Roll No. ☐☐☐☐☐☐☐☐

Q.P. Code 67/1/1

ACCOUNTANCY

CBSE Class XII Board Examination 2026

Time allowed: 3 hours **Maximum Marks: 80**

General Instructions:

1. The paper has 34 questions, all compulsory, in two parts: Part A and Part B.
2. Part A (Accounting for Partnership Firms and Companies) is compulsory for everyone.
3. Part B has two options – Option I: Analysis of Financial Statements, Option II: Computerised Accounting. Answer only one of them.
4. Q1–16 (Part A) and Q27–30 (Part B) are MCQs of 1 mark each; Q17–20 (Part A) and Q31–32 (Part B) are short answers of 3 marks each.
5. Q21–22 (Part A) and Q33 (Part B) are long answers of 4 marks each; Q23–26 (Part A) and Q34 (Part B) carry 6 marks each.
6. There is no overall choice, but some questions in each part offer an internal choice; answer only one alternative in those.

PART A

Accounting for Partnership Firms and Companies · Q1–16: 1 mark each · Q17–20: 3 marks each · Q21–22: 4 marks each · Q23–26: 6 marks each.

1. Mehul and Barkha's firm had capital employed of ₹6,00,000 on 31st March, 2025. Its normal profit is ₹60,000 and its super profit is ₹20,000. What is the normal rate of return? **1**

(A) 6% **(B)** 15%

(C) 30% **(D)** 10%

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2. Assertion (A): The partnership agreement forms the basis of the relationship among partners. Reason (R): Partnership arises out of an agreement between two or more persons to carry on business and share its profits and losses. **1**

(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) A is incorrect, but R is correct.

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3. 600 shares of ₹10 each were issued at a premium of ₹1 per share. ₹8 per share (including premium) has been called and ₹6 per share (including premium) has been received. On forfeiture of these shares, Share Forfeiture Account will be _____ by _____. **1**

(A) credited, ₹3,000 **(B)** debited, ₹3,000

(C) debited, ₹3,600 **(D)** credited, ₹3,600

OR

T.D. Ltd. issued ₹10,00,000, 9% debentures at a 10% discount, redeemable at some premium. On this issue, Premium on Redemption of Debentures Account was credited with ₹1,00,000. What was the 'Loss on Issue of Debentures'?

(A) ₹1,00,000 **(B)** ₹2,00,000

(C) ₹3,00,000 **(D)** Nil

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4. Tarun and Tej share profits 3 : 2. On 1st April 2024 Tej lent ₹50,000 to the firm (no rate is agreed). Net profit before interest on this loan was ₹3,75,000; books are closed on 31st March every year. How much profit will be transferred from the Profit and Loss Account to the Profit and Loss Appropriation Account? **1**

(A) ₹3,75,000 **(B)** ₹3,72,000

(C) ₹4,25,000 **(D)** ₹3,78,000

OR

Ashok and Vasu share profits 4 : 3. On 31st March, 2025 their capitals stood at ₹3,00,000 and ₹3,75,000. During 2024-25, Vasu withdrew ₹40,000 and brought in ₹1,50,000 as additional capital. The firm's profit for the year was ₹1,40,000. What was Vasu's capital at the beginning of the year?

(A) ₹2,75,000 **(B)** ₹4,25,000

(C) ₹2,05,000 **(D)** ₹3,45,000

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5. Soni and Kush (ratio 4 : 5) admit Hitesh for 1/5th share. After all adjustments for reserve, goodwill and revaluation, the capitals of Soni and Kush are ₹7,00,000 and ₹13,00,000. Hitesh brings capital in proportion to his share. How much capital does Hitesh bring? **1**

(A) ₹25,00,000 **(B)** ₹20,00,000

(C) ₹5,00,000 **(D)** ₹10,00,000

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6. Which one of these statements about collateral security is NOT correct? **1**

(A) It is a primary security. **(B)** It is an additional security.

(C) It is a subsidiary security. **(D)** It is a secondary security.

OR

The statement 'a company comes into existence under the provisions of Company Law' points to which feature of a company?

(A) Common Seal **(B)** Perpetual Succession

(C) Body Corporate **(D)** Limited Liability

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7. Chandan, Ravi and Mahesh shared profits 5 : 4 : 1. From 1st April, 2025 they will share 3 : 2 : 1. On that date the books show a general reserve of ₹7,00,000, which they decide to distribute. In what ratio will it be distributed? **1**

(A) New profit sharing ratio
(B) Old profit sharing ratio
(C) Sacrificing / Gaining ratio
(D) Equally

OR

Suman and Tanya (2 : 1) decide to share profits equally from 1st April, 2025. Furniture appears in the books at ₹4,50,000 and is found to be undervalued by 10%. At what value will furniture be shown in the new balance sheet?

(A) ₹4,05,000
(B) ₹4,50,000
(C) ₹4,95,000
(D) ₹5,00,000

8. In the firm of Tula, Ram and Madhvi, interest on drawings is charged @ 12% p.a. and books close on 31st March. Beginning 31st December, 2025, Madhvi withdrew ₹40,000 at the end of every month. What is the interest on her drawings? **1**

(A) ₹19,200
(B) ₹4,800
(C) ₹2,400
(D) ₹1,600

9. Dharam, Karam and Raman share profits 7 : 8 : 5. Raman retires on 31st March, 2025, and Dharam and Karam will share future profits 11 : 9. Find their gaining ratio. **1**

(A) 1 : 1
(B) 1 : 2
(C) 4 : 1
(D) 2 : 1

OR

Deen, Raju and Hari share profits 7 : 6 : 7. Raju dies on 31st March, 2025 and Deen and Hari take over his share equally. What is the new ratio of Deen and Hari?

(A) 1 : 1
(B) 7 : 6
(C) 6 : 7
(D) 3 : 2

10. Nidhi and Kunal (4 : 1) have capitals of ₹3,00,000 and ₹2,00,000 and are allowed interest on capital @ 6% p.a. The firm's profit for the year is only ₹15,000. How much interest on capital will each get? **1**

(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

11. Dina Ltd. issued 8,000, 9% debentures of ₹100 each at a 6% discount on 1st April, 2024. What is the total debenture interest due for the year ended 31st March, 2025? **1**

(A) ₹48,000
(B) ₹72,000
(C) ₹1,20,000
(D) ₹80,000

12. Sakshi Ltd. forfeited 500 equity shares of ₹10 each issued at a premium of ₹2, for non-payment of the second and final call of ₹4 per share (including premium). What is the maximum discount per share at which these shares can be reissued? **1**

(A) ₹1 per share **(B)** ₹6 per share

(C) ₹8 per share **(D)** ₹5 per share

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13. Surya Ltd. issued 50,000 equity shares of ₹10 each payable ₹3 on application, ₹2 on allotment and the balance on first and final call. Usha (700 shares) paid her entire amount with allotment. Raj (300 shares) did not pay the first and final call. What amount is debited to Bank Account when the first and final call is received? **1**

(A) ₹2,50,000 **(B)** ₹2,48,500

(C) ₹2,45,000 **(D)** ₹2,52,000

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14. Sidhi, Gyan and Gayatri (3 : 2 : 2) dissolve their firm on 31st March, 2025. A debtor of ₹25,000 who had earlier been written off as bad pays 40% of it. How is this treated? **1**

(A) ₹10,000 will be credited to bad debts recovered account.

(B) ₹10,000 will be credited to the debtor's personal account.

(C) ₹10,000 will be credited to realisation account.

(D) ₹10,000 will be credited to bad debts account.

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15. Chaman and Vatika (4 : 5) admit Mohan for 1/5th share, which he takes equally from both. What will be the new ratio of Chaman, Vatika and Mohan? **1**

(A) 2 : 2 : 1 **(B)** 31 : 41 : 18

(C) 41 : 31 : 18 **(D)** 7 : 8 : 5

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16. Lalita, Shivani and Madhuri share profits 3 : 2 : 1. Madhuri retires on 31st March, 2025 with a capital balance of ₹1,80,000, and the continuing partners pay her ₹2,25,000 in full settlement. What is the goodwill of the firm? **1**

(A) ₹1,80,000 **(B)** ₹2,25,000

(C) ₹45,000 **(D)** ₹2,70,000

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17. A firm's average profit for the last few years is ₹8,00,000. The normal rate of return in similar businesses is 10% of capital employed. The firm's assets are ₹60,00,000 and outside liabilities ₹20,00,000. Find goodwill by: **3**

(i) capitalisation of super profits method;

(ii) super profit method, taking four years' purchase.

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18. Sultan, Singh and Tulsi share profits 9 : 7 : 4 and have fixed capitals of ₹6,00,000, ₹5,00,000 and ₹4,00,000. The deed allows interest on capital @ 10% p.a., but after the final accounts were prepared it was found that interest had been given @ 12% p.a. Pass the adjusting journal entry. **3**

OR

Sameer and Manveer (5 : 3) admitted Sandeep on 1st April, 2024 for 1/5th share with a guaranteed minimum of ₹80,000. Sameer and Manveer continue to share between themselves as before, but will bear any shortfall on Sandeep's guarantee in the ratio 3 : 5. Net profit for 2024-25 was ₹3,20,000. Prepare the Profit and Loss Appropriation Account.

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19. Raunak Cotton Ltd. bought machinery for ₹6,80,000 from Heavy Machines Ltd. It paid by issuing 10,500 equity shares of ₹50 each at a 20% premium and the rest by cheque. Journalise in the books of Raunak Cotton Ltd. **3**

OR

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, paid entirely by issuing 11% debentures of ₹100 each at a 10% discount. Journalise in Neo Ltd.'s books.

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20. Shree and Hari (2 : 3) have fixed capitals of ₹4,00,000 and ₹3,00,000. The deed gives Hari a commission of 5% of net profit. Net profit for the year ended 31st March, 2025 was ₹1,00,000. Pass entries (i) to credit Hari's commission to his current account and (ii) to transfer the commission to the Profit and Loss Appropriation Account. **3**

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21. On 1st April, 2024 Bhumika Ltd. issued 500, 9% debentures of ₹500 each at a 10% discount, redeemable after five years at a 6% premium. On 31st March, 2025 its Securities Premium balance was ₹30,000. Journalise the issue and the writing off of the loss on issue, and prepare the Loss on Issue of Debentures Account. **4**

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22. Kiran, Raveena and Hina share profits 5 : 3 : 2; books close on 31st March. On death of a partner, goodwill is to be valued at four times the average profit of the last three years. Hina died on 1st July 2025. Profits: 2022-23 ₹4,75,000; 2023-24 ₹4,05,000; 2024-25 ₹3,20,000. Her profit share till death is based on the previous year's profit. **4**

(i) Find the firm's goodwill and Hina's share.

(ii) Find Hina's share of profit up to her death.

(iii) Journalise the goodwill (without opening goodwill account) and her profit share.

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23. Ravneet and Manmeet (7 : 3) dissolve their firm on 31st March, 2025. Balance sheet on that date: **6**

Liabilities	₹	Assets	₹
Creditors	4,50,000	Cash at Bank	2,50,000
Ravneet's Capital	5,00,000	Stock	2,50,000
Manmeet's Capital	3,00,000	Debtors	2,00,000
		Plant & Machinery	5,50,000
	12,50,000		12,50,000

Plant and machinery realised ₹4,87,000; stock was sold at 20% below book value; debtors realised ₹1,40,000. Ravneet agreed to bear all realisation expenses for a commission of ₹9,000; the actual expenses were ₹7,500. Prepare the Realisation Account and Partners' Capital Accounts.

24. Generic Pharma Ltd. invited applications for 3,00,000 equity shares of ₹10 each at a premium of ₹6. Payable: ₹4 (incl. ₹2 premium) on application-cum-allotment and the balance on first and final call. Applications came for 4,00,000 shares; those for 40,000 shares were rejected and refunded; the rest got shares pro-rata. Excess application money was adjusted towards the call. Jain, who had applied for 3,600 shares, did not pay the call and his shares were forfeited. Journalise, using Calls in Arrears and Calls in Advance accounts where needed. **6**

OR

Journalise forfeiture and reissue:

(i) Diksha Ltd. forfeited 3,000 shares of ₹10 each for non-payment of the final call of ₹2. Of these, 600 shares were reissued as fully paid such that ₹4,200 was transferred to capital reserve.

(ii) Ashoka Ltd. forfeited 2,000 equity shares of ₹100 each issued at a 10% premium, for non-payment of allotment of ₹60 (incl. premium); the first and final call of ₹20 had not been made. The shares were reissued at ₹70 each fully paid.

25. Sanjay and Vijay (4 : 3) admit Babul on 1st April, 2025 for 2/5th share. Terms: (i) new ratio 3 : 3 : 4; (ii) goodwill = 4 years' purchase of average profit of the last three years (2022-23 ₹16,500; 2023-24 ₹17,500; 2024-25 ₹18,500); (iii) Babul brings his goodwill premium in cash, and half of it is withdrawn by Sanjay and Vijay; (iv) revaluation shows a loss of ₹70,000; (v) general reserve is ₹28,000; (vi) after these adjustments the capitals of Sanjay and Vijay are ₹3,50,000 and ₹2,50,000, and Babul brings proportionate capital for his 2/5th share. Showing workings, journalise. **6**

OR

Anuj, Divij and Shilpa (2 : 1 : 2) had this balance sheet on 31st March, 2023:

Liabilities	₹	Assets	₹
Capital: Anuj	3,00,000	Land & Building	8,00,000
Capital: Divij	4,00,000	Furniture	2,40,000
Capital: Shilpa	5,00,000	Stock	1,20,000
Bills Payable	60,000	Debtors	1,70,000
Creditors	1,20,000	Cash	50,000
	13,80,000		13,80,000

Anuj retired on that date: (i) his share of goodwill was ₹90,000, to be adjusted without a goodwill account; (ii) revaluation gave a gain of ₹25,000; (iii) the amount due to him went to his loan account, repayable in two equal yearly instalments with interest @ 12% p.a. on the unpaid balance, starting 31st March, 2024. Prepare the Partners' Capital Accounts and Anuj's Loan Account till it is fully paid.

26. Dharma Ltd. has an authorised capital of ₹30,00,000 in 3,00,000 equity shares of ₹10 each, payable ₹2 on application, ₹5 on allotment and the balance on first and final call. It offered 90,000 shares to the public; all were subscribed and all money was received except allotment and call money on Aditi's 4,000 shares and call money on Rohit's 3,000 shares. Both holdings were forfeited. **6**

(i) Nominal capital is: (A) ₹30,00,000 (B) ₹3,00,000 (C) ₹9,00,000 (D) ₹33,00,000

(ii) Issued capital is: (A) ₹3,00,000 (B) ₹30,00,000 (C) ₹9,00,000 (D) ₹33,00,000

(iii) Subscribed and fully paid capital is: (A) ₹9,00,000 (B) ₹8,30,000 (C) ₹8,56,000 (D) Nil

(iv) 'Share Capital' shown under Shareholders' Funds is: (A) ₹8,30,000 (B) ₹8,59,000 (C) ₹9,00,000 (D) ₹30,00,000

(v) Share Forfeiture shown in Notes to Accounts is: (A) ₹32,000 (B) ₹12,000 (C) ₹44,000 (D) ₹29,000

(vi) Subscribed but not fully paid capital is: (A) ₹9,00,000 (B) ₹8,30,000 (C) ₹8,56,000 (D) Nil

PART B

Answer ONLY ONE option: Option I (Analysis of Financial Statements) or Option II (Computerised Accounting). Each question shows Option I first, then Option II. Q27–30: 1 mark each · Q31–32: 3 marks each · Q33: 4 marks · Q34: 6 marks.

27. *Option I – Analysis of Financial Statements* **1**

Identifying a firm's financial strengths and weaknesses by establishing proper relationships between items of the 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

OR

Ratios that measure the business's ability to pay amounts due to stakeholders as and when they fall due are called:

(A) Solvency ratios **(B)** Liquidity ratios

(C) Activity ratios **(D)** Profitability ratios

OR

Option II – Computerised Accounting

Encrypting data helps in:

(A) Processing data easily and keeping records

(B) Keeping the accounting reports secure

(C) Creating mnemonic codes

(D) Codification

OR

How many columns does an 'Excel 2006' worksheet have?

(A) 2056 **(B)** 256

(C) 275 **(D)** 26

28. *Option I – Analysis of Financial Statements* **1**

Which of these transactions will affect a company's Gross Profit Ratio?

(i) Revenue from operations ₹1,00,000

(ii) Goods purchased ₹70,000

(iii) Goods costing ₹15,000 taken 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)

OR

Option II – Computerised Accounting

Which of these is not found on the Formulas tab of the Excel ribbon?

(A) Defined names **(B)** Page layout

(C) Function library **(D)** Calculation

29. *Option I – Analysis of Financial Statements* **1**

While preparing a Cash Flow Statement, purchase of marketable securities or short-term investments is not shown as a cash flow because:

(A) These are current assets **(B)** These constitute cash equivalents

(C) These are intangible assets **(D)** These are tangible assets

OR

Which of the following is NOT a 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

OR

Option II – Computerised Accounting

What error does Excel show when it does not recognise text in a formula (e.g. a misspelt function name)?

(A) Correct a # DIV/0! Error **(B)** Correct a # N/A Error

(C) Correct a # Name Error **(D)** Correct a # Null! Error

30. *Option I – Analysis of Financial Statements* **1**

Statement I: For non-financial enterprises, interest and dividend received are financing activities.

Statement II: For financial enterprises, interest and dividend received are 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.

OR

Option II – Computerised Accounting

The result produced by an arithmetic expression or a function is called a:

(A) Horizontal value **(B)** Derived value

(C) Basic value **(D)** Vertical value

OR

In VLOOKUP() and HLOOKUP(), which range_lookup value makes the function return only an exact match?

(A) False **(B)** True

(C) Blank **(D)** Zero

31. *Option I – Analysis of Financial Statements* **3**

Under Schedule III, Part I of the Companies Act, 2013, give the major head and sub-head (if any) in a company's balance sheet for: (i) Stores and spare parts (ii) Livestock (iii) Public deposits.

OR

Option II – Computerised Accounting

Give any three advantages and any three limitations of a Computerised Accounting System.

32. *Option I – Analysis of Financial Statements* **3**

Prepare a Comparative Balance Sheet of Royal Sugar Mills Ltd. from these figures (31-3-2025 vs 31-3-2024): Share capital ₹24,00,000 vs ₹20,00,000; Long-term borrowings ₹12,00,000 vs ₹10,00,000; Trade payables ₹6,00,000 vs ₹5,00,000; Total ₹42,00,000 vs ₹35,00,000. Property, plant & equipment and intangible assets ₹30,00,000 vs ₹25,00,000; Inventories ₹2,00,000 vs ₹4,00,000; Cash and cash equivalents ₹10,00,000 vs ₹6,00,000; Total ₹42,00,000 vs ₹35,00,000.

OR

Option II – Computerised Accounting

What is a radar chart? What is it used for?

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33. *Option I – Analysis of Financial Statements* **4**

Total assets ₹6,00,000; non-current liabilities ₹1,40,000; shareholders' funds ₹4,20,000; non-current assets ₹5,20,000. Calculate (i) Current ratio (ii) Debt to capital employed ratio.

OR

Long-term borrowings ₹8,00,000; other long-term liabilities ₹80,000; long-term provisions ₹1,20,000; share capital ₹24,00,000; reserves and surplus ₹6,00,000; non-current assets ₹36,00,000; current assets ₹14,00,000; current liabilities ₹10,00,000. Calculate (i) Debt-Equity ratio (ii) Total Assets to Debt ratio.

OR

Option II – Computerised Accounting

Explain any two ways in which a Computerised Accounting System keeps business data secret.

OR

Name the table that gives an interactive way to quickly summarise large amounts of data, and give any three reasons for which it is designed.

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34. *Option I – Analysis of Financial Statements* **6**

For the year ended 31st March 2025, Sona Ltd. made a profit of ₹4,00,000 after charging depreciation of ₹75,000 and transferring ₹1,50,000 to general reserve. Goodwill of ₹80,000 was written off. Machinery with book value ₹90,000 was sold for ₹95,000. Trade receivables rose by ₹40,000, trade payables rose by ₹30,000, prepaid expenses rose by ₹2,000 and outstanding wages fell by ₹20,000. Calculate cash flows from operating activities.

OR

Option II – Computerised Accounting

Explain the various options available for changing the alignment of text in cells.

— END —

Questions restated from the CBSE Class XII Board Examination 2026 (set 67/1/1) for practice. Reading passages and map items are described, not reproduced.