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DAV KAPILDEV PUBLIC SCHOOL, KADRU, RANCHI

CLASS-XII

ACCOUNTANCY- CHAPTER-1

SAMPLE PAPER

TIME: 3HRS

Max Marks - 80

General Instructions:

- i) All questions are compulsory.
- ii) Attempt all parts of a question together.
- iii) there is an internal choice in some questions.
- iv) Questions No.1 to 20 (1 Marks), 21 to 26 (3 Marks), 27 to 29 (4 Marks), 30 to 34 (6 Marks)
- v) There is an internal choice in some questions.

1 MARKS QUESTIONS

Q.1) In case partners have guaranteed profit to a partner and deficiency of profit. The deficiency happens it is borne by;

- (a) All the partners in new profit sharing ratio
- (b) Remaining partners in the ratio in which they have given guarantee
- (c) All the partners in sacrificing ratio.
- (d) All the partners in old profit sharing ratio.

Q.2) In a partnership, the capital account of a partner reflects:

- A) Only the partner's initial investment
- B) The total assets of the partnership
- C) The partner's share of profits and losses, along with withdrawals
- D) Only the partner's salary

Q.3) Interest on capital is typically:

- A) Paid to partners at the discretion of the firm
- B) Deducted from the firm's total profits
- C) Calculated at a fixed rate agreed upon in the partnership agreement
- D) Not applicable in partnerships

Q.4) If the partnership deed provides for payment of interest on capital of the partners, then interest can be paid only out of

- (a) Accumulated Profits (b) Past Year's Profits (c) Current Year's Profits (d) General Reserve

Q.5) There are two partners in a firm P and Q. R is admitted into the firm for $\frac{1}{3}$ th share of profit with the guaranteed annual profit of Rs. 18,000. Firm's profit for the year is Rs. 42,000. What amount of profit would be given to R as his share of profit by the firm?

- (a) Rs.20,000 (b) Rs.25,000 (c) Rs.18,000 (d) Rs.16,000

Q.6) If a partnership incurs a loss, it is usually shared:

- A) In the ratio of capital contributions
- B) Equally among all partners
- C) According to the profit-sharing ratio
- D) Based on the amount of time each partner spends on the business

Q.7) State the conditions under which capital balances may change under the system of a Fixed Capital Account.

Q.8) A is partner in a firm. His capital as on Jan 01, 2007 was Rs. 60,000. He introduced additional capital of Rs. 20000 on Oct 01 2007. Calculate interest on A's capital @ 9% p.a.

Q.9) Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 20,000, Rs. 30,000 and Rs. 1,00,000 respectively. Alka and Barkha desire that the profit should be divided in the ratio of capital contribution. Charu does not agree to this. How will you settle the dispute.

Q.10) A and B are partners in a firm without a partnership deed. A is an active partner and claims a salary of Rs. 18,000 per month. State with reason whether the claim is valid or not.

Q.11) Chandar and Suman are partners in a firm without a partnership deed. Chandar's capital is Rs. 10,000 and Suman's capital is Rs. 14,000. Chandar has advanced a loan of Rs. 5000 and claim interest @ 12% p.a. State whether his claim is valid or not.

Q.12) R, S, and T entered into a partnership of manufacturing and distributing educational CD's on April 01, 2006. R looked after the business development, S content development and T financed the project. At the end of the year (31-03-2007) T wanted an interest of 12% on the capital employed by him. The other partners were not inclined to this. How would you resolve this within the ambit of the Indian Partnership Act, 1932?

Q.13) A, B and C are partners in a firm. A withdrew Rs. 1000 in the beginning of each month of the year. Calculate interest on A's drawing @ 6% p.a.

Q.14) A, B and C are partners in a firm, B withdrew Rs. 800 at the end of each month of the year. Calculate interest on B's drawings @ 6% p.a.

Assertion (A): In a partnership firm, profits are distributed to partners according to their profit-sharing ratio, regardless of their capital contributions.

Reason (R): The capital contributions of partners do not influence the distribution of profits in a partnership.

Choose the correct option:

1. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
2. Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
3. Assertion (A) is true, but Reason (R) is false.
4. Assertion (A) is false, but Reason (R) is true.

Q.15) A partnership firm has four partners. How many additional partners can be admitted into the business as per the provisions of the Companies Act, 2013? (CBSE 2023)

- (a) 50 (c) 100 (b) 46 (d) 96

Q.16) The partnership deed should be properly drafted and prepared as per the provisions of the preferably registered with the

- (a) Indian Partnership Act 1932, Registrar of Companies.
(b) Indian Partnership Act 1932, Registrar of firms.
(c) Stamp Act, Registrar of Companies.
(d) Stamp Act, Registrar of Firms.

Q.17) The document that contains the terms of partnership is called:

- (a) Partnership Agreement (b) Partnership Contract
(c) Partnership Deed. (d) Partnership Rules

Q.18) In the absence of partnership deed, the profits of a firm are divided among the partners:

- (a) In the ratio of capital (b) Equally (c) In the ratio of time devoted for the firm's business.
(d) According to the managerial abilities of the partners.

- Q.19) Gagan, a partner in a partnership firm, withdrew 10,000 in the beginning of each quarter. For how many months would interest on drawings be charged? (2021 C)
- (a) 6 months (b) 6.5 months (c) 7.5 months (d) 4.5 months
- Q.20) The difference between the fixed capital method and fluctuating capital method of maintaining partner's capital is whether or not the transactions other than are recorded in the Capital accounts of the partners.
- (a) Additional Capital Introduced (b) Withdrawal of Capital
(c) Partner's Loan (d) Both (a) and (b)

3 MARKS QUESTIONS

- Q.21) A, B and C are partners in a firm. They have omitted interest on capital @ 10 % p.a. for three years ended 31st march 2007. Their fixed capitals on which interest was to be calculated through –out were
- A Rs. 1,00,000 B Rs. 80,000 C Rs. 70,000. Give the necessary Journal entry with working notes.

OR

- Q.21) A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

- (i) The first Rs. 20,000 in proportion to their capitals.
- (ii) Next Rs. 30,000 in the ratio of 5:3:2.
- (iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items.

Prepare the profit and loss appropriate on A/C.

- Q.22) A and B are partners sharing profits in proportion of 3:2 with capitals of Rs. 40,000 and Rs. 30,000 respectively. Interest on capital is agreed at 5 % p.a. B is to be allowed an annual salary of Rs. 3000 which has not been withdrawn. During 2001 the profits for the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,000. A provision of 5% of this amount is to be made in respect of commission to the manager. Prepare profit and loss appropriation account showing the allocation of profits.

OR

- Q.22) X, Y, and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared it was discovered that interest on drawings @ 5 % had not been taken into consideration. The drawings of the partner were X Rs. 15000, Y Rs. 12,600, Z Rs. 12,000. Give the necessary adjusting Journal entry.

- Q.23) A, B and C are partners sharing profits and losses in the ratio of 3:2:1. Their fixed capitals are Rs. 1,50,000, Rs. 1,00,000 and Rs. 80,000 respectively. Profit for the year after providing interest on capital was Rs. 60,000, which was wrongly transferred to partners equally. After distribution of profit it was found that interest on capital provided to them @ 10% instead of 12% . Pass necessary adjustment entry. Show your working clearly.

OR

- Q.23) Ravi and Mohan were partner in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following:-

- (i) Interest on capital @ 12% p.a. (ii) Ravi's salary Rs. 6000 per month and Mohan's salary Rs. 60000 per year.

The profit for the year ended 31-03-2007 was Rs. 5,04,000 which was distributed equally without providing for the above. Pass an adjustment Entry.

Q.24) Distinguish between fixed capital method and fluctuating capital method.

Q.25) A and B are partners sharing profits and losses in the ratio of 3:2. Their capital accounts showed balances of Rs.1,50,000 and Rs. 2,00,000 respectively on Jan 01, 2003. Show the treatment of interest on capital for the year ending December 31, 2006 in each of the following alternatives: If the partnership deed is silent as to the payment of interest on capital and the profit for the year is Rs.50,000; If partnership deed provides for interest on capital @8% p.a. and the firm incurred a loss of Rs.10,000 during the year;

(a) If partnership deed provides for interest on capital @8% p.a. and the firm earned a profit of Rs.50,000 during the year.

(b) If the partnership deed provides for interest on capital @8% p.a. and the firm earned a profit of Rs.14,000 during the year.

Q.26) The net profit of X, Y and Z for the year ended March 31, 2006 was Rs.60,000 and the same was distributed among them in their agreed ratio of 3:1:1. It was subsequently discovered that the under mentioned transactions were not recorded in the books: (i) Interest on Capital @5% p.a. (ii) Interest on drawings amounting to X Rs.700, Y Rs.500 and Z Rs.300. (iii) Partner's Salary: X Rs.1000, Y Rs.1500 p.a. The capital accounts of partners were fixed as: X Rs.1,00,000, Y Rs.80,000 and Z Rs.60,000. Record the adjustment entry.

4 MARKS QUESTIONS

Q.27) ABC Partnership Firm was established on January 1, 2023, by three partners: Alice, Bob, and Charlie. They agreed to share profits and losses in the ratio of 2:2:1, respectively. Each partner made an initial capital contribution as follows:

- Alice: Rs.40,000
- Bob: Rs.40,000
- Charlie: Rs.20,000

Transaction Details: During the year, the firm recorded the following transactions:

1. Total revenue generated: Rs.150,000
2. Total expenses incurred (including salaries and rent): Rs.100,000
3. Withdrawals by partners:
 - Alice: Rs.10,000
 - Bob: Rs.15,000
 - Charlie: Rs.5,000

a) Calculate the net profit for the year.

b) Determine each partner's share of the profit based on the profit-sharing ratio.

c) Prepare a statement of partners' capital accounts after accounting for the profits and withdrawals.

d) Discuss the impact of withdrawals on each partner's capital account and the overall financial position of the partnership.

Q.28) Options:

1. Both (A) and (R) are true, and (R) is the correct explanation of (A).
2. Both (A) and (R) are true, but (R) is not the correct explanation of (A).
3. (A) is true, but (R) is false.
4. (A) is false, but (R) is true.

- i) **Assertion (A):** A partnership can have different profit-sharing ratios for different periods.
Reason (R): Partners can agree to change the profit-sharing ratio as needed based on their contributions or efforts.
- ii) **Assertion (A):** The capital account of each partner reflects their initial investment in the partnership.
Reason (R): Partners can withdraw funds from their capital accounts at any time without restrictions.
- iii) **Assertion (A):** A partner's capital account can become negative.
Reason (R): This occurs when a partner withdraws more than their share of profits.
- iv) **Assertion (A):** The admission of a new partner requires revaluation of the firm's assets and liabilities.
Reason (R): This ensures that the new partner's capital contribution reflects the current value of the firm.

Q.29) A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

- (i) The first Rs. 20,000 in proportion to their capitals.
- (ii) Next Rs. 30,000 in the ratio of 5:3:2.
- (iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare the profit and loss appropriate on A/C.

6 MARKS QUESTIONS

Q.30) A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

- (i) The first Rs. 20,000 in proportion to their capitals.
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- (iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare the profit and loss appropriate on A/C.

Q.31) M, N and O are partners sharing profits in the ratio 3:3:2 and have distributed the profits for the year ended 31st March 2019 Rs. 80,000 without providing for the following adjustments: a. M and O were entitled to a salary of Rs. 1,500 each p.a. b. N was entitled to a commission of Rs. 4,000. c. N and O had guaranteed a minimum profit of Rs. 35,000 p.a. to M where any deficiency was to be borne equally by N and O. Pass the necessary journal entries for the above adjustments in the books of the firm and show the workings clearly. [Modified question asked in Sample Paper 2015, 2016, Sample Paper 2018-19] [6 M]

Q.32) A and B are partners sharing profits in proportion of 3:2 with capitals of Rs. 40,000 and Rs. 30,000 respectively. Interest on capital is agreed at 5 % p.a. B is to be allowed an annual salary of Rs. 3000 which has not been withdrawn. During 2001 the profits for the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,000. A provision of 5% of this amount is to be made in respect of commission to the manager. Prepare profit and loss appropriation account showing the allocation of profits.

Q.33) Ram, Mohan and Sohan are partners with capitals of Rs.5,00,000, Rs.2,50,000 and 2,00,000 respectively. After providing interest on capital @10% p.a. the profits are divisible as follows: Ram $\frac{1}{2}$, Mohan $\frac{1}{3}$ and Sohan $\frac{1}{6}$. Ram and Mohan have guaranteed that Sohan's share in the profit shall not be less than Rs.25,000, in any year. The net profit for the year ended March 31, 2016 is Rs.2,00,000, before charging interest on capital. You are required to show distribution of profit.

OR

Q.33) A, C and D shared profits in the ratio 4:2:3 and had capital account balances of Rs. 3,00,000, Rs. 2,50,000 and Rs. 2,00,000, respectively, on 1st April 2017. Partners are entitled to interest on capital @8% p.a. and salary paid to C and D was Rs. 3,500 per month and Rs. 5,000 per quarter, respectively. D's share of profits excluding interest on capital but including salary is guaranteed at a minimum of Rs. 55,000 p.a. It was agreed that any deficiency arising on that account shall be met by A. The profit for the year ended 31st March 2018 amounted to Rs. 2,12,000. Prepare the Profit and Loss Appropriation Account for the year ended 31st March 2018. [Modified question asked in 2013, 2014, 2016, 2019]

Q.34) A, B and C are in partnership with capital of ₹2,40,000 (credit), ₹2,00,000 (credit) and ₹16,000 (debit) respectively on 1st April, 2023. Their partnership deed provides for the following

- 7.5% of net profit to be transferred to general reserve.
- Partners are to be only allowed interest on capital @ 5% per annum and are to be charged interest on drawings @ 6% per annum.
- C is entitled to a salary of ₹14,000.
- A is entitled to a commission of 10% of the net profit before making any appropriation.
- B is also entitled to a commission of 8% of the net profit before charging interest on drawings but after making all appropriations.

During the year, A withdrew ₹2,000 at the beginning of every month, B ₹2,000 during the middle of the month and C ₹ 2,000 at the end of every month. On 1st October, 2023, C granted a loan of ₹ 12,00,000. The manager is entitled to a salary of ₹1,000 per month and a commission of 10% of net profits after charging his salary and commission. Rent will be paid to A at ₹1,000 per month for providing space for firm's office. The net profit of the firm for the year ended on 31st March, 2023 before providing for any of the above adjustments was ₹ 3,24,000. Prepare profit and loss appropriation account for the year ended on 31st March,2024. VKG

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ACCOUNTANCY- CHAPTER-1

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General Instructions:

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- (a) All the partners in new profit sharing ratio
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Q.2) In a partnership, the capital account of a partner reflects:

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Q.5) There are two partners in a firm P and Q. R is admitted into the firm for 1/3th share of profit with the guaranteed annual profit of Rs. 18,000. Firm's profit for the year is Rs. 42,000. What amount of profit would be given to R as his share of profit by the firm?

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Q.12) R, S, and T entered into a partnership of manufacturing and distributing educational CD's on April 01, 2006. R looked after the business development, S content development and T financed the project. At the end of the year (31-03-2007) T wanted an interest of 12% on the capital employed by him. The other partners were not inclined to this. How would you resolve this within the ambit of the Indian Partnership Act, 1932?

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Assertion (A): In a partnership firm, profits are distributed to partners according to their profit-sharing ratio, regardless of their capital contributions.

Reason (R): The capital contributions of partners do not influence the distribution of profits in a partnership.

Choose the correct option:

1. Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
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- Q.21) A, B and C are partners in a firm. They have omitted interest on capital @ 10 % p.a. for three years ended 31st march 2007. Their fixed capitals on which interest was to be calculated through –out were
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Q.23) Ravi and Mohan were partner in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following:-

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The profit for the year ended 31-03-2007 was Rs. 5,04,000 which was distributed equally without providing for the above. Pass an adjustment Entry.

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Q.26) The net profit of X, Y and Z for the year ended March 31, 2006 was Rs.60,000 and the same was distributed among them in their agreed ratio of 3:1:1. It was subsequently discovered that the under mentioned transactions were not recorded in the books: (i) Interest on Capital @5% p.a. (ii) Interest on drawings amounting to X Rs.700, Y Rs.500 and Z Rs.300. (iii) Partner's Salary: X Rs.1000, Y Rs.1500 p.a. The capital accounts of partners were fixed as: X Rs.1,00,000, Y Rs.80,000 and Z Rs.60,000. Record the adjustment entry.

4 MARKS QUESTIONS

Q.27) ABC Partnership Firm was established on January 1, 2023, by three partners: Alice, Bob, and Charlie. They agreed to share profits and losses in the ratio of 2:2:1, respectively. Each partner made an initial capital contribution as follows:

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- ii) **Assertion (A):** The capital account of each partner reflects their initial investment in the partnership.
Reason (R): Partners can withdraw funds from their capital accounts at any time without restrictions.
- iii) **Assertion (A):** A partner's capital account can become negative.
Reason (R): This occurs when a partner withdraws more than their share of profits.
- iv) **Assertion (A):** The admission of a new partner requires revaluation of the firm's assets and liabilities.
Reason (R): This ensures that the new partner's capital contribution reflects the current value of the firm.

Q.29) A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

- (i) The first Rs. 20,000 in proportion to their capitals.
- (ii) Next Rs. 30,000 in the ratio of 5:3:2.
- (iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare the profit and loss appropriate on A/C.

6 MARKS QUESTIONS

Q.30) A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

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- (iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare the profit and loss appropriate on A/C.

Q.31) M, N and O are partners sharing profits in the ratio 3:3:2 and have distributed the profits for the year ended 31st March 2019 Rs. 80,000 without providing for the following adjustments: a. M and O were entitled to a salary of Rs. 1,500 each p.a. b. N was entitled to a commission of Rs. 4,000. c. N and O had guaranteed a minimum profit of Rs. 35,000 p.a. to M where any deficiency was to be borne equally by N and O. Pass the necessary journal entries for the above adjustments in the books of the firm and show the workings clearly. [Modified question asked in Sample Paper 2015, 2016, Sample Paper 2018-19] [6 M]

Q.32) A and B are partners sharing profits in proportion of 3:2 with capitals of Rs. 40,000 and Rs. 30,000 respectively. Interest on capital is agreed at 5 % p.a. B is to be allowed an annual salary of Rs. 3000 which has not been withdrawn. During 2001 the profits for the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,000. A provision of 5% of this amount is to be made in respect of commission to the manager. Prepare profit and loss appropriation account showing the allocation of profits.

Q.33) Ram, Mohan and Sohan are partners with capitals of Rs.5,00,000, Rs.2,50,000 and 2,00,000 respectively. After providing interest on capital @10% p.a. the profits are divisible as follows: Ram $\frac{1}{2}$, Mohan $\frac{1}{3}$ and Sohan $\frac{1}{6}$. Ram and Mohan have guaranteed that Sohan's share in the profit shall not be less than Rs.25,000, in any year. The net profit for the year ended March 31, 2016 is Rs.2,00,000, before charging interest on capital. You are required to show distribution of profit.

OR

Q.33) A, C and D shared profits in the ratio 4:2:3 and had capital account balances of Rs. 3,00,000, Rs. 2,50,000 and Rs. 2,00,000, respectively, on 1st April 2017. Partners are entitled to interest on capital @8% p.a. and salary paid to C and D was Rs. 3,500 per month and Rs. 5,000 per quarter, respectively. D's share of profits excluding interest on capital but including salary is guaranteed at a minimum of Rs. 55,000 p.a. It was agreed that any deficiency arising on that account shall be met by A. The profit for the year ended 31st March 2018 amounted to Rs. 2,12,000. Prepare the Profit and Loss Appropriation Account for the year ended 31st March 2018. [Modified question asked in 2013, 2014, 2016, 2019]

Q.34) A, B and C are in partnership with capital of ₹2,40,000 (credit), ₹2,00,000 (credit) and ₹16,000 (debit) respectively on 1st April, 2023. Their partnership deed provides for the following

- 7.5% of net profit to be transferred to general reserve.
- Partners are to be only allowed interest on capital @ 5% per annum and are to be charged interest on drawings @ 6% per annum.
- C is entitled to a salary of ₹14,000.
- A is entitled to a commission of 10% of the net profit before making any appropriation.
- B is also entitled to a commission of 8% of the net profit before charging interest on drawings but after making all appropriations.

During the year, A withdrew ₹2,000 at the beginning of every month, B ₹2,000 during the middle of the month and C ₹ 2,000 at the end of every month. On 1st October, 2023, C granted a loan of ₹ 12,00,000. The manager is entitled to a salary of ₹1,000 per month and a commission of 10% of net profits after charging his salary and commission. Rent will be paid to A at ₹1,000 per month for providing space for firm's office. The net profit of the firm for the year ended on 31st March, 2023 before providing for any of the above adjustments was ₹ 3,24,000. Prepare profit and loss appropriation account for the year ended on 31st March,2024. VKG

DAV KAPILDEV PUBLIC SCHOOL, KADRU, RANCHI

BUSINESS STUDIES CHAPTER:1

CLASS -XII

SAMPLE PAPER

TIME: 3HRS

Max Marks - 80

General Instructions:

- i) All questions are compulsory.
- ii) Attempt all parts of a question together.
- iii) There is an internal choice in some questions.
- iv) Questions No.1 to 20 (1 Marks), 21 to 24 (3Marks), 25 to 30 (4 Marks), 31 to 34 (6 Marks)
- v) There is an internal choice in some questions.

Multiple choice Questions(MCQ) (1 mark)

1. Which is not a function of Management of the following?
a. Planning b. Controlling c. Cooperating. d. Staffing.
2. Setting Objective is a function of:-
a. Middle level management
b. Operational level management
c. Top level Management
d. None of the above
3. Which one of the following sequence of process of management is correct:
(a) Planning, Controlling, Organising, Staffing (b) Staffing, Planning, Organising, Controlling
(c) Planning, Organising, Staffing, Controlling (d) Organising, Planning, Staffing, Controlling
4. Management ensures:
(a) Providing employment opportunities (b) Maintaining profit (c) Ensuring maximum utilisation of resources (d) Control on cost
5. A manager obtains the required capital at 12% interest while the prevailing rate of interest happens to be 10%. How would you describe such a manager?
(a) Efficient (b) Effective (c) Efficient and Effective (d) Inefficient
6. Whose specialty happens to be 'personal skill'?
(a) Profession (b) Art (c) Science (d) None of these
7. At what level of management does the Chief Executive Officer operate?
(a) Top-level (b) Middle-level (c) Lower-level (d) None of these
8. 'Thinking before doing', under which function of management is this performed?
(a) Controlling (b) Directing (c) Organising (d) Planning
9. Arrangement of various resources for achieving Target, under which function of management is this performed
(a) Controlling (b) Directing (c) Organising (d) Planning
10. Under what function of management does the 'corrective action' fall?
(a) Planning (b) Organising (c) Directing (d) Controlling

11. Coordination is :

- (a) Function of management (b) The essence of management (c) an objective of management (d) none of the above

12. Number of levels of management are: (a) one (b) two (c) three (d) four

13. Which of the following is true?

- (a) Coordination is not equally important at all levels of management (b) Coordination has no importance (c) Coordination is equally important at all levels of (d) None of these

14. What out of the following has been called the essence of management?

- (a) Communication (b) Coordination (c) Supervision (d) Leadership

15. The following is not an objective of management

- (a) Earning profits (b) growth of the organisation (c) providing employment (d) policy making

16. Name the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in a changing environment.

- a) Management b) Planning c) Organising d) Controlling

17. Which of the following statements is true regarding management as a profession?

- a) Management has no code of conduct.
b) Management requires formal qualification and training.
c) Management is not based on organized knowledge.
d) Management has a monopoly like other professions such as law or medicine

18. Match the following :

COLUMN I

1. Mental exercise
2. Futuristic
3. Continuous

COLUMN II

- (i) Looking ahead and regarded as forward looking.
(ii) Intellectual activity of thinking rather than doing
(iii) Need for a new plan based on future requirements and needs.

- (a) (ii),(i),(iii) (b) (i),(iii),(ii) (c) (iii),(ii),(i) (d) none of these

19. **Assertion(A):** Management is termed as a 'Process'.

Reason(R): Management involves a series of inter-related functions, such as Planning, Organising, Staffing, Directing and Controlling.

Alternatives:

- A) Both Assertion(A) and Reason(R) are True and Reason (R) is the correct explanation of Assertion(A).
B) Both Assertion(A) and Reason(R) are True , but Reason (R) is not the correct explanation of Assertion (A).
C) Assertion(A) is True, but Reason(R) is False.
D) Assertion(A) is False, but Reason(R) is True.

20. Which of the following statements is not true for lower-level management?

- (a) Analyse the business environment and its implications for the survival of the business.
(b) Ensure the quality of the output.
(c) They strive to reduce the wastage of resources.
(d) They ensure that safety standards are maintained within the organisation.

SHORT ANSWER TYPE QUESTION (3 MARKS EACH)

21. Mega Ltd. manufactured water heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons behind the less revenues. After analysis, the company decided: To reduce the labour costs by shifting the manufacturing unit to a backward area where labour was available at a very low rate To start manufacturing solar water-heaters and reduce the production of electric water heaters slowly. This will not only help in covering the risks but also help in meeting other objectives. a) Identify and explain the objectives of management discussed above.
22. Mr. Nithin Singhanian's father has a good business of iron and steel. He wants to go to USA for his MBA but his father thinks that he should join the business. On the basis of emerging trends, do you think that Mr. Singhanian should send his son to USA? Give any three reasons in support of your answer.

OR

Why is management considered as a multifaceted concept?

23. In order to achieve target production of 50,000 units per month, the Production Manager of Action Shoes Ltd had to operate on double shifts. Due to power failure most of the time, the manager was able to achieve the target, but at a production cost. In your point of view, what is lacking in management? Explain.

OR

Various departments of Swift Automobiles Ltd have set up their own objectives without paying any interest to the organizational objectives. a. Name the values which are ignored by the departmental heads. b. What would be the impact of diverse objectives on the organization?

24. Mr. Amol passed his B.Sc (Non-medical) examination in the year 2014. After this he successfully ran the business of his father. Suddenly he thought of seeking employment. He got the job of a finance manager in a company on the basis of his knowledge, experience and proficiency. He is doing his job successfully. i. Is the appointment of Mr. Amol as a manager valid? ii. Was not it necessary for him to do M.B.A or some other course for this job?

SHORT ANSWER TYPE QUESTION (4 MARKS EACH)

25. Management provides judgments and vision. Explain
26. Unique Ltd. is engaged in manufacturing electrical appliances. The company has been facing a lot of problems for the last few months because of chaos between two departments i.e., Production department and Sales department. The sales department blames production department for delayed production. However, the production department blames sales department for poor sales. The force that integrates the two departments is missing.
- a. Identify the missing force in the above case and list its two characteristics.
- b. List any two values which can be cultivated among the employees by using the force identified in(a)
27. State any four functions of Operational Level of management.
28. Kayco ltd is manufacturing detergents. They decide to launch a new range of herbal products. As they in a hurry, they have tested products on animals only. The necessary information is

missing on the package. The management also plan to launch a new factory in a tribal area where the required products are available for work at low wages in the absence of development opportunities and school

- (a) Which responsibility of management do you disturbing in the above para?
- (b) Will the decision to install a new unit in a tribal area helpsociety?

29. “In the absence of management, all the resources of an organization remain only as resources and never become production”. Explain the importance of management in the light of this statement.

30. B Real Alliance Ltd is a wellknown cement company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifolds over the years. The rate of profitability of the business is also creditable. The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc. As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it. In the context of the above case: a. Identify and explain the various types of objectives of management being fulfilled by Real Alliance Ltd by quoting lines from the paragraph.

6 MARKS QUESTIONS

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32. Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discontented in managing his family business after the death of his father as it does not match with his areas of interest. Ajay knows that Sanjay possess extraordinary skills in management although he hasn't acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing Division. In context of the above case: a. Can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing Division though he hasn't acquired any professional degree in management? Explain by giving suitable justifications in support of your answer.

33. Ramanuja joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands he has to work in very close coordination with all the departmental heads in the firm, very soon Ramanuja realizes that each departmental head has its own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation. In the context of the above case: Identify and explain the nature of management highlighted in the above case.

34. Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the store keeper complains that there is no harmony in the working of the production department as a whole. Every day the workers approach him at the last minute to procure different kinds of threads, laces, mirrors, buttons etc. If it is not available in the store then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures that the store keeper is informed well three days in advance about the requisite material. Consequently, the store keeper is able to keep them materials ready for the worker every morning in accordance with their requirements. In context of the above case: a. Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers. b. State briefly any two points highlighting the importance of quality of management identified in part a.

OR

Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives. A typical day at work in Jayant's life consists of a series of interrelated and continuous functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like and iPad with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and motivation, Jayant inspires them to realize their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performance in order to ensure that they are in accordance with the standard set and takes corrective actions when ever needed. In context of the above case:

a. Identify the concept being referred to in the following line, "He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives."

b. Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.

DAV KAPILDEV PUBLIC SCHOOL,KADRU,RANCHI

BUSINESS STUDIES CHAPTER:1

CLASS -XII

SAMPLE PAPER

TIME: 3HRS

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b. Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.