

Sl. No. :

Seat No.:

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154(E)

(February, 2026)

Time : 3 Hours]

[Maximum Marks : 100

Instructions :

- 1) This question paper contains 6 sections and total 48 questions.
- 2) Answers should be written according to the instructions only.
- 3) Figures to the right side indicate full marks for the questions.
- 4) Use pencil and scale wherever necessary.
- 5) Use of simple calculator is permitted.
- 6) Start new section on a new page.

SECTION - A

- Questions from 1 to 20 are objective type questions. Choose the correct answer from the options given and write. Each question carries 1 mark :

[20]

- 1) What is the interest on partner's capital for a partner?
(A) An expense (B) Liability
(C) Income (D) Loss
- 2) The capital proportion of A, B and C is 1:2:3 respectively. The divisible profit is ₹ 1,20,000. What will be the amount of profit of C?
(A) 60,000 (B) 40,000
(C) 20,000 (D) 50,000
- 3) 'Goodwill' is which type of asset?
(A) Tangible asset (B) Intangible asset
(C) Current asset (D) Fictitious asset
- 4) Which method is appropriate for the computation of goodwill when profit of every year is increasing?
(A) Simple average
(B) Weighted average
(C) Annual growth rate
(D) Compound growth rate

- 5) Where the accumulated profit as per the balance sheet is shown at the time of the reconstruction of a partnership firm?
- (A) Credit side of revaluation account
 (B) Credit side of profit-loss appropriation account
 (C) Credit side of partner's capital account
 (D) Debit side of partner's capital account
- 6) At the time of the reconstruction of a partnership firm _____ is prepared.
- (A) Trading account
 (B) Revaluation account
 (C) Realisation account
 (D) Profit and loss appropriation account
- 7) Profit or loss of revaluation account is transferred to _____ account in _____ ratio.
- (A) Old partner, equal
 (B) All partners, new profit-loss sharing ratio
 (C) Old partners, sacrificing ratio
 (D) Old partners, old ratio
- 8) Balance of general reserve and credit balance of profit and loss account is transferred to _____ at the time of the admission of a new partner.
- (A) Capital account of newly admitted partner
 (B) All partner's capital accounts including new partner
 (C) Old partner's capital accounts
 (D) Revaluation account
- 9) When only old profit-loss sharing ratio is given, gaining ratio of remaining partners will be _____.
- (A) 1 : 1
 (B) Old ratio
 (C) Capital ratio
 (D) Can not be calculated
- 10) Which of the following amounts will be written at the credit side of realisation account, when there is balance of debtors ₹ 24,500 and bad debt reserve ₹ 2,500 in the balance sheet at the time of the dissolution of a firm?
- (A) ₹ 24,500
 (B) ₹ 2,500
 (C) ₹ 22,000
 (D) ₹ 27,000

- 11) To which account credit balance of general reserve is transferred at the time of the dissolution of a firm?
- (A) Realisation A/c
(B) Cash A/c
(C) Profit and loss A/c
(D) Partners' capital A/c
- 12) When shares are forfeited then amount called up on forfeited shares is ____.
- (A) debited to share forfeiture account
(B) credited to share forfeiture account
(C) credited to share capital account
(D) debited to share capital account
- 13) For public issue of shares company has to take a permission from whom?
- (A) Central Government (B) SEBI
(C) State Government (D) Reserve Bank
- 14) At what rate debentures would be issued at discount?
- (A) 10%
(B) 5%
(C) 20%
(D) Rates as decided by board of directors
- 15) Which of the following analyses shows duration-based classification?
- (A) External analysis (B) Horizontal analysis
(C) Short-term analysis (D) Vertical analysis
- 16) The expenses of the current year of a company is ₹ 6,00,000; and if it is increased by 20% compared to the previous year, what would be the expenses of the previous year?
- (A) ₹ 1,20,000 (B) ₹ 5,00,000
(C) ₹ 7,20,000 (D) None of these
- 17) For which of the following items the ratio is computed in days?
- (A) For total purchase (B) For credit sales
(C) For credit purchase (D) Both (B) and (C)

- 18) Which of the following is correct for accounting ratios?
(A) Comparison with ratios developed by the firm
(B) Comparison with ratios of industry
(C) Comparison with ratios of competitors
(D) All of the above
- 19) Cash equivalent has _____.
(A) higher liquidity
(B) higher solvency
(C) higher profitability
(D) All of the above
- 20) Reduction in goodwill in current year as compared to previous year is _____.
(A) sale of goodwill
(B) purchase of goodwill
(C) written off goodwill
(D) All of the above

SECTION - B

- Answer the following questions from 21 to 30 in one sentence each. Each question carries 1 mark :

- 21) What is weighted average profit?
- 22) What is gain ratio?
- 23) When and why the profit and loss adjustment account is prepared?
- 24) Describe the methods of dissolution of a partnership firm.
- 25) How would you deal with the provident fund balance shown in the balance sheet at the time of dissolution?
- 26) Who is called debenture holder?
- 27) Will the current ratio increase or decrease when the current assets increase and the current liabilities remain unchanged?
- 28) What is indicated by liquidity ratios?
- 29) In which activity the received dividend and interest are recorded?
- 30) What is cash flow?

SECTION - C

Answer the following questions as directed in short.

Each question carries 3 marks (Any Four) :

[12]

- 31) The closing capital of Stavan is ₹ 80,000 in which ₹ 12,500 drawings of current year and profit of ₹ 17,800 are recorded. What will be the interest at 6% p.a. on the opening capital?
- 32) Dev, Dron and Bhavika are the partners of a partnership firm. Their profit-loss sharing ratio is 5:2:2. All the partners have decided to change the profit-loss sharing ratio to 2/9, 3/9 and 4/9 as new ratio. From the information find out what sacrifice has been made by which partner by using sacrifice formula.
- 33) How would you deal with the following balances disclosed in the balance sheet at the time of the dissolution of a partnership firm? Explain.
- (i) General reserve
 - (ii) Investment fluctuation fund
 - (iii) Depreciation fund
- 34) At the time of dissolution total assets of the firm are of ₹ 4,00,000. Out of that 40% are current assets. Where cash is included of ₹ 20,000. 120% of fixed assets are realised. 80% are realised from current assets. Pass necessary journal entries.
- 35) On 1.8.2020, Abhishek Limited issued 8,000, 9% debentures of ₹ 100 each at par. These debentures are to be redeemed on 31.7.2025 at ₹ 120 per debenture.
- Pass the necessary journal entries in the books of the company for the issue and redemption of debentures.
- [Without narration]
- 36) Write the journal entries only for the issue of debentures from the following transaction : [Without narration]
- (i) Issued 5,000, 10% debentures of ₹ 100 each at a discount of 5%, which are to be redeemed at par value.
 - (ii) Issued 5,000, 10% debentures of ₹ 100 each at a premium of 8% which are to be redeemed at par value.

SECTION - D

- Give answers to the following questions showing calculations wherever necessary. Each question carries 4 marks (Any Three):

37) From the following information compute the value of goodwill of Trupti and Vyapti on the basis of 3 years' purchase of last 5 years' weighted average profit :

Year	Profit (₹)
2020-21	80,000
2021-22	1,20,000
2022-23	1,40,000
2023-24	1,60,000
2024-25	1,70,000

38) Determine the value of goodwill of Siddhi and Pradeep's firm as per the capitalisation of super profit method :

- (1) Capital employed : 7,80,000
- (2) Expected rate of return : 12%
- (3) Last 5 years' profit

Year	Profit (₹)
2017-18	2,00,000
2018-19	2,70,000
2019-20	2,40,000
2020-21	2,50,000
2021-22	2,30,000

39) Summarised profit and loss statements of Gujarat Ltd. for the year ending on 31.03.2023 and 31.03.2024 are as follows: Prepare comparative profit and loss statement.

Profit-loss statement of Gujarat Ltd.
for the year ending on 31.03.2023 and 31.03.2024

Particulars	Note No.	31.3.2024	31.3.2023
		(₹)	(₹)
Sales revenue		9,00,000	8,00,000
Other Income		2,00,000	1,00,000
Cost of goods consumed		3,30,000	3,00,000
Financial expenses		1,00,000	1,00,000
Other expenses		1,80,000	2,00,000

Income tax rate is 30%

- 40) From the following information of 'Aarju' Company Limited, calculate debt-equity ratio :

Particulars	Amount (₹)	Particulars	Amount (₹)
Creditors	1,60,000	Non-current assets	12,00,000
Bills payable	1,40,000	Current assets	10,00,000
Outstanding expenses	1,00,000	Total liabilities	10,00,000

- 41) From the following transactions calculate cash flow from operating activities :

Particulars	Amount (₹)
Profit before taxes	99,000
Income tax provision	29,000
Proposed dividend	39,000
Depreciation	22,000
Dividend received	21,000
Interest received	20,000
Interest paid	28,000
Goodwill written off	15,000
Profit on sale of asset	12,000

SECTION - E

- Answer the following questions as directed. Each question carries 8 marks (Any Three) : [24]

- 42) Kamal and Vaalam are partners in a firm sharing profit and loss in the ratio 2:1. Their balance sheet as on 31.3.2025 was as under :

Liabilities	Amt.(₹)	Assets	Amt.(₹)
Capital accounts :		Goodwill	18,000
Kamal 80,000		Land-Building	72,000
Vaalam 60,000	1,40,000	Machinery	40,000
General Reserve	18,000	Stock	36,000
Workmen		Debtors 24,000	
compensation		(-)Bad debt	
reserve	4,500	reserve 2,000	22,000

Investment fluctuation fund	1,500	Investment	8,000
reserve	28,000	Cash-bank	2,000
Creditors	12,000	Advertisement campaign expenditure	6,000
Bills payable	2,04,000		2,04,000

They admitted Jigar as a new partner from 1.4.2025 on the following conditions :

- (1) Jigar will bring ₹ 1,00,000 as his capital and ₹ 24,000 as a goodwill in cash.
- (2) Value of land and building is to be increased by ₹ 17,000.
- (3) Value of machinery is to be decreased upto ₹ 32,000.
- (4) Provision for bad-debt is to be kept at 10% on debtors.
- (5) Provision for outstanding electricity bill is to be made at ₹ 1,100.
- (6) New profit sharing ratio of all three partners is to be kept at 2:1:2.

Prepare revaluation account, partner's capital account, cash-bank account and balance sheet after admission.

- 43) Narendra and Dhirendra are the partners sharing profit and loss in the ratio of 2:1. Balance sheet of their firm as on 31.03.2024 was as under :

Balance Sheet

Liabilities		Amt.(₹)	Assets		Amt.(₹)
Capital :			Machinery		64,000
Narendra	64,000		Furniture		40,000
Dhirendra	32,000	96,000	Stock		13,600
General reserve		16,800	Debtors	40,000	
Creditors		60,000	(-) Bad debt		
Bills payable		8,000	reserve	3,200	36,800
		1,80,800	Cash-bank		26,400
					1,80,800

They admitted Bhagyesh as a new partner on 1.4.2024 on the following conditions :

- (1) Narendra sacrificed $\frac{1}{12}$ th from his share and Dharendra sacrificed $\frac{1}{6}$ th from his share in favour of Bhagyesh.
- (2) Bhagyesh is to bring proportionate capital.
- (3) Bhagyesh is to bring his share of goodwill in cash. Goodwill of the firm is valued at ₹ 90,000.
- (4) Fixed assets are to be depreciated by 10%.
- (5) All debtors are good.
- (6) Insurance premium of ₹ 2,400 out of ₹ 12,000 is to be carried forward to next year.

Prepare necessary accounts and balance-sheet.

- 44) Shailja, Sonam and Arpita are the partners sharing profit and loss in the ratio of $\frac{2}{5}$, $\frac{5}{10}$ and $\frac{1}{10}$. Balance sheet of the firm on 31.3.2025 was as under :



Balance Sheet

Liabilities	Amt.(₹)	Assets	Amt.(₹)
Creditors	90,000	Goodwill	30,000
General reserve	70,000	Building	2,82,000
Capital Accounts :		Machinery	1,45,000
Shailja 2,00,000		Investments	33,000
Sonam 1,00,000		Stock	20,000
Arpita 90,000	3,90,000	Debtors	50,000
Current Accounts :		Loan to Arpita	30,000
Shailja 26,000		Current Account:	
Sonam 14,000	40,000	Arpita	10,000
Bad debt reserve	10,000		
	6,00,000		6,00,000

Arpita retired on 1.4.2025 as a partner. At the time of her retirement, partners decided that :

- (1) ₹ 4,000 is outstanding for rent payable.
- (2) Interest on investment is receivable ₹ 2,500.

- (3) Investments to be sold for ₹ 35,000.
- (4) Goodwill of the firm is valued at ₹ 2,00,000.
- (5) Shailja and Sonam will share future profit in the ratio of 1:1.

Prepare necessary accounts and balance sheet after retirement.

- 45) A.D. Limited issued 2,40,000 equity shares of ₹ 10 each at a premium of ₹ 70 per share. Amount called up per share was as under :

₹ 38 on application (including premium of ₹ 35)

₹ 28 on allotment (including premium of ₹ 25)

₹ 14 on call (including premium of ₹ 10.)

All the sum due were duly received except money due on allotment and final call on 2,000 shares held by Lawrence. After carrying out necessary formalities, company forfeited Lawrence's shares.

These shares were reissued to Francis at 40% premium as fully paid up. <https://www.gujaratboardonline.com>

Pass journal entries for above transactions in the book of company. [Without narration]

- 46) Gayatri Diamond Ltd. of Surat issued 3,00,000 equity shares of ₹ 10 per share. Amount called up on application at ₹ 3 per share, on allotment ₹ 2.50 per share, on first call at ₹ 2.50 per share and on final call at ₹ 2 per share.

Applications were received from public of 4,56,000 shares. Allotment of 3,00,000 shares was made pro-rata to 4,50,000 applicants. Application for 6000 shares were rejected. Full amounts were received from all shareholders except from a shareholder named Saraswati. Saraswati who was allotted 600 shares, did not pay final call money. Her shares were forfeited. Total shares of Saraswati were reissued as fully paid up at ₹ 9 per share.

Pass journal entries in the books of company for the above transaction. [Without narration]

SECTION - F

Answer the following questions as directed. Each question carries 11 marks:

[22]

- 47) Aashu and Ajay are partners of a firm sharing profit-loss in the equal proportion. From the following trial balance as on dated 31.3.2025 and adjustments, prepare final accounts of the firm:

**Trial Balance of Partnership Firm of
Aashu and Ajay as on 31.3.2025**

Particulars	Debit (₹)	Credit (₹)
Capital and Drawings :		
Aashu	10,000	1,00,000
Ajay	20,000	1,20,000
Opening stock	60,000	—
Purchase and sales	61,000	80,000
Carriage inward	20,000	—
Weighing machine charges	1,000	—
Provident fund and contribution to provident fund	1,000	4,000
Dead stock	22,000	—
Salary-wages	12,000	—
Loan of Aashu (From 1.7.2024)	—	20,000
Mahajan ligo	2,000	—
Factory building	1,00,000	—
Depreciation on factory building	10,000	—
Insurance premium	1,200	—
Prepaid insurance	600	—
Demurrage	200	—
Cash and bank	6,000	18,000
Bills	30,000	14,000
Customers and traders	20,000	16,000
Professional tax	1,000	—
Outstanding salary	—	1,400
Bad debts and bad debts reserve	1,400	6,000
Total	3,79,400	3,79,400

Adjustments :

- (1) The value of closing stock is ₹ 40,000, but market value is 20% less than the book value.

- (2) Goods were received of ₹ 1,000, but invoice is not recorded in the purchase book.
- (3) 10% interest on capital and 5% interest on drawings is to be calculated.
- (4) Provide bad debts reserve of ₹ 3,000 and keep 10% discount reserve on debtors.
- (5) Aashu has withdrawn goods of ₹ 1,000 and Ajay has withdrawn goods of ₹ 2,000 for personal use recorded in sales book as credit sales.
- (6) As per partnership deed, interest on capital is payable, even if there is loss.

48) Following is the Trial Balance of Jodhal Ltd. as on 31.3.2025:

Particulars	Debit (₹)	Credit (₹)
Inventories	2,20,000	—
Fixed assets-tangible	16,00,000	—
10,000 equity shares of ₹ 100 each	—	10,00,000
Sales	—	15,00,000
Other incomes	—	40,000
Employee benefit expenses	2,60,000	—
Long-term borrowings	—	7,00,000
Financial cost	35,000	—
Trade payables	—	2,00,000
Trade receivables	80,000	—
Cash and bank balance	1,20,000	—
Depreciation	45,000	—
Cost of goods sold	8,00,000	—
Non-current investment	2,80,000	—
	34,40,000	34,40,000

Additional information :

Provision for tax ₹ 1,60,000.

Prepare final accounts of the company as per Schedule-III of Companies Act, 2013.

