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CBSE Class 12 Accountancy Important Questions 2027

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Accounting for Partnership: Basic Concepts

1. Guarantee of profit to a partner: deficiency, distribution, appropriation account and entries

Asked 7× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 2026 · 1/3 marks

Sameer and Manveer were partners in a firm sharing profits and losses in the ratio of 5 : 3. On 1st April, 2024, they admitted Sandeep as a new partner for 1/5th share in the profits with a guaranteed minimum amount of `80,000. Sameer and Manveer continue to share profits as before but agreed to bear any deficiency on account of guarantee to Sandeep in the ratio of 3 : 5. The net profit of the firm for the year ended 31st March, 2025 was `3,20,000. Prepare Profit and Loss Appropriation Account of Sameer, Manveer and Sandeep for the year ended 31st March, 2025.

2. Past adjustment: single adjusting journal entry for omitted/excess appropriations

Asked 5× · Board 2024, Board 2026, Sample 2025, Sample 2026 · 1/3/4 marks

Sultan, Singh and Tulsi were partners in a firm sharing profits and losses in the ratio of 9 : 7 : 4. Their fixed capitals were `6,00,000, `5,00,000 and `4,00,000. The partnership deed provided that interest on partners capital accounts will be allowed at 10% per annum. After the final accounts for the year were prepared, it was found that interest on capital was allowed @ 12% per annum. Pass the necessary adjusting journal entry.

3. Interest on drawings withdrawn at regular intervals (amount / average period / journal entry)

Asked 6× · Board 2023, Board 2025, Board 2026, Sample 2026 · 1 marks

Tula, Ram and Madhvi were partners in a firm. The partnership deed provided for interest on partners drawings @ 12% p.a. The firm closes its books on 31st March every year. Starting from 31st December, 2025 Madhvi withdrew `40,000 at the end of every month for her personal use. Interest on Madhvi's drawings will be: (A) `19,200 (B) `4,800 (C) `2,400 (D) `1,600.

4. Items debited/credited to partner's capital or current account under fixed/fluctuating method

Asked 3× · Board 2025, Sample 2025, Sample 2026 · 1 marks

A partner's capital account was credited with `80,000 during the year. Which of the following can be the possibility for such a credit in his capital account? (A) Opening Balance (B) Drawings during the year (C) Loss during the year (D) Capital introduced.

5. Assertion-reason on fixed/fluctuating capital and current accounts

Asked 2× · Sample 2025, Sample 2026 · 1 marks

Assertion (A): Fluctuating Capital Account can show debit balance. Reason (R): Losses and Drawings can be more than Capital Balance. (A) Both A and R are correct and R is the correct explanation of A (B) Both A and R are correct but R is not the correct explanation of A (C) A is correct but R is incorrect (D) Both A and R are incorrect.

6. Assertion-reason on nature of partnership (mutual agency / agreement)

Asked 3× · Board 2024, Board 2025, Board 2026 · 1 marks

Assertion (A): Partnership Agreement becomes the basis of relationship among the partners. Reason (R): Partnership is the result of an agreement between two or more persons to do business and share its profits and losses. 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.

7. Interest on capital allowed proportionately when profit is insufficient

Asked 2× · Board 2024, Board 2026 · 1 marks

Nidhi and Kunal were partners in a firm sharing profits and losses in the ratio of 4 : 1. Their capitals were `3,00,000 and `2,00,000 respectively. They were entitled to interest on capital @ 6% p.a. The firm earned a profit of `15,000 during the year. Interest on partners' capitals will be: (A) Nidhi `18,000; Kunal `12,000 (B) Nidhi `7,500; Kunal `7,500 (C) Nidhi `9,000; Kunal `6,000 (D) Nidhi `12,000; Kunal `3,000.

8. Interest on partner's loan (6% in absence of deed / charge to P&L)

Asked 2× · Board 2023, Board 2026 · 1 marks

Tarun and Tej were partners in a firm sharing profits and losses in the ratio of 3 : 2. On 1st April 2024, Tej had given a loan of `50,000 to the firm. The net profit of the firm before charging interest on loan was `3,75,000. The firm closes its books on 31st March every year. The amount of profit transferred from Profit and Loss Account to Profit and Loss Appropriation Account will be: (A) `3,75,000 (B) `3,72,000 (C) `4,25,000 (D) `3,78,000.

9. Interest on capital when capital is added/withdrawn during the year

Asked 2× · Board 2023, Board 2025 · 1/3 marks

Sara and Tara were partners in a firm. Their capitals as on 1st April, 2023 were `6,00,000 and `4,00,000 respectively. On 1st October, 2023, Tara withdrew `1,00,000 for personal use. According to the partnership deed, interest on capital was allowed @ 8% p.a. The amount of interest allowed on Tara's capital for the year ended 31st March, 2024 was: (A) `28,000 (B) `30,000 (C) `48,000 (D) `32,000.

Reconstitution of a Partnership Firm - Admission of a Partner

10. Valuation of goodwill by super profit and capitalisation of super profits methods

Asked 6× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 2026 · 1/3 marks

Average profit of a firm during the last few years is `8,00,000. In similar business, the normal rate of return is 10% of the capital employed. Assets of the business were `60,00,000 and its external liabilities were `20,00,000. Calculate the value of goodwill by: (i) Capitalisation of super profits method (ii) Super profit method if the goodwill is valued at four years' purchase of super profits.

11. Calculate the revalued amount of an over/undervalued asset and share of revaluation gain

Asked 4× · Board 2025, Board 2026, Sample 2025, Sample 2026 · 1 marks

Suman and Tanya were partners in a firm sharing profits and losses in the ratio of 2 : 1. With effect from 1st April, 2025, they decided to share the profits equally. On that date furniture was appearing in the books of the firm at `4,50,000. At the time of change in the profit sharing ratio, it was found to be undervalued by 10%. In the new balance sheet, furniture will be shown at: (A) `4,05,000 (B) `4,50,000 (C) `4,95,000 (D) `5,00,000.

12. Change in profit-sharing ratio: treatment/distribution of accumulated reserves and losses

Asked 5× · Board 2024, Board 2025, Board 2026, Sample 2025 · 1 marks

Chandan, Ravi and Mahesh were partners in a firm sharing profits and losses in the ratio of 5 : 4 : 1. From 1st April, 2025 they decided to share the future profits in the ratio of 3 : 2 : 1. On that date there existed a general reserve of `7,00,000 in the books of the firm which they decided to distribute among themselves. In which ratio will the general reserve be distributed among the partners? (A) New profit sharing ratio (B) Old profit sharing ratio (C) Sacrificing / Gaining ratio (D) Equally.

13. Calculate proportionate capital of the incoming partner / adjusted capitals of old partners

Asked 4× · Board 2024, Board 2026, Sample 2025, Sample 2026 · 1 marks

Soni and Kush were partners in a firm sharing profits and losses in the ratio of 4 : 5. Hitesh was admitted as a new partner for 1/5th share in the profits of the firm. After all adjustments regarding general reserve, goodwill, and gain on revaluation of assets and reassessment of liabilities, the balances in capital accounts of Soni and Kush were `7,00,000 and `13,00,000 respectively. Hitesh brought in proportionate capital for his 1/5th share in the profits of the firm. The amount of proportionate capital brought in by Hitesh was: (A) `25,00,000 (B) `20,00,000 (C) `5,00,000 (D) `10,00,000.

14. Calculate new profit-sharing ratio when an incoming partner acquires his share

Asked 5× · Board 2023, Board 2024, Board 2026, Sample 2025 · 1 marks

Chaman and Vatika were partners in a firm sharing profits and losses in the ratio of 4 : 5. They admitted Mohan as a new partner for 1/5th share in the profits of the firm. Mohan acquired his share equally from Chaman and Vatika. The new profit sharing ratio of Chaman, Vatika and Mohan will be: (A) 2 : 2 : 1 (B) 31 : 41 : 18 (C) 41 : 31 : 18 (D) 7 : 8 : 5.

15. Admission: prepare Revaluation Account and partners' capital accounts

Asked 4× · Board 2023, Board 2024, Board 2025, Sample 2026 · 6 marks

Dhwani and Iknoor were partners sharing Profits & Losses in the ratio 3:2. Balance Sheet on March 31, 2025: Liabilities - Dhwani's Capital `2,40,000, Iknoor's Capital `2,60,000, Investment Fluctuation Reserve `50,000, Employee Provident Fund `50,000, General Reserve `60,000, Creditors `40,000, Bills Payable `30,000, Bank Overdraft `20,000 (total `7,50,000); Assets - Cash in Hand `50,000, Building `3,00,000, Debtors `80,000 less Prov for Doubtful Debts `8,000 = `72,000, Stock `88,000, Accrued Income `20,000, Profit and Loss `1,00,000, Investment `1,20,000 (total `7,50,000). They admitted Ishaya into partnership for 25% share. Ishaya brings `2,50,000 as capital and `40,000 for goodwill. Goodwill of the firm was valued at `2,00,000. Agreements: (a) Bad Debts amounted to `5,000 and Provision for doubtful debts to be created at same existing rate. (b) Investments were valued at `1,00,000. (c) Accrued Income was recovered only of `14,500 in settlement. (d) Building was overvalued by 20%. (e) Capital of Dhwani and Iknoor were to be adjusted on the basis of Ishaya's capital contribution; necessary adjustment to be done by opening Current Accounts. Prepare Revaluation Account and Partner's Capital Account at the time of admission of partner.

16. Change in profit-sharing ratio: goodwill adjustment through sacrificing/gaining ratio

Asked 3× · Board 2023, Board 2025, Sample 2026 · 1/3 marks

Yashasvi, Nitish and Harshit were partners sharing Profit & Loss in the ratio 5:3:2. W.e.f 01 April, 2025, they decided to share future Profit & Loss in the ratio 4:3:2. On the date of reconstitution Goodwill was appearing in the books of `4,00,000. Goodwill of the firm was valued at `7,20,000 on the date of reconstitution. Determine gain or sacrifice for each partner and pass necessary entries.

17. Calculate hidden goodwill of the firm / incoming partner's share from capital brought in

Asked 2× · Board 2025, Sample 2026 · 1 marks

Raghav and Sahil were partners sharing Profit & Loss in the ratio 5:3. Their capital balances were `7,20,000 and `2,80,000 respectively. There were balances of General Reserve of `5,00,000 and Deferred Revenue Expenditure of `4,00,000 in the books of the firm. They admitted Ojasv into partnership for 20% share for which he brings `4,00,000 as capital. Determine the goodwill share of Ojasv. (A) `5,00,000 (B) `1,00,000 (C) `1,20,000 (D) `60,000.

18. Calculate normal rate of return from goodwill / normal profit and capital employed

Asked 2× · Board 2026, Sample 2025 · 1 marks

The books of Mehul and Barkha showed that their capital employed on 31st March, 2025 was `6,00,000. If the normal profits are `60,000 and super profits are `20,000, then the normal rate of return is: (A) 6% (B) 15% (C) 30% (D) 10%.

Reconstitution of a Partnership Firm - Retirement/Death of a Partner

19. New profit-sharing ratio after retirement/death (share taken equally, in ratio, surrendered, gifted)

Asked 8× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2026 · 1 marks

Deen, Raju and Hari were partners in a firm sharing profit and losses in the ratio of 7 : 6 : 7. On 31st March, 2025 Raju died. Deen and Hari decided to take over Raju's share equally. The new profit sharing ratio between Deen and Hari will be: (A) 1 : 1 (B) 7 : 6 (C) 6 : 7 (D) 3 : 2.

20. Retirement: prepare Revaluation Account and partners' capital accounts

Asked 4× · Board 2022, Board 2024, Sample 2025, Sample 2026 · 5/6 marks

Aman, Barman and Raman were partners sharing Profits & Losses in the ratio 5:3:2. Balance Sheet on March 31, 2025: Liabilities - Aman's Capital `80,000, Barman's Capital `70,000, Raman's Capital `50,000, Workmen Compensation Reserve `50,000, Accumulated Depreciation on Building `20,000, Profit and Loss `40,000, Creditors `25,000, Outstanding Expenses `15,000 (total `3,50,000); Assets - Bank `30,000, Building `1,00,000, Furniture `60,000, Debtors `50,000, Stock `40,000, Prepaid Expenses `20,000, Deferred Revenue Exp. `20,000, Goodwill `30,000 (total `3,50,000). On the above date Barman retired and his share was acquired by Aman and Raman equally. Agreements: (a) Create Provision for doubtful debts @ 10%. (b) Market value of Building is `1,00,000 and Furniture was overvalued by 20%. (c) Stock was valued at `55,000. Creditors of `15,000 took over stock of `10,000 in settlement of their claims. (d) Goodwill of the firm was valued at `80,000. (e) Prepaid Expenses are worthless and Outstanding Expenses are now `20,000. (f) `20,000 was immediately paid to Barman on retirement brought in by Aman and Raman in ratio 3:2. Prepare Revaluation Account and Partner's Capital Account at the time of retirement of partner.

21. Retiring partner's loan / deceased executor's account paid in instalments with interest

Asked 3× · Board 2026, Sample 2025, Sample 2026 · 4/6 marks

Anuj, Divij and Shilpa were partners in a firm sharing profits and losses in the ratio of 2 : 1 : 2. Balance Sheet as at 31st March, 2023: Liabilities - Capitals Anuj `3,00,000, Divij `4,00,000, Shilpa `5,00,000 (total `12,00,000), Bills Payable `60,000, Creditors `1,20,000 (total `13,80,000); Assets - Land & Building `8,00,000, Furniture `2,40,000, Stock `1,20,000, Debtors `1,70,000, Cash `50,000 (total `13,80,000). Anuj retired on the above date on the following terms: (i) Anuj's share of goodwill was valued at `90,000 and the same was to be treated without opening goodwill account. (ii) Revaluation of assets and reassessment of liabilities resulted in a gain of `25,000. (iii) Amount due to Anuj was transferred to his loan account, to be paid in two equal yearly instalments plus interest @ 12% p.a. on the unpaid balance starting from 31st March, 2024. Prepare Partners' Capital Accounts and Anuj's Loan Account till it is fully discharged.

22. Death: share of profit till date of death (average profit / sales basis) and journal entry

Asked 4× · Board 2022, Board 2023, Board 2025, Board 2026 · 1/3/4 marks

Kiran, Raveena and Hina 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. As per the terms of the partnership deed, on the death of any partner, the goodwill of the firm will be calculated on the basis of four times the average profits of the last three years. Hina died on 1st July 2025. The Profits for the last three years were: 2022-23 `4,75,000; 2023-24 `4,05,000; 2024-25 `3,20,000. Hina's share of profit upto the date of death was to be calculated on the basis of previous year's profit. (i) Calculate goodwill of the firm and Hina's share of goodwill. (ii) Calculate Hina's share in the profits of the firm till the date of her death. (iii) Pass necessary journal entries for the treatment of goodwill without opening goodwill account and for Hina's share of profit at the time of her death.

23. Death: prepare deceased partner's capital account for executors/legal representatives

Asked 3× · Board 2023, Board 2024, Board 2025 · 4/6 marks

Raja, Bharat and Vedika were partners in a firm sharing profits and losses in the ratio of 2 : 2 : 1. Balance Sheet as on 31st March, 2024: Liabilities - Creditors `80,000, General Reserve `50,000, Capitals Raja `1,10,000, Bharat `1,00,000, Vedika `90,000 (total `3,00,000); Assets - Bank `15,000, Stock `70,000, Debtors `85,000, Furniture `1,20,000, Machinery `1,40,000 (total `4,30,000). Vedika died on 31st July, 2024. According to the partnership deed, her legal representatives are entitled to: (i) Balance in her capital account. (ii) Interest on capital @ 8% p.a. (iii) Her share in the profit upto the date of death to be calculated on the basis of last year's profit; Vedika's share of profit was `3,000. (iv) Her share of goodwill calculated on the basis of two years purchase of average profits of last three years; the average profit of last three years was `40,000. Vedika's drawings upto the date of death were `12,000. Prepare Vedika's Capital Account to be rendered to her executors.

24. Treatment of Investment Fluctuation Reserve / accumulated loss on retirement

Asked 2× · Board 2023, Sample 2025 · 1/3 marks

Bat, Cat and Rat were partners sharing profits and losses in the ratio 5:3:2. Cat retired and on that date there was a balance of Investment of `4,00,000 and Investment Fluctuation Reserve of `1,00,000 was appearing in the balance sheet. Pass necessary journal entries for Investment Fluctuation reserve in the following cases: (i) Market Value of Investments was `4,80,000. (ii) Market Value of Investments was `3,80,000. (iii) Market Value of Investments was `2,90,000.

25. Calculate the gaining ratio of continuing partners on retirement

Asked 2× · Board 2024, Board 2026 · 1 marks

Dharam, Karam and Raman were partners in a firm sharing profits and losses in the ratio of 7 : 8 : 5. On 31st March, 2025, Raman retired from the firm. Dharam and Karam decided to share profits in future in the ratio of 11 : 9. Their gaining ratio will be: (A) 1 : 1 (B) 1 : 2 (C) 4 : 1 (D) 2 : 1.

26. Outgoing partner's share of goodwill / hidden goodwill from settlement amount vs capital

Asked 2× · Board 2023, Board 2026 · 1 marks

Lalita, Shivani and Madhuri were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Madhuri retired from the firm on 31st March, 2025. The balance in her capital account on the date of her retirement was `1,80,000. Lalita and Shivani agreed to pay her `2,25,000 in full settlement of her claim. The goodwill of the firm on Madhuri's retirement was: (A) `1,80,000 (B) `2,25,000 (C) `45,000 (D) `2,70,000.

27. Adjust continuing partners' capitals to the new profit-sharing ratio after retirement

Asked 2× · Board 2023, Board 2025 · 1/3 marks

Ashmit, Veena and Rohan were partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. Veena retired on 31st March, 2024. The capital accounts of Ashmit, Veena and Rohan showed a credit balance of `2,00,000, `1,80,000 and `1,20,000 respectively after making all adjustments relating to revaluation, goodwill, reserves etc. Veena was paid in cash brought in by Ashmit and Rohan in such a way that their capitals were in proportion to their new profit sharing ratio. The new capitals of Ashmit and Rohan will be: (A) Ashmit `3,75,000 and Rohan `1,25,000 (B) Ashmit `2,00,000 and Rohan `1,20,000 (C) Ashmit `2,50,000 and Rohan `2,50,000 (D) Ashmit `3,00,000 and Rohan `2,00,000.

28. Retirement: pass journal entries for goodwill, revaluation, reserves and settlement

Asked 2× · Board 2023, Board 2025 · 6 marks

Ashish, Vinit and Reema were partners sharing profits and losses in the ratio of 2 : 2 : 1. Balance sheet as at 31st March, 2024: Liabilities - Capitals Ashish `2,00,000, Vinit `2,00,000, Reema `1,00,000 (total `5,00,000), General Reserve `50,000, Bills Payable `80,000, Creditors `40,000 (total `6,70,000); Assets - Patents `80,000, Furniture `3,00,000, Stock `1,70,000, Debtors `80,000 less provision for doubtful debts `8,000 = `72,000, Cash `48,000 (total `6,70,000). On the above date Vinit retired: (i) Goodwill of the firm was valued at `60,000 and the same was adjusted into the capital accounts of Ashish and Reema who will share profits in future in the ratio of 3 : 2. (ii) Value of stock was to be reduced by `10,000. (iii) Patents are found undervalued by 20%. (iv) Vinit was paid `20,000 immediately on retirement and the balance was transferred to his loan account carrying interest @ 8% p.a. Pass necessary journal entries on Vinit's retirement.

29. Treatment of goodwill on retirement via gaining ratio (journal entry without goodwill account)

Asked 2× · Board 2022, Board 2024 · 2/3 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 treatment of goodwill (without opening goodwill account) on Chirag's retirement.

Dissolution of Partnership Firm

30. Dissolution: prepare the Realisation Account (and partners' capital accounts)

Asked 4× · Board 2023, Board 2024, Board 2026, Sample 2025 · 4/6 marks

Ravneet and Manmeet were partners in a firm sharing profits and losses in the ratio of 7 : 3. Balance Sheet as on 31st March, 2025: Liabilities - Creditors `4,50,000, Capitals Ravneet `5,00,000, Manmeet `3,00,000 (total `8,00,000); Assets - Cash at Bank `2,50,000, Stock `2,50,000, Debtors `2,00,000, Plant & Machinery `5,50,000 (total `12,50,000). On the above date, the firm was dissolved. The plant and machinery was sold at `4,87,000 and stock at 20% less than the book value. Debtors realised `1,40,000. Ravneet agreed to bear all realisation expenses for which he was allowed a commission of `9,000. Actual realisation expenses amounted to `7,500. Prepare Realisation Account and Partners' Capital Accounts.

31. Cash paid / effect when a creditor or partner takes over an asset on dissolution

Asked 3× · Board 2024, Sample 2025 · 1 marks

Rama, a partner took over Machinery of `50,000 in full settlement of her Loan of `60,000. Machinery was already transferred to Realisation Account. How will it effect the Realisation Account? (A) Realisation Account will be credited by `60,000 (B) Realisation Account will be credited by `10,000 (C) Realisation Account will be credited by `50,000 (D) No effect on Realisation Account.

32. Partner's remuneration and realisation expenses on dissolution

Asked 2× · Sample 2025, Sample 2026 · 1/3 marks

X, a partner was assigned to look after the dissolution process and was allowed remuneration of `15,000. Actual realisation expenses amounted to `20,000, being paid by another partner Y. By what amount Realisation account will be debited for the above-mentioned information? (A) `20,000 (B) `35,000 (C) `5,000 (D) `15,000.

33. Dissolution: journal entries for realisation, settlement and expenses

Asked 2× · Board 2022, Board 2025 · 5/6 marks

Pass the necessary journal entries for the following transactions on the dissolution of a partnership firm of Vibha and Ajit after various assets (other than cash) and external liabilities have been transferred to Realisation Account: (i) Creditors worth `46,000 accepted `9,000 cash and furniture of `32,000 in full settlement of their claim. (ii) The firm had stock of `20,000. Ajit took over 40% of the stock at a discount of 10% while the remaining stock was sold for `18,000. (iii) Vibha was appointed to look after dissolution work for which she was allowed a remuneration of `16,000. Vibha agreed to bear the dissolution expenses. Actual dissolution expenses `15,000 were paid by Vibha. (iv) Ajit's loan of `45,000 was settled at `42,000. (v) A machine which was not recorded in the books was taken over by Vibha at `23,000, whereas its expected value was `28,000. (vi) The firm had a debit balance of `20,000 in the Profit and Loss Account on the date of dissolution.

Accounting for Share Capital

34. Issue of shares with oversubscription, pro-rata allotment, forfeiture and reissue: entries

Asked 9× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 2026 · 3/6 marks

Generic Pharma Ltd. invited applications for issuing 3,00,000 equity shares of `10 each at a premium of `6 per share. The amount was payable as follows: on Application and Allotment `4 per share (including premium of `2 per share); on First and Final Call Balance. Applications for 4,00,000 shares were received. Applications for 40,000 shares were rejected and the application money was refunded. Shares were allotted on pro-rata basis to the remaining applicants. Excess money received on applications was adjusted towards sums due on first and final call. Jain, an applicant for 3,600 shares failed to pay the first and final call. His shares were forfeited. Pass necessary journal entries in the books of Generic Pharma Ltd. for the above transactions. Open 'calls in arrears account' and 'calls in advance account', wherever necessary.

35. Amount transferred to Capital Reserve / balance of Share Forfeiture A/c after reissue

Asked 5× · Board 2024, Sample 2025, Sample 2026 · 1 marks

Pali Limited offered 2,00,000 shares of `10 each at a premium of `2 per share. Applications were received for 1,95,000 shares, which were duly allotted. The amount was payable as `3 on Application (including `1 premium), `6 on Allotment (including `1 premium) and balance on call. Manoj, holding 6,000 shares failed to pay allotment money and his shares were immediately forfeited. Out of the forfeited shares, 4,000 shares were re-issued @ `11 per share as fully paid up. The amount of Capital Reserve will be: (A) `16,000 (B) `12,000 (C) `8,000 (D) `18,000.

36. Case-based: subscribed and fully/not-fully paid share capital disclosed in Balance Sheet

Asked 5× · Board 2025, Board 2026, Sample 2025 · 1 marks

[Same case as Q26 - Dharma Ltd.] Subscribed and fully paid capital of Dharma Ltd. will be: (A) `9,00,000 (B) `8,30,000 (C) `8,56,000 (D) Nil.

37. Forfeiture and reissue of forfeited shares: journal entries

Asked 5× · Board 2023, Board 2025, Board 2026, Sample 2025 · 3/4/6 marks

Pass necessary journal entries for forfeiture and reissue of forfeited shares in the following cases: (i) Diksha Ltd. forfeited 3,000 shares of `10 each for non-payment of final call of `2 per share. Out of these, 600 shares were reissued as fully paid up in such a way that `4,200 was transferred to capital reserve. (ii) Ashoka Ltd. forfeited 2,000 equity shares of `100 each issued at a premium of 10% for non-payment of allotment money of `60 per share (including premium). The first and final call of `20 per share was not yet made. The forfeited shares were re-issued at `70 per share fully paid up.

38. Issue of shares to a vendor for consideration other than cash (at premium)

Asked 4× · Board 2023, Board 2026, Sample 2026 · 1/3/6 marks

Raunak Cotton Ltd. purchased machinery of `6,80,000 from Heavy Machines Ltd. The Payment to Heavy Machines Ltd. was made by issuing 10,500 equity shares of `50 each at a premium of 20% and the balance through a cheque. Pass necessary journal entries for the above transactions in the books of Raunak Cotton Ltd.

39. Amount debited to Share Capital / credited to Share Forfeiture on forfeiture

Asked 5× · Board 2023, Board 2024, Board 2026, Sample 2025 · 1 marks

If 600 shares of `10 each, issued at a premium of `1 per share are forfeited on which `8 per share (including premium) have been called and `6 per share (including premium) have been paid, then 'Share Forfeiture Account' will be _____ by _____. (A) credited, `3,000 (B) debited, `3,000 (C) debited, `3,600 (D) credited, `3,600.

40. Case-based: amount and disclosure of Share Forfeiture Account

Asked 4× · Board 2025, Board 2026, Sample 2025 · 1 marks

[Same case as Q26 - Dharma Ltd.] In the Notes to Accounts, the amount to be shown under 'Share Forfeiture Account' will be: (A) `32,000 (B) `12,000 (C) `44,000 (D) `29,000.

41. Identify category of share capital (issued/subscribed/paid-up/reserve) and effect of forfeiture

Asked 4× · Board 2023, Board 2024, Board 2025, Sample 2025 · 1 marks

That portion of the called up capital which has been actually received from the shareholders is known as: (A) Paid up capital (B) Called up capital (C) Uncalled capital (D) Reserve capital.

42. Minimum reissue price / minimum amount to collect / maximum discount on reissue of forfeited shares

Asked 4× · Board 2023, Board 2024, Board 2025, Board 2026 · 1 marks

Sakshi Ltd. forfeited 500 equity shares of `10 each, issued at a premium of `2 per share for non-payment of second and final call of `4 per share (including premium). The maximum amount of discount at which these shares can be reissued is: (A) `1 per share (B) `6 per share (C) `8 per share (D) `5 per share.

43. Case-based: issued and nominal/authorised capital disclosed in Notes to Accounts

Asked 3× · Board 2025, Board 2026 · 1 marks

[Case-based: Dharma Ltd. was registered with an authorised capital of `30,00,000 divided into 3,00,000 equity shares of `10 each. The amount was payable as: On Application `2 per share; On Allotment `5 per share; On First and Final Call Balance. The company offered 90,000 shares for public subscription. All the shares were subscribed and the company received all the money due, except allotment and call money on 4,000 shares held by Aditi and call money on 3,000 shares held by Rohit. The directors forfeited shares of Aditi and Rohit.] The nominal capital of Dharma Ltd. is: (A) `30,00,000 (B) `3,00,000 (C) `9,00,000 (D) `33,00,000.

44. Present Share Capital in company Balance Sheet (Schedule III) with Notes after forfeiture/reissue

Asked 3× · Board 2023, Board 2024, Sample 2026 · 4 marks

Sapphire Ltd. was registered with an authorised capital of `80,00,000 divided into 4,00,000 shares of `20 each. Company offered and issued 1,50,000 shares at a premium of `4 per share payable as `7 on application (including `1 premium), `12 on allotment (including `2 premium) and balance on first call. Rancho, holding 10,000 shares failed to pay allotment and call money. Another shareholder Sultan holding 5,000 shares failed to pay the call money. All the shares held by Rancho were forfeited and of these 8,000 were reissued at `22 per share as fully paid. Show Share Capital sub head as it would in the Balance Sheet of Sapphire ltd. along with notes to Account as per the Companies Act 2013.

45. Amount received or refunded on application/call with oversubscription, calls in advance/arrears

Asked 3× · Board 2024, Board 2025, Board 2026 · 1 marks

Surya Ltd. issued 50,000 equity shares of `10 each. The amount was payable as follows: on Application `3 per share; on Allotment `2 per share; on First and Final Call the balance. Usha, to whom 700 shares were allotted, paid her entire share money on allotment. Raj, to whom 300 shares were allotted did not pay the first and final call. The amount to be debited to Bank Account for first and final call after it becomes due will be: (A) `2,50,000 (B) `2,48,500 (C) `2,45,000 (D) `2,52,000.

46. Case-based: number of issued/outstanding shares after forfeiture

Asked 2× · Board 2025, Sample 2025 · 1 marks

[Same case as Q23 - PL Ltd.] The number of shares of PL Ltd. after forfeiture will be: (A) 98,000 (B) 88,000 (C) 82,000 (D) 80,000.

47. Accounting treatment of calls in advance

Asked 2× · Board 2024, Board 2025 · 1 marks

Money received in advance from the shareholders before it is actually called up by the directors is: (A) credited to calls in advance account. (B) debited to calls in advance account. (C) credited to calls account. (D) debited to calls in arrears account.

Accounting for Debentures

48. Issue of debentures to a vendor for net assets (at discount/premium): entries, number, goodwill

Asked 10× · Board 2022, Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 2026 · 1/3 marks

Neo Ltd. took over assets of `25,00,000 and liabilities of `12,00,000 of Madura Ltd. for a purchase consideration of `18,00,000. Neo Ltd. issued 11% debentures of `100 each at a discount of 10% in full satisfaction of the purchase consideration. Pass necessary journal entries for the above transactions in the books of Neo Ltd.

49. Issue of debentures at discount/premium redeemable at par/premium and writing off loss on issue

Asked 4× · Board 2022, Board 2024, Board 2026, Sample 2026 · 3/4/6 marks

On 1st April, 2024 Bhumika Ltd. issued 500, 9% debentures of `500 each at a discount of 10% redeemable at a premium of 6% after five years. On 31st March, 2025 the company had a balance of `30,000 in its Securities Premium Account. Pass necessary journal entries for issue of 9% Debentures and writing off Loss on issue of Debentures. Also prepare 'Loss on Issue of Debentures Account'.

50. Issue of debentures under various combinations of issue price and redemption terms: entries

Asked 4× · Board 2022, Board 2023, Board 2025, Sample 2025 · 4/5/6 marks

Pass necessary journal entries for issue of debentures for the following transactions: (i) Kiero Ltd. issued 80,000, 9% debentures of `100 each at par, redeemable at a premium of 10%. (ii) Naro Ltd. issued 50,000, 10% debentures of `100 each at a premium of 5%, redeemable at a premium of 10%.

51. Calculate loss on issue, premium on redemption or rate of discount on debentures

Asked 3× · Board 2025, Board 2026, Sample 2025 · 1 marks

T.D. Ltd. issued `10,00,000, 9% debentures at a discount of 10% redeemable at a certain rate of premium. On issue of these 9% debentures, the premium on redemption of debentures account was credited by `1,00,000. The amount of 'loss on issue of debentures' was: (A) `1,00,000 (B) `2,00,000 (C) `3,00,000 (D) Nil.

52. Issue of debentures as collateral security and interest liability

Asked 2× · Board 2026, Sample 2025 · 1 marks

Which of the following is not correct about collateral security? (A) It is a primary security. (B) It is an additional security. (C) It is a subsidiary security. (D) It is a secondary security.

53. Features and types of debentures (irredeemable/perpetual, registered)

Asked 3× · Board 2023, Board 2024, Board 2025 · 1 marks

Debentures in respect of which all details including names, addresses and particulars of holding of the debenture holders are entered in a register kept by the company are called: (A) Bearer debentures (B) Redeemable debentures (C) Registered debentures (D) Secured debentures.

54. Calculate interest on debentures for the year

Asked 2× · Board 2025, Board 2026 · 1 marks

On 1st April, 2024, Dina Ltd. issued 8,000, 9% debentures of `100 each at a discount of 6%. The total amount of interest due on debentures for the year ended 31st March, 2025 will be: (A) `48,000 (B) `72,000 (C) `1,20,000 (D) `80,000.

Financial Statements of a Company

55. Classify items under major heads/sub-heads in the company Balance Sheet (Schedule III)

Asked 6× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 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: (i) Stores and Spare parts (ii) Livestock (iii) Public Deposits. [Part B Option I]

Analysis of Financial Statements - Tools

56. Identify tools, types and users of financial statement analysis

Asked 5× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025 · 1 marks

The process of identifying the financial strengths and weaknesses of the firm by properly establishing relationships between the various items of Balance Sheet and the Statement of Profit and Loss is called: (A) Comparative Statement Analysis (B) Cash Flow Analysis (C) Financial Analysis (D) Common Size Analysis. [Part B Option I]

57. Prepare a Common Size Statement of Profit and Loss

Asked 3× · Board 2022, Board 2025, Sample 2026 · 3 marks

Prepare Common Size Statement of Profit and Loss for the year ended March 31, 2025: Revenue from Operations `40,00,000; Other Expenses `4,00,000; Other Income `6,00,000; Employee Benefit Expenses `8,00,000; Purchases of Stock in Trade `10,00,000; Change in Inventory `(2,00,000); Tax Rate 50%. [Part B Option I]

58. Prepare (or complete) a Comparative Statement of Profit and Loss

Asked 3× · Board 2022, Board 2024, Sample 2025 · 3/4 marks

Complete the Comparative Statement of Profit and Loss [with missing values]: Revenue from Operations 2022-23 `16,00,000, 2023-24 `20,00,000; Less: Employees Benefit Expenses 2022-23 `8,00,000, % change 25%; Less: Other Expenses 2022-23 `2,00,000, Absolute change `(1,00,000); Profit before tax 2022-23 `6,00,000, % change 50%; Tax @30%; Profit after tax 2022-23 `4,20,000, 2023-24 `2,10,000. [Part B Option I]

59. Prepare (or complete) a Comparative Balance Sheet

Asked 2× · Board 2026, Sample 2026 · 3 marks

From the following Balance sheets of Royal Sugar Mills Ltd. as at 31st March, 2024 and 2025, prepare a Comparative Balance Sheet: Equity and Liabilities - Share Capital 31-3-2025 `24,00,000 (31-3-2024 `20,00,000); Long term borrowings `12,00,000 (`10,00,000); Trade Payables `6,00,000 (`5,00,000); Total `42,00,000 (`35,00,000). Assets - Property, plant and equipment and intangible assets `30,00,000 (`25,00,000); Inventories `2,00,000 (`4,00,000); Cash & Cash equivalents `10,00,000 (`6,00,000); Total `42,00,000 (`35,00,000). [Part B Option I]

Accounting Ratios

60. Effect of given transactions on an accounting ratio (current/quick/debt-equity/GP/profit)

Asked 7× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 2026 · 1/4 marks

Which of the following transaction will affect the 'Gross Profit Ratio' of a company: (i) Revenue from operations `1,00,000 (ii) Purchased goods worth `70,000 (iii) Goods costing `15,000 withdrawn for personal use (iv) Goods costing `50,000 sold for `60,000. (A) (iv) (B) (i) and (ii) (C) (ii) and (iii) (D) (i) and (iii). [Part B Option I]

61. Calculate turnover ratios and related inventory/debtors/creditors balances

Asked 4× · Board 2024, Board 2025, Sample 2026 · 1/3/4 marks

Inventory Turnover Ratio of a company was 5 times. The firm had Revenue from operations of `5,00,000 and Gross Profit was 25% of Cost of Revenue from Operations. Determine the amount of Opening Inventory if Closing Inventory was `60,000. (A) `80,000 (B) `60,000 (C) `1,00,000 (D) `50,000. [Part B Option I]

62. Calculate solvency/liquidity/proprietary ratios from balance sheet data

Asked 3× · Board 2023, Board 2026 · 1/4 marks

From the following information, calculate: (i) Current ratio and (ii) Debt to capital employed ratio. Total Assets `6,00,000; Non-Current Liabilities `1,40,000; Shareholders' Funds `4,20,000; Non-current Assets `5,20,000. [Part B Option I]

63. Identify the category of ratio (liquidity/solvency/turnover/profitability)

Asked 3× · Board 2024, Board 2025, Board 2026 · 1 marks

Ratios calculated to measure the ability of the business to pay the amount due to stakeholders as and when it is due are known as: (A) Solvency ratios (B) Liquidity ratios (C) Activity ratios (D) Profitability ratios. [Part B Option I]

64. Calculate Return on Investment / rate of interest from profit and debt data

Asked 2× · Board 2025, Sample 2025 · 4 marks

From the following information, calculate 'Return on Investment': Shareholders Funds `16,00,000; 10% Debentures `8,00,000; Current Liabilities `2,00,000; Current Assets `5,00,000; Non-Current Assets `21,00,000. Net profit after tax was `3,00,000 and the tax amounted to `1,00,000. [Part B Option I]

65. Calculate Gross Profit Ratio from financial data

Asked 2× · Board 2023, Sample 2025 · 4 marks

Calculate Gross Profit Ratio from the following information: Revenue from Operations `10,00,000; Purchases `3,60,000; Carriage Inwards `50,000; Employee benefit Expenses `1,00,000 (including Wages of `60,000); Opening Inventory `60,000 and Average Inventory `80,000. [Part B Option I]

Cash Flow Statement

66. Classify a transaction into operating, investing or financing activity

Asked 10× · Board 2023, Board 2024, Board 2025, Board 2026, Sample 2025, Sample 2026 · 1 marks

Which of the following will not amount to cash outflow from operating activities? (A) Purchase of marketable securities (B) Cash payment to suppliers of goods (C) Payment of employee benefit expenses (D) Payment of insurance premium. [Part B Option I]

67. Calculate cash flow from operating activities by the indirect method

Asked 5× · Board 2023, Board 2024, Board 2026, Sample 2025, Sample 2026 · 6 marks

For the year ended 31st March 2025, Sona Ltd. made a profit of `4,00,000 after charging depreciation of `75,000 on fixed assets and a transfer of `1,50,000 to general reserve. Goodwill written off during the year was `80,000. The company sold machinery of the book value of `90,000 at `95,000. During the year, trade receivables increased by `40,000 and trade payables increased by `30,000. Prepaid expenses increased by `2,000 and outstanding wages decreased by `20,000. Calculate cash flows from operating activities. [Part B Option I]

68. Treatment of marketable securities/cash equivalents in the cash flow statement

Asked 2× · Board 2026, Sample 2025 · 1 marks

Purchase of marketable securities or short term investments are not considered for the preparation of cash flow statement because: (A) These are current assets (B) These constitute cash equivalents (C) These are intangible assets (D) These are tangible assets. [Part B Option I]

69. Classify interest and dividend received/paid (financial vs non-financial enterprise)

Asked 3× · Board 2023, Board 2026 · 1 marks

Statement-I: In case of non-financial enterprises, receipts of interest and dividend are classified as financing activities. Statement-II: In case of financial enterprises receipts of interest and dividend are classified as investing activities. Choose the correct option: (A) Both the Statements are true. (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 false. [Part B Option I]

70. Calculate cash flow from investing and financing activities

Asked 3× · Board 2022, Board 2025 · 5/6 marks

From the following information, calculate Cash Flows from Investing Activities: Machinery (at cost) 31-3-2024 `3,80,000 (31-3-2023 `3,00,000); Accumulated Depreciation `62,000 (`45,000). Additional Information: A machine costing `50,000 on which accumulated depreciation was `20,000 was sold at a profit of 10%. [Part B Option I]