the stock at a discount of 10%. (v) Reema, a debtor whose account for ₹ 2,000 was written off as a bad debt in the previous year, paid 70% of the amount. (vi) Expenses of realisation ₹ 4,900 were paid by partner, Vivek.

Q62. CBSE 2023 · 6 marks Pass the necessary journal entries for the following transactions on dissolution of the firm of Kartik and Karan after various assets (other than cash) and outside liabilities have been transferred to Realisation Account: (i) Kartik had given a loan of ₹ 12,000 to the firm which was duly paid. (ii) Profit and Loss Account was showing a debit balance of ₹ 15,000 on the date of dissolution. (iii) Creditors to whom the firm owed ₹ 24,000 accepted stock of ₹ 23,000 in full settlement. (iv) A machine which was not recorded in the books of the firm was taken over by Karan at ₹ 31,000. (v) Kartik agreed to pay his brother's loan of ₹ 16,000. (vi) Furniture of ₹ 60,000 was sold at a profit of 10%.

Q63. CBSE 2023 · 4 marks Ravi, Kavi and Chand were partners sharing profits in the ratio of 5 : 3 : 2. On 31st March, 2022, their Balance Sheet was as stated. The firm was dissolved on the above date. (i) Land and Building and Stock were sold for ₹ 6,00,000. Debtors were realised at 10% less than the book value. (ii) Mrs. Chand loan was settled by giving her a computer of ₹ 22,000 not recorded in the books. (iii) Ravi paid off one of the creditors ₹ 20,000 in settlement of his amount of ₹ 30,000. (iv) Remaining creditors were paid in cash. Prepare Realisation Account.Balance Sheet of Ravi, Kavi and Chand as on 31st March, 2022 Liabilities Amount ₹ Assets Amount ₹ Sundry Creditors 70,000 Land and Building 3,50,000 Chand 20,000 Stock 3,00,000 Mrs. Chand Loan 20,000 Debtors 2,00,000 Capitals: Less provision 10,000 1,90,000 Ravi 4,00,000 Cash 70,000 Kavi 3,00,000 Chand 1,00,000 8,00,000 9,10,000 9,10,000

Q64. CBSE 2023 · 6 marks Aadish and Shreyansh were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 31st March, 2022 their Balance Sheet was as follows: Balance Sheet of Aadish and Shreyansh as at 31st March, 2022 Liabilities Amount ₹ | Assets Amount ₹ Creditors 90,000 | Cash at Bank 20,000 Aadish Loan 30,000 | Stock 24,000 Shreyansh Loan 30,000 | Investments 30,000 General Reserve 45,000 | Debtors 20,000 Capitals: | Less: Provision for Doubtful Debts 2,000 (18,000) Aadish 1,00,000 | Plant 1,00,000 Shreyansh 97,000 | Advertisement Suspense account 2,00,000 1,97,000 | 3,92,000 | 3,92,000 The firm was dissolved on 31st March, 2022 on the following terms: (i) Debtors realised ₹ 17,000 and plant realised 10% more than the book value. (ii) Aadish promised to pay his loan and stock was sold for ₹ 20,000. (iii) Shreyansh took away half of the investments at a discount of 10%. Remaining investments realised ₹ 4,500. (iv) Creditors were paid off at a discount of 10%. (v) Expenses of realisation amounted to ₹ 7,000. Prepare Realisation Account.

Q65. CBSE 2023 · 6 marks Pass necessary journal entries for the following transactions on the dissolution of a firm after various assets (other than cash) and outside liabilities have been transferred to Realisation Account: (i) Realisation expenses of the firm amounting to ₹ 2,600 were paid by partner, Aman. (ii) A creditor of ₹ 4,500 took over stock valued at ₹ 5,200 in full settlement. (iii) An unrecorded asset realised ₹ 3,500. (iv) Remaining creditors amounting to ₹ 20,000 were paid at a discount of 5%. (v) Remaining stock of ₹ 30,000 was taken over by Bimal, a partner, at a discount of 20%. (vi) Investment whose face value was ₹ 10,000 was realised at 40%.

Q66. CBSE 2022 · 5 marks A and B are partners sharing profits and losses equally. On 31st March, 2021, they decided to dissolve their firm. On the date of dissolution, their Balance Sheet showed: Creditors ₹3,00,000; A's Loan ₹60,000; Srimati A's Loan ₹70,000; A's Capital ₹2,30,000; B's Capital ₹2,30,000; Profit and Loss Account ₹50,000; Bank ₹3,00,000; Stock ₹2,40,000; Furniture ₹2,00,000; Plant and Machinery ₹1,00,000. The assets were realised and liabilities were paid as under: (i) Creditors were paid at 20% less. (ii) Furniture was taken over by A for ₹1,80,000 and Plant and Machinery was sold for ₹80,000. (iii) B took over the stock at ₹1,80,000. (iv) A's Loan was repaid and Srimati A's Loan was discharged. (v) Realisation expenses of ₹20,000 were paid by B. Prepare Realisation Account.

Q67. CBSE 2022 · 5 marks Sonu, Monu and Ashu were partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. On 31st March, 2022 their Balance Sheet was as follows: Balance Sheet of Sonu, Monu and Ashu as at 31st March, 2022 Liabilities Amount ₹ Assets Amount ₹ Creditors 35,000 Bank 22,000 General Reserve 25,000 Stock 25,000 Debtors 20,000 Capitals: Sonu 50,000 Less: Provision for bad debts 2,000 18,000 Monu 30,000 Furniture 15,000 Ashu 20,000 1,00,000 Land and Building 80,000 1,60,000 1,60,000 On the above date, the firm was dissolved on the following terms: (i) Land and Building realised for ₹ 85,000, Furniture realised for ₹ 6,000 and Debtors realised full amount. (ii) Stock was taken over by Sonu at book value. There was an unrecorded asset which was taken over by Ashu for ₹ 3,000. (iii) Monu agreed to bear all realisation expenses. For his services Monu was paid ₹ 2,000. Actual expenses on realisation amounted to ₹ 2,200. (iv) Creditors were paid at 2% less. Prepare Realisation Account.

Q68. CBSE 2022 · 5 marks A and B are partners sharing profits and losses equally. On 31st March, 2021, they decided to dissolve their firm. On the date of dissolution, their Balance Sheet was as under: Liabilities: Creditors ₹ 3,00,000; Capitals - A ₹ 2,30,000, B ₹ 2,30,000 (Total ₹ 4,60,000). Assets: Bank ₹ 3,00,000; Stock ₹ 2,40,000; Furniture ₹ 2,00,000; Plant and Machinery ₹ 1,00,000; Profit and Loss A/c ₹ 50,000. The assets were realised and liabilities were paid as under: (i) Creditors were paid at 20% less. (ii) Furniture was taken over by A for ₹ 1,80,000 and Plant and Machinery was sold for ₹ 80,000. (iii) B took over the stock at ₹ 1,80,000. (iv) A promised to pay Srimati's loan of ₹ 70,000. (v) Realisation expenses of ₹ 20,000 were paid by B. Prepare Realisation Account.

Q69. CBSE 2022 · 5 marks A and B are partners sharing profits and losses equally. On 31st March, 2021, they decided to dissolve their firm. On the date of dissolution, their Balance Sheet was: Liabilities - Creditors ₹ 3,00,000, A's Loan ₹ 60,000, B's Loan ₹ 70,000, A's Capital ₹ 2,30,000, B's Capital ₹ 2,30,000. Assets - Bank ₹ 3,00,000, Stock ₹ 2,40,000, Furniture ₹ 2,00,000, Plant and Machinery ₹ 1,00,000, Profit and Loss A/c ₹ 50,000. The assets were realised and liabilities were paid as under: (i) Creditors were paid at 20% less; (ii) Furniture was taken over by A for ₹ 1,80,000 and Plant and Machinery was sold for ₹ 80,000; (iii) B took over the stock at ₹ 1,80,000; (iv) A paid B's loan; (v) Realisation expenses of ₹ 20,000 were paid by B. Prepare Realisation Account.

Q70. CBSE 2022 · 5 marks A and B are partners sharing profits and losses equally. On 31st March, 2021, they decided to dissolve their firm. On the date of dissolution, their Balance Sheet was as follows: Liabilities: Creditors ₹ 3,00,000, A's Capital ₹ 2,30,000, B's Capital ₹ 2,30,000. Assets: Bank ₹ 3,00,000, Stock ₹ 2,40,000, Furniture ₹ 2,00,000, Plant and Machinery ₹ 1,00,000, Profit and Loss Account ₹ 50,000. The assets were realised and liabilities were paid as under: (i) Creditors were paid at 20% less. (ii) Furniture was taken over by A for ₹ 1,80,000 and Plant and Machinery was sold for ₹ 80,000. (iii) B took over the stock at ₹ 1,80,000. (iv) A paid the loan to Srimati A. (v) Realisation expenses of ₹ 20,000 were paid by B. Prepare Realisation Account.

5 Accounting for Share Capital

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (66)

Q1. CBSE 2026 · 1 mark Paramount Ltd. forfeited 2,000 equity shares of ₹100 each, ₹80 called up, issued at a premium of 10%, for non-payment of first call of ₹20 per share. On forfeiture of these shares, Equity Share Capital Account will be _____ by _____.

(a) debited, ₹1,60,000 **(b)** credited, ₹1,60,000
(c) debited, ₹2,00,000 **(d)** credited, ₹2,00,000

Q2. CBSE 2026 · 1 mark A company may reserve a portion of its uncalled capital to be called only in the event of winding up of the company. Such uncalled amount is called:

(a) Uncalled capital **(b)** Paid-up capital
(c) Called-up capital **(d)** Reserve capital

Q3. CBSE 2026 · 1 mark Diksha Ltd. was registered with an authorised capital of ₹40,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription, 1,20,000 shares. Applications for 1,10,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 10,000 shares failed to pay the second and final call of ₹2 per share. How many shares were offered to the public for subscription?

(a) ₹10,000 **(b)** ₹20,000 **(c)** ₹80,000 **(d)** ₹1,00,000

Q4. CBSE 2026 · 1 mark On 1st April, 2024, Mobi Ltd. issued 3,000, 9% Debentures of 1,000 each at a premium of 5%. The total amount of interest due on debentures for the year ended 31st March, 2025 will be:

(a) 2,70,000 **(b)** 1,50,000 **(c)** 27,000 **(d)** 15,000

Q5. CBSE 2026 · 1 mark Novelty Ltd. issued 3,000, 11% Debentures of ₹500 each at ₹450 per debenture. 11% Debentures Account will be credited by:

(a) ₹13,50,000 **(b)** ₹3,00,000 **(c)** ₹15,00,000 **(d)** ₹33,00,000

Q6. CBSE 2026 · 1 mark 6,000 shares of ₹25 each were forfeited for non-payment of final call money of ₹5 per share. The maximum discount that the company can allow on reissue of these shares will be:

(a) ₹30,000 **(b)** ₹90,000 **(c)** ₹1,20,000 **(d)** ₹1,50,000

Q7. CBSE 2026 · 1 mark As per the provisions of Companies Act, 2013, the amount received as Securities Premium cannot be utilised to:

(a) Issue fully paid bonus shares to the members

(b) Write off preliminary expenses of the company

(c) Purchase fixed assets

(d) Purchase its own shares, i.e. buyback of shares

Q8. CBSE 2026 · 1 mark Bright Motors Ltd. was registered with an authorised capital of ₹10,00,00,000 divided into equity shares of ₹100 each. The company issued 3,00,000 shares to the public for subscription. The amount was payable as follows: On application ₹30 per share On allotment ₹50 per share On first and final call balance All the shares were fully subscribed. All amounts were duly received except from Raman, a holder of 500 shares, who failed to pay the first and final call. Total number of shares into which the authorised share capital of the company is divided, is:

(a) 10,00,00,000 **(b)** 1,00,00,000 **(c)** 10,00,000 **(d)** 3,00,000

Q9. CBSE 2026 · 1 mark Merak Ltd. forfeited 6,000 equity shares of ₹10 each for non-payment of final call of ₹3 per share. The minimum amount per share at which these shares can be reissued will be:

(a) ₹3 **(b)** ₹7 **(c)** ₹10 **(d)** ₹6

Q10. CBSE 2026 · 1 mark Reserve capital is that portion of the _____ capital that can be called only in the event of winding up of the company.

(a) called-up **(b)** uncalled **(c)** paid-up **(d)** subscribed

Q11. CBSE 2026 · 1 mark Universal Ltd. took over machinery of ₹3,30,000, furniture of ₹1,60,000 and liabilities of ₹80,000 from Amol Ltd. for a purchase consideration of ₹4,50,000. The payment to Amol Ltd. was made by issue of 10% Debentures of ₹50 each at a discount of 10%. The number of debentures issued to Amol Ltd. was:

(a) 1,000 **(b)** 4,500 **(c)** 45,000 **(d)** 10,000

Q12. CBSE 2026 · 1 mark When shares are reissued after forfeiture, the amount received in excess of the amount due at the time of forfeiture is credited to:

(a) Paid-up amount on forfeited shares

(b) Called-up amount on forfeited shares

(c) Face value of shares forfeited

(d) Unpaid amount on forfeited shares

Q13. CBSE 2026 · 1 mark When shares are forfeited, the amount transferred to capital reserve consists of:

(a) Paid-up amount on forfeited shares

(b) Called-up amount on forfeited shares

(c) Face value of shares forfeited

(d) Unpaid amount on forfeited shares

Q14. CBSE 2026 · 1 mark Forfeited shares account is credited with:

(a) Paid-up amount on forfeited shares

(b) Called-up amount on forfeited shares

(c) Face value of shares forfeited

(d) Unpaid amount on forfeited shares

Q15. CBSE 2025 · 1 mark Diksha Ltd. invited applications for issuing 1,00,000 equity shares of ₹10 each at a premium of 10%. The whole amount was payable on application. Applications were received for 3,00,000 equity shares. The company decided to allot the shares on pro-rata basis to all the applicants. The amount refunded by the company was:

(a) ₹22,00,000 **(b)** ₹33,00,000 **(c)** ₹11,00,000

(d) ₹20,00,000

Q16. CBSE 2025 · 1 mark Reserve Capital can be called up any time during the life of the company.

(a) any time during the life of the company.

(b) only at the time of winding up of the company.

(c) to issue fully paid bonus shares.

(d) to provide for premium on the redemption of preference shares.

Q17. CBSE 2025 · 1 mark (a) The limit of the Reserve Fund of a company, as per the Companies Act, is:

(a) any time during the life of the company

(b) only at the time of winding up of the company

(c) to issue fully paid bonus shares

(d) to provide for premium on the redemption of preference shares

Q18. CBSE 2025 · 1 mark The Reserve Capital can be called up:

(a) any time during the life of the company

(b) only at the time of winding up of the company

(c) to issue fully paid bonus shares

(d) to provide for premium on the redemption of preference shares

Q19. CBSE 2025 · 1 mark Jeeta Ltd. forfeited 300 shares of ₹100 each for the non-payment of final call of ₹10 per share. The amount credited to share forfeiture account will be:

(a) ₹30,000 **(b)** ₹27,000 **(c)** ₹9,000 **(d)** ₹3,000

Q20. CBSE 2025 · 1 mark X Ltd. invited applications for issuing 90,000 equity shares of ₹100 each. The amount per share was payable as follows: On Application ₹20, On Allotment ₹50, On First and final call Balance. Applications for 2,00,000 shares were received. An applicant who had applied for 5,000 shares paid the entire share money with the application. The total application money received by the company was:

(a) ₹44,00,000 **(b)** ₹40,00,000 **(c)** ₹18,00,000

(d) ₹90,00,000

Q21. CBSE 2025 · 1 mark A portion of the uncalled capital reserved by a company to be called only in the event of winding up of the company, is called:
(a) Subscribed but not fully paid up capital
(b) Unissued capital **(c)** Reserve capital
(d) Subscribed capital

Q22. CBSE 2025 · 1 mark Manas Ltd. forfeited 600 shares of 10 each for the non-payment of first call of 2 per share. The final call of 3 per share was not yet made. The amount credited to Share Capital Account on forfeiture would be:
(a) Debited by 1,200 **(b)** Credited by 1,200
(c) Debited by 3,000 **(d)** Credited by 3,000

Q23. CBSE 2025 · 1 mark Java Ltd. forfeited 600 equity shares of 100 each 80 called up for the non-payment of first call of 20 per share. These shares were reissued at 90 per share fully paid up. The credit balance in the Share Forfeiture Account will be:
(a) 36,000 **(b)** 30,000 **(c)** 48,000 **(d)** 54,000

Q24. CBSE 2025 · 1 mark Java Ltd. forfeited 600 equity shares of ₹ 100 each, ₹ 80 called up for the non-payment of first call of ₹ 20 per share. These shares were reissued at ₹ 90 per share fully paid up. The credit balance in Share Forfeiture Account will be:
(a) ₹ 36,000 **(b)** ₹ 30,000 **(c)** ₹ 48,000 **(d)** ₹ 54,000

Q25. CBSE 2025 · 1 mark Manas Ltd. forfeited 600 shares of ₹ 10 each for the non-payment of first call of ₹ 2 per share. The final call of ₹ 3 per share was not made. The Share Forfeiture Account will be:
(a) Debited by ₹ 1,200 **(b)** Credited by ₹ 1,200
(c) Debited by ₹ 3,000 **(d)** Credited by ₹ 3,000

Q26. CBSE 2025 · 1 mark Manas Ltd. forfeited 600 shares of ₹10 each for the non-payment of first call of ₹2 per share. The final call of ₹3 per share was not yet called. In this case, Share Forfeiture Account will be:
(a) Debited by ₹1,200 **(b)** Credited by ₹1,200
(c) Debited by ₹3,000 **(d)** Credited by ₹3,000

Q27. CBSE 2025 · 1 mark Java Ltd. forfeited 600 equity shares of ₹100 each ₹80 called up for the non-payment of first call of ₹20 per share. These shares were reissued at ₹90 per share fully paid up. The amount of Gain on Reissue of Forfeited Shares will be:
(a) ₹36,000 **(b)** ₹30,000 **(c)** ₹48,000 **(d)** ₹54,000

Q28. CBSE 2025 · 1 mark The amount of share capital which a company is authorised to issue by its Memorandum of Association is known as:
(a) Issued Capital **(b)** Reserve Capital
(c) Nominal Capital/Registered Capital
(d) Subscribed Capital

Q29. CBSE 2025 · 1 mark (a) X Ltd. forfeited 100 shares of ₹100 each for non-payment of the allotment money of ₹15 per share (including premium ₹5). The first and final call of ₹50 per share was not yet made. The amount that was debited to share capital account was:
(a) ₹4,500 **(b)** ₹1,500 **(c)** ₹10,000 **(d)** ₹5,000

Q30. CBSE 2025 · 1 mark MK Ltd. forfeited 100 shares of ₹10 each. The amount forfeited was ₹800. The maximum discount per share at which these shares may be reissued will be:
(a) ₹2 **(b)** ₹9 **(c)** ₹1 **(d)** ₹8

Q31. CBSE 2025 · 1 mark LN Ltd. forfeited 200 shares of ₹10 each. The amount forfeited was ₹1,400. What will be the maximum amount of discount per share at which these shares can be reissued?
(a) ₹1 **(b)** ₹7 **(c)** ₹3 **(d)** ₹4

Q32. CBSE 2025 · 1 mark X Ltd. forfeited 100 shares of ₹100 each for non-payment of the allotment money of ₹15 per share (including premium of ₹5). The first and final call of ₹50 per share was not yet made. The amount that was debited to share capital account was:
(a) ₹4,500 **(b)** ₹1,500 **(c)** ₹10,000 **(d)** ₹5,000

Q33. CBSE 2025 · 1 mark SQ Ltd. forfeited 300 shares of 10 each. The amount forfeited was 2,700. What will be the maximum discount per share at which these shares can be reissued?
(a) 9 **(b)** 1 **(c)** 3 **(d)** 2

Q34. CBSE 2024 · 1 mark Alfa Ltd. invited applications for 50,000 equity shares of ₹ 10 each at a premium of 30%. The whole amount was payable on application. Applications were received for 2,50,000 shares. The company decided to allot the shares on a pro-rata basis to all the applicants. The amount refunded by the company was:
(a) ₹ 32,50,000 **(b)** ₹ 15,60,000 **(c)** ₹ 39,00,000
(d) ₹ 26,00,000

Q35. CBSE 2024 · 1 mark Reserve capital is that part of _____ capital which cannot be called except at the time of winding up of the company.
(a) Issued **(b)** Called up **(c)** Uncalled **(d)** Nominal

Q36. CBSE 2024 · 1 mark Xeno Ltd. issued 25,000 equity shares of ₹ 10 each. The amount was payable as follows: On Application ₹ 4 per share; On Allotment ₹ 5 per share; On First and Final call Balance. All the shares offered were applied for and allotted. All the money due on allotment was received except on 1,500 shares. These shares were forfeited immediately after allotment. First and final call was not yet made. At the time of forfeiture, Share Capital Account will be debited by:
(a) ₹ 15,000 **(b)** ₹ 24,000 **(c)** ₹ 13,500 **(d)** ₹ 18,000

Q37. CBSE 2024 · 1 mark Money received in advance from shareholders before it is actually called up by the directors is:
(a) debited to calls in advance account
(b) credited to calls in advance account
(c) debited to share capital account
(d) credited to share capital account

Q38. CBSE 2024 · 1 mark A share of ₹ 100 on which ₹ 80 is received is forfeited for non-payment of final call of ₹ 20. The minimum price at which this share can be reissued is:
(a) ₹ 120 **(b)** ₹ 100 **(c)** ₹ 80 **(d)** ₹ 20

Q39. CBSE 2024 · 1 mark If a share of ₹ 100 on which ₹ 70 has been paid is forfeited, then at which minimum price can it be re-issued ?

(a) ₹ 100 **(b)** ₹ 30 **(c)** ₹ 70 **(d)** ₹ 130

Q40. CBSE 2024 · 1 mark Nominal/Authorised share capital is :

(a) that part of the share capital which is issued by the company.

(b) the amount of share capital which is actually applied for by the prospective shareholders.

(c) the maximum amount of share capital which a company is authorised to issue.

(d) the amount actually paid by the shareholders.

Q41. CBSE 2024 · 1 mark Alfa Ltd. offered for public subscription 50,000 equity shares of ₹ 10 each at ₹ 110 per share. The entire amount was payable on application. Applications were received for 48,000 shares and allotment was made to all the applicants. The amount received on application will be:

(a) ₹ 52,80,000 **(b)** ₹ 55,00,000 **(c)** ₹ 50,00,000 **(d)** ₹ 48,00,000

Q42. CBSE 2024 · 1 mark Assertion (A): When the shares are forfeited, share capital account is debited with the amount called up and credited to (i) respective unpaid calls account i.e., calls in arrears and (ii) share forfeiture account with the amount already received on shares. Reason (R): When the shares are forfeited, all entries relating to the shares forfeited, except those relating to securities premium, already recorded in accounting records must be reversed. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is incorrect, but Reason (R) is correct.

(d) Assertion (A) is correct, but Reason (R) incorrect.

Q43. CBSE 2024 · 1 mark Lexa Ltd. issued 50,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as follows: On application and allotment ₹ 7 per share (including premium); On first and final call Balance. The issue was fully subscribed. All the money was duly received except the first and final call on 1,000 equity shares. These shares were forfeited. On forfeiture of these shares Calls in Arrears Account will be:

(a) credited by ₹ 7,000 **(b)** debited by ₹ 5,000

(c) credited by ₹ 5,000 **(d)** debited by ₹ 7,000

Q44. CBSE 2024 · 1 mark Minimum subscription for allotment of shares as per Securities and Exchange Board of India (SEBI) guidelines cannot be less than 90% of which of the following capital?

(a) Reserve Capital **(b)** Nominal Capital

(c) Subscribed Capital **(d)** Issued Capital

Q45. CBSE 2024 · 1 mark KLB Ltd. forfeited 3,000 shares of ₹ 10 each, ₹ 8 per share called up for non-payment of first call of ₹ 2 per share. All these shares were reissued at ₹ 7 per share, ₹ 8 paid up. The amount transferred to Capital Reserve Account will be:

(a) ₹ 18,000 **(b)** ₹ 24,000 **(c)** ₹ 15,000 **(d)** ₹ 3,000

Q46. CBSE 2023 · 1 mark Akshita Ltd. issued fully paid shares of ₹ 5,00,000 in purchase consideration of net assets of ₹ 4,70,000. The balance of ₹ 30,000 will be _____ to _____ account.

(a) debited, Goodwill **(b)** debited, Capital Reserve

(c) credited, Capital Reserve **(d)** credited, General Reserve

Q47. CBSE 2023 · 1 mark A company forfeited 400 shares of ₹ 10 each, issued at a premium of ₹ 2 per share called up for non-payment of first call of ₹ 2 per share. On forfeiture of these shares, Share Capital Account will be credited with :

(a) ₹ 4,000 **(b)** ₹ 800 **(c)** ₹ 3,200 **(d)** ₹ 2,000

Q48. CBSE 2023 · 1 mark That part of the authorised capital which is actually issued to the public for subscription is called :

(a) Subscribed capital **(b)** Issued capital

(c) Authorised capital **(d)** Reserve capital

Q49. CBSE 2023 · 1 mark Zinki Limited forfeited a share of ₹ 100 issued at a premium of 20% for non-payment of first call of ₹ 30 per share and final call of ₹ 10 per share. The minimum price at which this share can be reissued is :

(a) ₹ 40 **(b)** ₹ 60 **(c)** ₹ 20 **(d)** ₹ 100

Q50. CBSE 2023 · 1 mark That portion of the called-up capital which has been actually received from the shareholders is called :

(a) Paid-up capital **(b)** Called-up capital **(c)** Reserve capital

(d) Subscribed capital

Q51. CBSE 2023 · 1 mark (i) A company forfeited 400 shares of ₹ 10 each, on which ₹ 8 per share called up for non-payment of first call of ₹ 2 per share. On forfeiture of these shares, Share Capital Account will be credited by :

(a) ₹ 4,000 **(b)** ₹ 800 **(c)** ₹ 3,200 **(d)** ₹ 2,000

Q52. CBSE 2023 · 1 mark A company forfeited 400 shares of ₹ 10 each, ₹ 8 per share called up for non-payment of first call of ₹ 2 per share. On forfeiture of shares, Share Capital Account will be credited by:

(a) ₹ 4,000 **(b)** ₹ 800 **(c)** ₹ 3,200 **(d)** ₹ 2,000

Q53. CBSE 2023 · 1 mark That portion of the uncalled capital which is called only in the event of winding up of the company, is called:

(a) Called-up capital **(b)** Uncalled capital **(c)** Issued capital

(d) Reserve capital

Q54. CBSE 2023 · 1 mark Which of the following is a correct statement regarding reserve capital?

(a) It is a portion of the uncalled capital to be called only in the event of winding up of the company.

(b) It is a part of the subscribed capital which has been called-up on the shares.

(c) It is that portion of the called-up capital which has been actually received from the shareholders.

(d) It is that part of the authorised capital that is actually issued to the public for subscription.

Q55. CBSE 2023 · 1 mark A share of ₹ 10 issued at a premium of ₹ 2 per share on which ₹ 8 per share (including premium) have been called and ₹ 6 per share (including premium) is received, is forfeited. Share Capital Account will be debited by:
(a) ₹ 10 **(b)** ₹ 8 **(c)** ₹ 12 **(d)** ₹ 6

Q56. CBSE 2023 · 1 mark Rhythm Ltd. took over assets of ₹ 30,00,000 and liabilities of ₹ 12,00,000 of Shyam Ltd. for a purchase consideration of ₹ 23,00,000. Excess value of purchase consideration of ₹ 5,00,000 over net assets will be:
(a) Debited to Goodwill Account
(b) Credited to Capital Reserve Account
(c) Credited to Vendor's Account
(d) Debited to Capital Reserve Account

Q57. CBSE 2023 · 1 mark Sunbeam Limited issued 4,000, 6% Debentures of ₹ 100 each at ₹ 95 per debenture. 6% Debentures account will be credited by:
(a) ₹ 3,80,000 **(b)** ₹ 4,40,000 **(c)** ₹ 4,00,000 **(d)** ₹ 20,000

Q58. CBSE 2023 · 1 mark X Ltd. forfeited 100 shares of ₹10 each, ₹8 called-up for non-payment of allotment money of ₹5 per share (including premium of ₹2 per share). Out of these, 70 shares were reissued to Ashok as ₹8 called-up, for ₹10 per share. Share Forfeiture Account will be:
(a) Credited by ₹700 **(b)** Debited by ₹500
(c) Credited by ₹500 **(d)** Debited by ₹200

Q59. CBSE 2023 · 1 mark Jeevan Ltd. forfeited 50 shares of ₹ 100 each on which allotment money of ₹ 30 per share (including premium of ₹ 10 per share) and first call of ₹ 30 per share was not received. The second and final call of ₹ 20 per share was not called. Share Forfeiture Account will be credited by :
(a) ₹ 2,500 **(b)** ₹ 2,000 **(c)** ₹ 5,000 **(d)** ₹ 1,500

Q60. CBSE 2023 · 1 mark A portion of the called-up capital which has been actually received from the shareholders is termed as :
(a) Called-up capital **(b)** Subscribed capital
(c) Issued capital **(d)** Paid-up capital

Q61. CBSE 2023 · 1 mark (i) Manmohan Ltd. invited applications for issuing 50,000 equity shares of ₹ 10 each at par. The amount payable per share was as follows: On application ₹ 3; on allotment ₹ 4 and on first and final call ₹ 3. Applications were received for 1,45,000 equity shares. Applications for 20,000 equity shares were rejected and remaining applicants were allotted shares on a pro-rata basis. Excess application money received with application was adjusted towards sums due on allotment and first and final call. Amount credited to calls-in-advance account was:
(a) ₹ 2,25,000 **(b)** ₹ 25,000 **(c)** ₹ 1,75,000 **(d)** Nil

Q62. CBSE 2023 · 1 mark Part of the uncalled share capital that can be called up only at the time of winding up of the company is called:
(a) Issued capital **(b)** Paid-up capital **(c)** Reserve capital
(d) Un-issued capital

Q63. CBSE 2023 · 1 mark Chavi Ltd. forfeited 5,000 equity shares of ₹ 10 each issued at a premium of ₹ 5 per share for non-payment of first and final call of ₹ 4 per share. The amount to be credited to Forfeiture of Shares Account was:
(a) ₹ 20,000 **(b)** ₹ 30,000 **(c)** ₹ 50,000 **(d)** ₹ 55,000

Q64. CBSE 2023 · 1 mark Chavi Ltd. forfeited 5,000 equity shares of ₹ 10 each issued at a premium of ₹ 5 per share for non-payment of first and final call of ₹ 4 per share. The amount transferred to Capital Reserve on forfeiture of shares will be:
(a) ₹ 20,000 **(b)** ₹ 30,000 **(c)** ₹ 50,000 **(d)** ₹ 55,000

Q65. CBSE 2023 · 1 mark Chavi Ltd. forfeited 5,000 equity shares of ₹ 10 each issued at a premium of ₹ 5 per share for non-payment of first and final call of ₹ 4 credited by :
(a) ₹ 20,000 **(b)** ₹ 30,000 **(c)** ₹ 50,000 **(d)** ₹ 55,000

Q66. CBSE 2023 · 1 mark A portion of the uncalled capital to be called only in the event of winding up of the company is termed as :
(a) Reserve Capital **(b)** Capital Reserve **(c)** Uncalled Capital
(d) Unpaid Capital

SHORT ANSWER (14)

Q67. CBSE 2026 · 3 marks Century Ltd. forfeited 5,000 shares of ₹100 each issued at 40% premium for non-payment of allotment money of ₹35 per share and first call of ₹50 per share (including premium ₹25). The second and final call of ₹40 per share (including premium ₹15) has not yet been called. Out of these, 3,000 shares were reissued as fully paid-up for ₹90 per share. Pass necessary journal entries for forfeiture and reissue of forfeited shares in the books of Century Ltd.

Q68. CBSE 2026 · 3 marks Kiara Ltd. purchased assets worth ₹12,40,000 and took over liabilities of ₹3,40,000 of Amrex Ltd. for a purchase consideration of ₹11,00,000. Kiara Ltd. paid half the amount by cheque. The balance amount was settled by issuing 9% debentures of ₹100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Kiara Ltd.

Q69. CBSE 2025 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act, 2013: (a) Public Deposits (b) Licences and Franchise (c) Accrued Income

Q70. CBSE 2024 · 3 marks Sumi Ltd. acquired assets of ₹ 8,00,000 and took over sundry creditors of ₹ 2,00,000 from Pandora Ltd. for a purchase consideration of ₹ 9,00,000. The payment was made by issuing a cheque of ₹ 4,60,000 and remaining by issue of 9% Debentures of ₹ 100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Sumi Ltd.

Q71. CBSE 2023 · 3 marks Annex Ltd. issued 1,00,000 shares of ₹ 10 each at a premium of 10% to the public for subscription. The whole amount was payable on application. Applications were received for 3,00,000 shares and the board decided to allot shares to all shareholders on pro-rata basis. Pass necessary journal entries for the above transactions in the books of Annex Ltd.

Q72. CBSE 2023 · 4 marks Madhur Ltd. has an authorised capital of ₹ 20,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 90,000 shares. Applications for 88,000 shares were received. All calls were made and duly received except the first and final call of ₹ 3 per share on 4,000 shares. These shares were forfeited. (a) Show the equity share capital in the Balance Sheet as per Schedule III, Part I of the Companies Act, 2013. (b) Prepare notes to accounts for the same.

Q73. CBSE 2023 · 4 marks Tanay Ltd. has an authorised capital of ₹ 40,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 80,000 shares. Applications for 78,000 shares were received. All calls were made and duly received except the first and final call of ₹ 2 per share on 1,500 shares. These shares were forfeited. (a) Show the position of share capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. (b) Also prepare the notes to accounts for the same.

Q74. CBSE 2023 · 3 marks (a) M Ltd. issued 10,000, 8% Debentures of ₹ 100 each at 6% discount. The amount was payable as ₹ 60 on application and the balance on allotment. All money was duly received. Pass necessary journal entries in the books of M Ltd.

Q75. CBSE 2023 · 3 marks A company forfeited 4,000 shares of ₹10 each fully called-up, on which application money of ₹3 each has been paid. Out of these, 2,000 shares were reissued as fully paid up for ₹18,000. Pass necessary journal entries for above transactions.

Q76. CBSE 2023 · 4 marks On 1st April, 2021, Prabha Ltd. was formed with an authorised capital of ₹90,00,000 divided into 90,000 equity shares of ₹100 each. The company invited applications for 80,000 equity shares. The amount was payable as follows: On application ₹30 per share, On allotment ₹40 per share, On first and final call: Balance amount. Applications for 1,00,000 shares were received. Applications for 20,000 shares were rejected and the application money was refunded. All calls were made. A shareholder holding 600 shares did not pay the first and final call. Show the Share Capital in the Balance Sheet of the company as at 31st March, 2022 as per Schedule III, Part I of the Companies Act, 2013. Also prepare the notes to accounts.

Q77. CBSE 2023 · 4 marks On 1st April, 2021, Vishwas Ltd. was formed with an authorised capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The company issued a prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. Shyam, holding 3,000 shares, did not pay the first and final call of ₹ 2 per share. His shares were forfeited. Show the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare notes for the same.

Q78. CBSE 2023 · 3 marks (a) On 1st April, 2021, Hitesh Ltd. took over assets of ₹ 8,00,000 and liabilities of ₹ 40,000 of Pranjal Ltd. at an agreed value of ₹ 8,30,000. Hitesh Ltd. paid the amount to Pranjal Ltd. as follows: (i) Gave an acceptance payable after 3 months for ₹ 2,00,000, and (ii) Issued 10% Debentures of ₹ 100 each at a discount of 10% to Pranjal Ltd. in satisfaction of the balance amount of purchase consideration. Pass the necessary journal entries to record the above transaction in the books of Hitesh Ltd.

Q79. CBSE 2023 · 3 marks (b) Disha Ltd. forfeited 500 shares of ₹ 100 each issued at 10% premium, ₹ 90 called up, on which the shareholders did not pay ₹ 30 per share on allotment (including premium) and first call of ₹ 20 per share. Out of these, 300 shares were reissued for ₹ 80 per share, fully paid up. Pass necessary journal entries for forfeiture and reissue of shares.

Q80. CBSE 2022 · 3 marks X Ltd. invited applications for issuing 15,000 8% Debentures of ₹ 100 each. The amount was payable as follows: On Application ₹ 20 per Debenture, On Allotment Balance. Applications for 30,000 Debentures were received. Applications for 5,000 Debentures were rejected and the application money was refunded to the applicants. Prorata allotment was made to the remaining applicants. Excess money received with applications was adjusted towards sums due on allotment. The remaining allotment money was duly received. Pass necessary journal entries for the above transactions in the books of X Ltd.

LONG ANSWER (33)

Q81. CBSE 2026 · 6 marks Madhav Ltd. invited applications for issuing 4,00,000 equity shares of ₹10 each at a premium of ₹4 per share. The amount was payable as follows: On Application and Allotment ₹6 per share (including premium ₹2) On First and Final Call ₹8. Applications for 6,00,000 shares were received. Applications for 1,00,000 shares were rejected and the application money was refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sums due on first and final call. A shareholder, who had applied for 500 shares, failed to pay the first and final call. His shares were forfeited. Pass necessary journal entries in the books of Madhav Ltd. for the above transactions.

Q82. CBSE 2026 · 6 marks Madhav Ltd. invited applications for issuing 4,00,000 equity shares of 10 each at a premium of 4 per share. The amount was payable as follows: On Application and Allotment 6 per share (including premium 2) On First and Final Call Balance Applications for 6,00,000 shares were received. Applications for 1,00,000 shares were rejected and the application money was refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received on application and allotment was adjusted towards sums due on first and final call. A shareholder, who had applied for 500 shares, failed to pay the first and final call. His shares were forfeited. Pass necessary journal entries in the books of Madhav Ltd. for the above transactions.

Q83. CBSE 2026 · 3 marks NN Ltd. forfeited 800 equity shares of ₹100 each for non-payment of the first call of ₹20 per share. The second and final call of ₹30 per share was not yet made. Out of the forfeited shares, 600 shares were re-issued for ₹54,000 as fully paid-up. Pass necessary journal entries for the above transactions in the books of NN Ltd.

Q84. CBSE 2026 · 3 marks KG Ltd. forfeited 7,000 equity shares of ₹100 each, issued at a premium of ₹20 per share, for non-payment of second and final call of ₹20 per share. The forfeited shares were re-issued at ₹80 per share, fully paid-up. Pass necessary journal entries for the above transactions in the books of KG Ltd.

Q85. CBSE 2026 · 6 marks Astha Ltd. invited applications for issuing 1,00,000 equity shares of ₹10 each. The amount per share was payable as follows: ₹2 on application; ₹3 on allotment; ₹3 on first call and ₹2 on second and final call. Applications were received for 1,50,000 shares. Applications for 30,000 shares were rejected and application money refunded. The shares were allotted on pro-rata basis to the applicants of 1,20,000 shares. Excess money received with applications was adjusted towards sums due on allotment. All shareholders paid the allotment money except Sarthak, who was allotted 2,000 shares. These shares were forfeited. The first call was made thereafter and duly received. The second and final call was not yet made. Pass necessary journal entries for the above transactions in the books of Astha Ltd. Open Calls-in-Arrears Account, wherever required.

Q86. CBSE 2026 · 6 marks Ajanta Ltd. invited applications for issuing 30,000 equity shares of ₹10 each at a premium of ₹5 per share. The amount was payable as follows: On Application and Allotment ₹10 per share (including premium); On first and final call Balance. Applications for 50,000 shares were received. Applications for 10,000 shares were rejected and their application money was refunded. Pro-rata allotment was made to the remaining applicants. Excess money received with application was adjusted towards sums due on first and final call. Sonu, an applicant of 4,000 shares, paid his entire share money with application. Vedika, to whom 300 shares were allotted, failed to pay the first and final call. After giving her the mandatory notice, her shares were forfeited. Pass necessary journal entries for the above transactions in the books of Ajanta Ltd.

Q87. CBSE 2026 · 6 marks Ajanta Ltd. invited applications for issuing 30,000 equity shares of ₹10 each at a premium of ₹5 per share. The amount was payable as follows: On Application and Allotment ₹10 per share (including premium); On first and final call ₹5 per share; Applications for 50,000 shares were received. Applications for 10,000 shares were rejected and their application money was refunded. Pro-rata allotment was made to the remaining applicants. Excess money received with application was adjusted towards sums due on first and final call. Sonu, an applicant of 4,000 shares, paid his entire share money with application. Vedika, to whom 300 shares were allotted, failed to pay the first and final call. After giving her the mandatory notice, her shares were forfeited. Pass necessary journal entries for the above transactions in the books of Ajanta Ltd.

Q88. CBSE 2025 · 6 marks Centurian Ltd. invited applications for issuing 2,00,000 equity shares of ₹10 each at a premium of ₹20 per share. The amount was payable as follows: On Application and Allotment ₹20 per share (including premium ₹17 per share). On First and Final call ₹10 per share (including premium ₹3 per share). Applications were received for 3,00,000 equity shares and allotment was made to the applicants as follows: Category (i) Applicants for 2,00,000 shares were allotted 1,50,000 shares. Category (ii) Applicants for 1,00,000 shares were allotted 50,000 shares. Excess money received on application and allotment was adjusted towards sums due on first and final call. Deepali, who had applied for 2,000 shares, failed to pay the first and final call money. Deepali belonged to Category (i). Her shares were subsequently forfeited. Pass necessary journal entries for the above transactions in the Books of Centurion Ltd. Open Calls-in-Arrears and Calls-in-Advance account, wherever necessary.

Q89. CBSE 2025 · 6 marks Radhika Ltd. invited applications for issuing 40,000 equity shares of ₹100 each at a premium of ₹50 per share. The amount was payable as follows: On Application and Allotment ₹40 per share (including ₹10 premium), On First call ₹45 per share (including ₹5 premium), On Second and final call Balance. Applications for 39,000 shares were received. Allotment was made in full to all the applicants. Dinu, to whom 100 shares were allotted, failed to pay the first call money. His shares were immediately forfeited. The forfeited shares were re-issued thereafter at ₹70 per share fully paid up. The second and final call was not yet made. Pass necessary journal entries for the above transactions in the books of Radhika Ltd.

Q90. CBSE 2025 · 4 marks JK Ltd. forfeited 6,000 equity shares of 10 each issued at a premium of 2 per share for the non-payment of first call of 2 per share. The second and final call of 2 per share had not yet been made. The forfeited shares were reissued at a discount of 3 per share fully paid up. Pass necessary journal entries for the above transactions in the books of JK Ltd.

Q91. CBSE 2025 · 4 marks Poonam Ltd. forfeited 2,00,000 equity shares of ₹ 10 each issued at a premium of ₹ 5 per share for the non-payment of the first call of ₹ 2 per share. The second and final call of ₹ 3 per share was not yet made. The forfeited shares were reissued at a discount of ₹ 1 per share fully paid up. Pass necessary journal entries for the above transactions in the books of Poonam Ltd. Also prepare Share Forfeiture Account.

Q92. CBSE 2025 · 4 marks PR Ltd. forfeited 10,000 equity shares of ₹10 each issued at a premium of ₹4 per share for non-payment of first call of ₹3 per share. The second and final call of ₹2 per share was not yet made. The forfeited shares were reissued at a discount of ₹1 per share fully paid up. Pass necessary journal entries for the above transactions in the books of PR Ltd. Also prepare Share Forfeiture Account.

Q93. CBSE 2025 · 6 marks DDG Ltd. invited applications for issuing 75,000 equity shares of ₹75 each at a premium of ₹25 per share. The amount was payable as follows: On Application and Allotment ₹40 per share. On First and Final Call ₹60 per share (Balance including premium). Applications for 1,25,000 shares were received. Applications for 25,000 shares were rejected and the application money was refunded. Shares were allotted to the remaining applicants on pro-rata basis. Excess money received with applications was adjusted towards sums due on first and final call. Govind, to whom 1,500 shares were allotted, failed to pay the first and final call. Namita who had applied for 2,000 shares also failed to pay the first and final call. Shares of both Govind and Namita were forfeited. Pass the necessary journal entries for the above transactions in the books of DDG Ltd.

Q94. CBSE 2025 · 6 marks (a) Mayank Ltd. invited applications for issuing 70,000 equity shares of ₹100 each. The amount was payable as follows: On Application ₹20 per share; On Allotment ₹40 per share; On First call ₹20 per share; On Second and Final Call Balance. Applications for 1,00,000 shares were received and allotment was made to all the applicants on pro-rata basis. Excess application money received with application was adjusted towards sums due on allotment. Jay, a shareholder who had applied for 1,000 shares, failed to pay the allotment money and his shares were forfeited immediately after the allotment. Afterwards the first call was made. Meenakshi, the shareholder of 1,400 shares, failed to pay the first call money and her shares were forfeited just after the first call. The second and final call has not been made. Pass necessary journal entries in the books of the company for the above transactions.

Q95. CBSE 2024 · 4 marks Shivalik Limited was registered with an authorized capital of ₹ 10,00,000 divided into equity shares of ₹ 10 each. It offered 50,000 equity shares to the public. The amount was payable as follows: On Application ₹ 2 per share; On Allotment ₹ 6 per share; On First and Final call Balance. The issue was fully subscribed. All the amounts were duly received except the allotment and first and final call money on 4,000 equity shares. These equity shares were forfeited. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare notes to accounts.

Q96. CBSE 2024 · 6 marks Qumtan Ltd. invited applications for issuing 1,00,000 equity shares of ₹ 10 each at a premium of ₹ 6 per share. The amount was payable as follows: On Application and Allotment ₹ 8 per share (including premium ₹ 3); On First and Final call Balance (including premium). Applications for 1,60,000 shares were received. Applications for 10,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Excess money received on application and allotment was returned. Dheeraj, who was allotted 200 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were reissued at ₹ 5 per share fully paid up. Pass necessary journal entries in the books of Qumtan Ltd.

Q97. CBSE 2024 · 4 marks Shivalik Limited was registered with an authorized capital of ₹ 10,00,000 divided into equity shares of ₹ 10 each. It offered 50,000 equity shares to the public. The amount was payable as follows: On Application ₹ 2 per share; On Allotment ₹ 6 per share; On First and Final call Balance. The issue was fully subscribed. All the amounts were duly received except the allotment and first and final call money on 4,000 equity shares. These equity shares were forfeited. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Include notes to accounts.

Q98. CBSE 2024 · 4 marks RR Ltd. was registered with an authorised capital of ₹ 8,00,000 divided into 80,000 equity shares of ₹ 10 each. The company offered to the public for subscription 40,000 equity shares. The amount per share was payable as follows: On Application ₹ 5; On Allotment ₹ 3; On first and final call Balance. The issue was fully subscribed and all amounts due were received except the allotment and call money on 2,000 shares allotted to Seema. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act. Also prepare notes to accounts.

Q99. CBSE 2024 · 6 marks Pass necessary journal entries for forfeiture and reissue of shares in the following cases: (i) Star Ltd. forfeited 8,000 shares of ₹ 100 each issued at 10% premium for non-payment of allotment money of ₹ 40 per share (including premium) and first call of ₹ 30 per share. The second and final call of ₹ 20 per share was not yet called. Out of these, 6,000 shares were reissued at ₹ 80 paid up for ₹ 70 per share. (ii) Premier Ltd. forfeited 3,000 shares of ₹ 10 each on which the first call of ₹ 3 per share was not received and the second and final call of ₹ 2 per share was not yet called. Out of these, 2,000 shares were reissued to Gita at ₹ 8 paid up for ₹ 12 per share.

Q100. CBSE 2024 · 4 marks RR Ltd. was registered with an authorised capital of ₹ 8,00,000 divided into 80,000 equity shares of ₹ 10 each. The company offered to the public for subscription 40,000 equity shares. The amount per share was payable as follows: On Application ₹ 5, On Allotment ₹ 3, On first and final call Balance. The issue was fully subscribed and all amounts due were received except the allotment and call money on 2,000 shares allotted to Seema. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare notes to accounts.

Q101. CBSE 2024 · 4 marks RR Ltd. was registered with an authorised capital of ₹ 8,00,000 divided into 80,000 equity shares of ₹ 10 each. The company offered to the public for subscription 40,000 equity shares. The amount per share was payable as follows: On Application ₹ 5, On Allotment ₹ 3, On first and final call Balance. The issue was fully subscribed and all amounts due were received except the allotment and call money on 2,000 shares allotted to Seema. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare notes to accounts for the same.

Q102. CBSE 2024 · 4 marks Shri Ganga Ltd. was registered with an authorised capital of ₹ 7,00,000 divided into equity shares of ₹ 10 each. It offered to the public for subscription 50,000 equity shares. The amount was payable as follows: On application: ₹ 4 per share; On allotment: ₹ 4 per share; On first and final call: Balance. The issue was fully subscribed. All the amounts were duly received except the first and final call money on 4,000 equity shares. Show the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts for the same.

Q103. CBSE 2024 · 6 marks Pass necessary journal entries for forfeiture and reissue of shares in the following cases: (i) Neon Ltd. forfeited 2,000 shares of ₹ 10 each issued at a premium of ₹ 2 per share for non-payment of allotment money of ₹ 5 per share (including premium). The first and final call of ₹ 2 per share was not yet made. Out of these, 1,500 shares were reissued at ₹ 7 per share, ₹ 8 paid up. (ii) Mamta Ltd. forfeited 3,000 shares of ₹ 10 each on which the first call of ₹ 3 per share was not received. The second and final call of ₹ 1 per share was not yet called. Out of these, 2,000 shares were reissued at ₹ 9 per share, ₹ 9 paid up.

Q104. CBSE 2024 · 4 marks Shri Ganga Ltd. was registered with an authorised capital of ₹ 7,00,000 divided into equity shares of ₹ 10 each. It offered to the public for subscription 50,000 equity shares. The amount was payable as follows: On application: ₹ 4 per share, On allotment: ₹ 4 per share, On first and final call: Balance. The issue was fully subscribed. All the amounts were duly received except the first and final call money on 4,000 equity shares. Show the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare relevant notes to the accounts.

Q105. CBSE 2023 · 4 marks Sandesh Ltd. has an authorised capital of ₹ 30,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 70,000 shares. Applications for 69,000 shares were received. All calls were made and duly received except the first and final call of ₹ 2 per share on 3,000 shares. These shares were forfeited. (a) Show the position of Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. (b) Prepare notes to accounts for the same.

Q106. CBSE 2023 · 6 marks (a) Pass necessary journal entries for the forfeiture and reissue of shares in the following cases: (i) BCG Limited forfeited 75 shares of ₹ 10 each issued at a premium of ₹ 4 per share for non-payment of allotment money of ₹ 8 per share (including premium). The first and final call of ₹ 4 per share was not made. The forfeited shares were reissued at ₹ 15 per share fully paid. (ii) Geetika Limited forfeited 1,200 shares of ₹ 50 each issued at par for non-payment of final call of ₹ 10 per share. Out of these, 900 shares were reissued at ₹ 45 per share fully paid-up.

Q107. CBSE 2023 · 4 marks Pawan Ltd. was registered with an authorised capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The company offered to the public for subscription, 80,000 equity shares. The amount per share was payable as follows: On application ₹ 3, On allotment ₹ 2, On first call ₹ 3 and On second and final call the balance. The issue was fully subscribed and all amounts due were received except the first and final call money on 2,000 shares allotted to Chavi. Her shares were forfeited. Present the Share Capital in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts for the same.

Q108. CBSE 2023 · 6 marks (a) Lotus Ltd. invited applications for issuing 80,000 equity shares of ₹ 10 each at a premium of ₹ 4 per share. The amount was payable as follows: On application ₹ 5 per share and On allotment ₹ 9 per share (included premium). Applications were received for 1,40,000 shares and allotment was made to all applicants on pro-rata basis. Money overpaid on applications was adjusted towards sums due on allotment. Rajiv, who had applied for 1,400 shares, failed to pay the allotment money. His shares were forfeited. Later on, these forfeited shares were reissued at ₹ 9 per share as fully paid up. Pass necessary journal entries for the above transactions in the books of Lotus Ltd.

Q109. CBSE 2023 · 4 marks Sunstar Ltd. has an authorised capital of ₹ 20,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 60,000 shares. Applications were received for 58,000 shares. All calls were made and were duly received except the final call of ₹ 3 per share on 2,000 shares. These shares were forfeited. Show how 'Share Capital' would be shown in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act, 2013. Also prepare the 'Notes to Accounts' for the same.

Q110. CBSE 2023 · 6 marks (a) Yash Ltd. invited applications for 50,000 equity shares of ₹ 10 each at a premium of 10%. The amount was payable as follows: On application ₹ 3 per share; on allotment (including premium) ₹ 3 per share and on first and final call, the balance amount. Applications were received for 1,20,000 shares and shares were allotted on pro-rata basis to all applicants. The excess money received on application was to be adjusted towards sums due on allotment. Application money in excess of sums due on allotment was refunded. A shareholder who applied for 6,000 shares could not pay the first and final call money and his shares were forfeited. The forfeited shares were reissued for ₹ 60,000 fully paid up. Pass necessary journal entries for the above transactions in the books of Yash Ltd.

Q111. CBSE 2023 · 4 marks Sunstar Ltd. has an authorised capital of ₹ 20,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 60,000 shares. Applications were received for 58,000 shares. All calls were made and were duly received except the final call of ₹ 3 per share on 2,000 shares. These shares were forfeited. Show the equity share capital in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act, 2013. Also prepare 'Notes to Accounts' for the same.

Q112. CBSE 2023 · 4 marks Sunstar Ltd. has an authorised capital of ₹ 20,00,000 divided into equity shares of ₹ 10 each. The company invited applications for issuing 60,000 shares. Applications were received for 58,000 shares. All calls were made and were duly received except the final call of ₹ 3 per share on 2,000 shares. These shares were forfeited. Show the share capital section in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013. Also prepare Notes to Accounts for the same.

Q113. CBSE 2022 · 5 marks Satnam Ltd. purchased Building worth ₹ 5,00,000, Plant worth ₹ 4,60,000 and Furniture worth ₹ 2,20,000 from Gurnam Ltd. for a purchase consideration of ₹ 12,60,000. Satnam Ltd. paid the purchase consideration by issuing 10% debentures of ₹ 100 each. Pass the necessary journal entries in the books of Satnam Ltd. for the acquisition of assets and issue of 10% debentures when: (a) Debentures were issued at par. (b) Debentures were issued at premium of 25%. (c) Debentures were issued at a discount of 10%.

CASE-BASED (27)

CASE STUDY · CBSE 2026

Maya Ltd. was registered with an authorised capital of 30,00,000 divided into shares of 10 each. On 1st April, 2025, the company offered to the public for subscription 1,30,000 shares. Applications for 1,20,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of 3 per share.

Q114. CBSE 2026 · 1 mark Maya Ltd. was registered with an authorised capital of 30,00,000 divided into shares of 10 each. On 1st April, 2025, the company offered to the public for subscription 1,30,000 shares. Applications for 1,20,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of 3 per share. (i) The amount credited to Equity Share Capital Account on allotment will be:

(a) 35,000 **(b)** 15,000 **(c)** 50,000 **(d)** 5,000

CASE STUDY · CBSE 2026

Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share.

Q115. CBSE 2026 · 1 mark Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. What is the amount of forfeiture?

(a) ₹5,000 **(b)** ₹50,000 **(c)** ₹40,000 **(d)** ₹10,000

Q116. CBSE 2026 · 1 mark Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. What is the amount received on application?

(a) ₹13,40,000 **(b)** ₹13,00,000 **(c)** ₹13,50,000 **(d)** ₹14,00,000

Q117. CBSE 2026 · 1 mark Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. What is the amount received on allotment?

(a) ₹40,000 **(b)** ₹50,000 **(c)** ₹10,000 **(d)** Nil

Q118. CBSE 2026 · 1 mark Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. Astha Ltd. will show in its Balance Sheet paid-up capital of:

(a) ₹13,00,000 **(b)** ₹13,10,000 **(c)** ₹13,40,000 **(d)** ₹13,50,000

Q119. CBSE 2026 · 1 mark Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. If all the shares on which second and final call was not received, are forfeited, then the amount transferred to capital reserve will be:

(a) ₹10,000 **(b)** ₹50,000 **(c)** ₹5,000 **(d)** ₹40,000

Q120. CBSE 2026 · 1 mark Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. The minimum price at which the forfeited shares can be reissued is:

(a) ₹40,000 **(b)** ₹50,000 **(c)** ₹10,000 **(d)** ₹15,000

Q121. CBSE 2026 · 1 mark (i) Astha Ltd. was registered with an authorised capital of ₹20,00,000 divided into shares of ₹10 each. On 1st April, 2025, the company offered to the public for subscription 1,40,000 shares. Applications for 1,35,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 5,000 shares failed to pay the second and final call of ₹2 per share. Answer the following questions on the basis of the above information: (i)

(a) ₹5,000 **(b)** ₹50,000 **(c)** ₹40,000 **(d)** ₹10,000

CASE STUDY · CBSE 2026

Bright Motors Ltd. was registered with an authorised capital of ₹10,00,00,000 divided into equity shares of ₹100 each. The company issued 3,00,000 shares to the public for subscription. The amount was payable as follows: On application ₹30 per share; On allotment ₹50 per share; On first and final call ₹balance. All the shares were fully subscribed. All amounts were duly received except from Raman, a holder of 500 shares, who failed to pay the first and final call.

Q122. CBSE 2026 · 1 mark Total number of shares into which the authorised share capital of the company is divided, is:

(a) 10,00,00,000 **(b)** 1,00,00,000 **(c)** 10,00,000 **(d)** 3,00,000

CASE STUDY · CBSE 2026

Diwan Ltd. was registered with an authorised capital of ₹1,00,00,000, divided into 1,00,000 equity shares of ₹100 each. The company invited applications for issuing 50,000 shares. The amount was payable as follows: On Application and Allotment ₹30 per share; On First call ₹40 per share; On Second and Final call balance. The issue was fully subscribed. All amounts were duly received except from Nawal, a shareholder holding 700 shares, who failed to pay the second and final call. His shares were forfeited.

Q123. CBSE 2026 · 1 mark Diwan Ltd. was registered with an authorised capital of ₹1,00,00,000, divided into 1,00,000 equity shares of ₹100 each. The company invited applications for issuing 50,000 shares. The amount was payable as follows: On Application and Allotment ₹30 per share; On First call ₹40 per share; On Second and Final call balance. The issue was fully subscribed. All amounts were duly received except from Nawal, a shareholder holding 700 shares, who failed to pay the second and final call. His shares were forfeited. (i) The Registered capital of Diwan Ltd. is:

(a) ₹1,00,00,000 **(b)** ₹1,00,000 **(c)** ₹50,00,000 **(d)** ₹50,000

Q124. CBSE 2026 · 1 mark The Registered capital of Diwan Ltd. is:

(a) 1,00,00,000 **(b)** 1,00,000 **(c)** 50,00,000 **(d)** 50,000

Q125. CBSE 2026 · 1 mark Diwan Ltd. was registered with an authorised capital of ₹1,00,00,000, divided into 1,00,000 equity shares of ₹100 each. The company invited applications for issuing 50,000 shares. The amount was payable as follows: On Application and Allotment ₹30 per share; On First call ₹40 per share; On Second and Final call ₹balance. The issue was fully subscribed. All amounts were duly received except from Nawal, a shareholder holding 700 shares, who failed to pay the second and final call. His shares were forfeited. The Registered capital of Diwan Ltd. is:

(a) ₹1,00,00,000 **(b)** ₹1,00,000 **(c)** ₹50,00,000 **(d)** ₹50,000

CASE STUDY · CBSE 2025

Following is the extract of the Balance Sheet of Sankalp Ltd. as per Schedule III, Part I of the Companies Act, 2013 as at 31st March, 2024 along with the notes to accounts: Balance Sheet of Sankalp Ltd. as at 31st March, 2024 (An extract) Particulars Note No. 31.03.2024 (₹) 31.03.2023 (₹) I Equity and Liabilities: 1. (a) Share Capital 1. 29,80,000 25,00,000 Notes to Accounts as at 31st March, 2023 Note No. Particulars 31.03.2023 (₹) 1. Share Capital Authorised Capital 4,50,000 Equity Shares of ₹10 each 45,00,000 Issued Capital 2,50,000 Equity Shares of ₹10 each 25,00,000 Subscribed Capital Subscribed and fully paid-up 2,50,000 Equity Shares of ₹10 each 25,00,000 Subscribed but not fully paid-up NIL 25,00,000 Notes to Accounts as at 31st March, 2024 Note No. Particulars 31.03.2024 (₹) 1. Share Capital Authorised Capital 4,50,000 Equity Shares of ₹10 each 45,00,000 Issued Capital 3,00,000 Equity Shares of ₹10 each 30,00,000 Subscribed Capital Subscribed and fully paid-up 2,90,000 Equity Shares of ₹10 each 29,00,000 Subscribed but not fully paid-up 10,000 Equity Shares of ₹10 each fully called-up 1,00,000 Less Calls-in-Arrears 10,000 Equity Shares @ ₹2 per share 20,000 80,000 29,80,000

Q126. CBSE 2025 · 1 mark Equity share capital issued during the year 2023-24 amounted to:

(a) ₹2,10,000 **(b)** ₹4,90,000 **(c)** ₹5,00,000 **(d)** ₹5,50,000

CASE STUDY · CBSE 2025

Balance Sheet of Sankalp Ltd. as at 31st March, 2024 (An extract). Particulars Note No. 31.03.2024 (₹) 31.03.2023 (₹). Share Capital (1): Notes to Accounts as at 31st March, 2023 Note No. 1. Share Capital. Authorised Capital: 4,50,000 Equity Shares of ₹10 each ₹45,00,000. Issued Capital: 2,50,000 Equity Shares of ₹10 each ₹25,00,000. Subscribed Capital. Subscribed and fully paid-up: 2,50,000 Equity Shares of ₹10 each ₹25,00,000. Notes to Accounts as at 31st March, 2024 Note No. 1. Share Capital. Authorised Capital: 4,50,000 Equity Shares of ₹10 each ₹45,00,000. Issued Capital: 3,00,000 Equity Shares of ₹10 each ₹30,00,000. Subscribed Capital. Subscribed and fully paid-up: 2,90,000 Equity Shares of ₹10 each ₹29,00,000. Subscribed but not fully paid-up: 10,000 Equity Shares of ₹10 each fully called-up ₹1,00,000. Less Calls-in-Arrears: 10,000 Equity Shares @ ₹2 per share ₹20,000. Net amount ₹80,000. Total Share Capital ₹29,80,000.

Q127. CBSE 2025 · 1 mark Following is the extract of the Balance Sheet of Sankalp Ltd. as per Schedule III, Part I of the Companies Act, 2013 as at 31st March, 2024 along with the notes to accounts. Equity share capital issued during the year 2023-24 amounted to:

(a) ₹2,10,000 **(b)** ₹4,90,000 **(c)** ₹5,00,000 **(d)** ₹5,50,000

CASE STUDY · CBSE 2025

ABC Ltd. was registered with authorised capital of ₹1,00,00,000 divided into 10,00,000 equity shares of ₹10 each. On 1st April, 2024, the company offered to the public for subscription, 1,00,000 shares. Applications for 99,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 9,000 shares failed to pay the final call of ₹3 per share.

Q128. CBSE 2025 · 1 mark ABC Ltd. was registered with authorised capital of ₹1,00,00,000 divided into 10,00,000 equity shares of ₹10 each. On 1st April, 2024, the company offered to the public for subscription, 1,00,000 shares. Applications for 99,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 9,000 shares failed to pay the final call of ₹3 per share. The authorised capital of the company is:

(a) ₹10,00,000 **(b)** ₹9,90,000 **(c)** ₹1,00,00,000 **(d)** ₹99,45,000

Q129. CBSE 2025 · 1 mark The authorised capital of the company is:

(a) ₹10,00,000 **(b)** ₹9,90,000 **(c)** ₹1,00,00,000 **(d)** ₹99,45,000

Q130. CBSE 2025 · 1 mark ABC Ltd. was registered with authorised capital of ₹1,00,00,000 divided into 10,00,000 equity shares of ₹10 each. On 1st April, 2024, the company offered to the public for subscription, 1,00,000 shares. Applications for 99,000 shares were received and allotment was made in full to all the applicants. A shareholder holding 9,000 shares failed to pay the final call of ₹3 per share. (i) The authorised capital of the company is:

(a) ₹10,00,000 **(b)** ₹9,90,000 **(c)** ₹1,00,00,000 **(d)** ₹99,45,000

CASE STUDY · CBSE 2025

The following information has been obtained from the Balance Sheet of Jay Ltd. as at 31st March, 2024. Authorised capital: 1,00,000 Equity Shares of 100 each = 1,00,00,000. Issued capital: 75,000 Equity Shares of 100 each = 75,00,000. Subscribed capital: Subscribed and fully paid up: 71,000 Equity Shares of 100 each = 71,00,000. Subscribed but not fully paid up: 1,000 Equity Shares of 100 each = 1,00,000. Less: Calls in Arrears = (20,000). Total subscribed capital = 80,000.

Q131. CBSE 2025 · 1 mark The total number of shares offered to the public for subscription are:

(a) 71,000 **(b)** 70,400 **(c)** 70,000 **(d)** 75,000

CASE STUDY · CBSE 2025

The following information has been obtained from the Balance Sheet of Jay Ltd. as at 31st March, 2024: Notes to Accounts: Note No. 1 Authorised capital: 1,00,000 Equity Shares of ₹ 100 each = ₹ 1,00,00,000. Issued capital: 75,000 Equity Shares of ₹ 100 each = ₹ 75,00,000. Subscribed capital: Subscribed and fully paid up: 71,000 Equity Shares of ₹ 100 each = ₹ 71,00,000. Subscribed but not fully paid up: 1,000 Equity Shares of ₹ 100 each = ₹ 1,00,000. Less: Calls in Arrears: ₹ (20,000). Total = ₹ 80,000. Total Subscribed Capital = ₹ 71,80,000.

Q132. CBSE 2025 · 1 mark The total number of shares offered to the public for subscription are:

(a) 71,000 **(b)** 70,400 **(c)** 70,000 **(d)** 75,000

CASE STUDY · CBSE 2025

Balance Sheet of Jay Ltd. as at 31st March, 2024. Particulars - Note No. - Amount (₹). I Equity and Liabilities: (a) Share Capital 1 71,80,000. Notes to Accounts: Note No. 1 - Particulars - Amount (₹) - Amount (₹). Authorised capital: 1,00,000 Equity Shares of ₹100 each - 1,00,00,000. Issued capital: 75,000 Equity Shares of ₹100 each - 75,00,000. Subscribed capital: Subscribed and fully paid up: 71,000 Equity Shares of ₹100 each - 71,00,000. Subscribed but not fully paid up: 1,000 Equity Shares of ₹100 each - 1,00,000. Less: Calls in Arrears - (20,000). Total - 80,000. Total - 71,80,000.

Q133. CBSE 2025 · 1 mark The following information has been obtained from the Balance Sheet of Jay Ltd. as at 31st March, 2024: Balance Sheet of Jay Ltd. as at 31st March, 2024. Particulars - Note No. - Amount (₹). I Equity and Liabilities: (a) Share Capital 1 71,80,000. Notes to Accounts: Note No. 1 - Particulars - Amount (₹) - Amount (₹). Authorised capital: 1,00,000 Equity Shares of ₹100 each - 1,00,00,000. Issued capital: 75,000 Equity Shares of ₹100 each - 75,00,000. Subscribed capital: Subscribed and fully paid up: 71,000 Equity Shares of ₹100 each - 71,00,000. Subscribed but not fully paid up: 1,000 Equity Shares of ₹100 each - 1,00,000. Less: Calls in Arrears - (20,000). Total - 80,000. Total - 71,80,000. The total number of shares offered to the public for subscription are:

(a) 71,000 **(b)** 70,400 **(c)** 70,000 **(d)** 75,000

CASE STUDY · CBSE 2025

Meetu Ltd. is registered with an authorised capital of ₹1,00,00,000 divided into equity shares of ₹10 each. The company invited application for issuing 5,00,000 equity shares at a premium of ₹3 per share. The amount was payable as follows: On Application and Allotment ₹8 per share (including premium); On First call ₹3 per share; On Second and Final call ₹2 per share. The issue was fully subscribed. All calls were made and were duly received except from Bhola holding 5,000 shares, who could not pay the second and final call. His shares were forfeited.

Q134. CBSE 2025 · 1 mark (i) The amount of share capital to be shown under the heading 'Issued Capital' in the Balance Sheet will be:

(a) ₹49,90,000 **(b)** ₹49,50,000 **(c)** ₹50,00,000 **(d)** ₹65,00,000

CASE STUDY · CBSE 2025

Neera Ltd. is registered with an authorised capital of ₹2,00,00,000 divided into equity shares of ₹10 each. The company invited applications for issuing 2,00,000 equity shares at a premium of ₹2 per share. Applications were received for 1,95,000 shares and allotment was made to all the applicants. All calls were made and duly received except the final call of ₹2 per share on 5,000 shares. The company forfeited these shares.

Q135. CBSE 2025 · 1 mark Neera Ltd. is registered with an authorised capital of ₹2,00,00,000 divided into equity shares of ₹10 each. The company invited applications for issuing 2,00,000 equity shares at a premium of ₹2 per share. Applications were received for 1,95,000 shares and allotment was made to all the applicants. All calls were made and duly received except the final call of ₹2 per share on 5,000 shares. The company forfeited these shares. What is the amount of share capital to be credited to the Share Capital Account?

(a) ₹19,50,000 **(b)** ₹19,40,000 **(c)** ₹20,00,000 **(d)** ₹2,00,00,000

CASE STUDY · CBSE 2025

Meera Ltd. is registered with an authorised capital of 1,00,00,000 divided into equity shares of 10 each. The company invited applications for issuing 1,00,000 equity shares at a premium of 2 per share. The amount was payable as follows: On application 3 per share; On allotment 4 per share (including premium); On first call 2 per share; On second and final call 3 per share. Applications were received for 95,000 shares and allotment was made to all the applicants. All calls were made and duly received except the second and final call of 1,000 shares held by Tushar.

Q136. CBSE 2025 · 1 mark Meera Ltd. is registered with an authorised capital of 1,00,00,000 divided into equity shares of 10 each. The company invited applications for issuing 1,00,000 equity shares at a premium of 2 per share. The amount was payable as follows: On application 3 per share; On allotment 4 per share (including premium); On first call 2 per share; On second and final call 3 per share. Applications were received for 95,000 shares and allotment was made to all the applicants. All calls were made and duly received except the second and final call of 1,000 shares held by Tushar. What is the amount received on application?

(a) 9,50,000 **(b)** 10,00,000 **(c)** 9,47,000 **(d)** 9,43,000

CASE STUDY · CBSE 2025

Balance Sheet of Jay Ltd. as at 31st March, 2024. Authorised capital: 1,00,000 Equity Shares of ₹100 each ₹1,00,00,000. Issued capital: 75,000 Equity Shares of ₹100 each ₹75,00,000. Subscribed capital: Subscribed and fully paid up: 71,000 Equity Shares of ₹100 each ₹71,00,000. Subscribed but not fully paid up: 1,000 Equity Shares of ₹100 each Less: Calls in Arrears ₹1,00,000 (₹20,000) ₹80,000. Total ₹71,80,000

Q137. CBSE 2025 · 1 mark The amount of unissued share capital of the company is:

(a) ₹25,00,000 **(b)** ₹29,00,000 **(c)** ₹29,60,000 **(d)** ₹20,32,000

Q138. CBSE 2025 · 1 mark The registered capital of the company is:

(a) ₹71,80,000 **(b)** ₹80,00,000 **(c)** ₹1,00,00,000 **(d)** ₹71,00,000

Q139. CBSE 2025 · 1 mark The amount per share not received on the shares shown under Subscribed but not fully paid up is:

(a) ₹100 **(b)** ₹20 **(c)** ₹1,000 **(d)** ₹80,000

Q140. CBSE 2025 · 1 mark The amount of calls in arrears is:

(a) ₹20,000 **(b)** ₹80,000 **(c)** ₹1,00,000 **(d)** ₹71,00,000

6 Issue and Redemption of Debentures

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (49)

Q1. CBSE 2026 · 1 mark On 1st April, 2024, Mobi Ltd. issued 3,000, 9% Debentures of ₹1,000 each at a premium of 5%. The total amount of interest due on debentures for the year ended 31st March, 2025 will be:

(a) ₹2,70,000 **(b)** ₹1,50,000 **(c)** ₹27,000 **(d)** ₹15,000

Q2. CBSE 2026 · 1 mark Deep Ltd. issued 6,000, 9% Debentures of ₹500 each at ₹490 per debenture. 9% Debentures Account will be credited by:

(a) ₹2,70,000 **(b)** ₹6,00,000 **(c)** ₹29,40,000 **(d)** ₹30,00,000

Q3. CBSE 2026 · 1 mark Mogra Ltd. purchased assets of ₹14,40,000 from DK Ltd. It issued 9% Debentures of ₹100 each at a discount of 4% in full satisfaction of the purchase consideration. The number of debentures issued to DK Ltd. were:

(a) 14,400 **(b)** 15,000 **(c)** 3,60,000 **(d)** 1,500

Q4. CBSE 2026 · 1 mark Nigam Ltd. issued 40,000, 11% Debentures of 100 each at a certain rate of discount. The debentures were to be redeemed at 20% premium. Existing balance of Securities Premium before issue of these debentures was 13,00,000. Deduction from Securities Premium Account after issue of these debentures was 3,00,000. The above debentures were issued at a discount of:

(a) 20% **(b)** 15% **(c)** 10% **(d)** 5%

Q5. CBSE 2026 · 1 mark Delta Ltd. issued 5,000, 10% Debentures of 500 each at 450 per debenture. 10% Debentures Account will be credited by:
(a) 5,00,000 **(b)** 25,00,000 **(c)** 2,25,000 **(d)** 4,50,000

Q6. CBSE 2026 · 1 mark Sana Ltd. purchased assets of 19,00,000 from MN Ltd. Sana Ltd. issued 10% Debentures of 100 each at a discount of 5% in full satisfaction of the purchase consideration. The number of debentures issued to MN Ltd. was:
(a) 3,80,000 **(b)** 20,000 **(c)** 19,000 **(d)** 10,000

Q7. CBSE 2026 · 1 mark Misha Ltd. purchased assets of ₹18,80,000 from Vibo Ltd. Misha Ltd. issued 11% Debentures of ₹100 each at a discount of 6% in full satisfaction of the purchase consideration. The number of debentures issued to Vibo Ltd. was:
(a) 20,000 **(b)** 11,000 **(c)** 10,000 **(d)** 18,000

Q8. CBSE 2026 · 1 mark _____ debentures refer to those debentures where a charge is created on the assets of the company for the purpose of payment in case of default.
(a) Unsecured **(b)** Secured **(c)** Convertible **(d)** Registered

Q9. CBSE 2026 · 1 mark Amik Ltd. issued 70,000, 9% Debentures of ₹100 each at a premium of 5%. On issue of Debentures:
(a) ₹10,50,000 **(b)** ₹7,00,000 **(c)** ₹3,50,000 **(d)** ₹6,30,000

Q10. CBSE 2026 · 1 mark White Ltd. purchased Plant and Machinery worth ₹3,96,000 from Nath Ltd. The purchase consideration was paid by issue of 9% Debentures of ₹100 each at 10% discount. The number of debentures issued were:
(a) 3,960 **(b)** 4,000 **(c)** 4,400 **(d)** 3,600

Q11. CBSE 2026 · 1 mark Manas Ltd. issued 60,000, 10% Debentures of ₹100 each at a premium of Manas Ltd. by:
(a) ₹4,80,000 **(b)** ₹6,00,000 **(c)** ₹7,80,000 **(d)** ₹3,00,000

Q12. CBSE 2026 · 1 mark Disha Ltd. purchased furniture worth ₹2,85,000 from Gupta Ltd. The purchase consideration was paid by issue of 7% Debentures of ₹100 each at 5% discount . The number of debentures issued by Disha Ltd. was:
(a) 2,850 **(b)** 3,000 **(c)** 57,000 **(d)** 5,000

Q13. CBSE 2026 · 1 mark Nishi Ltd. issued 80,000, 11% Debentures of ₹100 each at a premium of 9%, redeemable at a premium of 7%?
(a) ₹7,20,000 **(b)** ₹8,80,000 **(c)** ₹5,60,000 **(d)** ₹8,00,000

Q14. CBSE 2026 · 1 mark Glaze Ltd. purchased land and building worth ₹3,84,000 from Sia Ltd. The purchase consideration was paid by issue of 8% Debentures of ₹100 each at 4% discount. The number of debentures issued by Glaze Ltd. was:
(a) 3,200 **(b)** 3,840 **(c)** 4,800 **(d)** 4,000

Q15. CBSE 2026 · 1 mark Nori Ltd. issued 20,000, 11% debentures of ₹100 each at a premium of 10%, redeemable at a premium of 5%. Loss on issue of debentures account will be debited by:
(a) ₹20,00,000 **(b)** ₹1,00,000 **(c)** ₹3,00,000 **(d)** ₹2,00,000

Q16. CBSE 2026 · 1 mark The debentures which do not carry a specific rate of interest are known as:
(a) Irredeemable debentures **(b)** Bearer debentures
(c) Specific coupon rate debentures
(d) Zero coupon rate debentures

Q17. CBSE 2026 · 1 mark On 1st April, 2024, DD Ltd. issued 2,000, 9% Debentures of ₹50 each at a premium of 5%, redeemable at a premium of ₹10 per debenture after five years. Interest on the debentures was to be paid on half-yearly basis on 30th September and 31st March. Interest on the debentures for the year ended 31st March, 2025 will be:
(a) ₹4,500 **(b)** ₹9,000 **(c)** ₹9,450 **(d)** ₹4,725

Q18. CBSE 2026 · 1 mark Universal Ltd. took over machinery of 3,30,000, furniture of 1,60,000 and liabilities of 80,000 from Amol Ltd. for a purchase consideration of 4,50,000. The payment to Amol Ltd. was made by issue of 10% Debentures of 50 each at a discount of 10%. The number of debentures issued to Amol Ltd. was:
(a) 1,000 **(b)** 4,500 **(c)** 45,000 **(d)** 10,000

Q19. CBSE 2026 · 1 mark On 1st April, 2024, EE Ltd. issued 3,000, 9% Debentures of 50 each at a premium of 5%, redeemable at a premium of 10 per debenture after five years. Interest on the debentures was to be paid on half-yearly basis on 30th September and 31st March. Interest on debentures for the year ended 31st March, 2025 will be:
(a) 6,750 **(b)** 15,000 **(c)** 7,500 **(d)** 13,500

Q20. CBSE 2026 · 1 mark On 1st April, 2024, MM Ltd. issued 4,000, 9% Debentures of ₹50 each at a premium of 5%, redeemable at a premium of ₹10 per debenture after five years. Interest on the debentures was to be paid on half-yearly basis on 30th September and 31st March. Interest on debentures for the year ended 31st March, 2025 will be:
(a) ₹10,000 **(b)** ₹20,000 **(c)** ₹18,000 **(d)** ₹9,000

Q21. CBSE 2026 · 1 mark Novelty Ltd. issued 3,000, 11% Debentures of ₹500 each at ₹450 per debenture. 11% Debentures Account will be credited by:
(a) ₹13,50,000 **(b)** ₹3,00,000 **(c)** ₹15,00,000 **(d)** ₹33,00,000

Q22. CBSE 2025 · 1 mark On 1st April, 2024, Bright Ltd. issued 20,000, 11% debentures of ₹100 each at a premium of 10%, redeemable at a premium of 10%. Loss on issue of debentures was:
(a) ₹2,00,000 **(b)** ₹4,00,000 **(c)** ₹20,00,000 **(d)** ₹40,00,000

Q23. CBSE 2025 · 1 mark Shivalik Ltd. issued 7% debentures of ₹100 each at a discount of 5% on 1st April, 2023. Discount on issue of debentures, ₹1,00,000 was completely written off through Statement of Profit and Loss on 31st March, 2024. The Debentures Account was credited with _____.
(a) ₹10,00,000 **(b)** ₹20,00,000 **(c)** ₹19,00,000 **(d)** ₹1,00,000

Q24. CBSE 2025 · 1 mark Shivalik Ltd. issued 7% debentures of ₹100 each at a discount of 5% on 1st April, 2023. Discount on issue of debentures, ₹1,00,000 was completely written off through Statement of Profit and Loss on 31st March, 2024. The Securities Premium Account was credited with _____.
(a) ₹10,00,000 **(b)** ₹20,00,000 **(c)** ₹19,00,000 **(d)** ₹1,00,000

Q25. CBSE 2025 · 1 mark The debentures that can be transferred by way of delivery and the company does not keep any record of the debentures holders are called:

(a) Redeemable debentures **(b)** Convertible debentures

(c) Zero Coupon Rate debentures **(d)** Bearer debentures

Q26. CBSE 2025 · 1 mark On 1st April, 2023, Viya Ltd. issued 20,000, 10% debentures of ₹100 each at a premium of 10%. The total amount of interest on debentures for the year ended 31st March, 2024 will be:

(a) ₹2,000 **(b)** ₹2,20,000 **(c)** ₹2,00,000 **(d)** ₹20,000

Q27. CBSE 2025 · 1 mark Paradigm Ltd. issued 40,000, 11% debentures of ₹100 each at a discount. Issue of Debentures Account was debited with ₹4,00,000. The amount of premium on redemption of debentures was:

(a) ₹4,00,000 **(b)** ₹2,00,000 **(c)** ₹4,40,000 **(d)** ₹20,000

Q28. CBSE 2025 · 1 mark Paratigm Ltd. issued 40,000, 11% debentures of ₹100 each at a discount of ₹4,00,000. The amount of premium on redemption of debentures was:

(a) ₹4,00,000 **(b)** ₹2,00,000 **(c)** ₹4,40,000 **(d)** ₹20,000

Q29. CBSE 2025 · 1 mark Shyamla Ltd. purchased machinery of 9,50,000 from Rohini Ltd. The payment was made by issue of 9% debentures of 100 each at a discount of 5% redeemable at a premium of 10% after four years. The number of debentures issued in favour of Rohini Ltd. will be:

(a) 10,000 **(b)** 9,500 **(c)** 9,050 **(d)** 8,636

Q30. CBSE 2025 · 1 mark Debentures which can be transferred by way of delivery and the company does not keep any record of the debentureholders are called:

(a) Secured Debentures **(b)** Redeemable Debentures

(c) Registered Debentures **(d)** Bearer Debentures

Q31. CBSE 2025 · 1 mark (a) On 1st October, 2024, Nirmal Ltd. issued 6,000, 11% Debentures of ₹100 each at a premium of 10%, redeemable at a premium of 10%. The discount on issue of debentures will be:

(a) ₹1,20,000 **(b)** ₹60,000 **(c)** ₹6,00,000 **(d)** ₹6,60,000

Q32. CBSE 2025 · 1 mark On 1st April, 2023, Mudra Ltd. issued 9,000, 12% Debentures of ₹100 each at 10% premium, redeemable at a premium of 10% after 4 years. The interest due on debentures for the year ended 31st March, 2024 was:

(a) ₹9,90,000 **(b)** ₹9,00,000 **(c)** ₹1,08,000 **(d)** ₹1,18,800

Q33. CBSE 2025 · 1 mark On 1st October, 2024, Nirmal Ltd. issued 6,000, 11% Debentures of ₹100 each at a premium of 10%, redeemable at a premium of 10%. The amount to be credited to 11% Debentures Account will be:

(a) ₹1,20,000 **(b)** ₹60,000 **(c)** ₹6,00,000 **(d)** ₹6,60,000

Q34. CBSE 2025 · 1 mark Debentures can be issued without utilizing the credit balance of Securities Premium Account at any time during the life of the company for:

(a) any time during the life of the company.

(b) only at the time of winding up of the company.

(c) to issue fully paid bonus shares.

(d) to provide for premium on the redemption of preference shares.

Q35. CBSE 2024 · 1 mark Assertion (A): Irredeemable debentures are also known as perpetual debentures. Reason (R): The company does not give any undertaking for the repayment of money borrowed by issuing such debentures. They are repayable on the winding up of the company or on the expiry of a long period. Choose the correct option from the following:

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

(b) Both Assertion (A) and Reason (R) are correct, but Reason (R) is not the correct explanation of Assertion (A).

(c) Assertion (A) is incorrect, but Reason (R) is correct.

(d) Assertion (A) is correct, but Reason (R) is incorrect.

Q36. CBSE 2024 · 1 mark On 1st April, 2022, Mega Ltd. issued 30,000, 10% Debentures of ₹ 100 each at a discount of 10%. The total amount of interest due on debentures for the year ending 31st March, 2023 will be :

(a) ₹ 2,70,000 **(b)** ₹ 3,00,000 **(c)** ₹ 27,000 **(d)** ₹ 30,000

Q37. CBSE 2024 · 1 mark Misha Ltd. issued 6,000, 8% Debentures of ₹100 each at ₹96 per debenture. 8% Debentures Account will be credited by :

(a) ₹ 5,76,000 **(b)** ₹ 24,000 **(c)** ₹ 6,00,000 **(d)** ₹ 60,000

Q38. CBSE 2024 · 1 mark The debentures which do not have a specific charge on the assets of the company are called:

(a) Redeemable Debentures **(b)** Unsecured Debentures

(c) Zero Coupon Rate Debentures

(d) Non-Convertible Debentures

Q39. CBSE 2024 · 1 mark Maharaja Ltd. took over assets of ₹ 15,00,000 and liabilities of ₹ 2,00,000 of Dolphin Ltd. for an agreed purchase consideration of ₹ 12,60,000. It was agreed that the purchase consideration will be paid by issuing 11% Debentures of ₹ 100 each at 10% discount. The number of debentures issued will be:

(a) 13,000 **(b)** 12,600 **(c)** 10,000 **(d)** 14,000

Q40. CBSE 2024 · 1 mark The debentures which do not carry a specific rate of interest are called:

(a) Zero Coupon Rate Debentures

(b) Specific Coupon Rate Debentures

(c) Unsecured Debentures **(d)** Secured Debentures

Q41. CBSE 2023 · 1 mark Rohit Limited issued 2,000, 9% Debentures of ₹ 100 each at ₹ 95 per debenture. 9% Debentures account will be credited by :

(a) ₹ 1,90,000 **(b)** ₹ 1,10,000 **(c)** ₹ 2,00,000 **(d)** ₹ 10,000

Q42. CBSE 2023 · 1 mark Maira Ltd. took over assets of ₹ 12,00,000 and liabilities of ₹ 4,00,000 of Subav Ltd. for an agreed purchase consideration of ₹ 9,00,000. The amount was payable by issue of 11% debentures of ₹ 100 each at 10% discount. The number of debentures issued will be:

(a) 9,000 **(b)** 10,000 **(c)** 8,000 **(d)** 11,000

Q43. CBSE 2023 · 1 mark Sunbeam Ltd. issued 20,000, 11% debentures of ₹ 100 each at a premium of 10%, redeemable at a premium of 5%. The Loss on Issue of Debentures Account will debited by:

(a) ₹ 3,00,000 **(b)** ₹ 2,00,000 **(c)** ₹ 1,00,000 **(d)** ₹ 22,00,000

Q44. CBSE 2023 · 1 mark On 1st April, 2021, Narmada Ltd. issued 5,000, 8% Debentures of ₹ 100 each at a premium of 10%. The total amount of interest on debentures for the year ending 31st March, 2022 will be:

(a) ₹ 25,000 **(b)** ₹ 20,000 **(c)** ₹ 50,000 **(d)** ₹ 40,000

Q45. CBSE 2023 · 1 mark Sunbeam Limited issued 4,000, 6% Debentures of ₹ 100 each at ₹ 95 per debenture. 6% Debentures account will be credited by :

(a) ₹ 3,80,000 **(b)** ₹ 4,40,000 **(c)** ₹ 4,00,000 **(d)** ₹ 20,000

Q46. CBSE 2023 · 1 mark (i) Anuradha Ltd. issued 2,00,000, 7% debentures of ₹ 100 each at a discount of 5% redeemable at a premium of 5%. Discount on issue and premium on redemption were accounted for through Loss on Issue of Debentures Account. On issue of debentures, Loss on Issue of Debentures Account will be:

(a) Credited by ₹ 10,00,000 **(b)** Debited by ₹ 10,00,000
(c) Debited by ₹ 20,00,000 **(d)** Credited by ₹ 20,00,000

Q47. CBSE 2023 · 1 mark Sujata Ltd. issued 5,000, 7% Debentures of ₹ 100 each at a premium of 10%. According to the terms of issue, 40% of the amount was payable on application and the balance on allotment. The issue was fully subscribed and all amounts were duly received. The amounts received on application and allotment respectively were:

(a) ₹ 2,50,000 and ₹ 3,00,000 **(b)** ₹ 2,00,000 and ₹ 3,00,000
(c) ₹ 2,00,000 and ₹ 3,50,000 **(d)** ₹ 2,00,000 and ₹ 2,50,000

Q48. CBSE 2023 · 1 mark Anuradha Ltd. issued 2,00,000, 7% debentures of ₹ 100 each at a discount of 5% redeemable at a premium of 5%. Discount on issue and premium on redemption was accounted for through Loss on Issue of Debentures Account. On issue of debentures, Loss on Issue of Debentures Account will be:

(a) Credited by ₹ 10,00,000 **(b)** Debited by ₹ 10,00,000
(c) Debited by ₹ 20,00,000 **(d)** Credited by ₹ 20,00,000

Q49. CBSE 2023 · 1 mark Anuradha Ltd. issued 2,00,000, 7% debentures of ₹ 100 each at a discount of 5% redeemable at a premium of 5%. Discount on issue of debentures and premium on redemption of debentures are accounted for through Loss on Issue of Debentures Account. On issue of debentures, Loss on Issue of Debentures Account will be :

(a) Credited by ₹ 10,00,000 **(b)** Debited by ₹ 10,00,000
(c) Debited by ₹ 20,00,000 **(d)** Credited by ₹ 20,00,000

SHORT ANSWER (20)

Q50. CBSE 2026 · 3 marks Oasis Ltd. purchased building worth ₹12,00,000, machinery worth ₹1,90,000 and furniture worth ₹3,00,000 from Nitara Ltd. and took over its liabilities of ₹90,000 for a purchase consideration of ₹15,30,000. Oasis Ltd. paid the purchase consideration by issuing 11% Debentures of ₹100 each at a discount of 10%. Pass necessary journal entries in the books of Oasis Ltd. for the above transactions.

Q51. CBSE 2026 · 4 marks Pass necessary journal entries for issue of debentures for the following transactions: (i) AB Ltd. issued 30,000, 10% Debentures of ₹100 each at a premium of 5%, redeemable at a premium of 10%. (ii) CD Ltd. issued 40,000, 8% Debentures of ₹100 each at par, redeemable at a premium of 10%.

Q52. CBSE 2026 · 4 marks On 1st April, 2024, Deendayal Ltd. issued 80,000, 10% Debentures of ₹100 each at a premium of 9%, redeemable at par after 6 years. The company closes its books on 31st March every year. Pass necessary journal entries in the books of Deendayal Ltd. for issue of debentures, payment of interest on debentures and writing off interest for the year ended 31st March, 2025.

Q53. CBSE 2026 · 3 marks On 1st April, 2024, Zara Ltd. issued 8,000, 9% Debentures of ₹100 each at a discount of 10%. The company had a balance of ₹50,000 in the Securities Premium Account on the same date. Pass necessary journal entries for the issue of debentures and to write off discount on issue of debentures.

Q54. CBSE 2026 · 3 marks Kiara Ltd. purchased assets worth 12,40,000 and took over liabilities of 3,40,000 of Amrex Ltd. for a purchase consideration of 11,00,000. Kiara Ltd. paid half the amount by cheque. The balance amount was settled by issuing 9% debentures of 100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Kiara Ltd.

Q55. CBSE 2026 · 4 marks Pass necessary journal entries for issue of debentures for the following transactions: (i) KL Ltd. issued 80,000, 9% Debentures of ₹100 each at a premium of 10%, redeemable at a premium of 5%. (ii) UH Ltd. issued 40,000, 9% Debentures of ₹100 each at par, redeemable at a premium of 10%.

Q56. CBSE 2026 · 3 marks Almond Ltd. purchased a running business of Cashew Ltd. comprising of land and building ₹85,00,000, machinery ₹50,00,000 and sundry liabilities ₹10,00,000 for a purchase consideration of ₹1,00,00,000. Payment of ₹10,00,000 was made through a cheque and the remaining amount by issue of 11% Debentures of ₹100 each at a premium of 20%. Pass necessary journal entries for the above transactions in the books of Almond Ltd.

Q57. CBSE 2025 · 3 marks Mallark Ltd. purchased assets of book value ₹40,00,000 and took over liabilities of ₹5,00,000 from Naroha Ltd. It was agreed that the purchase consideration, ₹36,00,000 be paid by issuing 7% debentures of ₹100 each at a premium of 20%. Record the journal entries in the books of Mallark Ltd. for the above transactions.

Q58. CBSE 2025 · 4 marks PQ Ltd. invited applications for issuing 6,000, 11% debentures of ₹100 each at a premium of ₹10 per debenture. The amount was payable as follows: On Application ₹30 per debenture, On Allotment ₹80 per debenture (including premium). The debentures were fully subscribed and all money was duly received. Pass necessary journal entries for the above transactions in the books of PQ Ltd.

Q59. CBSE 2025 · 3 marks KM Ltd. acquired assets worth ₹7,20,000 and took over liabilities of ₹2,00,000 of LS Ltd. for a purchase consideration of ₹9,60,000. KM Ltd. issued 12% debentures of ₹100 each at a discount of 4% in favour of LS Ltd. for payment of purchase consideration. Pass necessary journal entries for the above transactions in the books of KM Ltd.

Q60. CBSE 2025 · 3 marks Sandhya Ltd. took over the assets of 50,00,000 and liabilities of 7,00,000 of Guman Ltd. for purchase consideration of 40,00,000. The payment of purchase consideration was made by issue of 9% debentures of 100 each at a premium of 25% to Guman Ltd. Pass necessary journal entries for the above transactions in the books of Sandhya Ltd.

Q61. CBSE 2025 · 3 marks (a) On 1st April, 2024, Varsha Ltd. purchased from Rama Ltd., furniture at ₹12,00,000 and machinery at ₹20,00,000. It also took over its liabilities amounting to ₹3,00,000. The purchase consideration of ₹35,00,000 was paid by issuing a bank draft of ₹2,00,000 and the balance by issue of 11% Debentures of ₹100 each, at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Varsha Ltd.

Q62. CBSE 2025 · 4 marks Pass necessary journal entries for the issue of debentures in the books of RN Ltd. for the following transactions: (i) Issued 1,000, 10% Debentures of ₹100 each at 5% premium, redeemable at a premium of 10% after 5 years. (ii) Issued 5,000, 10% Debentures of ₹100 each at a premium of 10%, redeemable at par after 5 years.

Q63. CBSE 2024 · 3 marks Dhatu Ltd. invited applications for issuing 4,000, 11% Debentures of ₹ 100 each at a premium of ₹ 50 per debenture. Full amount was payable on application. Applications were received for 5,000 debentures. Applications for 1,000 debentures were rejected and application money was refunded. Debentures were allotted to the remaining applicants. Pass necessary journal entries for the above transactions in the books of Dhatu Ltd.

Q64. CBSE 2024 · 3 marks Sumi Ltd. acquired assets of ₹ 8,00,000 and took over sundry creditors of ₹ 2,00,000 from Pandora Ltd. for a purchase consideration of ₹ 9,00,000. The payment was made by issuing a cheque of ₹ 4,60,000 and remaining by issue of 9% Debentures of ₹ 100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Sumi Ltd.

Q65. CBSE 2023 · 3 marks Shovan Limited took over the assets of ₹ 60,00,000 and liabilities of ₹ 10,00,000 from Swami Limited for an agreed purchase consideration of ₹ 45,00,000. The amount was payable by issuing 10% debentures of ₹ 100 each at 25% premium. Pass necessary journal entries for the above transactions in the books of Shovan Limited.

Q66. CBSE 2023 · 3 marks M Ltd. issued 10,000, 8% Debentures of ₹100 each at 6% discount. The amount was payable as ₹60 on application and the balance on allotment. All money was duly received. Pass necessary journal entries in the books of M Ltd.

Q67. CBSE 2022 · 3 marks Khandelwal Ltd. took over assets of Sharma Ltd. of ₹ 25,00,000 and liabilities amounting to ₹ 7,80,000 for a purchase consideration of ₹ 27,00,000. The payment to Sharma Ltd. was made by issuing 10% Debentures of ₹ 100 each at a discount of 10%. Pass the necessary journal entries for the above transactions in the books of Khandelwal Ltd.

Q68. CBSE 2022 · 3 marks X Ltd. invited applications for issuing 15,000 8% Debentures of ₹ 100 each. The amount was payable as follows: On Application ₹ 20 per Debenture. On Allotment Balance. Applications for 30,000 Debentures were received. Applications for 5,000 Debentures were rejected and the application money was refunded to the applicants. Prorata allotment was made to the remaining applicants. Excess money received with applications was adjusted towards sums due on allotment. The remaining allotment money was duly received. Pass necessary journal entries for the above transactions in the books of X Ltd.

Q69. CBSE 2022 · 3 marks Pass necessary journal entries for the issue of Debentures in the following cases: (i) Y Ltd. issued ₹ 5,00,000, 9% Debentures of ₹ 100 each at par redeemable at a premium of 10% after three years. (ii) Z Ltd. issued 4500, 9% Debentures of ₹ 100 each at a discount of 10% redeemable at a premium of 5% after three years.

LONG ANSWER (32)

Q70. CBSE 2026 · 4 marks On 1st April, 2024, Smaran Ltd. issued 60,000, 11% Debentures of ₹100 each at a premium of 10%, redeemable at par after five years. The company closed its books on 31st March every year. Pass necessary journal entries in the books of the company for issue of debentures, payment of interest on debentures and writing off interest for the year ended 31st March, 2025.

Q71. CBSE 2026 · 4 marks On 1st April, 2024, Kavita Ltd. issued 40,000, 9% Debentures of ₹100 each at a premium of 8%, redeemable at par after 5 years. The company closes its books on 31st March every year. Pass necessary journal entries in the books of Kavita Ltd. for issue of debentures, payment of interest on debentures and writing off interest for the year ended 31st March, 2025.

Q72. CBSE 2026 · 4 marks Pass necessary journal entries for the issue of debentures for the following transactions: (i) XS Ltd. issued 40,000, 9% Debentures of ₹100 each at a premium of 10%, redeemable at a premium of 5%. (ii) YG Ltd. issued 50,000, 9% Debentures of ₹100 each at par, redeemable at a premium of 10%.

Q73. CBSE 2026 · 4 marks Pass necessary journal entries for issue of debentures for the following transactions: (i) AS Ltd. issued 60,000, 9% Debentures of 100 each at a premium of 10%, redeemable at a premium of 5%. (ii) WS Ltd. issued 30,000, 9% Debentures of 100 each at par, redeemable at a premium of 10%.

Q74. CBSE 2025 · 4 marks EF Ltd. invited applications for issuing 4000, 10% debentures of ₹100 each at a premium of ₹10 per debenture. The amount was payable as follows: On application ₹40 per debenture. On allotment ₹70 per debenture (including premium). The debentures were fully subscribed and all money was duly received. Pass necessary journal entries for the above transactions in the books of EF Ltd.

Q75. CBSE 2025 · 6 marks (b) Romerio Ltd. issued ₹80,00,000, 8% debentures of ₹100 each on 1st April, 2023 at par, redeemable at a premium of 5%. The company had ₹3,00,000 in its Securities Premium Account. Give journal entries in the books of Romerio Ltd. relating to the: (i) Issue of Debentures. (ii) Debenture interest for the year ending 31st March, 2024 assuming that interest was paid yearly on 31st March. (iii) Writing off Debenture Interest and Loss on Issue of Debentures.

Q76. CBSE 2025 · 4 marks CD Ltd. invited applications for issuing 2,000, 12% debentures of ₹100 each at a premium of ₹10 per debenture. The amount was payable as follows: On Application ₹50 per debenture. On Allotment ₹60 per debenture (including premium). The debentures were fully subscribed, and all money was duly received. Pass necessary journal entries for the above transactions in the books of CD Ltd.

Q77. CBSE 2025 · 4 marks On 1st April, 2023, GI Ltd. issued 40,000, 12% debentures of ₹100 each at a premium of 10%, redeemable at par after five years. The company closes its books on 31st March every year. Interest on debentures is payable half-yearly on 30th September and 31st March every year. Pass necessary journal entries in the books of the company for issue of debentures and payment of interest for the year ended 31st March, 2024.

Q78. CBSE 2025 · 4 marks On 1st April, 2023, YK Ltd. issued 20,000, 9% debentures of ₹100 each at a premium of 5%, redeemable after five years at par. The company closes its books on 31st March every year. Interest on debentures is payable half yearly on 30th September and 31st March every year. Pass necessary journal entries in the books of the company for issue of debentures and payment of interest for the year ending 31st March, 2024.

Q79. CBSE 2025 · 4 marks On 1st April, 2023, SM Ltd. issued 30,000, 12% debentures of ₹100 each at a premium of 10%, redeemable at par after four years. The company closes its books on 31st March every year. Interest on debentures is payable on 30th September and 31st March every year on half-yearly basis. Pass necessary journal entries in the books of the company for issue of debentures and payment of interest for the year ended 31st March, 2024.

Q80. CBSE 2025 · 4 marks Pass necessary journal entries for the issue of debentures in the books of NK Ltd. for the following transactions: (i) Issued 500, 9% Debentures of ₹100 each at 10% discount, redeemable at a premium of 10% after 5 years. (ii) Issued 400, 9% Debentures of ₹100 each at 5% discount, redeemable at par after 5 years.

Q81. CBSE 2025 · 4 marks Pass necessary journal entries for the issue of debentures in the books of ZX Ltd. for the following transactions: (i) Issued 4,000, 8% Debentures of 100 each at a discount of 10% redeemable at par after 5 years. (ii) Issued 1,000, 8% Debentures of 100 each at a premium of 10%, redeemable at premium of 5% after 5 years.

Q82. CBSE 2024 · 6 marks On 1st April, 2022, Zubian Ltd. issued ₹ 10,00,000, 7% Debentures of ₹ 100 each at a premium of 6%, redeemable at a premium of 4% after five years. The company had a balance of ₹ 30,000 in Securities Premium Account. (a) Pass necessary journal entries for issue of debentures and for write-off of Discount/Premium on Issue of Debentures/Securities Premium Account at the end of the first year itself. (b) Prepare Debenture Redemption Account/Schedule for the year ended 31st March, 2023.

Q83. CBSE 2024 · 6 marks On 1st April, 2022, Ahilaan Ltd. issued 10,000, 9% Debentures of ₹ 100 each at a premium of 7%, redeemable at a premium of 3% after five years. The company had a balance of ₹ 20,000 in Securities Premium Account. (a) Pass necessary journal entries for issue of debentures and for Premium on issue of Debentures and Securities Premium Account at the end of first year itself. (b) Prepare the Loss on Redemption of Debentures Account for the year ended 31st March, 2023.

Q84. CBSE 2024 · 6 marks On 1st April, 2022, Zoltas Ltd. issued 20,000 7% Debentures of ₹ 100 each at a discount of 5%, redeemable at par after five years. The company had a balance of ₹ 70,000 in Securities Premium Account. (a) Pass necessary journal entries for issue of debentures and for Premium Account at the end of first year itself. (b) Prepare Debentures Redemption Reserve Account for the year ended 31st March, 2023.

Q85. CBSE 2024 · 6 marks Pass necessary journal entries for issue of debentures for the following transactions: (i) Kajal Ltd. issued 30,000, 11% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 5%. (ii) Ninja Ltd. issued 32,000, 8% Debentures of ₹ 100 each at a premium ₹ 20 per debenture, redeemable at a premium of ₹ 10 per debenture. (iii) Him Ltd. issued 40,000, 13% Debentures of ₹ 100 each at par, redeemable at a premium of 10%.

Q86. CBSE 2024 · 6 marks Pass necessary journal entries for issue of debentures for the following transactions: (i) Hero Ltd. issued 20,000, 11% Debentures of ₹ 100 each at a premium of 5%, redeemable at a premium of 10%. (ii) Shashi Ltd. issued 30,000, 9% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 10%. (iii) Murato Ltd. issued 40,000, 11% Debentures of ₹ 100 each at par, redeemable at a premium of 10%.

Q87. CBSE 2024 · 6 marks Pass necessary journal entries for issue of debentures for the following transactions: (i) Suhavo Ltd. issued 10,000, 11% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 5%. (ii) Mudit Ltd. issued 20,000, 9% Debentures of ₹ 100 each at a premium of 5%, redeemable at a premium of 10%. (iii) Sudip Ltd. issued 30,000, 8% Debentures of ₹ 100 each at par, redeemable at a premium of 5%.

Q88. CBSE 2024 · 6 marks On 1st April, 2022, Helloix Ltd. issued 10,000, 7% Debentures of ₹ 500 each at a premium of 10%, redeemable at a premium of 5% after five years. The company had a balance of ₹ 1,50,000 in the Securities Premium Account before the issue. (a) Pass necessary journal entries for issue of debentures and for Loss on Redemption of Debentures and Loss on Issue of Debentures using Securities Premium Account utilising Securities Premium Account at the end of the first year itself. (b) Prepare Loss on Issue of Debentures Account for the year ended 31st March, 2023.

Q89. CBSE 2024 · 6 marks On 1st April, 2022, Bellfont Ltd. issued 5,000, 7% Debentures of ₹ 500 each at a premium of 5%, redeemable at a premium of 10% after five years. The company had a balance of ₹ 3,25,000 in Securities Premium Account before the issue. (a) Pass journal entries for issue of debentures and for writing off Loss on Issue of Debentures utilising Securities Premium Account at the end of the first year itself. (b) Prepare Loss on Issue of Debentures Account for the year ended 31st March, 2023.

Q90. CBSE 2024 · 6 marks On 1st April, 2022, Centafit Ltd. issued 2,000, 7% Debentures of ₹ 500 each at a premium of 10%, redeemable at a premium of 10% after five years. The company had a balance of ₹ 1,75,000 in Securities Premium Account before the issue. (a) Pass journal entries for issue of debentures and for writing off Loss on Issue of Debentures utilising Securities Premium Account at the end of the first year itself. (b) Prepare Loss on Issue of Debentures Account for the year ended 31st March, 2023.

Q91. CBSE 2023 · 6 marks Pass necessary journal entries for the following transactions relating to the issue of debentures: (a) Gagan Limited issued ₹ 10,00,000, 9% Debentures of ₹ 100 each at a premium of 5%, redeemable at par after four years. (b) KS Limited issued ₹ 10,00,000, 10% Debentures of ₹ 100 each at par, redeemable at 10% premium after four years. (c) QR Limited issued ₹ 10,00,000, 9% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 5% after five years.

Q92. CBSE 2023 · 6 marks Pass necessary journal entries relating to the issue of debentures in the books of Akash Ltd. for the following transactions: (a) 1,000, 9% Debentures of ₹ 100 each are issued at 5% discount, redeemable at a premium of 10%. (b) 500, 7% Debentures of ₹ 100 each are issued at 5% premium, redeemable at a premium of 10%. (c) 2,000, 10% Debentures of ₹ 100 each are issued at 5% discount, redeemable at par.

Q93. CBSE 2023 · 6 marks Pass necessary journal entries relating to issue of debentures in the books of Shree Ltd. for the following transactions: (a) 3,000, 7% Debentures of ₹ 100 each are issued at 10% premium, redeemable at a premium of 5%. (b) 2,000, 8% Debentures of ₹ 100 each are issued at 10% premium, redeemable at par. (c) 1,000, 9% Debentures of ₹ 100 each are issued at 10% discount, redeemable at 10% premium.

Q94. CBSE 2023 · 6 marks (a) On 1st October, 2021 Pihu Ltd. issued ₹ 15,00,000, 9% Debentures of ₹ 20 each at a discount of ₹ 6 per debenture. The company had a balance of ₹ 1,00,000 in the Debenture Discount Account on the same date. On 31st March, 2022 the company decided to write off discount on issue of debentures according to the provisions of Companies Act, 2013. Pass necessary journal entries for issue of debentures and writing off discount on issue of debentures.

Q95. CBSE 2023 · 6 marks On 1st April, 2021, LM Ltd. issued ₹45,00,000, 12% Debentures of ₹50 each at a discount of 10%. On 31st March, 2022 it decided to write off discount on issue of debentures according to the provisions of the Companies Act, 2013. It had a credit balance of ₹1,75,000 in its Discount on Issue of Debentures Account. Pass necessary journal entries for the above transaction in the books of the company.

Q96. CBSE 2023 · 6 marks (a) On 1st April, 2022, Smith Ltd. acquired assets of ₹ 80,00,000 from Bharat Ltd. and took over its liabilities of ₹ 10,00,000 for a purchase consideration of ₹ 72,00,000. ₹ 10,00,000 was paid by issuing a bank draft in favour of Bharat Ltd., ₹ 8,00,000 by accepting a Bill of Exchange drawn upon them by Bharat Ltd. payable after four months and the balance by issuing 11% debentures at a discount of 10%. Pass the necessary journal entries for the above transactions in the books of Smith Ltd.

Q97. CBSE 2023 · 6 marks Pass necessary journal entries for issue of 12% debentures in the books of Ghanshyam Ltd. in the following cases: (i) Issued 1,000, 12% debentures of ₹ 100 each at a premium of 10%, redeemable at a premium of 5%. (ii) Issued 5,000, 12% debentures of ₹ 100 each at a premium of 10%, redeemable at par. (iii) Issued 2,000, 12% debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 5%.

Q98. CBSE 2023 · 6 marks Pass necessary journal entries for issue of 12% Debentures in the books of Hemant Ltd. in the following cases: (i) Issued 1,000, 12% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 8%. (ii) Issued 4,000, 12% Debentures of ₹ 100 each at a premium of 5%, redeemable at a premium of 10%. (iii) Issued 5,000, 12% Debentures of ₹ 100 each at a premium of 10%, redeemable at par.

Q99. CBSE 2023 · 6 marks Pass the necessary journal entries for the issue of debentures in the books of Amrit Ltd. for the following transactions: (i) Issued ₹ 10,00,000, 9% Debentures of ₹ 100 each at a discount of 10%, redeemable at a premium of 5% after three years. (ii) Issued ₹ 30,00,000, 8% Debentures of ₹ 100 each at par, redeemable at a premium of 5%. (iii) Issued 6,000, 9% Debentures of ₹ 100 each at a premium of 10%, redeemable at a premium of 5%.

Q100. CBSE 2022 · 5 marks Pass the necessary journal entries in the books of Pankaj Limited for the issue of Debentures in the following cases: (a) Issued 7500, 10% Debentures of ₹ 100 each at a discount of ₹ 10,000 redeemable at a premium of 5%. (b) Issued 5000, 10% Debentures of ₹ 100 each at a premium of 10% redeemable at a premium of 10%. (c) Issued 1000, 9% Debentures of ₹ 100 each at par redeemable at par. (d) Issued ₹ 2,00,000, 9% Debentures of ₹ 100 each at a discount of 10% redeemable at par. (e) Issued 5000, 9% Debentures of ₹ 100 each at 20% premium redeemable at par.

Q101. CBSE 2022 · 5 marks B Ltd. purchased Building worth ₹ 3,00,000, Plant worth ₹ 2,80,000 and Furniture worth ₹ 20,000 from C Ltd. for a purchase consideration of ₹ 6,30,000. B Ltd. paid the purchase consideration by issuing 9% debentures of ₹ 100 each. Pass necessary journal entries in the books of B Ltd. for the acquisition of assets and issue of debentures when: (a) Debentures were issued at par. (b) Debentures were issued at a premium of 25%. (c) Debentures were issued at a discount of 10%.

7 Financial Statements of a Company

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (6)

Q1. CBSE 2026 · 1 mark Which of the following is a financial statement of a company?

(a) Common Size Statement of Profit and Loss
(b) Statement of Profit and Loss
(c) Comparative Balance Sheet
(d) Comparative Statement of Profit and Loss

Q2. CBSE 2024 · 1 mark Maharaja Ltd. took over assets of ₹ 15,00,000 and liabilities of ₹ 2,00,000 of Dolphin Ltd. for an agreed purchase consideration of ₹ 12,60,000. It was agreed that the purchase consideration will be paid by issuing 11% Debentures of ₹ 100 each at 10% discount. The number of debentures issued will be :

(a) 13,000 **(b)** 12,600 **(c)** 10,000 **(d)** 14,000

Q3. CBSE 2024 · 1 mark Statement I: On redemption of Debentures, Debentures A/c and Debentures Suspense A/c (if balance exists) are debited and Bank A/c or Cash A/c is credited. Statement II: On redemption of fully paid bonus debentures, the amount is debited to Debentures A/c and credited to Bank A/c. In the context of the above two statements, choose the correct option:

(a) Both statement I and statement II are correct
(b) Both statement I and statement II are incorrect
(c) Statement I is correct and statement II is incorrect
(d) Statement I is incorrect and statement II is correct

Q4. CBSE 2023 · 1 mark (i) Akshita Ltd. issued fully paid shares of ₹ 5,00,000 in purchase consideration of net assets of ₹ 4,70,000. The balance of ₹ 30,000 will be _____ to _____ account.

(a) debited, Goodwill **(b)** debited, Capital Reserve
(c) credited, Capital Reserve **(d)** credited, General Reserve

Q5. CBSE 2023 · 1 mark A portion of the uncalled capital to be called only in the event of winding up of the company is termed as:

(a) Reserve Capital **(b)** Capital Reserve **(c)** Uncalled Capital
(d) Unpaid Capital

Q6. CBSE 2023 · 1 mark Rhythm Ltd. took over assets of ₹ 30,00,000 and liabilities of ₹ 12,00,000 of Shyam Ltd. for a purchase consideration of ₹ 23,00,000. Excess value of purchase consideration of ₹ 5,00,000 over net assets will be:

(a) Debited to Goodwill Account
(b) Credited to Capital Reserve Account
(c) Credited to Vendor's Account
(d) Debited to Capital Reserve Account

VERY SHORT ANSWER (3)

Q7. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (i) Unclaimed dividend (ii) Raw materials (iii) Capital Work-in-Progress

Q8. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (i) Stores and Spares (ii) Capital Advances (iii) Outstanding Expenses

Q9. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (i) Patents (ii) Capital work-in-progress (iii) Unpaid dividend

SHORT ANSWER (52)

Q10. CBSE 2026 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013: (i) Prepaid insurance (ii) Securities Premium (iii) Design

Q11. CBSE 2026 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013: (i) Outstanding Salary (ii) Capital work-in-progress (iii) Stores and Spare parts

Q12. CBSE 2026 · 3 marks From the following information of GV Ltd., prepare a Comparative Statement of Profit and Loss for the years ended 31st March, 2024 and 2025: Particulars Note No. 2024-25 2023-24 Revenue from operations 30,00,000 20,00,000 Cost of revenue from operations 50% of revenue from operations 50% of revenue from operations Other Expenses 7,50,000 5,00,000 Tax Rate 50% 50%

Q13. CBSE 2026 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule-III, Part-I of the Companies Act, 2013: (i) Unclaimed dividend (ii) Trademarks (iii) Vehicles

Q14. CBSE 2026 · 3 marks Classify the following items under major heads and subheads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Interest Accrued on Investments (b) Calls-in-Advance (c) Mortgage Loans

Q15. CBSE 2026 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Bills Payable (b) Public Deposits (c) Accrued Income

Q16. CBSE 2026 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Licenses and Franchise (b) Capital Advance (c) Stores and Spares

Q17. CBSE 2026 · 3 marks From the following information, prepare a Comparative Statement of Profit and Loss of YX Ltd. for the year ended 31st March, 2025: Particulars 2024-25 (₹) 2023-24 (₹) Revenue from Operations 30,00,000 20,00,000 Other Income (% of Revenue from Operations) 60% 50% Employee Benefit Expenses 12,00,000 6,00,000 Tax Rate 40%

Q18. CBSE 2026 · 3 marks The following information was extracted from the Statement of Profit and Loss of Chaman Ltd. for the year ended 31st March, 2025: Particulars (31.3.2025 / 31.3.2024): Revenue from operations (40,00,000 / 32,00,000); Employee Benefit Expenses (20,00,000 / 16,00,000); Other Expenses (2,00,000 / 4,00,000); Tax Rate 50%. Prepare a Comparative Statement of Profit and Loss.

Q19. CBSE 2026 · 3 marks Under which major head and sub-heads (if any) will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013? (i) Demand deposits with banks (ii) Long-term loans (iii) Livestock

Q20. CBSE 2026 · 3 marks The following information was extracted from the Statement of Profit and Loss of Chaman Ltd. for the year ended 31st March, 2025: Revenue from operations - 31.3.2025: 40,00,000, 31.3.2024: 32,00,000; Employee Benefit Expenses - 31.3.2025: 20,00,000, 31.3.2024: 16,00,000; Other Expenses - 31.3.2025: 2,00,000, 31.3.2024: 4,00,000; Tax Rate 50%. Prepare a Comparative Statement of Profit and Loss.

Q21. CBSE 2026 · 3 marks Kiara Ltd. purchased assets worth ₹12,40,000 and took over liabilities of ₹3,40,000 of Amrex Ltd. for a purchase consideration of ₹11,00,000. Kiara Ltd. paid half the amount by cheque. The balance amount was settled by issuing 9% debentures of ₹100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Kiara Ltd.

Q22. CBSE 2026 · 3 marks From the following information of Dholakia Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024 and 2025: Revenue from operations: ₹30,00,000 (2024-25), ₹15,00,000 (2023-24); Cost of revenue from operations: 80% of revenue from operations (both years); Other Expenses: ₹2,40,000 (2024-25), ₹1,20,000 (2023-24); Tax Rate: 50% (both years).

Q23. CBSE 2026 · 3 marks From the following information of Kumar Ltd. prepare a Comparative Statement of Profit and Loss for the years ended 31st March, 2024 and 2025: Particulars Note No. Revenue from operations ₹60,00,000 ₹40,00,000 Cost of revenue from operations 50% of revenue from operations 50% of revenue from operations Other Expenses ₹15,00,000 ₹10,00,000 Tax Rate 50% 50%

Q24. CBSE 2025 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Prepaid expenses (b) Capital Work-in-Progress (c) Interest accrued and due on debentures

Q25. CBSE 2025 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Calls-in-Advance (b) Work-in-Progress (c) Bank Overdraft

Q26. CBSE 2025 · 3 marks Under which major headings and sub-headings (if any) will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013? (a) Livestock (b) Loose Tools (c) Design

Q27. CBSE 2025 · 3 marks From the following Balance Sheet of Nayak Ltd. prepare a Comparative Balance Sheet: Balance Sheet of Nayak Ltd. as at 31st March, 2024. Particulars 31.3.2024 and 31.3.2023. Equity and Liabilities: Share Capital 6,00,000 and 4,00,000; Non-Current Liabilities - Long-term borrowings 2,25,000 and 1,50,000; Current Liabilities - Trade Payables 75,000 and 50,000; Total 9,00,000 and 6,00,000. Assets: Non-Current Assets - Property, Plant and Equipment and Intangible Assets 6,75,000 and 4,50,000; Current Assets - (a) Inventories 1,50,000 and 1,00,000; (b) Cash and Cash Equivalents 75,000 and 50,000; Total 9,00,000 and 6,00,000.

Q28. CBSE 2025 · 3 marks Under which major headings and sub-headings (if any) will the following items be shown in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013? (a) Prepaid Insurance (b) Unpaid Dividend (c) Public Deposits

Q29. CBSE 2025 · 3 marks Under which major headings and sub-headings (if any) will the following items be shown in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013? (a) Calls-in-Advance (b) Loose tools (c) Trade marks

Q30. CBSE 2025 · 3 marks Show the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Stock-in-trade (b) Motor Vehicles (c) Provision for tax

Q31. CBSE 2025 · 3 marks Show the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Calls in advance (b) Public deposits (c) Intangible assets under development

Q32. CBSE 2025 · 3 marks Show the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Prepaid Insurance (b) Capital Work-in-Progress (c) Unpaid Dividend

Q33. CBSE 2025 · 3 marks Under which major heads and sub-heads (if any) will the following items be shown in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013? (i) Capital Reserve (ii) Trade Payables (iii) Goodwill

Q34. CBSE 2025 · 3 marks Under which major heads and sub-heads (if any) will the following items be shown in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013? (i) Unclaimed dividend (ii) Public Deposits (iii) Patents

Q35. CBSE 2025 · 3 marks Prepare a Comparative Balance Sheet of Tushar Ltd. as at 31st March, 2024, from the following information. Particulars Note No. 31.3.2024 (₹) 31.3.2023 (₹). Equity and Liabilities: 1. Share Capital 27,00,000 18,00,000. 2. Non-Current Liabilities Long-term Borrowings 9,00,000 6,00,000. 3. Current Liabilities Trade Payables 3,00,000 2,00,000. Total 39,00,000 26,00,000. Assets: 1. Non-Current Assets Property, Plant and Equipment and Intangible Assets 33,00,000 20,00,000. 2. Current Assets (a) Inventory 3,00,000 2,00,000. (b) Cash and Cash Equivalents 3,00,000 4,00,000. Total 39,00,000 26,00,000.

Q36. CBSE 2025 · 3 marks Under which major heads and sub-heads (if any) will the following items be shown in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013? (i) Trademarks (ii) Calls-in-advance (iii) Livestock

Q37. CBSE 2025 · 3 marks (a) Mallark Ltd. purchased assets of book value ₹40,00,000 and took over liabilities of ₹5,00,000 from Naroha Ltd. It was agreed that the purchase consideration, ₹36,00,000 be paid by issuing 7% debentures of ₹100 each at a premium of 20%. Record the journal entries in the books of Mallark Ltd. for the above transactions.

Q38. CBSE 2025 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the Company as per Schedule III, Part I of the Companies Act, 2013: (a) Public Deposits (b) Licences and Franchise (c) Accrued Income

Q39. CBSE 2025 · 3 marks KM Ltd. acquired assets worth ₹7,20,000 and took over liabilities of ₹2,00,000 of LS Ltd. for a purchase consideration of ₹9,60,000. KM Ltd. issued 12% debentures of ₹100 each at a discount of 4% in favour of LS Ltd. for payment of purchase consideration. Pass necessary journal entries for the above transactions in the books of KM Ltd.

Q40. CBSE 2025 · 3 marks On 1st April, 2024, Varsha Ltd. purchased from Rama Ltd., furniture at 12,00,000 and machinery at 20,00,000. It also took over its liabilities amounting to 3,00,000. The purchase consideration of 35,00,000 was paid by issuing a bank draft of 2,00,000 and the balance by issue of 11% Debentures of 100 each, at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Varsha Ltd.

Q41. CBSE 2024 · 3 marks Sunrise Ltd. acquired assets of ₹ 3,60,000 and took over creditors of ₹ 1,00,000 from Moonlight Ltd. for an agreed purchase consideration of ₹ 4,80,000. Sunrise Ltd. issued 9% Debentures of ₹ 100 each at a discount of 4% in satisfaction of the purchase consideration. Pass necessary journal entries in the books of Sunrise Ltd. Show your workings clearly.

Q42. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III Part I of the Companies Act, 2013: (a) Long Term Loans from Bank (b) Loose Tools (c) Outstanding Expenses

Q43. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Patents (b) Unpaid dividend (c) Prepaid Expenses

Q44. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Cheques in hand (b) Marketable Securities (c) Trademarks

Q45. CBSE 2024 · 3 marks Priti Ltd. purchased assets worth ₹ 5,40,000 and took over liabilities of ₹ 1,20,000 of Payal Ltd. for a purchase consideration of ₹ 5,28,000. Priti Ltd. paid half the amount by cheque and the balance was settled by issuing 10% Debentures of ₹ 100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Priti Ltd.

Q46. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (i) Calls in advance (ii) Mining rights (iii) Loose tools

Q47. CBSE 2024 · 4 marks From the following information, prepare Comparative Statement of Profit and Loss for the year ended 31st March, 2023: Particulars 2022-23 (₹): Revenue from operations 4,00,000, Other income 80,000, Employee benefit expenses 50% of Revenue from operations, Tax rate 50%. Particulars 2021-22 (₹): Revenue from operations 2,00,000, Other income 40,000.

Q48. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (i) Livestock (ii) Accrued incomes (iii) Unpaid dividend

Q49. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Mining Rights (b) Loose Tools (c) Income Received in Advance

Q50. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Loose Tools (b) Provision for Tax (c) Copyrights

Q51. CBSE 2024 · 3 marks Sumi Ltd. acquired assets of ₹ 8,00,000 and took over sundry creditors of ₹ 2,00,000 from Pandora Ltd. for a purchase consideration of ₹ 9,00,000. The payment was made by issuing a cheque of ₹ 4,60,000 and remaining by issue of 9% Debentures of ₹ 100 each at a premium of 10%. Pass necessary journal entries for the above transactions in the books of Sumi Ltd.

Q52. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Capital Work-in-Progress (b) Stores and Spares (c) Public Deposits

Q53. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (a) Licenses and Franchise (b) Loans Repayable on Demand (c) Accrued Income

Q54. CBSE 2023 · 3 marks (b) Shovan Limited took over the assets of ₹ 60,00,000 and liabilities of ₹ 10,00,000 from Swami Limited for an agreed purchase consideration of ₹ 45,00,000. The amount was payable by issuing 10% debentures of ₹ 100 each at 25% premium. Pass necessary journal entries for the above transactions in the books of Shovan Limited.

Q55. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (a) Unclaimed Dividend (b) Mining Rights (c) Loose Tools

Q56. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (a) Capital work in progress (b) Calls in advance (c) Computer software

Q57. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013. (i) Mining Rights (ii) Income received in advance (iii) Capital work in progress

Q58. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (i) Public Deposits (ii) Income received in advance (iii) Loose Tools

Q59. CBSE 2023 · 3 marks (a) On 1st April, 2021, Hitesh Ltd. took over assets of ₹ 8,00,000 and liabilities of ₹ 40,000 of Pranjal Ltd. at an agreed value of ₹ 8,30,000. Hitesh Ltd. paid the amount to Pranjal Ltd. as follows: (i) Gave an acceptance payable after 3 months for ₹ 2,00,000, and (ii) Issued 10% Debentures of ₹ 100 each at a discount of 10% to Pranjal Ltd. in satisfaction of the balance amount of purchase consideration. Pass the necessary journal entries to record the above transaction in the books of Hitesh Ltd.

Q60. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (i) Loose Tools (ii) Capital Reserve (iii) Mining Rights

Q61. CBSE 2023 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013: (i) Prepaid Rent (ii) Mortgage Loan (iii) Computer Software

LONG ANSWER (4)

Q62. CBSE 2026 · 4 marks (b) From the following information, prepare a Statement of Profit and Loss for the year ended 31st March, 2025: Revenue from operations 15,00,000 Opening inventory 2,00,000 Gross profit is 25% of cost of revenue from operations. Closing inventory was 2 times the opening inventory.

Q63. CBSE 2026 · 4 marks From the following information, calculate the Gross Profit and Cost of Revenue from Operations: Revenue from operations: ₹15,00,000; Opening inventory: ₹2,00,000; Gross profit is 25% of cost of revenue from operations; Closing inventory was 2 times the opening inventory.

Q64. CBSE 2024 · 4 marks From the following information, prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2022 and 2023: Revenue from operations 2022-23 ₹ 10,00,000; 2021-22 ₹ 8,00,000; Employee benefit expenses 2022-23 ₹ 2,50,000; 2021-22 ₹ 1,00,000; Other expenses 2022-23 ₹ 5,50,000; 2021-22 ₹ 4,00,000; Tax rate 50%

Q65. CBSE 2023 · 6 marks (a) On 1st April, 2022, Smith Ltd. acquired assets of ₹ 80,00,000 from Bharat Ltd. and took over its liabilities of ₹ 10,00,000 for a purchase consideration of ₹ 72,00,000. ₹ 10,00,000 was paid by issuing a bank draft in favour of Bharat Ltd., ₹ 8,00,000 by accepting a Bill of Exchange drawn upon them by Bharat Ltd. payable after four months and the balance by issuing 11% debentures at a discount of 10%. Pass the necessary journal entries for the above transactions in the books of Smith Ltd.

8 Analysis of Financial Statements

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (35)

Q1. CBSE 2026 · 1 mark The Current Ratio of Megh Raj Ltd. is 1.5 : 1. Which of the following transactions will reduce the ratio?

(a) Sale of furniture of ₹18,000 at a loss of ₹2,000

(b) Goods purchased on credit ₹75,000

(c) Sale of goods costing ₹60,000 for ₹80,000

(d) Payment of trade payables ₹40,000

Q2. CBSE 2026 · 1 mark Which of the following statements are correct? I. A low current ratio endangers the business and puts it at risk of facing a situation, where it will not be able to pay its short-term debts on time. II. Trade payables turnover ratio expresses the relationship between net credit sales and average trade payables. III. Operating profit ratio plus Gross profit ratio = 100. IV. Inventory turnover ratio determines the number of times inventory is converted into revenue from operations during the accounting period under consideration. Options:

(a) I and II **(b)** II and III **(c)** III and IV **(d)** I and IV

Q3. CBSE 2026 · 1 mark The Debt-Equity Ratio of a company is 2 : 1. Which of the following transactions will increase the Debt-Equity Ratio ?

(a) Issue of Shares ₹2,00,000

(b) Issue of 8% Debentures ₹5,00,000

(c) Issue of Bonus shares ₹4,00,000

(d) Payment to Creditors ₹1,00,000

Q4. CBSE 2026 · 1 mark From the following information obtained from the books of accounts: Total Current Assets (including stock and prepaid expenses) ₹2,00,000; Stock ₹20,000; Prepaid expenses ₹10,000; Current liabilities ₹1,70,000. The Quick Ratio of the company is:

(a) 20 : 17 **(b)** 1 : 1 **(c)** 18 : 17 **(d)** 19 : 17

Q5. CBSE 2026 · 1 mark The following information is obtained from the books of Devdutt Ltd.: Working capital ₹4,00,000; Trade Payables ₹50,000; Other Current liabilities ₹1,00,000. Current assets of Devdutt Ltd. are:

(a) ₹2,50,000 **(b)** ₹4,50,000 **(c)** ₹5,00,000 **(d)** ₹5,50,000

Q6. CBSE 2026 · 1 mark Which of the following groups of stakeholders are most concerned about a company's long-term solvency and survival?
(a) Labour unions **(b)** Trade payables **(c)** Finance manager **(d)** Lenders

Q7. CBSE 2026 · 1 mark Who among the following users are most concerned about long-term solvency and survival?
(a) Labour unions **(b)** Trade payables **(c)** Finance manager **(d)** Lenders

Q8. CBSE 2025 · 1 mark The Quick Ratio of a company is 2 : 1. Which of the following transactions will result in decrease of this ratio?
(a) Payment of outstanding salary
(b) Cash received from debtors **(c)** Sale of goods at a profit
(d) Purchase of goods for cash

Q9. CBSE 2025 · 1 mark A method used to determine trend and direction of financial position and operating results is:
(a) Ratio Analysis **(b)** Cash Flow Analysis
(c) Common Size Statements **(d)** Comparative Statements

Q10. CBSE 2025 · 1 mark (a) The technique for comparison of financial statements which shows the trend and direction of financial position and operating results is:
(a) Ratio Analysis **(b)** Cash Flow Analysis
(c) Common Size Statements **(d)** Comparative Statements

Q11. CBSE 2025 · 1 mark The process that analyse the financial statements to understand the trend and direction of financial position and operating results is:
(a) Ratio Analysis **(b)** Cash Flow Analysis
(c) Common Size Statements **(d)** Comparative Statements

Q12. CBSE 2025 · 1 mark While preparing Common Size Statement of Profit and Loss of a company, each item is expressed as a percentage of _____.
(a) Revenue from operations **(b)** Total liabilities
(c) Total expenses **(d)** Total assets

Q13. CBSE 2025 · 1 mark Operating ratio of a company is 63%. Its gross profit ratio is 20%. What will be its operating profit ratio?
(a) 27% **(b)** 23% **(c)** 43% **(d)** 83%

Q14. CBSE 2025 · 1 mark Which of the following is not a purpose of analysis of financial statements?
(a) To assess the current profitability and the operational efficiency of the firm.
(b) To ascertain the relative importance of different components of financial position of the firm.
(c) To just study the reports of the company.
(d) To judge the ability of the firm to repay its debt.

Q15. CBSE 2025 · 1 mark Ratios that are calculated for measuring the efficiency of operations of business based on effective utilisation of resources are called:
(a) Activity Ratios **(b)** Profitability Ratios
(c) Solvency Ratios **(d)** Liquidity Ratios

Q16. CBSE 2025 · 1 mark The statement that shows changes in all items of financial statements in absolute and percentage terms over a period of time, for a firm, or between two firms is called:
(a) Common Size Statement **(b)** Comparative Statement
(c) Cash Flow Statement **(d)** Financial Statement

Q17. CBSE 2025 · 1 mark (a) If the operating ratio of Sana Ltd. is 28%, its operating profit ratio will be _____.
(a) 100% **(b)** 72% **(c)** 28% **(d)** 128%

Q18. CBSE 2025 · 1 mark The Current Ratio of Manas Ltd. is 2 : 1. Which of the following transactions will reduce the current ratio?
(a) Payment to trade payables **(b)** Issue of shares
(c) Sale of inventory at a loss
(d) Cash collected from trade receivables

Q19. CBSE 2025 · 1 mark The statement which expresses all items of a financial statement as a percentage of some common base is _____.
(a) Comparative Statement **(b)** Common Size Statement
(c) Statement of Profit and Loss **(d)** Position Statement

Q20. CBSE 2024 · 1 mark The Quick Ratio of a company is 1 : 2. Which of the following transactions will result in an increase in this ratio?
(a) Cash received from debtors **(b)** Sold goods on credit
(c) Purchased goods on credit **(d)** Purchased goods on cash

Q21. CBSE 2024 · 1 mark Analysis of Financial Statements is useful and significant to different users. Which of the following users is particularly interested in the firm's ability to discharge its dues in a very short period of time?
(a) Labour Unions **(b)** Trade Payables **(c)** Top Management **(d)** Finance Manager

Q22. CBSE 2024 · 1 mark Analysis of Financial Statements is useful and significant to different users. Which of the following users is particularly interested in the firm's ability to meet its short-term obligations in a short period of time?
(a) Labour Unions **(b)** Trade Payables **(c)** Top Management **(d)** Finance Manager

Q23. CBSE 2024 · 1 mark Which of the following is not an objective of Financial Statement Analysis?
(a) To assess the current profitability and operational efficiency of the firm.
(b) To ascertain the relative importance of different components of the financial position of the firm.
(c) To consider the impact of price level changes.
(d) To identify the reasons for change in the profitability/financial position of the firm.

Q24. CBSE 2024 · 1 mark ₹ 5,00,000 to acquire shares in Neligare Industries and received a dividend of ₹ 30,000 after acquisition. The cash effect will result in:
(a) Cash outflow from financing activities ₹ 4,70,000
(b) Cash inflow from investing activities ₹ 4,70,000
(c) Cash inflow from financing activities ₹ 4,70,000
(d) Cash outflow from investing activities ₹ 4,70,000

Q25. CBSE 2024 · 1 mark Which of the following is not an objective of analysis of financial statements?

(a) To assess the current profitability and operational efficiency of the firm.

(b) To ascertain the relative importance of different components of the financial position of the firm.

(c) To consider the impact of price level changes.

(d) To identify the reasons for change in the profitability/financial position of the firm.

Q26. CBSE 2024 · 1 mark The Debt-Equity Ratio of a company is 3 : 2. Which of the following transactions will result in increase in this ratio?

(a) Purchase of goods on credit **(b)** Issue of Debentures

(c) Issue of Equity Shares **(d)** Cash received from Debtors

Q27. CBSE 2024 · 1 mark Which of the following is a tool/technique of analysis of financial statements which indicate the trend and direction of financial position and operating results?

(a) Comparative statements **(b)** Common size statements

(c) Cash flow analysis **(d)** Ratio analysis

Q28. CBSE 2024 · 1 mark Which of the following is a technique of financial analysis that helps to indicate the trend and direction of financial position and operating results?

(a) Comparative statements **(b)** Common size statements

(c) Cash flow analysis **(d)** Ratio analysis

Q29. CBSE 2023 · 1 mark Which of the following equations is correct:

(a) Cost of Revenue from Operations = Revenue from Operations + Gross Profit

(b) Cost of Revenue from Operations = Opening Inventory + Net Purchases + Direct Expenses - Closing Inventory

(c) Cost of Revenue from Operations = Opening Inventory + Closing Inventory

(d) Cost of Revenue from Operations = Revenue from Operations - Gross Profit

Q30. CBSE 2023 · 1 mark Which of the following transactions are shown under financing activities while preparing cash flow statement:

(a) (i) **(b)** (i) and (ii) **(c)** (i) and (iii) **(d)** (i), (ii) and (iv)

Q31. CBSE 2023 · 1 mark Which of the following is a tool of analysis of financial statements :

(a) Cash Flow Statement **(b)** Statement of Profit and Loss

(c) Balance Sheet **(d)** Both (a) and (b)

Q32. CBSE 2023 · 1 mark (i) If revenue from operations is ₹ 10,00,000 and gross profit is 25% on cost, cost of revenue from operations will be:

(a) ₹ 2,50,000 **(b)** ₹ 12,50,000 **(c)** ₹ 2,00,000 **(d)** ₹ 8,50,000

Q33. CBSE 2023 · 1 mark (i) Which of the following will result in flow of cash?

(a) Cash withdrawn from the bank ₹ 50,000

(b) ₹ 2,00,000, 9% debentures issued to vendors of machinery

(c) ₹ 30,000 received from debtors

(d) Cheques of ₹ 20,000 deposited in the bank

Q34. CBSE 2023 · 1 mark Which of the following is not a Solvency Ratio ?

(a) Return on Investment **(b)** Interest Coverage Ratio

(c) Proprietary Ratio **(d)** Total Assets to Debt Ratio

Q35. CBSE 2023 · 1 mark From the following information: Current Assets ₹ 20,00,000, Non-Current Assets ₹ 40,00,000, Long Term Borrowings ₹ 25,00,000, Proprietary Ratio 25%, the value of Equity/Shareholders' Fund is:

(a) ₹ 10,00,000 **(b)** ₹ 14,00,000 **(c)** ₹ 24,00,000

(d) ₹ 15,00,000

VERY SHORT ANSWER (2)

Q36. CBSE 2024 · 3 marks Calculate Stock Turnover Ratio from the following information: Revenue from operations ₹ 15,00,000, Gross profit 20%, Opening inventory ₹ 2,00,000, Purchases ₹ 18,00,000

Q37. CBSE 2023 · 3 marks Identify the technique which involves regrouping of data by application of financial formulas and state any two advantages of the technique identified above.

SHORT ANSWER (29)

Q38. CBSE 2026 · 3 marks From the following information of Dholakia Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024 and 2025: Particulars 31st March 2025 (₹) 31st March 2024 (₹) Revenue from operations 30,00,000 15,00,000 Cost of revenue from operations 80% of revenue from operations 80% of revenue from operations Other Expenses 2,40,000 1,20,000 Tax Rate 50% 50%

Q39. CBSE 2026 · 4 marks From the following information, calculate the Cost of Revenue from Operations: Revenue from operations ₹15,00,000 Opening inventory ₹2,00,000 Gross profit is 25% of cost of revenue from operations. Closing inventory was 2 times the opening inventory.

Q40. CBSE 2026 · 3 marks From the following information of Kumar Ltd. prepare a Comparative Statement of Profit and Loss for the years ended 31st March, 2024 and 2025: Particulars, Revenue from operations: 60,00,000 (2024), 40,00,000 (2025), Cost of revenue from operations: 50% of revenue from operations, Other Expenses: 15,00,000 (2024), 10,00,000 (2025), Tax Rate: 50% for both years

Q41. CBSE 2026 · 3 marks From the following information, prepare a Comparative Statement of Profit and Loss of AX Ltd. for the year ended 31st March, 2025: Particulars 2024-25 (₹) 2023-24 (₹): Revenue from Operations 50,00,000 25,00,000; Cost of Revenue from Operations 15,00,000 6,00,000; Other Expenses 5,00,000 4,00,000; Tax Rate 50%

Q42. CBSE 2026 · 3 marks From the following information, prepare a Common Size Statement of Profit and Loss of AG Ltd. for the year ended 31st March, 2025: Particulars 2024-25 (₹) 2023-24 (₹) Revenue from Operations 25,00,000 20,00,000 Other Income 1,00,000 1,00,000 Cost of Materials Consumed 17,00,000 14,00,000 Other Expenses 3,00,000 3,00,000 Tax Rate 50%

Q43. CBSE 2026 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III, Part I of the Companies Act, 2013: (a) Licenses and Franchise (b) Capital Advance (c) Stores and Spares

Q44. CBSE 2026 · 3 marks From the following information, prepare a Comparative Statement of Profit and Loss of YX Ltd. for the year ended 31st March, 2025: Particulars 2024-25 (₹) 2023-24 (₹) Revenue from Operations 30,00,000 20,00,000 Other Income (% of Revenue from Operations) 60% 50% Employee Benefit Expenses 12,00,000 6,00,000 Tax Rate 40%

Q45. CBSE 2026 · 3 marks The following information was extracted from the Statement of Profit and Loss of Chaman Ltd. for the year ended 31st March, 2025: Particulars (Note No. / 31.3.2025 / 31.3.2024): Revenue from operations (40,00,000 / 32,00,000); Employee Benefit Expenses (20,00,000 / 16,00,000); Other Expenses (2,00,000 / 4,00,000); Tax Rate 50%. Prepare a Comparative Statement of Profit and Loss.

Q46. CBSE 2025 · 3 marks From the following information of KL Ltd., prepare a Common Size Statement of Profit and Loss for the year ended 31st March, 2024: Particulars Amount (₹) Revenue from Operations 20,00,000 Other Income 5,00,000 Cost of Materials Consumed 12,00,000 Employee Benefit Expenses 6,00,000 Depreciation 2,00,000

Q47. CBSE 2025 · 3 marks From the following information, prepare a Common Size Statement of Profit and Loss of Betanik Ltd. for the year ended 31st March, 2024. Particulars 2023-24 (₹) 2022-23 (₹) - Revenue from Operations 80,00,000 40,00,000 - Purchase of Stock in Trade 8,00,000 4,00,000 - Other Expenses 80,000 40,000 - Tax rate 50%

Q48. CBSE 2025 · 3 marks From the following information of AK Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024. Particulars 2023-24 (₹) 2022-23 (₹): Revenue from Operations 8,00,000 4,00,000. Other Income 1,60,000 80,000. Employee Benefit Expenses 50% of Revenue from Operations. Tax rate 50%

Q49. CBSE 2025 · 3 marks From the following Balance Sheet of Vinayak Ltd., prepare a Comparative Balance Sheet. Balance Sheet of Vinayak Ltd. as at 31st March, 2024. I Equity and Liabilities: 1. Share Capital 31.3.2024 ₹11,25,000, 31.3.2023 ₹7,50,000. 2. Non-Current Liabilities - Long-term Borrowings 31.3.2024 ₹4,50,000, 31.3.2023 ₹3,00,000. 3. Current Liabilities - Trade Payables 31.3.2024 ₹1,50,000, 31.3.2023 ₹1,00,000. Total 31.3.2024 ₹17,25,000, 31.3.2023 ₹11,50,000. II Assets: 1. Non-Current Assets - Property, Plant and Equipment and Intangible Assets 31.3.2024 ₹12,75,000, 31.3.2023 ₹8,50,000. 2. Current Assets (a) Inventories 31.3.2024 ₹3,00,000, 31.3.2023 ₹2,00,000. (b) Cash and Cash Equivalents 31.3.2024 ₹1,50,000, 31.3.2023 ₹1,00,000. Total 31.3.2024 ₹17,25,000, 31.3.2023 ₹11,50,000.

Q50. CBSE 2025 · 3 marks From the following information, prepare a Common Size Statement of Profit and Loss of QLM Ltd. for the year ended 31st March, 2023 and 31st March, 2024. Particulars 2022-23 (₹) 2023-24 (₹) Revenue from operations 40,00,000 50,00,000; Cost of revenue from operations 20,00,000 25,00,000; Other expenses 4,00,000 5,00,000; Tax Rate 50%

Q51. CBSE 2025 · 3 marks From the following information of Jamna Ltd. prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2024. Particulars: Revenue from operations (2022-23: ₹ 16,00,000; 2023-24: ₹ 20,00,000), Cost of revenue from operations (2022-23: ₹ 8,00,000; 2023-24: ₹ 10,00,000), Other expenses (2022-23: ₹ 2,00,000; 2023-24: ₹ 4,00,000), Tax Rate: 40%

Q52. CBSE 2025 · 3 marks Prepare a Common Size Statement of profit and loss of Laveena Ltd. for the year ended 31st March, 2023 and 31st March, 2024 from the following information: Particulars 2023-24 (₹) 2022-23 (₹). Revenue from operations 80,00,000 40,00,000. Purchase of stock in trade 8,00,000 4,00,000. Other expenses 80,000 40,000. Tax Rate 50%.

Q53. CBSE 2025 · 3 marks From the following information, prepare a Comparative Statement of Profit and Loss of X Ltd. for the year ended 31st March, 2024. Particulars: 2023-24: Revenue from operations ₹40,00,000, Cost of revenue from operations 60% of Revenue from operations, Employees Benefit Expenses ₹8,00,000, Tax Rate 25%; 2022-23: Revenue from operations ₹20,00,000, Cost of revenue from operations 50% of Revenue from operations, Employees Benefit Expenses ₹6,00,000, Tax Rate 25%.

Q54. CBSE 2025 · 4 marks Calculate Current Assets and Quick Assets of Beeta Ltd. from the following information: Quick Ratio = 0.75 : 1. Current Liabilities = ₹6,00,000. Revenue from Operations are ₹4,00,000. Gross Profit ratio is 20% of revenue from operations. Inventory turnover ratio = 4 times. Inventory at the end is ₹40,000 more than inventory at the beginning.

Q55. CBSE 2025 · 3 marks Prepare a Common Size Balance Sheet of ZXT Ltd. from the following information. Particulars: Share Capital (1,00,00,000 as at 31.3.2024, 10,00,000 as at 31.3.2023); Non-Current Liabilities - Long-term Borrowings (16,00,000 as at 31.3.2024, 8,00,000 as at 31.3.2023); Current Liabilities (4,00,000 as at 31.3.2024, 2,00,000 as at 31.3.2023); Property, Plant and Equipment and Intangible assets (30,00,000 as at 31.3.2024, 14,00,000 as at 31.3.2023); Current Assets - Inventory (20,00,000 as at 31.3.2024, 6,00,000 as at 31.3.2023).

Q56. CBSE 2024 · 3 marks Calculate the Gross Profit Ratio from the following information: Revenue from operations ₹ 10,00,000, Purchases ₹ 3,00,000, Carriage inwards ₹ 60,000, Salaries ₹ 1,18,000, Decrease in inventory ₹ 40,000, Returns outwards ₹ 20,000, Wages ₹ 50,000

Q57. CBSE 2024 · 3 marks Classify the following items under major heads and sub-heads (if any) in the Balance Sheet of the company as per Schedule III Part I of the Companies Act, 2013: (a) Long Term Loans from Bank (b) Loose Tools (c) Outstanding Expenses

Q58. CBSE 2023 · 3 marks This is the technique in which the numerical relationships of accounting figures are repeatedly calculated. Identify the technique and mention two advantages.

Q59. CBSE 2023 · 3 marks Explain the process of financial analysis. The process that establishes proper relationships between the various items of the Balance Sheet and the Statement of Profit and Loss to identify the strengths and weaknesses of the firm. State two objectives of the process identified.

Q60. CBSE 2023 · 3 marks Identify the process by which the firm understands the relationship between various items of the Balance Sheet, Profit and Loss Account. Identify the process and state two objectives of the process identified above.

Q61. CBSE 2022 · 3 marks From the following information of Ajay Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2022: Revenue from Operations 2021-22 ₹ 7,00,000, 2020-21 ₹ 4,00,000; Other Income 2021-22 ₹ 3,00,000, 2020-21 ₹ 1,00,000; Expenses 2021-22 ₹ 1,00,000, 2020-21 ₹ 1,00,000; Tax Rate 50%.

Q62. CBSE 2022 · 3 marks From the following information, prepare a Common Size Statement of Profit and Loss of X Ltd., for the year ended 31st March, 2022: Revenue from Operations 2021-22: ₹ 25,00,000, 2020-21: ₹ 20,00,000; Other Income 2021-22: ₹ 3,00,000, 2020-21: ₹ 2,00,000; Expenses 2021-22: ₹ 3,00,000, 2020-21: ₹ 1,00,000; Tax Rate 50%

Q63. CBSE 2022 · 3 marks From the following Balance Sheet of Shree Ltd. as at 31st March, 2022, prepare a Common Size Balance Sheet.Balance Sheet of Shree Ltd. as at 31st March, 2022 Particulars Note No. 31.3.2022 ₹ 31.3.2021 ₹ I Equity and Liabilities: 1. Shareholders Share Capital 40,00,000 30,00,000 2. Non-Current Liabilities Long-term Borrowings 20,00,000 15,00,000 3. Current Liabilities Trade Payables 20,00,000 5,00,000 Total 80,00,000 50,00,000 II Assets: 1. Non-Current Assets Fixed Assets (a) Tangible Assets 20,00,000 15,00,000 (b) Intangible Assets 40,00,000 10,00,000 2. Current Assets Inventories 20,00,000 25,00,000 Total 80,00,000 50,00,000

Q64. CBSE 2022 · 3 marks From the following Statement of Profit and Loss of Sharda Ltd. for the year ended 31st March, 2022, prepare a Comparative Statement of Profit and Loss: Statement of Profit and Loss of Sharda Ltd. for the year ended 31st March, 2022. Particulars 2021-22 ₹ 2020-21 ₹. Revenue from Operations 15,00,000 10,00,000. Other Income 3,00,000 2,00,000. Expenses 8,00,000 8,00,000. Income Tax Rate 40%.

Q65. CBSE 2022 · 3 marks From the following Balance Sheet of Sheetal Ltd. as at 31st March, 2022, prepare a Common Size Balance Sheet.Balance Sheet of Sheetal Ltd. as at 31st March, 2022. Equity and Liabilities: Shareholders Funds – Share Capital ₹ 10,00,000 (31.3.2021: ₹ 10,00,000); Non-Current Liabilities – Long-term Borrowings ₹ 5,00,000 (31.3.2021: ₹ 3,00,000); Current Liabilities – Trade Payables ₹ 10,00,000 (31.3.2021: ₹ 7,00,000); Total ₹ 25,00,000 (31.3.2021: ₹ 20,00,000). Assets: Non-Current Assets – Fixed Assets (a) Tangible Assets ₹ 15,00,000 (31.3.2021: ₹ 12,00,000); (b) Intangible Assets ₹ 4,00,000 (31.3.2021: ₹ 5,00,000); Current Assets – Cash and Cash Equivalents ₹ 6,00,000 (31.3.2021: ₹ 3,00,000); Total ₹ 25,00,000 (31.3.2021: ₹ 20,00,000).

Q66. CBSE 2022 · 3 marks From the following Balance Sheet of Avinash Ltd. as on 31st March, 2021, prepare a Comparative Balance Sheet: Equity and Liabilities: Share Capital 31.3.2021 ₹ 30,00,000 and 31.3.2020 ₹ 20,00,000; Trade Payables 31.3.2021 ₹ 6,00,000 and 31.3.2020 ₹ 5,00,000; Total 31.3.2021 ₹ 36,00,000 and 31.3.2020 ₹ 25,00,000. Assets: Fixed Assets 31.3.2021 ₹ 24,00,000 and 31.3.2020 ₹ 15,00,000; Inventories 31.3.2021 ₹ 12,00,000 and 31.3.2020 ₹ 10,00,000; Total 31.3.2021 ₹ 36,00,000 and 31.3.2020 ₹ 25,00,000

LONG ANSWER (10)

Q67. CBSE 2026 · 4 marks Revenue from operations ₹15,00,000 Opening inventory ₹2,00,000 Gross profit is 25% of cost of revenue from operations. Closing inventory was 2 times the opening inventory.

Q68. CBSE 2024 · 4 marks From the given Balance Sheet of Geox Ltd., prepare Common Size Balance Sheet as at 31st March, 2023 and 31st March, 2022. Equity and Liabilities: Share Capital (31.3.2023 ₹ 4,00,000; 31.3.2022 ₹ 2,50,000); Non-Current Liabilities - Long-term Borrowings (31.3.2023 ₹ 2,00,000; 31.3.2022 ₹ 1,50,000); Current Liabilities - Trade Payables (31.3.2023 ₹ 2,00,000; 31.3.2022 ₹ 1,00,000); Total (31.3.2023 ₹ 8,00,000; 31.3.2022 ₹ 5,00,000). Assets: Non-Current Assets - Fixed Assets/Property, Plant and Equipment and Intangible Assets (31.3.2023 ₹ 4,00,000; 31.3.2022 ₹ 3,50,000); Current Assets - Inventories (31.3.2023 ₹ 2,00,000; 31.3.2022 ₹ 70,000); Trade Receivables (31.3.2023 ₹ 2,00,000; 31.3.2022 ₹ 80,000); Total (31.3.2023 ₹ 8,00,000; 31.3.2022 ₹ 5,00,000)

Q69. CBSE 2024 · 4 marks From the given Balance Sheet of Geox Ltd., prepare Common Size Balance Sheet: Balance Sheet of Geox Ltd. as at 31st March, 2023. Liabilities: Equity and Liabilities - Share Capital ₹ 4,00,000 (2023) and ₹ 2,50,000 (2022); Non-Current Liabilities - Long-term Borrowings ₹ 2,00,000 (2023) and ₹ 1,50,000 (2022); Current Liabilities - Trade Payables ₹ 2,00,000 (2023) and ₹ 1,00,000 (2022); Total ₹ 8,00,000 (2023) and ₹ 5,00,000 (2022). Assets: Non-Current Assets - Fixed Assets/Property, Plant and Equipment and Intangible Assets ₹ 4,00,000 (2023) and ₹ 3,50,000 (2022); Current Assets - Inventories ₹ 2,00,000 (2023) and ₹ 70,000 (2022); Trade Receivables ₹ 2,00,000 (2023) and ₹ 80,000 (2022); Total ₹ 8,00,000 (2023) and ₹ 5,00,000 (2022).

Q70. CBSE 2024 · 4 marks From the given Balance Sheet of Geox Ltd., prepare Common Size Balance Sheet as at 31st March, 2023: Balance Sheet showing Share Capital (31.3.2023 ₹ 4,00,000, 31.3.2022 ₹ 2,50,000); Long-term Borrowings (31.3.2023 ₹ 2,00,000, 31.3.2022 ₹ 1,50,000); Trade Payables (31.3.2023 ₹ 2,00,000, 31.3.2022 ₹ 1,00,000); Fixed Assets (31.3.2023 ₹ 4,00,000, 31.3.2022 ₹ 3,50,000); Inventories (31.3.2023 ₹ 2,00,000, 31.3.2022 ₹ 70,000); Trade Receivables (31.3.2023 ₹ 2,00,000, 31.3.2022 ₹ 80,000). Total for both years ₹ 8,00,000 and ₹ 5,00,000 respectively.

Q71. CBSE 2024 · 4 marks From the following information, prepare Comparative Statement of Profit and Loss for the year ended 31st March, 2023: Particulars 2022-23 (₹) 2021-22 (₹): Revenue from operations 4,00,000 2,00,000; Other income 80,000 40,000; Employee benefit expenses 50% of Revenue from operations; Tax rate 50%

Q72. CBSE 2024 · 4 marks From the following Balance Sheet of Hira Ltd. as at 31st March, 2023, prepare Comparative Balance Sheet: Equity and Liabilities - Share Capital (31.3.2023: ₹ 15,00,000; 31.3.2022: ₹ 12,00,000); Long-term Borrowings (31.3.2023: ₹ 10,00,000; 31.3.2022: ₹ 5,00,000); Trade Payables (31.3.2023: ₹ 1,00,000; 31.3.2022: ₹ 3,00,000). Assets - Fixed Assets/Property, Plant and Equipment and Intangible Assets (31.3.2023: ₹ 20,00,000; 31.3.2022: ₹ 15,00,000); Inventories (31.3.2023: ₹ 1,50,000; 31.3.2022: ₹ 1,00,000); Trade Receivables (31.3.2023: ₹ 4,50,000; 31.3.2022: ₹ 4,00,000).

Q73. CBSE 2024 · 4 marks From the following Balance Sheet of Hira Ltd. as at 31st March, 2023, prepare Comparative Balance Sheet: Balance Sheet of Hira Ltd. as at 31st March, 2023 Particulars 31.3.2023 (₹) 31.3.2022 (₹) Equity and Liabilities: Share Capital 15,00,000 12,00,000 Non-Current Liabilities: Long-term Borrowings 10,00,000 5,00,000 Current Liabilities: Trade Payables 1,00,000 3,00,000 Total 26,00,000 20,00,000 Assets: Non-Current Assets: Fixed Assets/Property, Plant and Equipment and Intangible Assets 20,00,000 15,00,000 Current Assets: Inventories 1,50,000 1,00,000 Trade Receivables 4,50,000 4,00,000 Total 26,00,000 20,00,000

Q74. CBSE 2024 · 4 marks From the following Balance Sheet of Hira Ltd. as at 31st March, 2023, prepare Comparative Balance Sheet: Equity and Liabilities: Share Capital (31.3.2023: ₹ 15,00,000, 31.3.2022: ₹ 12,00,000), Long-term Borrowings (31.3.2023: ₹ 10,00,000, 31.3.2022: ₹ 5,00,000), Trade Payables (31.3.2023: ₹ 1,00,000, 31.3.2022: ₹ 3,00,000). Assets: Fixed Assets (31.3.2023: ₹ 20,00,000, 31.3.2022: ₹ 15,00,000), Inventories (31.3.2023: ₹ 1,50,000, 31.3.2022: ₹ 1,00,000), Trade Receivables (31.3.2023: ₹ 4,50,000, 31.3.2022: ₹ 4,00,000).

Q75. CBSE 2024 · 4 marks Prepare Common Size Statement of Profit and Loss of Size SLtd. for the year ended 31st March, 2023 from the following information: Particulars 2022-23 (₹) 2021-22 (₹): Revenue from operations 40,00,000 20,00,000, Purchase of stock in trade 4,00,000 2,00,000, Other expenses 40,000 20,000, Tax rate 50%

Q76. CBSE 2023 · 4 marks (i) (a) Y Ltd. has a Current Ratio of 3.5 : 1 and Quick Ratio of 2 : 1. If excess of current assets over quick assets represented by inventory is ₹ 48,000, calculate current assets and current liabilities. (2+2=4)

9 Accounting Ratios

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (29)

Q1. CBSE 2026 · 1 mark The Current Ratio of Megh Raj Ltd. is 1.5 : 1. Which of the following transactions will reduce the ratio?

(a) Sale of furniture of ₹18,000 at a loss of ₹2,000

(b) Goods purchased on credit ₹75,000

(c) Sale of goods costing ₹60,000 for ₹80,000

(d) Payment of trade payables ₹40,000

Q2. CBSE 2026 · 1 mark Which of the following statements are correct? I. A low current ratio endangers the business and puts it at risk of facing a situation, where it will not be able to pay its short-term debts on time. II. Trade payables turnover ratio expresses the relationship between net credit sales and average trade payables. III. Operating profit ratio plus Gross profit ratio = 100. IV. Inventory turnover ratio determines the number of times inventory is converted into revenue from operations during the accounting period under consideration. Options:

(a) I and II **(b)** II and III **(c)** III and IV **(d)** I and IV

Q3. CBSE 2026 · 1 mark The following information is obtained from the books of Devdutt Ltd.: Working capital 4,00,000; Trade Payables 50,000; Other Current liabilities 1,00,000. Current assets of Devdutt Ltd. are:

(a) 2,50,000 **(b)** 4,50,000 **(c)** 5,00,000 **(d)** 5,50,000

Q4. CBSE 2026 · 1 mark From the following information obtained from the books of accounts: Total Current Assets (including stock and prepaid expenses) 2,00,000; Stock 20,000; Prepaid expenses 10,000; Current liabilities 1,70,000. The Quick Ratio is:

(a) 20 : 17 **(b)** 1 : 1 **(c)** 18 : 17 **(d)** 19 : 17

Q5. CBSE 2026 · 1 mark From the following information obtained from the books of accounts: Total Current Assets (including stock and prepaid expenses) ₹2,00,000; Stock ₹20,000; Prepaid expenses ₹10,000; Current liabilities ₹1,70,000. The Quick Ratio will be:

(a) 20 : 17 **(b)** 1 : 1 **(c)** 18 : 17 **(d)** 19 : 17

Q6. CBSE 2025 · 1 mark The Quick Ratio of a company is 2 : 1. Which of the following transactions will result in decrease of this ratio?

(a) Payment of outstanding salary

(b) Cash received from debtors **(c)** Sale of goods at a profit

(d) Purchase of goods for cash

Q7. CBSE 2025 · 1 mark Ratios that are calculated for measuring the efficiency of operations of business based on effective utilisation of resources are called:

(a) Activity Ratios **(b)** Profitability Ratios

(c) Solvency Ratios **(d)** Liquidity Ratios

Q8. CBSE 2025 · 1 mark Operating ratio of a company is 63%. Its gross profit ratio is 20%. What will be its operating profit ratio?

(a) 27% **(b)** 23% **(c)** 43% **(d)** 83%

Q9. CBSE 2025 · 1 mark _____ ratios indicate the speed at which activities of the business are being performed.

(a) Liquidity **(b)** Solvency **(c)** Profitability **(d)** Activity

Q10. CBSE 2025 · 1 mark Which of the following transactions will result in decrease in this ratio?

(a) Purchased goods for cash ₹73,000

(b) Cash collected from debtors ₹41,000

(c) Outstanding salaries paid ₹62,000

(d) Repayment of long term loan ₹8,00,000

Q11. CBSE 2025 · 1 mark The Current Ratio of Manas Ltd. is 2 : 1. Which of the following transactions will reduce the current ratio?
(a) Payment to trade payables **(b)** Issue of shares
(c) Sale of inventory at a loss
(d) Cash collected from trade receivables

Q12. CBSE 2025 · 1 mark If the operating ratio of Sana Ltd. is 28%, its operating profit ratio will be _____.
(a) 100% **(b)** 72% **(c)** 28% **(d)** 128%

Q13. CBSE 2025 · 1 mark Which of the following transactions will result in outflow of cash?
(a) Cash payments to and on behalf of the employees
(b) Cash receipts from royalties **(c)** Issue of shares
(d) Dividend received from investments in other enterprises

Q14. CBSE 2024 · 1 mark _____ ratios are calculated to determine the ability of the business to service its debt in the long run.
(a) Liquidity **(b)** Turnover **(c)** Solvency **(d)** Profitability

Q15. CBSE 2024 · 1 mark The Quick Ratio of a company is 1 : 2. Which of the following transactions will result in an increase of this ratio?
(a) Cash received from debtors **(b)** Sold goods on credit
(c) Purchased goods on credit **(d)** Purchased goods on cash

Q16. CBSE 2024 · 1 mark The Quick Ratio of a company is 1 : 2. Which of the following transactions will result in an increase in this ratio?
(a) Cash received from debtors **(b)** Sold goods on credit
(c) Purchased goods on credit **(d)** Purchased goods on cash

Q17. CBSE 2024 · 1 mark Current Ratio of Super Ltd. is 2 : 1. Which of the following transactions will result in decrease in this ratio ?
(a) Payment of ₹ 40,000 to creditors
(b) Sale of furniture (book value ₹ 38,000) for ₹ 16,000 only
(c) Repayment of long term loan of ₹ 7,00,000
(d) Cash collected from debtors ₹ 1,18,000

Q18. CBSE 2024 · 1 mark _____ is also known as Acid-Test Ratio.
(a) Current Ratio **(b)** Quick Ratio **(c)** Gross profit Ratio
(d) Operating Ratio

Q19. CBSE 2024 · 1 mark _____ indicate the speed at which activities of the business are being performed.
(a) Liquidity ratios **(b)** Turnover ratios **(c)** Solvency ratios
(d) Profitability ratios

Q20. CBSE 2024 · 1 mark The Debt-Equity Ratio of a company is 3 : 2. Which of the following transactions will result in increase in this ratio?
(a) Purchase of goods on credit **(b)** Issue of Debentures
(c) Issue of Equity Shares **(d)** Cash received from Debtors

Q21. CBSE 2023 · 1 mark From the following information, calculate Equity: Current Assets ₹ 20,00,000; Non-Current Assets ₹ 40,00,000; Long Term Borrowings ₹ 25,00,000; Proprietary Ratio 25%
(a) ₹ 10,00,000 **(b)** ₹ 14,00,000 **(c)** ₹ 24,00,000
(d) ₹ 15,00,000

Q22. CBSE 2023 · 1 mark From the following data, proprietors' share is:Current Assets ₹ 20,00,000, Non-Current Assets ₹ 40,00,000, Long Term Borrowings ₹ 25,00,000, Proprietary Ratio 25%
(a) ₹ 10,00,000 **(b)** ₹ 14,00,000 **(c)** ₹ 24,00,000
(d) ₹ 15,00,000

Q23. CBSE 2023 · 1 mark From the following information, Proprietary Ratio is: Current Assets ₹ 20,00,000 Non-Current Assets ₹ 40,00,000 Long Term Borrowings ₹ 25,00,000 Proprietary Ratio 25%
(a) ₹ 10,00,000 **(b)** ₹ 14,00,000 **(c)** ₹ 24,00,000
(d) ₹ 15,00,000

Q24. CBSE 2023 · 1 mark (i) Which of the following is not a profitability ratio:
(a) Gross Profit Ratio **(b)** Return on Investment
(c) Proprietary Ratio **(d)** Operating Ratio

Q25. CBSE 2023 · 1 mark (i) The Debt-Equity Ratio of a company is 2 : 1. Which of the following transactions will increase the Debt-Equity Ratio?
(a) Issue of shares ₹ 1,00,000
(b) Issue of 9% debentures ₹ 4,00,000
(c) Issue of bonus shares ₹ 3,00,000
(d) Payment of creditors ₹ 50,000

Q26. CBSE 2023 · 1 mark (ii) If the operating ratio of Aman Ltd. is 60%, its operating profit ratio will be:
(a) 100% **(b)** 60% **(c)** 40% **(d)** 160%

Q27. CBSE 2023 · 1 mark Which of the following is not a Solvency Ratio ?
(a) Return on Investment **(b)** Interest Coverage Ratio
(c) Proprietary Ratio **(d)** Total Assets to Debt Ratio

Q28. CBSE 2023 · 1 mark (i) If revenue from operations is ₹ 10,00,000 and gross profit is 25% on cost, cost of revenue from operations will be:
(a) ₹ 2,50,000 **(b)** ₹ 12,50,000 **(c)** ₹ 2,00,000 **(d)** ₹ 8,50,000

Q29. CBSE 2023 · 1 mark Which of the following equations is correct:
(a) Cost of Revenue from Operations = Revenue from Operations + Gross Profit
(b) Cost of Revenue from Operations = Opening Inventory + Net Purchases + Direct Expenses - Closing Inventory
(c) Cost of Revenue from Operations = Opening Inventory + Closing Inventory
(d) Cost of Revenue from Operations = Revenue from Operations - Gross Profit

VERY SHORT ANSWER (1)

Q30. CBSE 2023 · 3 marks These ratios are calculated to measure the effectiveness of the management's operations which is based on the effective use of resources invested in the business. (a) Identify the types of ratios being discussed above. (b) Explain any two ratios of the types of ratios identified in (a) above.

SHORT ANSWER (21)

Q31. CBSE 2026 · 4 marks From the following information, calculate the Return on Equity (ROE): Revenue from operations ₹30,00,000 Interest on Long-term debt ₹8% Long-term debt ₹10,00,000 Net profit after tax ₹2,40,000 Tax Rate 40%

Q32. CBSE 2026 · 4 marks Calculate Revenue from Operations from the following information: Average inventory ₹1,20,000; Inventory turnover ratio 8 times; Goods are sold at a profit of 20% on revenue from operations.

Q33. CBSE 2026 · 4 marks (i) Calculate Revenue from Operations from the following information: Average inventory ₹1,20,000 Inventory turnover ratio 8 times Goods are sold at a profit of 20% on revenue from operations (ii) Calculate Trade Payables Turnover Ratio from the following information: Credit purchases during 2024-25: ₹24,00,000 Creditors on 1st April, 2024: ₹3,00,000 Bills Payables on 1st April, 2024: ₹2,00,000 Creditors on 31st March, 2025: ₹4,80,000 Bills Payables on 31st March, 2025: ₹2,20,000

Q34. CBSE 2026 · 4 marks Please clarify whether the following transactions will increase, decrease or not affect the Debt-to-Equity ratio: (i) Cash sales ₹3,00,000 (ii) Issue of equity shares ₹10,00,000 (iii) Issue of 9% debentures ₹5,00,000 (iv) Credit purchase of goods ₹50,000

Q35. CBSE 2025 · 4 marks (a) From the following information, calculate Interest Coverage Ratio: Particulars Amount (₹) - Profit after Tax 6,30,000 - Tax Rate 30% - Debentures 20,00,000 - Equity Share Capital 10,00,000

Q36. CBSE 2025 · 4 marks The current ratio of Jack Ltd. is 3·2 : 1 and the quick ratio is 1·5 : 1. The excess of current assets over quick assets was represented by inventories which were ₹68,000. Calculate: (i) Current Assets (ii) Quick Assets (iii) Current Liabilities

Q37. CBSE 2025 · 4 marks The following information has been obtained from the books of Gama Ltd.: Particulars Amount (₹). Inventory 2,50,000. Total Current Assets 3,40,000. Equity Share Capital 10,00,000. 12% Debentures 20,00,000. Net Profit Before Tax 9,60,000. Cost of Revenue from Operations 6,00,000. Calculate: (i) Debt Equity Ratio (ii) Interest Coverage Ratio

Q38. CBSE 2024 · 3 marks From the given information, calculate: (a) Quick Ratio (b) Inventory Turnover Ratio. Particulars: Current Assets ₹ 4,00,000; Inventory ₹ 1,00,000; Current Liabilities ₹ 2,00,000; Net Profit Before Tax ₹ 7,20,000; Revenue from Operations ₹ 10,00,000; Gross Profit Ratio 20%

Q39. CBSE 2024 · 3 marks From the given information, calculate: (a) Current Ratio (b) Return on Capital Employed. Particulars: Liquid Assets ₹ 8,00,000; Inventory ₹ 2,00,000; Current Liabilities ₹ 4,00,000; Net Profit Before Tax ₹ 12,80,000; 10% Debentures ₹ 12,00,000; Shareholders Funds ₹ 16,00,000

Q40. CBSE 2024 · 3 marks From the given information, calculate: (a) Trade Receivables Turnover Ratio (b) Current Ratio. Credit Revenue from Operations ₹ 80,00,000, Debtors ₹ 25,00,000, Bills Receivables ₹ 15,00,000, Total Assets ₹ 50,00,000, 10% Debentures ₹ 12,00,000, Creditors ₹ 13,00,000, Bills Payable ₹ 7,00,000

Q41. CBSE 2024 · 3 marks From the following information, calculate Quick Ratio and Debt-Equity Ratio: Total Debt ₹ 8,00,000; Inventory ₹ 2,20,000; Long Term Debts ₹ 6,00,000; Working Capital ₹ 2,40,000; Equity ₹ 12,00,000

Q42. CBSE 2024 · 3 marks From the following information, calculate Return on Investment: Total Assets ₹ 22,00,000; 10% Debentures ₹ 5,00,000; Current Liabilities ₹ 2,00,000; Net Profit After Tax ₹ 7,20,000; Tax ₹ 1,80,000.

Q43. CBSE 2024 · 3 marks From the following information, calculate Debt-Equity Ratio: Current Assets ₹ 8,00,000; Current Liabilities ₹ 5,00,000; 10% Debentures ₹ 4,00,000; 9% Long-term Bank Loan ₹ 1,00,000; Shareholders Funds ₹ 15,00,000

Q44. CBSE 2024 · 3 marks From the following information, calculate Equity Ratio: Creditors ₹ 3,50,000, Bills Payable ₹ 1,50,000, 10% Debentures ₹ 5,00,000, Share Capital ₹ 12,00,000, Reserves and Surplus ₹ 3,00,000

Q45. CBSE 2023 · 3 marks Which ratios are used to measure the short-term solvency of the business? Identify the ratios and state the significance of two ratios included in the above category.

Q46. CBSE 2023 · 3 marks Identify and state the significance of any two ratios that are calculated to measure the efficiency of operations of business based on effective utilisation of resources.

Q47. CBSE 2023 · 4 marks (i) (a) Y Ltd. has a Current Ratio of 3.5 : 1 and Quick Ratio of 2 : 1. If excess of current assets over quick assets represented by inventory is ₹ 48,000, calculate current assets and current liabilities. (b) Calculate Debt to Equity Ratio: Shareholder Funds ₹ 2,00,000; Reserves and Surplus ₹ 1,00,000; Total Debt ₹ 4,00,000; Current Liabilities ₹ 1,00,000.

Q48. CBSE 2023 · 3 marks These ratios are calculated to determine the ability of a business to repay long-term debt in the course of time. (i) Identify the types of ratios discussed above. (ii) Explain any two ratios of the types of ratios identified in (i) above.

Q49. CBSE 2023 · 3 marks Efficiency ratios are calculated to analyse the earning power of a business which is the outcome of utilisation of resources employed in the business. (i) Identify the types of ratios being discussed above. (ii) Explain any two ratios of the type of ratios identified in (i) above.

Q50. CBSE 2022 · 3 marks From the following information of Shruti Ltd, prepare Comparative Statement of Profit and Loss: Particulars: 2020-21 and 2019-20; Revenue from operations ₹ 15,00,000 and ₹ 10,00,000; Expenses ₹ 3,00,000 and ₹ 2,00,000; Tax Rate 30%

Q51. CBSE 2022 · 3 marks From the following information of Raja Ltd., prepare a Comparative Statement of Profit and Loss for the year ended 31st March, 2022: Particulars 2021–22: Revenue from Operations ₹ 18,00,000, Other Income ₹ 3,00,000, Expenses ₹ 15,00,000, Income Tax Rate 50%. Particulars 2020–21: Revenue from Operations ₹ 15,00,000, Other Income ₹ 2,50,000, Expenses ₹ 7,50,000.

LONG ANSWER (13)

Q52. CBSE 2026 · 4 marks (a) Calculate the Return on Equity (ROE) from the following information: Equity Share Capital 30,00,000 8% Long-term debt 10,00,000 Net profit after tax 2,40,000 Tax Rate 40%

Q53. CBSE 2026 · 4 marks Calculate Debt Service Coverage Ratio: Long-term debt ₹30,00,000, Interest rate 8%, Long-term debt ₹10,00,000, Net profit after tax ₹2,40,000, Tax Rate 40%

Q54. CBSE 2026 · 4 marks Calculate Cost of Revenue from Operations: Revenue from operations ₹15,00,000, Opening inventory ₹2,00,000, Gross profit is 25% of cost of revenue from operations, Closing inventory was 2 times the opening inventory

Q55. CBSE 2026 · 4 marks The debt-to-equity ratio of a company is 2 times. State with reason whether the following transactions will increase, decrease or not affect the ratio: (i) Cash sales ₹3,00,000 (ii) Issue of equity shares ₹10,00,000 (iii) Issue of 9% debentures ₹5,00,000 (iv) Credit purchase of goods ₹50,000

Q56. CBSE 2026 · 4 marks Determine whether the following transactions will increase, decrease or not affect the Debt-to-Equity Ratio: (i) Cash sales 3,00,000 (ii) Issue of equity shares 10,00,000 (iii) Issue of 9% debentures 5,00,000 (iv) Credit purchase of goods 50,000

Q57. CBSE 2026 · 4 marks ₹30,00,000 8% Long-term debt ₹10,00,000 Net profit after tax ₹2,40,000 Tax Rate 40%

Q58. CBSE 2025 · 4 marks From the following information, calculate Interest Coverage Ratio: Particulars Amount (₹) Profit after Tax 6,30,000 Tax Rate 30% Interest Rate 15% Debentures 20,00,000 Equity Share Capital 10,00,000

Q59. CBSE 2025 · 4 marks From the following information, calculate Interest Coverage Ratio: Profit after Tax ₹6,30,000. Tax Rate 30%. 15% Debentures ₹20,00,000. Equity Share Capital ₹10,00,000.

Q60. CBSE 2025 · 4 marks The following information has been obtained from the books of Vivek Ltd.: 10% Debentures 15,00,000; Current Liabilities 2,00,000; Non-Current Assets 25,00,000; Current Assets 7,00,000. During the year ended 31st March, 2024, net profit after interest and tax amounted to 4,10,000. Tax paid was 40,000. Calculate Return on Investment.

Q61. CBSE 2025 · 4 marks (a) The following information has been obtained from the books of Gama Ltd.: Inventory ₹2,50,000; Total Current Assets ₹3,40,000; Equity ₹10,00,000; 12% Debentures ₹20,00,000; Net Profit Before Tax ₹9,60,000; Cost of Revenue from Operations ₹6,00,000. Calculate: (i) Debt Equity Ratio (ii) Interest Coverage Ratio

Q62. CBSE 2023 · 4 marks Calculate Gross Profit Ratio from the following information: Inventory Turnover Ratio: 6 times; Average Inventory: ₹ 4,00,000; Goods are sold at a profit of 25% on cost

Q63. CBSE 2023 · 4 marks (a) Calculate Gross Profit Ratio from the following information: Average Inventory ₹ 1,60,000; Inventory Turnover Ratio 8 times, Average Trade Receivables ₹ 2,00,000; Trade Receivables Turnover Ratio 6 times and Cash Sales 25% of Total Sales.

Q64. CBSE 2023 · 4 marks (i) (a) Y Ltd. has a Current Ratio of 3.5 : 1 and Quick Ratio of 2 : 1. If excess of current assets over quick assets represented by inventory is ₹ 48,000, calculate current assets and current liabilities. (2+2=4) (b) Calculate Debt to Equity Ratio: Shareholder Funds ₹ 2,00,000, Reserves and Surplus ₹ 1,00,000, Total Debt ₹ 4,00,000, Current Liabilities ₹ 1,00,000.

10 Cash Flow Statement

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (51)

Q1. CBSE 2026 · 1 mark Which of the following are operating activities in Cash Flow Statement? (i) Payment of taxes (ii) Payment of dividend and interest (iii) Receipt of interest and dividend

(a) (i), (ii) and (iii) **(b)** (i) and (ii) **(c)** (ii) and (iii) **(d)** (iii) only

Q2. CBSE 2026 · 1 mark Statement I: Operating activities are the activities that constitute the primary or main activities of an enterprise. Statement II: Cash advances and loans made by financial enterprises are usually classified as operating activities. Choose the correct option from the following:

(a) Both the Statements are false.

(b) Statement I is true and Statement II is false.

(c) Statement I is false and Statement II is true.

(d) Both the Statements are true.

Q3. CBSE 2026 · 1 mark Which of the following items are included in Cash Flow from Operating Activities?Items: (i) Payment of taxes (ii) Payment of dividend and interest (iii) Receipt of interest and dividend

(a) (i), (ii) and (iii) **(b)** (i) and (ii) **(c)** (ii) and (iii) **(d)** (iii) only

Q4. CBSE 2026 · 1 mark Which of the following items are shown in the Cash Flow Statement under operating activities? (i) Payment of taxes (ii) Payment of dividend and interest (iii) Receipt of interest and dividend

(a) (i), (ii) and (iii) **(b)** (i) and (ii) **(c)** (ii) and (iii) **(d)** (iii) only

Q5. CBSE 2026 · 1 mark Which of the following statements is correct?

(a) Sale of property is a financing activity.

(b) Cash deposited into bank will result in outflow of cash.

(c) Receipt of royalties is an operating activity.

(d) Buy-back of own equity shares is an investing activity.

Q6. CBSE 2026 · 1 mark Statement I: Quick Credit Ltd., a finance company, paid interest on borrowings amounting to ₹80,000. This will be shown as cash outflow from operating activities in its Cash Flow Statement. Statement II: Royal Foods Ltd., a non-financial enterprise, paid dividends amounting to ₹2,30,000. It will be shown as cash outflow from operating activities in its Cash Flow Statement. Choose the correct option from the following:

(a) Statement I is true and Statement II is false.

(b) Statement I is false and Statement II is true.

(c) Both the Statements are true.

(d) Both the Statements are false.

Q7. CBSE 2026 · 1 mark The following information was obtained about the cash flows of XYZ Ltd. for the year ended 31st March, 2025: Cash inflows from operating activities ₹28,000; cash used in investing activities ₹32,000 and cash inflows from financing activities ₹5,000. If the opening balance of cash and cash equivalents on 1st April, 2024 was ₹25,000, the closing balance of cash and cash equivalents on 31st March, 2025 will be:

(a) ₹90,000 **(b)** ₹6,000 **(c)** ₹26,000 **(d)** ₹70,000

Q8. CBSE 2026 · 1 mark Statement I: In case of non-financial enterprises, payment of interest and dividend are classified as financing activities. Statement II: In case of financial enterprises, payment of interest and dividend are classified as investing activities. Choose the correct option from the following:

(a) Both the statements are true.

(b) Both the statements are false.

(c) Statement I is true, but Statement II is false.

(d) Statement I is false, but Statement II is true.

Q9. CBSE 2026 · 1 mark During the year ended 31st March, 2025, H.P. Ltd. paid an interim dividend of ₹50,00,000. From the following, choose the correct option for the purpose of Cash Flow Statement:

(a) ₹50,00,000 paid as interim dividend during the year will be shown as outflow of cash under financing activities and added back to net profit to calculate cash flows from operating activities.

(b) ₹50,00,000 paid as interim dividend during the year will be shown as outflow of cash under financing activities and deducted from net profit to calculate cash flows from operating activities.

(c) ₹50,00,000 paid as interim dividend during the year will be shown as cash outflow from financing activities only.

(d) ₹50,00,000 paid as interim dividend during the year will be added back to net profit to calculate cash flows from operating activities only.

Q10. CBSE 2026 · 1 mark Cash Flow Statement ? (i) Payment of taxes (ii) Payment of dividend and interest (iii) Receipt of interest and dividend Choose the correct option from the following:

(a) (i), (ii) and (iii) **(b)** (i) and (ii) **(c)** (ii) and (iii) **(d)** (iii) only

Q11. CBSE 2025 · 1 mark Statement I: Snow Ltd. made a net profit of ₹5,00,000 after taking into consideration interest on investment of ₹1,00,000. Operating profit before working capital changes would be ₹4,00,000. Statement II: To calculate operating profit, before working capital changes, interest on investment is subtracted from net profit because it is a non-operating income. Choose the correct option from the following:

(a) Only Statement I is true. **(b)** Only Statement II is true.

(c) Both the Statements are false.

(d) Both the Statements are true.

Q12. CBSE 2025 · 1 mark Cash Flow Statement is prepared in accordance with:

(a) Accounting Standard 3 **(b)** Accounting Standard 26

(c) The Companies Act, 2013 **(d)** The Companies Act, 1956

Q13. CBSE 2025 · 1 mark The activities that result in changes in the size and composition of _____ of the enterprise.

(a) Operating Activities **(b)** Investing Activities

(c) Equity and Liabilities **(d)** Financing Activities

Q14. CBSE 2025 · 1 mark Statement I: In case of non-financial enterprises, payment of interest and dividends are classified as financing activities, whereas receipt of interest and dividends are classified as investing activities. Statement II: Investing and financing transactions that require the use of cash or cash equivalents, should be excluded from cash flow statement. Choose the correct alternative from the following:

(a) Both the statements are false.

(b) Both the statements are true.

(c) Statement I is false and Statement II is true.

(d) Statement I is true and Statement II is false.

Q15. CBSE 2025 · 1 mark The activities that result in changes in the size and composition of _____.

(a) Operating Activities **(b)** Investing Activities

(c) Managerial Activities **(d)** Financing Activities

Q16. CBSE 2025 · 1 mark The activities that result in changes in the size and composition of _____ of the company.

(a) Operating Activities **(b)** Investing Activities

(c) Managerial Activities **(d)** Financing Activities

Q17. CBSE 2025 · 1 mark Which of the following transactions will result in decrease in the Current Ratio:

(a) Purchased goods for cash 73,000

(b) Cash collected from debtors 41,000

(c) Outstanding salaries paid 62,000

(d) Repayment of long term loan 8,00,000

Q18. CBSE 2025 · 1 mark Which of the following transactions will result in outflow of cash:

(a) Cash payments to and on behalf of the employees

(b) Cash receipts from royalties **(c)** Issue of shares

(d) Dividend received from investments in other enterprises

Q19. CBSE 2025 · 1 mark There are two statements: Statement I: The balance in the Statement of Profit and Loss in the Balance Sheet of Samta Ltd. showed a deficit of 2,00,000 on 31.03.2023 and a surplus of 3,00,000 on 31.3.2024. Thus, 5,00,000 will be considered as profit earned during the year for preparing Cash Flow Statement. Statement II: On 31.03.2023 the goodwill account of Zeeta Ltd. showed a balance of 4,00,000 and on 31.03.2024 it showed a balance of 5,00,000. Thus, 1,00,000 will be considered as goodwill acquired during the year for the preparation of Cash Flow Statement. Choose the correct option from the following:

(a) Both the Statements are true.

(b) Both the Statements are false.

(c) Statement I is true, Statement II is false.

(d) Statement II is true, Statement I is false.

Q20. CBSE 2025 · 1 mark There are two statements: Statement I: The balance in the Statement of Profit and Loss in the Balance Sheet of Samta Ltd. showed a deficit of ₹ 2,00,000 on 31.03.2023 and a surplus of ₹ 3,00,000 on 31.3.2024. Therefore, a profit of ₹ 5,00,000 will be considered as profit earned during the year for preparing Cash Flow Statement. Statement II: On 31.03.2023 the goodwill account of Zeeta Ltd. showed a balance of ₹ 4,00,000 and on 31.03.2024 it showed a balance of ₹ 5,00,000. Therefore, ₹ 1,00,000 will be considered as goodwill acquired during the year for the preparation of Cash Flow Statement. Choose the correct option from the following:

(a) Both the Statements are true.

(b) Both the Statements are false.

(c) Statement I is true, Statement II is false.

(d) Statement II is true, Statement I is false.

Q21. CBSE 2025 · 1 mark Which of the following transactions will result in decrease in this ratio?

(a) Purchased goods for cash ₹ 73,000

(b) Cash collected from debtors ₹ 41,000

(c) Outstanding salaries paid ₹ 62,000

(d) Repayment of long term loan ₹ 8,00,000

Q22. CBSE 2025 · 1 mark There are two statements: Statement I: The balance in the Statement of Profit and Loss in the Balance Sheet of Samta Ltd. showed a deficit of ₹2,00,000 on 31.03.2023 and a surplus of ₹3,00,000 on 31.3.2024. So ₹5,00,000 will be considered as profit earned during the year for preparing Cash Flow Statement. Statement II: On 31.03.2023 the goodwill account of Zeeta Ltd. showed a balance of ₹4,00,000 and on 31.03.2024 it showed a balance of ₹5,00,000. So ₹1,00,000 will be considered as goodwill acquired during the year for the preparation of Cash Flow Statement. Choose the correct option from the following:

(a) Both the Statements are true.

(b) Both the Statements are false.

(c) Statement I is true, Statement II is false.

(d) Statement II is true, Statement I is false.

Q23. CBSE 2025 · 1 mark (a) Which of the following transactions will be shown as an outflow of cash from operating activities in the Cash Flow Statement?

(a) Purchase of Inventory **(b)** Payment of Dividend

(c) Purchase of Property **(d)** Issue of Debentures

Q24. CBSE 2025 · 1 mark Statement I: Sale of marketable securities will result in flow of cash. Statement II: Cash flow implies movement of cash in and out due to some non-cash items. Choose the correct option from the following:

(a) Both the statements are true.

(b) Both the statements are false.

(c) Statement I is true, Statement II is false.

(d) Statement I is false, Statement II is true.

Q25. CBSE 2025 · 1 mark Which of the following items should be considered in operating activities for the purpose of cash flow statement?

(a) Purchase of Inventory **(b)** Payment of Dividend

(c) Purchase of Property **(d)** Issue of Debentures

Q26. CBSE 2025 · 1 mark Which of the following would be classified as Cash flow from investing activities?

(a) Purchase of Inventory **(b)** Payment of Dividend

(c) Purchase of Property **(d)** Issue of Debentures

Q27. CBSE 2024 · 1 mark Identify which of the following transactions will be classified as an operating activity in the cash flow statement:

(a) Payment to creditors

(b) Interest received by a non-finance company

(c) Dividend received by a non-finance company

(d) Amount received from debtors

Q28. CBSE 2024 · 1 mark Acquisition of machinery by issue of equity shares of ₹ 5,00,00,000 will result in:

(a) Cash inflow of ₹ 5,00,00,000 from financing activities

(b) Cash outflow of ₹ 5,00,00,000 from financing activities

(c) Cash outflow of ₹ 5,00,00,000 from investing activities

(d) No flow of cash

Q29. CBSE 2024 · 1 mark Acquisition of machinery for ₹ 5,00,00,000 by issuing equity shares will result in:

(a) Cash inflow of ₹ 5,00,00,000 from financing activities

(b) Cash outflow of ₹ 5,00,00,000 from financing activities

(c) Cash outflow of ₹ 5,00,00,000 from investing activities

(d) No flow of cash

Q30. CBSE 2024 · 1 mark Identify which of the following transactions will result in inflow of cash:

(a) Payment to creditors

(b) Interest received by a non-finance company

(c) Dividend received by a non-finance company

(d) Amount received from debtors

Q31. CBSE 2024 · 1 mark Identify which of the following transactions will result in an inflow of cash:
(a) Payment to creditors
(b) Interest received by a non-finance company
(c) Dividend received by a non-finance company
(d) Amount received from debtors

Q32. CBSE 2024 · 1 mark Statement I: Issue of Debentures will result in inflow of cash. Statement II: Issue of Debentures to the vendors for purchase of machinery will result in outflow of cash. Choose the correct option from the following:
(a) Both statements are correct.
(b) Both statements are incorrect.
(c) Statement I is correct and Statement II is incorrect.
(d) Statement I is incorrect and Statement II is correct.

Q33. CBSE 2024 · 1 mark ABC Ltd. paid ₹ 5,00,000 to acquire shares in Neligare Industries and received a dividend of ₹ 30,000 after acquisition. What will be the impact on Cash Flow Statement?
(a) Cash outflow from financing activities ₹ 4,70,000
(b) Cash inflow from investing activities ₹ 4,70,000
(c) Cash inflow from financing activities ₹ 4,70,000
(d) Cash outflow from investing activities ₹ 4,70,000

Q34. CBSE 2024 · 1 mark An investor paid ₹ 5,00,000 to acquire shares in Neligare Industries and received a dividend of ₹ 30,000 after acquisition. This will result in:
(a) Cash outflow from financing activities ₹ 4,70,000
(b) Cash inflow from investing activities ₹ 4,70,000
(c) Cash inflow from financing activities ₹ 4,70,000
(d) Cash outflow from investing activities ₹ 4,70,000

Q35. CBSE 2024 · 1 mark Statement I: Issue of fully paid bonus shares out of Securities Premium Account will result in inflow of cash. Statement II: Cash withdrawn from bank will result in inflow of cash. In the context of the above two statements, choose the correct option:
(a) Both statement I and statement II are correct
(b) Both statement I and statement II are incorrect
(c) Statement I is correct and statement II is incorrect
(d) Statement I is incorrect and statement II is correct

Q36. CBSE 2024 · 1 mark Which of the following transactions will result in cash flows from operating activities?
(a) Cash receipts from sale of investments ₹ 60,000
(b) Cash receipts from sale of goods ₹ 94,000
(c) Dividend received ₹ 31,000
(d) Payment of cash for purchase of fixed assets ₹ 3,00,000

Q37. CBSE 2024 · 1 mark Statement I: Issue of Debentures for cash will result in inflow of cash. Statement II: Payment of Income Tax will result in outflow of cash. In the context of the above two statements, choose the correct option:
(a) Both statement I and statement II are correct
(b) Both statement I and statement II are incorrect
(c) Statement I is correct and statement II is incorrect
(d) Statement I is incorrect and statement II is correct

Q38. CBSE 2024 · 1 mark ₹ 5,00,000 to acquire shares in Neligare Industries and received a dividend of ₹ 30,000 after acquisition. This will result in:
(a) Cash outflow from financing activities ₹ 4,70,000
(b) Cash inflow from investing activities ₹ 4,70,000
(c) Cash inflow from financing activities ₹ 4,70,000
(d) Cash outflow from investing activities ₹ 4,70,000

Q39. CBSE 2023 · 1 mark A dividend paid by a financial enterprise will be shown under which kind of activity from the following while preparing cash flow statement:
(a) Operating Activity (b) Investing Activity
(c) Financing Activity (d) Both (b) and (c)

Q40. CBSE 2023 · 1 mark Which of the following transactions are shown under financing activities while preparing cash flow statement:
(a) (i) (b) (i) and (ii) (c) (i) and (iii) (d) (i), (ii) and (iv)

Q41. CBSE 2023 · 1 mark (i) Dividend paid by a financial enterprise will be treated as which kind of activity from the following while preparing cash flow statement:
(a) Operating Activity (b) Investing Activity
(c) Financing Activity (d) Both (b) and (c)

Q42. CBSE 2023 · 1 mark Dividend paid by a financial enterprise would fall under which kind of activity from the following while preparing cash flow statement:
(a) Operating Activity (b) Investing Activity
(c) Financing Activity (d) Both (b) and (c)

Q43. CBSE 2023 · 1 mark (ii) Which of the following is a tool for analysis of Financial Statements:
(a) Cash Flow Statement (b) Statement of Profit and Loss
(c) Balance Sheet (d) Both (a) and (b)

Q44. CBSE 2023 · 1 mark Which of the following transactions would result in inflow of cash and cash equivalents:
(a) Furniture costing ₹ 80,000 sold for ₹ 75,000
(b) Issue of bonus shares ₹ 5,00,000
(c) Payment to trade payables ₹ 15,000
(d) Provided depreciation on fixed assets ₹ 11,000

Q45. CBSE 2023 · 1 mark Which of the following transactions is not related to cash flows from investing activities:
(a) Purchase of marketable securities ₹ 25,000
(b) Sale of land ₹ 2,80,000
(c) Sale of investments ₹ 3,00,000
(d) Purchase of equipment ₹ 1,00,000

Q46. CBSE 2023 · 1 mark Which is a source of information for Cash Flow Statement:
(a) Cash Flow Statement (b) Statement of Profit and Loss
(c) Balance Sheet (d) Both (a) and (b)

Q47. CBSE 2023 · 1 mark Interest received on investments held by a company is classified as:
(a) Financing activity (b) Operating activity
(c) Investing activity (d) Cash and cash equivalents

Q48. CBSE 2023 · 1 mark (i) Which of the following will result in flow of cash ?

(a) Cash withdrawn from the bank ₹ 50,000

(b) ₹ 2,00,000, 9% debentures issued to vendors of machinery

(c) ₹ 30,000 received from debtors

(d) Cheques of ₹ 20,000 deposited in the bank

Q49. CBSE 2023 · 1 mark (ii) An investment normally qualifies as cash equivalent only when it has a short maturity, of say, _____ from the date of acquisition.

(a) Three months or more **(b)** Six months or less

(c) One year or less **(d)** Three months or less

Q50. CBSE 2023 · 1 mark Interest paid on debentures by a company is classified as:

(a) Financing activity **(b)** Operating activity

(c) Investing activity **(d)** Cash and cash equivalents

Q51. CBSE 2023 · 1 mark Issue of shares by a company is classified as :

(a) Financing activity **(b)** Operating activity

(c) Investing activity **(d)** Cash and cash equivalents

VERY SHORT ANSWER (3)

Q52. CBSE 2022 · 2 marks Give reasons to indicate whether Cash Flow Statement will show inflow, outflow or no flow of cash while preparing Cash Flow Statement.

Q53. CBSE 2022 · 2 marks State whether redemption of debentures will result in inflow, outflow or no flow of cash while preparing Cash Flow Statement and give reason.

Q54. CBSE 2022 · 2 marks Give reasons why redemption of debentures will cause an inflow, outflow or no flow of cash while preparing Cash Flow Statement.

LONG ANSWER (34)

Q55. CBSE 2026 · 6 marks JC Ltd. earned a net profit of ₹50,000 after providing depreciation of ₹20,000 on fixed assets and a transfer of ₹15,000 to general reserve. The position of its Current Assets and Current Liabilities was as follows: Particulars 31.03.2025 (₹) 31.03.2024 (₹) Trade Receivables 75,000 70,000 Trade Payables 75,000 65,000 Inventories 40,000 25,000 Expenses Payable 7,500 5,000 Prepaid Expenses 5,000 10,000 Accrued Incomes 20,000 15,000 Income Received in Advance 5,000 10,000 Calculate cash flows from operating activities.

Q56. CBSE 2026 · 6 marks JC Ltd. earned a net profit of ₹50,000 after providing depreciation of ₹20,000 on fixed assets and a transfer of ₹15,000 to general reserve. The position of its Current Assets and Current Liabilities was as follows: Trade Receivables: 75,000 (31.03.2025), 70,000 (31.03.2024); Trade Payables: 75,000 (31.03.2025), 65,000 (31.03.2024); Inventories: 40,000 (31.03.2025), 25,000 (31.03.2024); Expenses Payable: 7,500 (31.03.2025), 5,000 (31.03.2024); Prepaid Expenses: 5,000 (31.03.2025), 10,000 (31.03.2024); Accrued Incomes: 20,000 (31.03.2025), 15,000 (31.03.2024); Income Received in Advance: 5,000 (31.03.2025), 10,000 (31.03.2024). Calculate cash flows from operating activities.

Q57. CBSE 2026 · 6 marks From the following information, calculate Cash Flows from Investing Activities: Particulars 31.03.2025 (₹) 31.03.2024 (₹): Machinery (At Cost) 6,00,000 2,60,000; Accumulated Depreciation 1,00,000 35,000. Additional Information: During the year, a machine costing ₹80,000 on which accumulated depreciation was ₹20,000, was sold at a loss of 20%.

Q58. CBSE 2026 · 6 marks (a) From the following information, calculate Cash Flows from Investing Activities: Particulars 31.03.2025 (₹) 31.03.2024 (₹) Machinery (At Cost) 6,00,000 2,60,000 Accumulated Depreciation 1,00,000 35,000 Additional Information: During the year, a machine costing ₹80,000 on which accumulated depreciation was ₹20,000, was sold at a loss of 20%. (b) From the following information, calculate Cash Flows from Financing Activities: Particulars 31.03.2025 (₹) 31.03.2024 (₹) Equity Share Capital 15,00,000 10,00,000 10% Debentures 11,00,000 8,00,000 Bank Overdraft 3,00,000 2,00,000 Cash at Bank 78,000 54,000 Additional Information: ₹3,00,000, 10% Debentures were issued on 1st October, 2024.

Q59. CBSE 2026 · 6 marks Using the indirect method of Cash Flow Statement, calculate Cash from Operations: Net Profit for the year ended 31st March, 2025 after charging depreciation of 80,000 and after writing off goodwill 10,500 was 4,90,000. Additional Information: Inventories (31.3.2024: 1,00,000, 31.3.2025: 1,50,000); Trade receivables (31.3.2024: 2,00,000, 31.3.2025: 2,25,000); Prepaid insurance (31.3.2024: 20,000, 31.3.2025: 15,000); Accrued interest (31.3.2024: 40,000, 31.3.2025: 30,000); Other current assets (31.3.2024: 90,000, 31.3.2025: 1,40,000); Trade payables (31.3.2024: 2,00,000, 31.3.2025: 1,70,000); Outstanding expenses (31.3.2024: 12,000, 31.3.2025: 8,500); Rent received in advance 10,000.

Q60. CBSE 2025 · 6 marks From the following information, prepare a Cash Flow Statement as per the indirect method: Particulars 31.03.2024 (₹) 31.03.2023 (₹) 10% Long Term Investments 2,50,000 4,50,000 Plant and Machinery 8,00,000 6,00,000 Goodwill 1,40,000 1,00,000 Investment 14,00,000 5,00,000 Patents 1,50,000 Additional Information: (i) A machine costing ₹60,000 (depreciation provided thereon ₹18,000) was sold for ₹48,000. Depreciation charged during the year was ₹60,000. (ii) Dividend received from Pinnacle Ltd. ₹40,000. (iii) Interest received on 10% Long Term Investments ₹45,000. (iv) Patents were sold at their book value.

Q61. CBSE 2025 · 6 marks Prepare a Cash Flow Statement from the following information: Particulars 31.03.2024 (₹) 31.03.2023 (₹) - 10% Long Term Investments 2,50,000 4,50,000 - Plant and Machinery 8,00,000 6,00,000 - Goodwill 1,40,000 1,00,000 - Investment 14,00,000 5,00,000 - Patents 1,50,000. Additional Information: (i) A machine costing ₹60,000 (depreciation provided thereon ₹18,000) was sold for ₹48,000. Depreciation charged during the year was ₹60,000. (ii) Dividend received from Pinnacle Ltd. ₹40,000. (iii) Interest received on 10% Long Term Investments ₹45,000. (iv) Patents were sold at their book value.

Q62. CBSE 2025 · 6 marks From the following information: 10% Long Term Investments ₹2,50,000 (31.03.2023) ₹4,50,000 (31.03.2024). Plant and Machinery ₹8,00,000 (31.03.2023) ₹6,00,000 (31.03.2024). Goodwill ₹1,40,000 (31.03.2023) ₹1,00,000 (31.03.2024). Investments ₹14,00,000 (31.03.2023) ₹5,00,000 (31.03.2024). Patents ₹1,50,000 (31.03.2024). Additional Information: (i) A machine costing ₹60,000 (depreciation provided thereon ₹18,000) was sold for ₹48,000. Depreciation charged during the year was ₹60,000. (ii) Dividend received from Pinnacle Ltd. ₹40,000. (iii) Interest received on 10% Long Term Investments ₹45,000. (iv) Patents were sold at their book value. Prepare Cash Flow Statement.

Q63. CBSE 2025 · 6 marks The following information has been extracted from the books of Ram Lal Ltd.: Particulars 31.3.2024 and 31.3.2023. Surplus: Balance in Statement of Profit and Loss ₹17,00,000 and ₹8,00,000. Patents ₹50,000. Sundry Debtors ₹5,80,000 and ₹4,20,000. Sundry Creditors ₹1,40,000 and ₹60,000. Cash and Cash Equivalents ₹2,00,000 and ₹90,000. Additional Information: Interim dividend paid during the year was ₹1,20,000. Calculate Cash Flows from Operating Activities.

Q64. CBSE 2025 · 6 marks The following information has been extracted from the books of Ram Lal Ltd.: Particulars 31.3.2024 ₹ and 31.3.2023 ₹: Surplus - Balance in Statement of Profit and Loss 17,00,000 and 8,00,000; Patents 50,000 and blank; Sundry Debtors 5,80,000 and 4,20,000; Sundry Creditors 1,40,000 and 60,000; Cash and Cash Equivalents 2,00,000 and 90,000. Additional Information: Interim dividend paid during the year was ₹1,20,000. Calculate Cash Flows from Operating Activities.

Q65. CBSE 2025 · 4 marks From the following information, calculate Cash Flow from Operating Activities: Revenue from operations - Cash 5,00,000, Credit 20,00,000; Purchases - Cash 2,00,000, Credit 10,00,000; Carriage Inward 20,000; Salaries 1,45,000; Increase in inventory 50,000; Wages 85,000

Q66. CBSE 2025 · 6 marks From the following Balance Sheet of Bose Ltd. as at 31st March, 2024, prepare a Cash Flow Statement using the Indirect Method. Balance Sheet of Bose Ltd. as at 31st March, 2024. Equity and Liabilities: Share Capital 37,00,000 (31.03.2023: 25,00,000); Reserves and Surplus 5,00,000 (31.03.2023: 12,00,000); Long term borrowings (10% Debentures) 20,00,000 (31.03.2023: 18,00,000); Short term borrowings 6,00,000 (31.03.2023: 5,50,000); Trade Payables 5,00,000 (31.03.2023: 3,50,000). Total 73,00,000 (64,00,000). Assets: Property, Plant and Equipment 45,00,000 (31.03.2023: 41,00,000); Intangible Assets (Goodwill) 3,00,000 (31.03.2023: 5,00,000); Current Investments 5,00,000 (31.03.2023: 2,00,000); Inventories 8,00,000 (31.03.2023: 10,00,000); Trade Receivables 10,00,000 (31.03.2023: 2,00,000); Cash and Cash equivalents 2,00,000 (31.03.2023: 4,00,000). Total 73,00,000 (64,00,000). Notes: (i) A piece of machinery costing 4,00,000 on which accumulated depreciation was 3,00,000 was sold at a loss of 70,000. (ii) 10% Debentures of 2,00,000 were issued on 31.3.2024.

Q67. CBSE 2025 · 4 marks From the following information prepare a Cash Flow Statement for the year ended 31st March, 2024: Revenue from operations - Cash ₹ 5,00,000, Credit ₹ 20,00,000; Purchases - Cash ₹ 2,00,000, Credit ₹ 10,00,000; Carriage Inward ₹ 20,000; Salaries ₹ 1,45,000; Increase in inventory ₹ 50,000; Wages ₹ 85,000

Q68. CBSE 2025 · 6 marks From the following Balance Sheet of Bose Ltd. as at 31st March, 2024, prepare the Cash Flow Statement. Balance Sheet of Bose Ltd. as at 31st March, 2024. Particulars - Note No. - 31.03.2024 (₹) - 31.03.2023 (₹). I Equity and Liabilities: 1. (a) Share Capital 37,00,000 25,00,000. (b) Reserves and Surplus 1 5,00,000 12,00,000. 2 Non-Current Liabilities: Long term borrowings 2 20,00,000 18,00,000. 3. Current Liabilities: (a) Short term borrowings 6,00,000 5,50,000. (b) Trade Payables 5,00,000 3,50,000. Total 73,00,000 64,00,000. II Assets: 1. Non-Current Assets: (a) Property, Plant and Equipment and Intangible Assets: (i) Property, Plant and Equipment 3 45,00,000 41,00,000. (ii) Intangible Assets 4 3,00,000 5,00,000. 2. Current Assets: (a) Current Investments 5,00,000 2,00,000. (b) Inventories 8,00,000 10,00,000. (c) Trade Receivables 10,00,000 2,00,000. (d) Cash and Cash equivalents 2,00,000 4,00,000. Total 73,00,000 64,00,000. Notes to Accounts: Note No. 1 - Reserves and Surplus (i.e. Balance in the Statement of Profit and Loss) 31.3.2024 (₹) 5,00,000. 31.3.2023 (₹) 12,00,000. Note No. 2 - Long Term Borrowings (10% Debentures) 20,00,000 18,00,000. Note No. 3 - Property, Plant and Equipment: Plant and Machinery 50,00,000 44,00,000. Less: Accumulated Depreciation 5,00,000 3,00,000. Net 45,00,000 41,00,000. Note No. 4 - Intangible Assets: Goodwill 3,00,000 5,00,000. Additional Information: (i) A piece of machinery costing ₹4,00,000 on which accumulated depreciation was ₹3,00,000 was sold at a loss of ₹70,000. (ii) 10% Debentures of ₹2,00,000 were issued on 31.3.2024.

Q69. CBSE 2025 · 6 marks (a) From the following information extracted from the books of Kant Ltd., prepare Cash Flow Statement from Operating Activities. Profit earned during the year is ₹1,95,000 after considering the following items: Depreciation on Machinery ₹50,000; Goodwill written off ₹30,000; Loss on Sale of Machinery ₹10,000; Transfer to General Reserve ₹1,05,000. At the end of the year, Trade Receivables showed an increase of ₹2,00,000 and Trade Payables a decrease of ₹10,000.

Q70. CBSE 2025 · 6 marks From the following information extracted from the books of Kant Ltd., prepare Cash Flow Statement from Operating Activities. Profit earned during the year is ₹1,95,000 after considering the following items: Particulars Amount (₹). Depreciation on Machinery ₹50,000. Goodwill written off ₹30,000. Loss on Sale of Machinery ₹10,000. Transfer to General Reserve ₹1,05,000. At the end of the year, Trade Receivables showed an increase of ₹2,00,000 and Trade Payables a decrease of ₹10,000.

Q71. CBSE 2025 · 6 marks From the following information extracted from the books of Kant Ltd., calculate the cash flow from operating activities. Profit earned during the year is 1,95,000 after considering the following items: Depreciation on Machinery 50,000; Goodwill written off 30,000; Loss on Sale of Machinery 10,000; Transfer to General Reserve 1,05,000. At the end of the year, Trade Receivables showed an increase of 2,00,000 and Trade Payables a decrease of 10,000.

Q72. CBSE 2024 · 6 marks From the following information, calculate the cash flow from operating activities: Surplus i.e. Balance in Statement of Profit and Loss ₹ 6,28,000; Provision for Tax ₹ 1,50,000; Proposed Dividend for the previous year ₹ 72,000; Depreciation ₹ 1,40,000; Loss on Sale of Machinery ₹ 30,000; Gain on Sale of Investments ₹ 20,000; Dividend Received on Investments ₹ 6,000; Increase in Current Liabilities ₹ 1,61,000; Increase in Current Assets (other than cash and cash equivalents) ₹ 6,00,000; Decrease in Current Liabilities ₹ 64,000; Income Tax Paid ₹ 1,18,000

Q73. CBSE 2024 · 6 marks From the following information, calculate Cash flow from Operating Activities: Particulars: Balance of Profit and Loss (Surplus) ₹ 6,28,000; Provision for Tax ₹ 1,50,000; Proposed Dividend for the previous year ₹ 72,000; Depreciation ₹ 1,40,000; Loss on Sale of Machinery ₹ 30,000; Gain on Sale of Investments ₹ 20,000; Dividend Received on Investments ₹ 6,000; Increase in Current Liabilities ₹ 1,61,000; Increase in Current Assets (other than cash and cash equivalents) ₹ 6,00,000; Decrease in Current Liabilities ₹ 64,000; Income Tax Paid ₹ 1,18,000.

Q74. CBSE 2024 · 6 marks From the following information, calculate Operating Cash Flow: Surplus/Balance in Statement of Profit and Loss ₹ 6,28,000; Provision for Tax ₹ 1,50,000; Proposed Dividend for the previous year ₹ 72,000; Depreciation ₹ 1,40,000; Loss on Sale of Machinery ₹ 30,000; Gain on Sale of Investments ₹ 20,000; Dividend Received on Investments ₹ 6,000; Increase in Current Liabilities ₹ 1,61,000; Increase in Current Assets (other than cash and cash equivalents) ₹ 6,00,000; Decrease in Current Liabilities ₹ 64,000; Income Tax Paid ₹ 1,18,000

Q75. CBSE 2024 · 6 marks From the following Balance Sheet of Nishant Ltd. as at 31st March, 2023, calculate Cash Flow from Operating Activities. Additional Information: (i) A piece of machinery costing ₹ 12,000 on which accumulated depreciation was ₹ 8,000 was sold for ₹ 3,000. (ii) Interest paid on 10% Debentures amounted to ₹ 8,500.Balance Sheet of Nishant Ltd. as at 31st March, 2023: Particulars 31.3.2023 (₹) 31.3.2022 (₹). I Equity and Liabilities: 1. (a) Share Capital 6,00,000 5,50,000 (b) Reserves and Surplus 1,50,000 1,00,000 2. Non-Current Liabilities: (a) Long-term Borrowings 1,20,000 85,000 3. Current Liabilities: (a) Trade Payables 89,500 1,02,000 (b) Short-term Provisions 25,000 38,500 Total 9,84,500 8,75,500. II Assets: 1. Non-Current Assets: (a) Fixed Assets (i) Tangible Assets 5,35,000 4,25,000 (ii) Intangible Assets 20,000 56,000 2. Current Assets: (a) Current Investments 1,20,000 75,000 (b) Inventories 64,500 60,500 (c) Trade Receivables 85,000 71,500 (d) Cash and Cash Equivalents 1,60,000 1,87,500 Total 9,84,500 8,75,500

Q76. CBSE 2024 · 6 marks From the following Balance Sheet of Nishant Ltd. as at 31st March, 2023, calculate cash flows from operating activities. Balance Sheet shows: Equity and Liabilities - Share Capital ₹ 6,00,000 (previous ₹ 5,50,000), Reserves and Surplus ₹ 1,50,000 (previous ₹ 1,00,000), Long-term Borrowings (10% Debentures) ₹ 1,20,000 (previous ₹ 85,000), Trade Payables ₹ 89,500 (previous ₹ 1,02,000), Short-term Provisions ₹ 25,000 (previous ₹ 38,500). Assets - Tangible Assets ₹ 5,35,000 (previous ₹ 4,25,000), Intangible Assets ₹ 20,000 (previous ₹ 56,000), Current Investments ₹ 1,20,000 (previous ₹ 75,000), Inventories ₹ 64,500 (previous ₹ 60,500), Trade Receivables ₹ 85,000 (previous ₹ 71,500), Cash and Cash Equivalents ₹ 1,60,000 (previous ₹ 1,87,500). Additional Information: (i) A piece of machinery costing ₹ 12,000 with accumulated depreciation ₹ 8,000 was sold for ₹ 3,000. (ii) Interest paid on 10% Debentures ₹ 8,500.

Q77. CBSE 2024 · 6 marks Calculate Cash Flows from Investing Activities from the following information: Plant and Machinery (31.3.2023: ₹ 4,10,000; 31.3.2022: ₹ 3,00,000); Goodwill (31.3.2023: ₹ 1,80,000; 31.3.2022: ₹ 80,000). Additional Information: (a) A machine costing ₹ 85,000 (depreciation provided thereon ₹ 15,000) was sold for ₹ 62,000. Depreciation charged during the year amounted to ₹ 48,000. (b) Calculate Cash Flows From Financing Activities from the following information: Equity Share Capital (31.3.2023: ₹ 15,00,000; 31.3.2022: ₹ 10,00,000); Bank Overdraft (31.3.2023: ₹ 90,000; 31.3.2022: ₹ 1,20,000); Loan from bank (31.3.2023: ₹ 7,00,000; 31.3.2022: ₹ 6,00,000). Additional Information: (i) Interest paid on bank loan amounted to ₹ 60,000. (ii) Dividend paid ₹ 1,10,000.

Q78. CBSE 2024 · 6 marks From the following information, calculate Cash Flow from Investing Activities: Plant and Machinery (31st March, 2023) ₹ 4,10,000; Plant and Machinery (31st March, 2022) ₹ 3,00,000; Goodwill (31st March, 2023) ₹ 1,80,000; Goodwill (31st March, 2022) ₹ 80,000. Additional Information: (a) A machine costing ₹ 85,000 (depreciation provided thereon ₹ 15,000) was sold for ₹ 62,000. Depreciation charged during the year amounted to ₹ 48,000. (b) Calculate Cash Flow from Financing Activities from the following information: Equity Share Capital (31st March, 2023) ₹ 15,00,000; Equity Share Capital (31st March, 2022) ₹ 10,00,000; Bank Overdraft (31st March, 2023) ₹ 90,000; Bank Overdraft (31st March, 2022) ₹ 1,20,000; Loan from bank (31st March, 2023) ₹ 7,00,000; Loan from bank (31st March, 2022) ₹ 6,00,000. Additional Information: (i) Interest paid on bank loan amounted to ₹ 60,000. (ii) Dividend paid ₹ 1,10,000.

Q79. CBSE 2024 · 6 marks From the following information, prepare Cash Flow Statement: (Additional Information: (a) A machine costing ₹ 85,000 (depreciation provided thereon ₹ 15,000) was sold for ₹ 62,000. Depreciation charged during the year amounted to ₹ 48,000. (b) Particulars for Financing Activities: Equity Share Capital (31st March, 2023: ₹ 15,00,000, 31st March, 2022: ₹ 10,00,000), Bank Overdraft (31st March, 2023: ₹ 90,000, 31st March, 2022: ₹ 1,20,000), Loan from bank (31st March, 2023: ₹ 7,00,000, 31st March, 2022: ₹ 6,00,000). (i) Interest paid on bank loan amounted to ₹ 60,000. (ii) Dividend paid ₹ 1,10,000. Plant and Machinery (31st March, 2023: ₹ 4,10,000, 31st March, 2022: ₹ 3,00,000), Goodwill (31st March, 2023: ₹ 1,80,000, 31st March, 2022: ₹ 80,000))

Q80. CBSE 2023 · 6 marks From the following Balance Sheet of the company as on 31st March, 2022, calculate the cash flow from operating activities. Additional Information: (i) 10% Debentures were issued on 31st March, 2021. (ii) Tax of ₹ 80,000 was paid during the year.Car EZ Limited Balance Sheet Particulars Note 31.3.2022 ₹ 31.3.2021 < I Equity and Liabilities: 1. (a) Share Capital 9,00,000 3,00,000 (b) Reserves and Surplus 1 75,000 3,60,000 2. Non-Current Liabilities Long-term Borrowings 2 2,40,000 1,80,000 3. Current Liabilities (a) Trade Payables 18,000 60,000 (b) Short-term Provisions 3 2,04,000 2,10,000 Total 14,37,000 11,10,000 II Assets: 1. Non-Current Assets Fixed Assets 4 10,08,000 5,76,000 2. Current Assets (a) Inventories 3,54,000 3,87,000 (b) Cash and Cash Equivalents 75,000 1,47,000 Total 14,37,000 11,10,000 Notes to Accounts: Note No. Particulars 31.3.2022 ₹ 31.3.2021 ₹ 1 Reserve and Surplus - Surplus i.e. Balance in Statement of Profit and Loss 75,000 3,60,000 2 Long-term Borrowings - 10% Debentures 2,40,000 1,80,000 3 Short-term Provisions - Provision for Tax 2,04,000 2,10,000 4 Fixed Assets - Machinery 11,52,000 6,45,000 Accumulated Depreciation (1,44,000) (69,000) Total 10,08,000 5,76,000

Q81. CBSE 2023 · 6 marks Calculate cash flows from Investing Activities and Financing Activities.Read the following hypothetical text: Inspired by Make-in-India Mission, Azad has formed Azad Ltd. Company in 2016 with other promoters. The company has been earning good revenue consistently. The financial position of Azad Ltd. as at 31st March, 2022 was as follows: Balance Sheet of Azad Ltd. as at 31st March, 2022. Equity and Liabilities: Share Capital ₹19,00,000 (₹17,00,000), Reserves and Surplus ₹6,00,000 (₹3,00,000), Long-term Borrowings 12% Debentures ₹5,00,000 (₹4,00,000), Short-term Borrowings Bank Overdraft ₹1,70,000 (₹1,75,000), Short-term Provisions Provision for Tax ₹2,00,000 (₹1,65,000). Total ₹33,70,000 (₹27,40,000). Assets: Non-Current Assets - Tangible Assets: Machinery ₹24,00,000 (₹19,00,000), Intangible Assets: Goodwill ₹4,00,000 (₹3,00,000), Non-current Investments ₹1,00,000 (₹2,00,000). Current Assets - Current Investments ₹1,40,000 (₹1,70,000), Inventories ₹2,60,000 (₹1,30,000), Cash and Cash Equivalents ₹70,000 (₹40,000). Total ₹33,70,000 (₹27,40,000). Additional Information: (i) ₹1,00,000, 12% Debentures were issued on 1st April, 2021. (ii) A piece of machinery costing ₹80,000 on which accumulated depreciation was ₹40,000, was sold at a gain of ₹10,000.

Q82. CBSE 2023 · 6 marks Madhav is a young entrepreneur. On 1st April, 2019, he formed a partnership firm with two of his friends, Mohan and Sohan. They started their business of exporting dry fruits. Their business was a successful business. Now they wanted to expand the business in many other countries. For meeting the financial requirements, they changed the form of business organisation and formed Madhav Ltd. The Balance Sheet of Madhav Ltd. as at 31.3.2022 showed Equity and Liabilities: Share Capital ₹ 35,00,000 (31.3.2021: ₹ 25,00,000), Reserves and Surplus ₹ 12,50,000 (31.3.2021: ₹ 10,00,000), Long-term Borrowings (10% Debentures) ₹ 12,50,000 (31.3.2021: ₹ 3,50,000), Short-term Borrowings (Bank Overdraft) ₹ 50,000 (31.3.2021: ₹ 75,000), Trade Payables ₹ 2,50,000 (31.3.2021: ₹ 1,50,000), Short-term Provisions ₹ 1,50,000 (31.3.2021: ₹ 75,000). Total: ₹ 64,50,000 (₹ 41,50,000). Assets: Tangible Assets ₹ 40,00,000 (31.3.2021: ₹ 22,50,000), Goodwill ₹ 3,50,000 (31.3.2021: ₹ 5,00,000), Inventories ₹ 6,25,000 (31.3.2021: ₹ 5,00,000), Trade Receivables ₹ 12,50,000 (31.3.2021: ₹ 7,50,000), Cash and Cash Equivalents ₹ 2,25,000 (31.3.2021: ₹ 1,50,000). Additional Information: (i) A machine costing ₹ 1,25,000 with accumulated depreciation ₹ 50,000 was sold for ₹ 45,000 during the year. (ii) Interest of ₹ 1,25,000 was paid on Debentures. Calculate cash flows from investing and financing activities of Madhav Ltd. from the information provided above.

Q83. CBSE 2023 · 6 marks Read the following hypothetical text and answer the given question on this basis: Madhav is a young entrepreneur. On 1st April, 2019, he formed a partnership firm with two of his friends, Mohan and Sohan. They started their business of exporting dry fruits. Their business was a successful business. Now they wanted to expand the business in many other countries. For meeting the financial requirements, they changed the form of business organisation and formed Madhav Ltd. The Balance Sheet of Madhav Ltd. as at 31.3.2022 was provided. Additional Information: (i) A part of the machine costing ₹ 1,25,000 accumulated depreciation thereon being ₹ 50,000 was sold for ₹45,000 during the year. (ii) Interest of ₹ 1,25,000 was paid on Debentures. Calculate cash flows from investing and financing activities of Madhav Ltd. from the information provided above.Balance Sheet of Madhav Ltd. as at 31st March, 2022 Particulars Note No. 31.3.2022 ₹ 31.3.2021 ₹ I Equity and Liabilities: 1. (a) Share Capital 35,00,000 25,00,000 (b) Reserves and Surplus (Statement of P & L) 12,50,000 10,00,000 2. Non-Current Liabilities Long-term Borrowings (10% Debentures) 12,50,000 3,50,000 3. Current Liabilities (a) Short-term Borrowings (Bank Overdraft) 50,000 75,000 (b) Trade Payables 2,50,000 1,50,000 (c) Short-term Provisions 1 1,50,000 75,000 Total 64,50,000 41,50,000 II Assets: 1. Non-Current Assets Fixed Assets (a) Tangible Assets 2 40,00,000 22,50,000 (b) Intangible Assets (Goodwill) 3,50,000 5,00,000 2. Current Assets (a) Inventories 6,25,000 5,00,000 (b) Trade Receivables 12,50,000 7,50,000 (c) Cash and Cash Equivalents 2,25,000 1,50,000 Total 64,50,000 41,50,000 Notes to Accounts: Note No. Particulars 31.3.2022 Amount ₹ 31.3.2021 Amount ₹ 1 Short term Provisions Provision for Tax 1,50,000 75,000 2 Tangible Assets Plant and Machinery 44,00,000 25,00,000 Less Accumulated Depreciation (4,00,000) (2,50,000) 40,00,000 22,50,000

Q84. CBSE 2022 · 5 marks Calculate Cash Flow from Operating Activities for the year ended 31st March, 2021 from the following Balance Sheet of Raman Ltd. as at 31st March, 2021: Equity and Liabilities: Share Capital (31.3.2021: ₹ 7,50,000; 31.3.2020: ₹ 7,00,000); Reserves and Surplus (31.3.2021: ₹ 1,25,000; 31.3.2020: ₹ 55,000); Long-term Borrowings (31.3.2021: ₹ 1,00,000; 31.3.2020: ₹ 62,500); Short-term Borrowings (31.3.2021: ₹ 6,000; 31.3.2020: ₹ 5,000); Trade Payables (31.3.2021: ₹ 7,500; 31.3.2020: ₹ 41,500); Short-term Provisions (31.3.2021: ₹ 9,000; 31.3.2020: ₹ 5,500). Assets: Fixed Assets Tangible (31.3.2021: ₹ 9,30,000; 31.3.2020: ₹ 8,05,000); Intangible (31.3.2021: ₹ 25,000; 31.3.2020: ₹ 15,000); Current Investments (31.3.2021: ₹ 4,000; 31.3.2020: ₹ 2,500); Inventories (31.3.2021: ₹ 18,500; 31.3.2020: ₹ 29,500); Trade Receivables (31.3.2021: ₹ 13,000; 31.3.2020: ₹ 11,500); Cash and Cash Equivalents (31.3.2021: ₹ 7,000; 31.3.2020: ₹ 6,000). Additional Information: Tax paid during the year amounted to ₹ 6,500.

Q85. CBSE 2022 · 5 marks Calculate Cash Flow from Operating Activities for the year ended 31st March, 2021 from the following Balance Sheet of Raman Ltd. as at 31st March, 2021 and 31st March, 2020. Equity and Liabilities: Share Capital (31.3.2021 ₹ 7,50,000, 31.3.2020 ₹ 7,00,000); Reserves and Surplus (31.3.2021 ₹ 1,25,000, 31.3.2020 ₹ 55,000); Long-term Borrowings (31.3.2021 ₹ 1,00,000, 31.3.2020 ₹ 62,500); Short-term Borrowings (31.3.2021 ₹ 6,000, 31.3.2020 ₹ 5,000); Trade Payables (31.3.2021 ₹ 7,500, 31.3.2020 ₹ 41,500); Short-term Provisions (31.3.2021 ₹ 9,000, 31.3.2020 ₹ 5,500). Assets: Tangible Assets (31.3.2021 ₹ 9,30,000, 31.3.2020 ₹ 8,05,000); Intangible Assets (31.3.2021 ₹ 25,000, 31.3.2020 ₹ 15,000); Current Investments (31.3.2021 ₹ 4,000, 31.3.2020 ₹ 2,500); Inventories (31.3.2021 ₹ 18,500, 31.3.2020 ₹ 29,500); Trade Receivables (31.3.2021 ₹ 13,000, 31.3.2020 ₹ 11,500); Cash and Cash Equivalents (31.3.2021 ₹ 7,000, 31.3.2020 ₹ 6,000). Notes: Machinery (31.3.2021 ₹ 10,00,000, 31.3.2020 ₹ 8,50,000); Accumulated Depreciation (31.3.2021 ₹ 70,000, 31.3.2020 ₹ 45,000); Patents (31.3.2021 ₹ 25,000, 31.3.2020 ₹ 15,000); Tax paid during the year ₹ 6,500.

Q86. CBSE 2022 · 5 marks From the following Balance Sheet of Anuradha Ltd. as at 31st March, 2022, calculate Cash from Operating Activities.Balance Sheet of Anuradha Ltd. as at 31st March, 2022 Particulars Note No. 31.3.2022 ₹ 31.3.2021 ₹ I Equity and Liabilities: 1. Shareholders (a) Share Capital 1 3,00,000 2,50,000 (b) Reserves and Surplus 2 1,50,000 1,00,000 2. Non-Current Liabilities Long-term Borrowings 3 75,000 25,000 3. Current Liabilities (a) Trade Payables 25,000 50,000 (b) Other Current Liabilities 4 50,000 75,000 Total 6,00,000 5,00,000 II Assets: 1. Non-Current Assets Fixed Assets (a) Tangible Assets 5 4,50,000 2,74,000 (b) Intangible Assets 6 24,000 26,000 2. Current Assets (a) Inventories 76,000 1,00,000 (b) Trade Receivables 20,000 10,000 (c) Cash and Cash Equivalents 30,000 90,000 Total 6,00,000 5,00,000 Notes of Accounts: Note No. Particulars 31.3.2022 ₹ 31.3.2021 ₹ 1. Share Capital Equity Share Capital 3,00,000 2,50,000 2. Reserves and Surplus Surplus (Balance in the Statement of Profit and Loss) 1,50,000 1,00,000 3. Long-term Borrowings 12% Debentures 75,000 25,000 4. Other Current Liabilities Outstanding Rent 50,000 75,000 5. Tangible Assets (a) Land and Building 4,00,000 2,00,000 (b) Furniture 50,000 74,000 Total 4,50,000 2,74,000 6. Intangible Assets Patents 24,000 26,000 Additional Information: (i) ₹ 50,000, 12% Debentures were issued on 31st March, 2022. (ii) During the year ₹ 24,000 was charged as depreciation on furniture.

Q87. CBSE 2022 · 5 marks From the following Balance Sheet of Anuradha Ltd. as at 31st March, 2022, calculate Cash from Operating Activities: Balance Sheet of Anuradha Ltd. as at 31st March, 2022. Particulars Note No. 31.3.2022 ₹ 31.3.2021 ₹. I Equity and Liabilities: 1. Shareholders' Funds (a) Share Capital 1 3,00,000 2,50,000. (b) Reserves and Surplus 2 1,50,000 1,00,000. 2. Non-Current Liabilities: Long-term Borrowings 3 75,000 25,000. 3. Current Liabilities: (a) Trade Payables 25,000 50,000. (b) Other Current Liabilities 4 50,000 75,000. Total 6,00,000 5,00,000. II Assets: 1. Non-Current Assets: Fixed Assets (a) Tangible Assets 5 4,50,000 2,74,000. (b) Intangible Assets 6 24,000 26,000. 2. Current Assets: (a) Inventories 76,000 1,00,000. (b) Trade Receivables 20,000 10,000. (c) Cash and Cash Equivalents 30,000 90,000. Total 6,00,000 5,00,000. Notes of Accounts: Note No. Particulars 31.3.2022 ₹ 31.3.2021 ₹. 1. Share Capital: Equity Share Capital 3,00,000 2,50,000. 2. Reserves and Surplus: Surplus (Balance in the Statement of Profit and Loss) 1,50,000 1,00,000. 3. Long-term Borrowings: 12% Debentures 75,000 25,000. 4. Other Current Liabilities: Outstanding Rent 50,000 75,000. 5. Tangible Assets: (a) Land and Building 4,00,000 2,00,000. (b) Furniture 50,000 74,000. 4,50,000 2,74,000. 6. Intangible Assets: Patents 24,000 26,000. Additional Information: (i) ₹ 50,000, 12% Debentures were issued on 31st March, 2022. (ii) During the year ₹ 24,000 was charged as depreciation on furniture.

Q88. CBSE 2022 · 5 marks From the following Balance Sheet of Anuradha Ltd. as at 31st March, 2022, calculate Cash from Operating Activities.Balance Sheet of Anuradha Ltd. as at 31st March, 2022. Equity and Liabilities: Shareholders Funds – (a) Share Capital ₹ 3,00,000 (31.3.2021: ₹ 2,50,000); (b) Reserves and Surplus ₹ 1,50,000 (31.3.2021: ₹ 1,00,000); Non-Current Liabilities – Long-term Borrowings ₹ 75,000 (31.3.2021: ₹ 25,000); Current Liabilities – (a) Trade Payables ₹ 25,000 (31.3.2021: ₹ 50,000); (b) Other Current Liabilities ₹ 50,000 (31.3.2021: ₹ 75,000); Total ₹ 6,00,000 (31.3.2021: ₹ 5,00,000). Assets: Non-Current Assets – Fixed Assets (a) Tangible Assets ₹ 4,50,000 (31.3.2021: ₹ 2,74,000); (b) Intangible Assets ₹ 24,000 (31.3.2021: ₹ 26,000); Current Assets – (a) Inventories ₹ 76,000 (31.3.2021: ₹ 1,00,000); (b) Trade Receivables ₹ 20,000 (31.3.2021: ₹ 10,000); (c) Cash and Cash Equivalents ₹ 30,000 (31.3.2021: ₹ 90,000); Total ₹ 6,00,000 (31.3.2021: ₹ 5,00,000). Notes: (1) Share Capital ₹ 3,00,000 (31.3.2021: ₹ 2,50,000); (2) Reserves and Surplus ₹ 1,50,000 (31.3.2021: ₹ 1,00,000); (3) Long-term Borrowings – 12% Debentures ₹ 75,000 (31.3.2021: ₹ 25,000); (4) Other Current Liabilities – Outstanding Rent ₹ 50,000 (31.3.2021: ₹ 75,000); (5) Tangible Assets – (a) Land and Building ₹ 4,00,000 (31.3.2021: ₹ 2,00,000); (b) Furniture ₹ 50,000 (31.3.2021: ₹ 74,000); Total ₹ 4,50,000 (31.3.2021: ₹ 2,74,000); (6) Intangible Assets – Patents ₹ 24,000 (31.3.2021: ₹ 26,000). Additional Information: (i) ₹ 50,000, 12% Debentures were issued on 31st March, 2022. (ii) During the year ₹ 24,000 was charged as depreciation on furniture.

CASE-BASED (3)

CASE STUDY · CBSE 2023

In 2011, two young Indian entrepreneurs, Vaishali Bhatia and Vivek Bhatia decided to start an online auto portal. At that time, there were no major players in the market and they saw an opportunity to fill the gap. They used a user-friendly website and mobile app which made it easy for customers to buy cars. In 2018, it was converted into a company named Car EZ Limited. Balance Sheet of Car EZ Limited as on 31st March, 2022: Equity and Liabilities: (i) Share Capital ₹ 9,00,000 (31.3.2021: ₹ 3,00,000); Reserves and Surplus ₹ 75,000 (31.3.2021: ₹ 3,60,000); (ii) Non-Current Liabilities - Long-term Borrowings ₹ 2,40,000 (31.3.2021: ₹ 1,80,000); (iii) Current Liabilities - Trade Payables ₹ 18,000 (31.3.2021: ₹ 60,000); Short-term Provisions ₹ 2,04,000 (31.3.2021: ₹ 2,10,000); Total ₹ 14,37,000 (₹ 11,10,000). Assets: (i) Non-Current Assets - Fixed Assets ₹ 10,08,000 (31.3.2021: ₹ 5,76,000); (ii) Current Assets - Inventories ₹ 3,54,000 (31.3.2021: ₹ 3,87,000); Cash and Cash Equivalents ₹ 75,000 (31.3.2021: ₹ 1,47,000); Total ₹ 14,37,000 (₹ 11,10,000). Notes to Accounts: (1) Reserve and Surplus - Balance in Statement of Profit and Loss ₹ 75,000 (31.3.2021: ₹ 3,60,000); (2) Long-term Borrowings - 10% Debentures ₹ 2,40,000 (31.3.2021: ₹ 1,80,000); (3) Short-term Provisions - Provision for Tax ₹ 2,04,000 (31.3.2021: ₹ 2,10,000); (4) Fixed Assets - Machinery ₹ 11,52,000 Accumulated Depreciation (₹ 1,44,000) Total ₹ 10,08,000 (31.3.2021: Machinery ₹ 6,45,000 Accumulated Depreciation (₹ 69,000) Total ₹ 5,76,000). Additional Information: (i) 10% Debentures were issued on 31st March, 2021. (ii) Tax of ₹ 80,000 was paid during the year.

Q89. CBSE 2023 · 6 marks From the following Balance Sheet of Car EZ Limited as on 31st March, 2022, calculate the cash flow from operating activities.

Q90. CBSE 2023 · 6 marks (i) 10% Debentures were issued on 31st March, 2021. (ii) Tax of ₹ 80,000 was paid during the year. From the following Balance Sheet of the company as on 31st March, 2022, calculate the cash flow from operating activities.

CASE STUDY · CBSE 2023

Inspired by the Make-in-India mission, Azad started Azad Ltd. company along with six other promoters in 2016. The company has been earning good revenue consistently. The financial position of Azad Ltd. as at 31st March, 2022 was as follows: Balance Sheet of Azad Ltd. as at 31st March, 2022. Particulars Note No. 31.3.2022 ₹ 31.3.2021 <. I Equity and Liabilities: 1. (a) Share Capital 19,00,000 17,00,000 (b) Reserves and Surplus 1 6,00,000 3,00,000. 2. Non-Current Liabilities Long-term Borrowings 2 5,00,000 4,00,000. 3. Current Liabilities (a) Short-term Borrowings 3 1,70,000 1,75,000 (b) Short-term Provisions 4 2,00,000 1,65,000. Total 33,70,000 27,40,000. II Assets: 1. Non-Current Assets (a) Fixed Assets (i) Tangible Assets 5 24,00,000 19,00,000 (ii) Intangible Assets 6 4,00,000 3,00,000 (b) Non-current Investments 1,00,000 2,00,000. 2. Current Assets (a) Current Investments 1,40,000 1,70,000 (b) Inventories 2,60,000 1,30,000 (c) Cash and Cash Equivalents 70,000 40,000. Total 33,70,000 27,40,000. Notes to Accounts: Note No. 31.3.2022 ₹ 31.3.2021 <. (1) Reserves and Surplus 6,00,000 3,00,000 (Surplus i.e. Balance in Statement of Profit and Loss). (2) Long-term Borrowings 12% Debentures 5,00,000 4,00,000. (3) Short-term Borrowings Bank Overdraft 1,70,000 1,75,000. (4) Short-term Provisions Provision for Tax 2,00,000 1,65,000. (5) Tangible Assets Machinery 26,00,000 20,00,000. Less Accumulated Depreciation (2,00,000) (1,00,000). 24,00,000 19,00,000. (6) Intangible Assets Goodwill 4,00,000 3,00,000. Additional Information: (i) ₹ 1,00,000, 12% Debentures were issued on 1st April, 2021. (ii) A piece of machinery costing ₹ 80,000 on which accumulated depreciation was ₹ 40,000, was sold at a gain of ₹ 10,000.

Q91. CBSE 2023 · 6 marks Calculate cash flows from Investing Activities and Financing Activities.

11 Overview of Computerised Accounting System

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (24)

Q1. CBSE 2026 · 1 mark Which of the following is not a benefit of Accounting Software?

(a) Increased data security

(b) Suitable for business with low accounting operations

(c) Requires minimal system support **(d)** Cheaper

Q2. CBSE 2026 · 1 mark The ability to process large amounts of data processing in accordance with the size and growth of the business is the benefit being highlighted in the statement:

(a) Reliability **(b)** Scalability **(c)** Transparency

(d) Simple and integrated

Q3. CBSE 2026 · 1 mark data processing in accordance with the size and growth of the being highlighted in the statement:
(a) Reliability **(b)** Scalability **(c)** Transparency
(d) Simple and integrated

Q4. CBSE 2026 · 1 mark Fixed Asset Accounting sub-system generates information about :
(a) Loans **(b)** Purchase expenses **(c)** Depreciation
(d) Inventory purchased

Q5. CBSE 2026 · 1 mark It is a widely accepted security control. It uses binary encoding format of storage to offer access to database. It is known as :
(a) Password security **(b)** Data audit **(c)** Data vault
(d) Data integrity

Q6. CBSE 2026 · 1 mark The accounting software which satisfies the requirement of large business organisations with multiusers and geographically scattered locations is :
(a) Generic software **(b)** Tailored software
(c) Specific software **(d)** Both (A) and (C)

Q7. CBSE 2026 · 1 mark Which of the following statements best describes the purpose of a data vault in an accounting software?
(a) It helps in data analysis and reporting.
(b) It is used to maintain audit trails.
(c) It ensures data confidentiality and integrity through restricted access.
(d) It is used to back up deleted vouchers automatically.

Q8. CBSE 2026 · 1 mark Which of the following is not a feature of Tailored accounting software?
(a) Designed specially for large enterprises
(b) Requires minimal or no support from system
(c) Requires special training before use
(d) Needs technical installation efforts

Q9. CBSE 2025 · 1 mark (a) The code that enables identification of missing documents is:
(a) Sequential code **(b)** Mnemonic code
(c) Alphabetic code **(d)** Block code

Q10. CBSE 2025 · 1 mark What is the activity sequence of the basic information processing model?
(a) Organise data, collect data and then process data.
(b) Process data, organise data and then collect data.
(c) Process data, communicate information and then collect data.
(d) Collect data, organise and process data and then communicate information.

Q11. CBSE 2025 · 1 mark It is a widely accepted security control. It uses binary coding format of storage to offer access to database. It is known as:
(a) Data vault **(b)** Password security **(c)** Data audit
(d) Data integrity

Q12. CBSE 2025 · 1 mark Name the accounting information sub-system which deals with payment of wages and salaries of employees.
(a) Costing sub-system **(b)** Expense accounting sub-system
(c) Payroll accounting sub-system
(d) Tax accounting sub-system

Q13. CBSE 2025 · 1 mark Which of the following voucher records outflow of money from the business?
(a) Journal Voucher **(b)** Receipt Voucher
(c) Contra Voucher **(d)** Payment Voucher

Q14. CBSE 2025 · 1 mark (a) Computerised Accounting System rests on Five Pillars: Data, People, Procedure and _____, _____. Identify the blank pillars from the following:
(a) Hardware, Software **(b)** User, Customer
(c) Software, Logic **(d)** Timely access, Hardware

Q15. CBSE 2024 · 1 mark Data, _____, _____, Hardware and Software are five pillars of Computerised Accounting System (CAS). From the following, which two pillars of CAS are missing in the above statement:
(a) Printer and Mouse **(b)** People and Procedures
(c) Mouse and CPU **(d)** Information and Accounts

Q16. CBSE 2024 · 1 mark How many logical values can be entered into a logical function?
(a) 525 **(b)** 552 **(c)** 255 **(d)** 15

Q17. CBSE 2024 · 1 mark The process of comparing input data with some unknown data is called:
(a) Data storage **(b)** Data entry **(c)** Data validation
(d) Data filter

Q18. CBSE 2024 · 1 mark Accounting Information System deals with which of the following?
(a) Receipt and payment of cash sub-system
(b) Recording and maintaining the sales ledger and receivables
(c) Ascertaining cost of goods produced
(d) Purchase and payment to creditors

Q19. CBSE 2024 · 1 mark _____, _____ and software are five pillars of Computerised Accounting System. Which of the pillars of CAS are missing from the statement?
(a) Procedures and Hardware **(b)** Printer and CPU
(c) Mouse and Desktop **(d)** Information and Accounts

Q20. CBSE 2024 · 1 mark _____, _____ and software are five pillars of a Computerised Accounting System. Which of the pillars of CAS are missing from the statement?
(a) Procedures and Hardware **(b)** Printer and CPU
(c) Mouse and Desktop **(d)** Information and Accounts

Q21. CBSE 2023 · 1 mark The name of accounting information sub-system which is linked with other sub-systems for obtaining information about cost and expenses is:
(a) Cash and Bank sub-system
(b) Expense Accounting sub-system **(c)** Costing sub-system
(d) Final Accounts sub-system

Q22. CBSE 2023 · 1 mark The need of codification is for:
(a) The generation of mnemonic codes.
(b) To secure accounts, reports, etc.
(c) The encryption of data.
(d) Easy to process data, keeping proper records.

Q23. CBSE 2023 · 1 mark To safeguard assets and optimise the use of resources, a business:
(a) Only tries to earn maximum revenue.
(b) Keeps internal controls.
(c) Only ensures accurate accounting records.
(d) Only safeguards assets.

Q24. CBSE 2023 · 1 mark Which of the following is not a feature of Computerised Accounting System?
(a) Simple and Integrated (b) Accurate and Speed
(c) Data audit not required (d) Reliability

VERY SHORT ANSWER (3)

Q25. CBSE 2022 · 2 marks State any two characteristics of Computerised Accounting System.

Q26. CBSE 2022 · 2 marks Define Voucher.

Q27. CBSE 2022 · 2 marks Define Data.

SHORT ANSWER (25)

Q28. CBSE 2026 · 3 marks What are the three categories in which accounting entries can be classified while entering them in vouchers?

Q29. CBSE 2026 · 3 marks Explain Sequential codes and Block codes with the help of example.

Q30. CBSE 2026 · 3 marks What are the three categories in which entries can be classified while making voucher entry ?

Q31. CBSE 2026 · 3 marks What is meant by codification? Explain the meaning of mnemonic codes with the help of an example.

Q32. CBSE 2025 · 3 marks Differentiate between tailored and specific softwares on any three basis.

Q33. CBSE 2025 · 4 marks (a) What are the different phases of accounting cycle which can be processed through the use of computers?

Q34. CBSE 2025 · 3 marks Explain the ways in which accounting software provide data security, safety and confidentiality.

Q35. CBSE 2025 · 3 marks In an accounting software how many pre-defined account groups exist? State their further division with reference to number and type.

Q36. CBSE 2025 · 3 marks Explain the term Accounting.

Q37. CBSE 2025 · 3 marks Explain the following: (i) Memo Voucher (ii) Post-dated Voucher (iii) User defined Voucher

Q38. CBSE 2025 · 3 marks With the help of an example explain sequential code and block code.

Q39. CBSE 2024 · 3 marks Explain Transparency and Control and Accuracy and Speed as features of Computerised Accounting System.

Q40. CBSE 2024 · 3 marks Explain Block Code and Mnemonic Code with the help of an example.

Q41. CBSE 2024 · 3 marks State any three limitations of Computerised Accounting System.

Q42. CBSE 2023 · 3 marks Explain the concept of Accounting Software Table/List in relation to groups of accounts.

Q43. CBSE 2023 · 3 marks Explain the methods of Voucher Numbering (Numbering).

Q44. CBSE 2023 · 4 marks List eight uses of accounting software.

Q45. CBSE 2023 · 3 marks Explain the difference between Standalone Software and Customised Software (Tally Software) on three basis.

Q46. CBSE 2023 · 3 marks Distinguish between Memo Voucher, Post-Dated Voucher and User-Defined Voucher in Tally.

Q47. CBSE 2023 · 4 marks State any three advantages and any one limitation of Computerised Accounting System.

Q48. CBSE 2022 · 3 marks List any three features of DBMS.

Q49. CBSE 2022 · 3 marks Explain any two security features of Computerised Accounting System.

Q50. CBSE 2022 · 3 marks Give the meaning of Database Management System.

Q51. CBSE 2022 · 3 marks Explain, how total earnings are calculated.

Q52. CBSE 2022 · 3 marks How is Net Salary calculated? Explain.

LONG ANSWER (9)

Q53. CBSE 2026 · 4 marks List the necessary information to be filled by a user on company creation screen.

Q54. CBSE 2025 · 4 marks (b) Explain which features of Computerised Accounting System help a business to maintain its secrecy.

Q55. CBSE 2025 · 4 marks What are different modules of Computerised Accounting System?

Q56. CBSE 2025 · 4 marks Explain the features of Computerised Accounting System that help in ensuring data accuracy and preventing fraud.

Q57. CBSE 2024 · 4 marks State any four advantages of Computerised Accounting System.

Q58. CBSE 2024 · 4 marks What is meant by Accounting Cycle? List its basic phases.

Q59. CBSE 2024 · 4 marks Explain Password Security and Data Encryption as security features of Computerised Accounting System.

Q60. CBSE 2022 · 5 marks Explain the steps involved in installation of Computerised Accounting System.

Q61. CBSE 2022 · 5 marks Name and explain the accounts involved in Accounts Group Profit and Loss Account.

12 Spreadsheet

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (31)

Q1. CBSE 2026 · 1 mark Identify what will be displayed on the screen when we specify an intersection of two areas that do not intersect.
(a) Correct a ##### Error (b) Correct a #NULL! Error
(c) Correct a #Name Error (d) Correct a #REF! Error

Q2. CBSE 2026 · 1 mark Which financial function calculates the lump-sum amount for series of future payments?
(a) NPER (b) FV (c) PV (d) PMT

Q3. CBSE 2026 · 1 mark The process of comparing input data with some known data is known as:
(a) Data Validation (b) Storage data (c) Data entry
(d) Redundant data

Q4. CBSE 2026 · 1 mark _____ provides additional information about a data marker to identify the details of data point in a data series.
(a) Source data (b) Secondary data (c) Data series
(d) Data label

Q5. CBSE 2026 · 1 mark A column chart can be changed to a pie chart because : I. Only one data series is used to plot it. II. The plotted data values are positive. III. The data values are not equal to zero also. IV. More than seven categories of data can be represented. Identify the correct option :
(a) All except point I are correct.
(b) All except point II are correct.
(c) All except point III are correct.
(d) All except point IV are correct.

Q6. CBSE 2026 · 1 mark A1 : E2 refers to :
(a) Rows on Excel sheet
(b) Cells between starting point A1 to ending point E2
(c) Column on Excel sheet
(d) Alphabetic arrangement between A to E

Q7. CBSE 2026 · 1 mark It is a widely accepted security control. It uses binary encoding format of storage to offer access to database. It is known as :
(a) Password security (b) Data audit (c) Data vault
(d) Data integrity

Q8. CBSE 2026 · 1 mark Fixed Asset Accounting sub-system generates information about :
(a) Loans (b) Purchase expenses (c) Depreciation
(d) Inventory purchased

Q9. CBSE 2026 · 1 mark When an arithmetic expression or function is executed, the value produced is known as:
(a) Horizontal value (b) Vertical value (c) Derived value
(d) Basic value

Q10. CBSE 2026 · 1 mark How is navigation conducted from the first to the last cell in a cluster of data in a column by skipping all the cells in between?
(a) END + Down arrow (↓) successively
(b) HOME + Page down (c) HOME + Down arrow (↓)
(d) CTRL + Down arrow (↓) successively

Q11. CBSE 2026 · 1 mark The PMT function in MS Excel is used to:
(a) Calculate the total interest on a loan.
(b) Calculate the periodic payment for a loan or investment.
(c) Calculate the future value of an investment.
(d) Calculate the present value of a series of payments.

Q12. CBSE 2026 · 1 mark #NAME? Error indicates:
(a) Syntax error in the formula
(b) Missing data in the worksheet
(c) Formula referring to a protected cell
(d) Excel does not understand the text used in the formula.

Q13. CBSE 2025 · 1 mark (a) Which of the following is true for 'Numeric Data':
(a) A text or special character
(b) Used for rows, columns or descriptive information
(c) Can be treated mathematically (d) Both (A) and (B)

Q14. CBSE 2025 · 1 mark A value or group of values that cannot be a text or special character is:
(a) A text or special character
(b) Used for rows, columns or descriptive information
(c) Can be treated mathematically (d) Both (A) and (B)

Q15. CBSE 2025 · 1 mark A cell reference that either holds raw or column constant when the formula or function is copied to another location is known as:
(a) Mixed cell reference (b) Relative cell reference
(c) Ranges (d) Absolute cell reference

Q16. CBSE 2025 · 1 mark Which of the following is not contained in Account group Current Liabilities in the Account group of Balance Sheet?
(a) Bank Overdraft (b) Duties and Taxes (c) Provisions
(d) Sundry Creditors

Q17. CBSE 2025 · 1 mark How are ranges identified within Excel?
(a) Using Hashtag (b) Using Vector (c) Using Colour
(d) Using Comma

Q18. CBSE 2025 · 1 mark MS Excel considers which of the following group of mathematical operations to be of equal importance ?
(a) Subtraction and Division (b) Multiplication and Addition
(c) Division and Multiplication (d) Exponents and Division

Q19. CBSE 2025 · 1 mark (a) How is navigation conducted from first to last cell in a cluster of data in a column by skipping all the cells in between ?
(a) Home + Page down (b) Home + Down arrow
(c) End + Down arrow (d) CTRL + Down arrow successively

Q20. CBSE 2025 · 1 mark Identify the error which will be displayed on the screen when the value is not available to a function or formula :
(a) Correct #DIV/0! Error **(b)** Correct #NUM! Error
(c) Correct #N/A Error **(d)** Correct #Name Error

Q21. CBSE 2024 · 1 mark From the following, identify the type of code used by a trading company when Codes are 100-199 for Cycle tyres and 200-299 for Cycle seats:
(a) Block code **(b)** Sequential code **(c)** Mnemonic code
(d) Secret code

Q22. CBSE 2024 · 1 mark From the following, identify the type of code used by a trading company. Codes: 100-199 Cycle tyres, 200-299 Cycle seats
(a) Block code **(b)** Sequential code **(c)** Mnemonic code
(d) Secret code

Q23. CBSE 2024 · 1 mark A Null value is a special value which represents:
(a) Single value data item **(b)** Item with many values
(c) Absence of data items **(d)** Stored value

Q24. CBSE 2024 · 1 mark How many logical values can be entered into a logical function?
(a) 525 **(b)** 552 **(c)** 255 **(d)** 15

Q25. CBSE 2024 · 1 mark Which of the following is not contained on formula tab on Excel ribbon?
(a) Function library **(b)** Defined names **(c)** Calculations
(d) Page layout

Q26. CBSE 2024 · 1 mark How is navigation conducted from the first to the last filled cells of clusters when moving one cell at a time in a row?
(a) Home + Right arrow **(b)** CTRL + Right arrow successively
(c) END + Right arrow **(d)** CTRL + END

Q27. CBSE 2024 · 1 mark Which function returns the current date and time?
(a) Today(₹) **(b)** Day(₹) **(c)** Now(₹) **(d)** Day time(₹)

Q28. CBSE 2023 · 1 mark When the accumulated data from various sources is processed in one shot, it is called:
(a) Real-time processing **(b)** Batch processing
(c) Data validation **(d)** Processing and Revalidation

Q29. CBSE 2023 · 1 mark The outcome of an arithmetic expression or function is called:
(a) Derived Value **(b)** Basic Value **(c)** Vertical Value
(d) Horizontal Value

Q30. CBSE 2023 · 1 mark Correct ##### error appears:
(a) When a column is not wide enough.
(b) When value is not available.
(c) When formula is not available.
(d) When a number is divided by zero.

Q31. CBSE 2023 · 1 mark Correct #DIV/0! Error appears when:
(a) column is not wide enough.
(b) number is divided by zero. **(c)** value is not available.
(d) (a) and (c) both

SHORT ANSWER (11)

Q32. CBSE 2026 · 3 marks Explain Sequential codes and Block codes with the help of example.

Q33. CBSE 2026 · 3 marks What are Pivot Tables?

Q34. CBSE 2026 · 4 marks What is the use of 'IF' function in Excel? Explain with an example how to change conditional format ?

Q35. CBSE 2025 · 3 marks Which built-in function can be used to compute monthly instalments of repayment of loan? State its parameters also.

Q36. CBSE 2025 · 3 marks What is the use of filters in spreadsheet?

Q37. CBSE 2025 · 3 marks With the help of an example explain sequential code and block code.

Q38. CBSE 2025 · 3 marks Explain the following: (i) Memo Voucher (ii) Post-dated Voucher (iii) User defined Voucher

Q39. CBSE 2024 · 3 marks Explain Sequential Code and Mnemonic Code with the help of an example.

Q40. CBSE 2024 · 3 marks Define transaction, process and information.

Q41. CBSE 2024 · 3 marks State the purpose and usage of the LOOKUPVALUE function?

Q42. CBSE 2022 · 3 marks Explain the components of Payroll in brief.

LONG ANSWER (20)

Q43. CBSE 2026 · 6 marks What is IF function in spreadsheet? Elaborate tests and why? Explain its various types with syntax.

Q44. CBSE 2026 · 6 marks Using the Formula tab and dialog box, write the formula to create function F on the given spreadsheet, where the total income minus expenses is taxed at 20% if it is more than ₹50,000 and 10% if it is less than ₹50,000. Also write the result statement.

Q45. CBSE 2026 · 4 marks type while changing conditional format?

Q46. CBSE 2026 · 4 marks What function type while changing conditional format?

Q47. CBSE 2026 · 4 marks Give the meaning of the following: (i) Cell reference (ii) Relative cell reference (iii) Absolute cell reference (iv) Mixed cell reference

Q48. CBSE 2025 · 6 marks What is 'Circular Reference' in spreadsheet? How can you correct it?

Q49. CBSE 2025 · 4 marks What is meant by internal margin while using MS Excel? State the options available.

Q50. CBSE 2025 · 6 marks = SUM (B2B3) will give an error while using a spreadsheet. Identify the error and state the steps to correct it.

Q51. CBSE 2025 · 6 marks List any six questions which are often asked when a user wants to be benefited by conditional formatting. Also state how colour scale is used to format cells.

Q52. CBSE 2025 · 6 marks How can conditional formatting be changed? Explain.

Q53. CBSE 2025 · 6 marks Name the error which occurs when the column is not wide enough or a negative date or time is used. How can it be corrected if (i) Error is due to the width of column, and (ii) Date or time is negative?

Q54. CBSE 2025 · 4 marks (b) Explain number formatting.

Q55. CBSE 2025 · 6 marks Name the error which occurs when a given number is divided by zero; e.g. 7/0. What are the reasons for this error? How can this error be corrected?

Q56. CBSE 2025 · 6 marks Name the error which occurs when there is some invalid numeric value (e.g. you try to calculate square root of some negative number) is placed in the formula or function. State its possible causes and their solutions.

Q57. CBSE 2025 · 6 marks State the steps to import data from a text file.

Q58. CBSE 2024 · 6 marks Explain the two syntax forms of Lookup function in spreadsheet.

Q59. CBSE 2024 · 6 marks Explain Lookup functions in Spreadsheet with suitable examples.

Q60. CBSE 2024 · 6 marks Create a function using the Formula tab on a spreadsheet where the total income less expenses if greater than ₹ 10,000 then 10% savings and if income is less than ₹ 10,000 then 5% savings. Also write the syntax of the result.

Q61. CBSE 2024 · 4 marks What is Data Formatting? What tools are used to format a given data?

Q62. CBSE 2024 · 6 marks Using the worksheet with data: S. No. | Consumables | Price FY 21-22 | Price FY 23-24; 1 | Apple | 50 | 60; 2 | Orange | 20 | 40; 3 | Banana | 60 | 80; 4 | Lemon | 40 | 80; 5 | Milk | 53 | 60; 6 | Bread | 40 | 45; 7 | Egg | 58 | 60. Find out the error and its reason for the given syntax: (i) = VLOOKUP (B1, B4 : D6, 2, 0) (ii) = SQRT (VLOOKUP (C2, C2 : D8, 2, 0) * 100) (iii) = VLOOKUP (B5, B6 : D8, 1, 0) (iv) = VLOOKUP (B3, B2 : D8, 5, 0) (v) = VLOOKUP (B5, B3 : D8, 0, 0) (vi) = VLOOKUP (B2, B2 : D7, 2, 0)/0

13 Use of Spreadsheet in Business Applications

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (11)

Q1. CBSE 2026 · 1 mark Fixed Asset Accounting sub-system generates information about:
(a) Loans **(b)** Purchase expenses **(c)** Depreciation
(d) Inventory purchased

Q2. CBSE 2026 · 1 mark Which of the following is not a feature of Tailored accounting software?
(a) Designed specially for large enterprises
(b) Requires minimal or no support from system
(c) Requires special training before use
(d) Needs technical installation efforts

Q3. CBSE 2026 · 1 mark Which of the following statements best describes the purpose of a data vault in an accounting software?
(a) It helps in data analysis and reporting.
(b) It is used to maintain audit trails.
(c) It ensures data confidentiality and integrity through restricted access.
(d) It is used to back up deleted vouchers automatically.

Q4. CBSE 2026 · 1 mark The PMT function in MS Excel is used to:
(a) Calculate the total interest on a loan.
(b) Calculate the periodic payment for a loan or investment.
(c) Calculate the future value of an investment.
(d) Calculate the present value of a series of payments.

Q5. CBSE 2025 · 1 mark It is a widely accepted security control. It uses binary coding format of storage to offer access to database. It is known as:
(a) Data vault **(b)** Password security **(c)** Data audit
(d) Data integrity

Q6. CBSE 2025 · 1 mark Which of the following is not contained in Account group Current Liabilities in the Account group of Balance Sheet?
(a) Bank Overdraft **(b)** Duties and Taxes **(c)** Provisions
(d) Sundry Creditors

Q7. CBSE 2025 · 1 mark Name the accounting information sub-system which deals with payment of wages and salaries of employees.
(a) Costing sub-system **(b)** Expense accounting sub-system
(c) Payroll accounting sub-system
(d) Tax accounting sub-system

Q8. CBSE 2024 · 1 mark Name the Accounting Information sub-system which deals with receipt and payment of cash and electronic funds transfer:
(a) Sales and Accounts Receivable sub-system
(b) Purchase and Accounts Payable sub-system
(c) Cash and Bank sub-system **(d)** Costing sub-system

Q9. CBSE 2024 · 1 mark The process of comparing input data with some unknown data is called:
(a) Data storage **(b)** Data entry **(c)** Data validation
(d) Data filter

Q10. CBSE 2024 · 1 mark Which sub-system of the Accounting Information System deals with recording and maintaining the sales ledger and receivables?
(a) Receipt and payment of cash sub-system
(b) Recording and maintaining the sales ledger and receivables
(c) Ascertaining cost of goods produced
(d) Purchase and payment to creditors

Q11. CBSE 2024 · 1 mark Identify the type of software which is suited for large and medium organisations and can be linked to other information systems.

(a) Specific **(b)** Generic **(c)** Tailored **(d)** Both (B) and (C)

SHORT ANSWER (7)

Q12. CBSE 2026 · 3 marks What are the three categories in which accounting entries can be classified while entering them in vouchers?

Q13. CBSE 2026 · 3 marks What is meant by codification? Explain the meaning of mnemonic codes with the help of an example.

Q14. CBSE 2025 · 4 marks (b) List eight uses of accounting softwares.

Q15. CBSE 2025 · 3 marks Differentiate between tailored and specific softwares on any three basis.

Q16. CBSE 2025 · 3 marks Explain the concept of absolute and relative cell reference.

Q17. CBSE 2024 · 4 marks (b) What is meant by data formatting? What are the tools used to format a given data?

Q18. CBSE 2023 · 4 marks What is data formatting? What tools are used to format a given data? Explain.

LONG ANSWER (7)

Q19. CBSE 2026 · 4 marks List the necessary information to be filled by a user on company creation screen.

Q20. CBSE 2025 · 4 marks (a) Develop a code for Nisha, Roll No. 23 who took admission in Section A, Class XI in the year 2024 in School No. 10 run by the government. For all institutions the Institute code is 1. Also take the format as AITS code is 1.

Q21. CBSE 2025 · 4 marks Develop a code for Nisha, Roll No. 23 who took admission in Section A, Class XI in the year 2024 in School No. 10 run by the Government. For reference, the School code is 1.

Q22. CBSE 2025 · 6 marks Explain the role of Computerised Accounting System in generating financial reports and analysis tools for business.

Q23. CBSE 2025 · 6 marks Explain the financial function which is used to calculate interest rate per period of an annuity.

Q24. CBSE 2024 · 4 marks What do you mean by Data Formatting? What are the tools used to format a given data?

Q25. CBSE 2024 · 6 marks Write the steps to create a formula using the IF function and Formula Tab on a given spreadsheet where the total income less expenses if greater than ₹ 10,000 then 10% savings and if income is less than ₹ 10,000 then 5% savings. Also write the syntax of the result.

14 Graphs and Charts for Business Data

Notes & MCQs →

MULTIPLE CHOICE AND ASSERTION-REASON (8)

Q1. CBSE 2026 · 1 mark _____ provides additional information about a data marker to identify the details of data point in a data series.

(a) Source data **(b)** Secondary data **(c)** Data series **(d)** Data label

Q2. CBSE 2026 · 1 mark A column chart can be changed to a pie chart because: I. Only one data series is used to plot it. II. The plotted data values are positive. III. The data values are not equal to zero also. IV. More than seven categories of data can be represented. Identify the correct option :

(a) All except point I are correct.
(b) All except point II are correct.
(c) All except point III are correct.
(d) All except point IV are correct.

Q3. CBSE 2025 · 1 mark Which chart element provides additional information about a data marker to identify the details of data in data series?

(a) Data label **(b)** Data table **(c)** Data point **(d)** Data marks

Q4. CBSE 2025 · 1 mark (b) Individual values represented by bars, columns, lines, pie or various forms plotted on a chart are known as :

(a) data point **(b)** data label **(c)** data series **(d)** data markers

Q5. CBSE 2024 · 1 mark Name the Accounting Information sub-system which deals with receipt and payment of cash and electronic funds transfer:

(a) Sales and Accounts Receivable sub-system
(b) Purchase and Accounts Payable sub-system
(c) Cash and Bank sub-system **(d)** Costing sub-system

Q6. CBSE 2024 · 1 mark How many categories of data can be plotted on a pie chart in Excel software?

(a) 4 **(b)** 12 **(c)** 20 **(d)** 7

Q7. CBSE 2024 · 1 mark (i) A data label on a chart is an element of a chart which:

(a) Details and positions a legend on the chart.
(b) Indicates the individual value plotted on the chart.
(c) Details the data value and categories below the chart.
(d) Is a descriptive text for the chart.

Q8. CBSE 2024 · 1 mark In a graph, the area bounded by different axes is known as:

(a) Legend **(b)** Data point **(c)** Axis title **(d)** Plot area

SHORT ANSWER (4)

Q9. CBSE 2025 · 3 marks Write the advantages of using Graphs.

Q10. CBSE 2024 · 3 marks Explain the difference between Doughnut and Stacked Doughnut charts.

Q11. CBSE 2024 · 3 marks Explain the advantages of using charts.

Q12. CBSE 2024 · 3 marks How can you change the size of a chart? Explain.

LONG ANSWER (7)

Q13. CBSE 2026 · 4 marks What is a Chart/Graph? Explain its advantages.

Q14. CBSE 2026 · 6 marks Explain the steps involved in formatting the style of a chart element in MS Excel. Also state various shape fill options available to the user for enhancing the appearance of a chart.

Q15. CBSE 2026 · 6 marks Explain various options available to a user to change the shape outline of a chart element to improve its visual appearance.

Q16. CBSE 2026 · 6 marks A company wants to present its sales data for last five years in a graphical form using MS Excel. As a student of Computerised Accounting, state steps to create a chart in Excel to represent the data visually.

Q17. CBSE 2025 · 4 marks State the steps to prepare a chart.

Q18. CBSE 2023 · 6 marks What is the Present Value of an investment? Explain the financial function which helps in its calculation.

Q19. CBSE 2023 · 6 marks Name and explain the financial function which will be used to verify the total interest on a loan between any two periods.

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