B.K. BIRLA CENTRE FOR EDUCATION

SARALA BIRLA GROUP OF SCHOOLS
A CBSE DAY-CUM-BOYS' RESIDENTIAL SCHOOL

MID TERM 2026-27
ACCOUNTANCY O55 (SET I)
MARKING SCHEME

Class: XII **Time: 3 hr**
Date: 31.08.26 **Max Marks: 80**
Admission no: **Roll no:**

Q1)	(D) Option i) and iv)	(1)
Q2)	(D) Assertion (A) is false, but Reason (R) is true. OR (A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).	(1)
Q3)	(D) Rs.10,00,000	(1)
Q4)	(B) Goodwill is shown in the asset side of balance sheet as a fictitious asset	(1)
Q5)	(A) Rs.1,50,000	(1)
Q6)	(C) 135:91:44:30	(3)
Q7)	(C) Gaining ratio	(3)
Q8)	(A) 12,000 and 24,000	
Q9)	(B) 2,18,000	
Q10)	(A) No, according to Indian Partnership Act, 1932 external loan has to be paid first	
Q11)	(B) Both Assertion (A) and Reason (R) are true, but (R) is not the correct explanation of (A). OR (A) Both Assertion (A) and Reason (R) are true, and (R) is the correct explanation of (A).	
Q12)	(A) 9,000	
Q13)	(B) Employee Stock Option Plan	
Q14)	(A) Both Statement 1 and 2 are true OR (C) Statement 1 is true but 2 is false.	
Q15)	(A) Section 2(30)	
Q16)	(D) Rs.50,000 OR (C) Debenture Suspense A/c	
Q17)	Workings	(3)

Particulars	Original value	Revised value	Change
Land	3,75,000	4,00,000	25,000
Plant and machinery	2,00,000	1,80,000	(20,000)
Creditors	18,000	20,000	(2,000)
			3,000

Sukbir = 8/20 – 1/3 = (24 – 20)/60 = 4/60 Rajbir = 7/20 – 1/3 = (21 – 20)/60 = 1/60
Kulbir = 5/20 – 1/3 = (15 – 20)/60 = -5/60

Date	Particulars	LF	Amount Dr.	Amount Cr.
	Kulbir's Capital A/c Dr		250	
	To Sukbir's Capital A/c			200
	To Rajbir's Capital A/c			50
	(Being change in the value of assets and liabilities			
	adjusted among gaining and sacrificing partners)			

	Kulbir's Capital A/c Dr		10,000	
	To Sukbir's Capital A/c			8,000
	To Rajbir's Capital A/c			2,000
	(Being goodwill adjusted among gaining and			
	sacrificing partners)			

1,20,000 X 5/60 = 10,000 in 4:1 = 8,000 and 2,000

1 mark each for working and journals

Q18) Journal (3)

Date	Particulars	LF	Amount Dr.	Amount Cr.
	Bank Dr		1,32,000	
	To Aman's Capital A/c			1,20,000
	To Premium for goodwill A/c			12,000
	(Being capital and goodwill partly brought in			
	by the new partner)			
	Premium for goodwill A/c Dr		12,000	
	To Amrit's Capital A/c			4,800
	To Aditya's Capital A/c			7,200
	(Being premium for goodwill adjusted among			
	sacrificing partners)			
	Aman's Current A/c Dr		8,000	
	To Amrit's Capital A/c			3,200
	To Aditya's Capital A/c			4,800
	(Being goodwill not brought in adjusted with			
	current a/c and capital a/c of sacrificing partner			

Goodwill of the firm is 2,00,000

So Aman's share of goodwill = 20,000 he brings in 60% so 12,000

OR

Pawan = 12/30 – 1/10 = (12 – 3)/30 = 9/30 Rahul = 13/30 – 1/20 = (26 – 3)/60 = 23/60

Sunil = 5/30 X 1/10,= 1/60 5/30 – 1/60 = (10 – 1)/60 = 9/60

New PSR = 18:23:9:10

Sacrificing ratio = Old ratio – New ratio

Pawan = 12/30 – 18/60 = (24 – 18)/60 = 6/60 Rahul = 13/30 – 23/60 = (26 – 23)/60 = 3/60

Sunil = 5/30 – 9/60 = (10 – 9)/60 = 1/60

Sacrificing ratio = 6:3:1 Goodwill of Tim = 2,40,000 X 10/60 = 40,000

Date	Particulars	LF	Amount Dr.	Amount Cr.
	Bank Dr		40,000	
	Machinery A/c Dr		2,00,000	
	To Tim's Capital A/c			2,00,000
	To Premium for goodwill A/c			40,000
	(Being machinery and goodwill brought in by			
	the new partner)			
	Premium for goodwill A/c Dr		40,000	
	To Pawan's Capital A/c			24,000

		To Rahul's Capital A/c			12,000
		To Sunil's Capital A/c			4,000
		(Being premium for goodwill adjusted among			
		sacrificing partners)			

Q19) Realisation A/c (3)

To Sundry Assets – transfer		By Mrs.Manoj's Loan	1,50,000
Land and Building 3,00,000		By Bank Loan	75,000
Plant and Machinery 2,00,000		By Creditors	25,000
Investment 1,80,000			
Inventory 1,20,000		By Bank A/c	
Debtors 65,000		Land and Building 4,75,000	
Bills Receivable 25,000	8,90,000	Plant and Machinery 60,000	
		Inventory 63,000	6,23,000
		Bills Receivable 25,000	
To Bank A/c		By Neeraj's capital A/c(Invento	20,000
Bank Loan 75,000		By Osaid's capital A/c (Debtor	50,000
Creditors 25,000	1,00,000	By Capital A/c (Loss)	
To Bank (Expenses)	10,000	Manoj 22,800	
		Neeraj 19,950	57,000
		Osaid 14,250	
	10,00,000		10,00,000

Q20) Journal (3)

Date	Particulars	LF	Amount Dr	Amount Cr
	Sundry Assets A/c Dr		15,40,000	
	Goodwill A/c Dr		**1,90,000**	
	To Sundry Liabilities			3,80,000
	To Max Ltd			**13,50,000**
	(Bring asset and liabilities transferred purchased			
	consideration due and goodwill ascertained)			
	Max Ltd Dr		13,50,000	
	Discount on issue of debenture A/c Dr		**1,50,000**	
	To 12% Debenture A/c			**15,00,000**
	(Being 15,000 ,12% Debenture of Rs.100 each			
	issued at a 10%discount as purchase consideration			

OR

Date	Particulars	LF	Amount Dr	Amount Cr
	Sundry Assets A/c Dr		5,00,000	
	To Amrita Ltd			5,00**,000**
	(Bring asset purchased and consideration due)			
	Amrita Ltd Dr		50,000	
	To Bank A/c			50,000
	(Being part payment made by cheque0			
	Amrita Ltd Dr		4,50,000	
	Discount on issue of debenture A/c Dr		50,000	
	To 12% Debenture A/c			5,00,000
	(Being 5,000 ,12% Debenture of Rs.100 each			
	issued at a 10%discount as purchase consideration			

Q21) Gaining ratio = New ratio – Old ratio (4)

Chandu = 1/2 – 8/20 = (10 – 8)/20 = 2/20
Eshan = 1/2 – 5/20 = (10 – 5)/20 = 5/20 2:5
Dinu's Goodwill = 1,20,000 X 7/20 = 42,000 in 2:5 ratio = 12,000 and 30,000

Revaluation A/c

Particulars	Amount	Particulars	Amount
To Plant and machinery	15,000	By land	30,000
To profit transferred		By Investment	25,000
Chand's Capital A/c 16,000			
Dinu's Capital A/c 14,000	40,000		
Eshan's Capital A/c 10,000			
	55,000		55,000

Capital A/c

Particulars	Chandu	Dinu	Eshan	Particulars	Chandu	Dinu	Eshan
To D's ca	12,000		30,000	By Bal bd.	1,45,000	1,45,000	1,20,000
To Invest.		1,25,000		By Reval.	16,000	14,000	10,000
To D' Loa		76,000		By C's ca		12,000	
To Bal cd.	1,49,000		1,00,000	By E's ca		30,000	
	1,61,000	2,01,000	1,30,000		1,61,000	2,01,000	1,30,000

OR

New PSR Yasmin's Share taken in 3:2 rato
3/10 X 3/5 = 9/50 taken by Xavier and 3/10 X 2/5 = 6/50 taken by Zelda
Xavier's share = 4/10 + 9/50 = (20 +9)/50= 29/50 Zelda = 3/10 + 6/50 = (15 +6)/50 = 21/50
New PSR = 29:21
Godwill of Yasmin = 1,20,000 X 3/10 = 36,000 brought in by Xavier and Zelda in 3:2 = 21,600 and 14,400

Capital A/c

Liabilities	Amount	Assets	Amount
To Bank A/c	54,000	By Balance b/d	1,50,000
To Yasmin's Loan	1,50,000	By Xavier's cap	36,000
		By Zelda's cap	18,000
	2,04,000		2,04,000

Yasmin's Loan A/c

Date	Particulars	Amount	Date	Particulars	Amount
31/3/23	To Bank A/c	90,000	1/4/22	By Yasmin's Capital A/c	1,50,000
	(75,000 + 15,000)				
	To Balance c/d	75,000	31/3/23	By interest on loan A/c	15,000
		1,65,000			1,65,000
	To Bank A/c	82,500	1/4/23	By Balance b/d	75,000
	(75,000 +7,500)				
				By interest on loan A/c	7,500
		82,500			82,500

Q22) Journal (4)

Date	Particulars	LF	Amount Dr	Amount Cr
	Bank A/c Dr		7,20,000	
	To Share Application A/c			7,20,000

	(Bring application money received on 1,80,000			
	shares at Rs.4)			
	Share Application A/c Dr		7,20,000	
	To Share Capital A/c			5,00,000
	To Share Allotment A/c			2,00,000
	To Bank A/c			20,000
	(Being application money transferred to share			
	capital, share allotment and rest refunded)			
	Share Allotment A/c Dr		3,75,000	
	To Share Capital A/c			3,75,000
	(Being allotment money due on 1,25,000 shares			
	Bank A/c Dr		1,68,000	
	Calls in arrears A/c Dr		7,000	
	To Share Allotment A/c			1,75,000
	(Being allotment money received on all except			
	5,000 share and excess adjusted with application)			
	Share First and Final call A/c Dr		3,75,000	
	To Share Capital A/c			3,75,000
	(Being allotment money due on 1,25,000 shares)			
	Bank A/c Dr		3,60,000	
	Calls in arrears A/c Dr		15,000	
	To Share Allotment A/c			3,75,000
	(Being call money received on all except 5,000			
	shares)			

.5 marks on 1st,3rd 5th and 6th entry ,1 mark each for 2nd and 4th entry

Q23) Working (6)

Appropriation of Profit	Vikram	Vetal
Interest on capital	25,000	20,000
Salary	30,000	
Commission		25,000
	55,000	45,000

Interest on drawing = Vikram 36,000 X 5.5/12 X 12/100 = 1,980

Vetal 40,000 X 4.5/12 X 12/100 = 1,800

Profit and Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Partners current a/c		By Profit and Loss A/c (net pro	90,220
Vikram current A/c 51,700		By Interest on drawings	
Vetal's current A/c 42,300	94,000	Vikram current A/c 1,980	
		Vetal's current A/c 1,800	3,780
	94,000		94,000

As the divisible profit is insufficient it will be distributed in ratio of appropriation 55:45

Capital A/c

Particulars	Vikram	Vetal	Particulars	Vikram	Vetal

			By Balance b/d	2,00,000	2,00,000
To Balance c/d	3,00,000	2,00,000	By Bank A/c	1,00,000	
	3,00,000	2,00,000		3,00,000	2,00,000
			By Balance b/d	3,00,000	2,00,000

Current A/c

Particulars	Vikram	Vetal	Particulars	Vikram	Vetal
To Balance b/d	8,500	1,500			
To Drawings	36,000	40,000	By P& L appro	51,700	42,300
To Interest drawings	1,980	1,800			
To Balance c/d	5,220		By Balance c/d		1,000
	51,700	43,300		51,700	43,300
To Balance b/d		1,000	By Balance b/d	5,220	

.5 for app ratio, .5 Capital A/c, 1 for P&L App and 2 for Current A/c

Q24) (6)

i) The new profit sharing ratio and sacrificing ratio is.
(B) 25:25:36:34 and 15:15:4
ii) What is the goodwill of the firm and goodwill of Daman?
(A) 60,000 and 17,000
iii) What journal entry is passed for distribution of goodwill brought in Daman?
(B) Premium for Goodwill A/c Dr 17,000
To Aditya's capital A/c 7,500
To Bikram's capital A/c 7,500
To Chand's capital A/c 2,000
iv) The capital of the firm after Daman's admission will be?
(C) Rs.5,40,000
v) What will be the capital balances of old partners after the adjustment of goodwill?
(D) Aditya Rs.97,500; Bikram Rs.1,27,500 and Chand Rs.1,52,000
vi) What is the capital of all the partners after adjusting it with the new partner?
(C) Aditya Rs.1,12,500; Bikram Rs.1,12,500; Chand Rs.1,62,000 and Daman Rs.1,53,000

OR

Arth = 1/3 X 1/10 = 1/30 1/3 – 1/30 = (10 – 1)/30 = 9/30
Bikram = 1/3 X 1/5 = 1/15 1/3 – 1/15 = (5 – 1)/15 = 4/15
Chaman = 1/3 – 1/12 = (4 – 1)/12 3/12
New PSR = 36:32:30:22 or **18:16:15:11**
Sacrificing Ratio = OPSR – NPSR
Arth = 1/3 – 18/60 = (20 -18)/60 = 2/60 Bikram = 1/3 – 16/60 = (20 -16)/60 = 4/60
Chaman= 1/3 – 15/60 = (20 -15)/60 = 5/60
Sacrificing Ratio = **2:4:5**

Goodwill of the firm = 2,40,000 so Goodwill of Dipu = 2,40,000 X 11/60 = 44,000
44,000 in 2:4:5 = 8,000; 16,000 and 20,000
Dipu comes in for 11/60 share and brings in 1,32,000 as capital
So capital of the new firm is 60/11 X 1,32,000 = 7,20,000
7,20,000 in new PSR 18:16:15:11
2,16,000; 1,92,000; 1,80,000 and 1,32,000

Journal

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr		1,54,000	
	To Dpiu's capital A/c			1,32,000
	To Premium for goodwill A/c			22,000
	(Being capital and 50% of premium for goodwill			
	brought in)			

	Premium for Goodwill A/c Dr		22,000	
	To Arth's Capital A/c			4,000
	To Bikram's Capital A/c			8,000
	To Chaman's Capital A/c			10,000
	(Being premium for goodwill distributed among			
	sacrificing partners)			
	Dipu's Current A/c Dr		22,000	
	To Arth's Capital A/c			4,000
	To Bikram's Capital A/c			8,000
	To Chaman's Capital A/c			10,000
	(Being goodwill not brought in adjusted in current			
	a/c of new partner and capital a/c of sacrificing)			
	Investment Fluctuation Reserve A/c Dr		45,000	
	To Arth's Capital A/c			15,000
	To Bikram's Capital A/c			15,000
	To Chaman's Capital A/c			15,000
	(Being IFR distributed among old partners)			
	Investment A/c Dr		15,000	
	To Revaluation A/c			15,000
	(Being increase in investment recorded)			
	Revaluation A/c Dr		15,000	
	To Arth's Capital A/c			5,000
	To Bikram's Capital A/c			5,000
	To Chaman's Capital A/c			5,000
	(Being profit on revaluation distributed)			
	Bank A/c Dr		82,000	
	To Arth's Capital A/c			68,000
	To Bikram's Capital A/c			14,000
	(Being money brought in to adjust capital)			
	Chaman's Capital A/c Dr		24,000	
	To Bank A/c			24,000
	(Being money withdrawn to adjust capital)			

.5 each for NPSR and SR, .5 for Goodwill .5 for new capital + 4 for journals

Working

Arth = 1,20,000 + 4,000 + 4,000 + 15,000 + 5,000 – 2,16,000 = 68,000 to bring in

Bikram = 1,50,000 + 4,000 + 4,000 + 15,000 + 5,000 – 1,92,000 = 14,000

Chaman = 1,80,000 + 4,000 + 4,000 + 15,000 + 5,000 – 1,80,000 = (24,000)

Q25) Journal (6)

Date	Particulars	LF	Amount(Dr)	Amount(Cr)
	Bank A/c Dr		30,30,000	
	To Share Application A/c			28,80,000
	To Calls in advance			1,50,000
	(Being application money received on 7,20,000			
	shares and advance on 25,000 shares at Rs.6 each)			

		Share Application A/c Dr		28,80,000		
		To Share Capital A/c			28,80,000	
		(Being money transferred to share capital a/c)				
		Share Allotment A/c Dr		21,60,000		
		To Share Capital A/c			21,60,000	
		(Being allotment money due on 7,20,000 shares)				
		Bank A/c Dr		20,55,000		
		Calls in arrear A/c Dr		30,000		
		Calls in advance A/c Dr		75,000		
		To Share Allotment A/c			21,60,000	
		(Being allotment money received on all but				
		10,000 shares and advance adjusted on 25,000				
		shares)				
		Share First Call A/c Dr		14,40,000		
		To Share Capital A/c			14,40,000	
		(Being call money due on 7,20,000 shares at Rs.2				
		Bank A/c Dr		13,30,000		
		Calls in arrears A/c Dr		60,000		
		calls in advance A/c Dr		50,000		
		To Share First Call A/c			14,40,000	
		(Being call money received on all but 30,000				
		shares and advance adjusted on 25,000 shares)				
		Share Second and Final Call A/c Dr		7,20,000		
		To Share Capital A/c			7,20,000	
		(Being call money due on 7,20,000 shares at Rs.2				
		Bank A/c Dr		6,65,000		
		Calls in arrears A/c Dr		30,000		
		Calls in advance A/c Dr		25,000		
		To Share Second and Final Call A/c			7,20,000	
		(Being call money received on all but 30,000				
		shares and advance adjusted on 25,000 shares)				
Q26)	Date	Particulars	LF	Amount (Dr)	Amount(Cr)	
		Sundry Assets A/c Dr		14,00,000		
		Goodwill A/c Dr		60,000		
		To Sundry liabilities A/c			3,80,000	
		To Pooja Ltd's A/c			10,80,000	
		(Being assets and liabilities transferred				
		consideration due and goodwill ascertained)				
	Case I	Pooja Ltd's A/c Dr		10,80,000		
		To 12 % Debenture A/c			10,80,000	
		(Being 10,800, 12 % Debenture issued at par				
		as purchase consideration)				

Case II	Pooja Ltd's A/c Dr		10,80,000	
	Discount on issue of debentures A/c Dr		1,20,000	
	To 12 % Debenture A/c			12,00,000
	(Being 12,000, 12 % Debenture issued at 10%			
	discount as purchase consideration)			
Case III	Pooja Ltd's A/c Dr		10,80,000	
	To 12 % Debenture A/c			10,00,000
	To Securities Premium A/c			80,000
	(Being 10,000, 12 % Debenture issued at 8%			
	premium as purchase consideration)			
b)	Bank A/c Dr		4,85,000	
	To Debenture Application and Allotment			4,85,000
	(Being application money received on 5,000			
	10% Debenture issued at Rs.97 each)			
	Debenture Application and Allotment A/c Dr		4,85,000	
	Loss on issue of Debenture A/c Dr		30,000	
	To 10% Debenture A/c			5,00,000
	To Premium on redemption A/c			15,000
	(Being 5,000, 10 % debenture issued at Rs.97			
	each redeemable at Rs.103 each)			

OR

Journal

Date	Particulars	LF	Amount (Dr)	Amount(Cr)
	Sundry Assets A/c Dr		5,00,000	
	Goodwill A/c Dr		15,000	
	To Sundry liabilities A/c			90,000
	To Leo Ltd's A/c			4,25,000
	(Being assets and liabilities transferred			
	consideration due and goodwill ascertained)			
Case I	Leo Ltd's A/c Dr		4,24,980	
	Discount on issue of debentures A/c Dr		47,220	
	To 10 % Debenture A/c			4,72,200
	(Being purchase consideration settled by			
	4,722 debentures of 100 each issued at			
	at 10% discount)			
	Leo Ltd's' A/c Dr		20	
	To Cash A/c			20
	(Being balance purchase consideration settled			
Case III	Leo Ltd's A/c Dr		4,24,930	
	To 10 % Debenture A/c			3,86,300
	To Securities Premium Reserve A/c			38,630
	(Being purchase consideration settled by			
	3,863 debentures of 100 each issued of at			
	10% premium)			

	Leo Ltd's A/c Dr		70	
	To Cash A/c			70
	(Being balance purchase consideration settled			

Case I 4,25,000/90 = 4722.22 So only 4722 debentures can be issued
Case II 4,25,000/110 = 3863.63.54 So only 3863 debentures can be issued
.5

SECTION B (20 marks)

Q27)	(B) $\frac{\text{Absolute Change}}{\text{Amount of Previous year}} \times 100$	(1)
Q28)	(A) Rs.4,00,000 **OR** (B) Rs.5,60,000	(1)
Q29)	(A) Bank Overdraft	(1)
Q30)	(D) Has no effect in the cash flow statement	(1)

Q31) (3)

Particulars	NN	31/3/2025	31/3/2024	Absolute	Percentage
Revenue from Operation.		6,20,000	5,00,000	1,20,000	24.00
Other income		1,00,000	75,000	25,000	33.33
TOTAL Revenue		7,20,000	5,75,000	1,45,000	25.22
Cost of materials		3,25,000	2,50,000	75,000	30.00
Changes in inventories		80,000	55,000	25,000	45.45
Employee benefit expense		1,75,000	1,30,000	45,000	34.61
TOTAL Expenses		5,80,000	4,35,000	1,45,000	33.33
Profit Before Tax		1,40,000	1,40,000	------	------

Q32) (3)

i) Cash received from bills receivables (Operating)
ii) Redemption of Debentures – Financing
iii) Income Tax paid – Operating Activities
iv) Sale of old machine – Investing Activities
v) Commission Received – Operating Activities
vi) Interest paid on Bank loan – Financing Activities

OR

Net profit for the year (5,00,00 – 2,80,000)	2,20,000	
Add: Transfer to General reserve (2,20,00 – 1,00,000)	1,20,000	
Proposed dividend	60,000	
Interim dividend	1,20,000	
Provision for tax	75,000	**5,95,000**

Q33) Cash flow from Operating Activities (4)

Net profit before tax (1,25,000 + 45,000)		1,70,000
Adjustment for non-cash and non-operating items		
Add: Deprecation	20,000	
Loss on sale of machinery	15,000	
Goodwill Amortized	15,000	
Less: Profit on sale of land	(80,000)	(30,000)
Operating profit before working capital changes		1,40,000
Adjustment for changes in working capital		
Add: Increase in current liabilities/ Decrease in current assets		
Bills Receivable	5,000	
Bills payable	2,000	
Debtors	2,000	
Outstanding wages	4,000	
Less: Increase in current assets/ Decrease in current liabilities		
Inventory	(10,000)	

Creditors	(4,000)	
Prepaid electricity bill	(5,000)	(6,000)
Net Cash flow from Operating Activities		1,34,000

.5 for each journal and 3 for P/L App A/c = (.5+.5+3)

Q34) Common Size balance Sheet (6)

EQUITY and LIABILITIES	31-3-24	31-3-25	% of BS Total	% of BS Total
Shareholder Fund				
Share capital	7,20,000	8,00,000	**60.00**	**53.33**
Reserve and Surplus	**2,40,000**	3,20,000	**20.00**	**21.33**
Non-current Liabilities				
Long term borrowings	1,60,000	**2,40,000**	**13.33**	16.00
Current liabilities				
Trade payable	**60,000**	1,00,000	5.00	6.67
Outstanding Expenses	20,000	40,000	**1.67**	2.67
TOTAL	12,00,000	15,00,000	100.00	100.00
ASSETS				
Non-current Assets				
Property, Plant and Equipment and Intangibles				
Property, Plant and Equipment	**8,40,000**	**9,30,000**	70.00	62.00
Intangibles	2,00,000	3,85,000	**16.67**	**25.67**
Current Assets				
Inventory	80,000	1,00,000	**6.67**	**6.67**
Trade receivables	50,000	70,000	**4.16**	**4.66**
Cash and cash equivalent	**30,000**	**15,000**	2.50	1.00
TOTAL	12,00,000	15,00,000	100.00	100.00

19 + 1 for total = 20 X .3

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