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CLASS 12 ACCOUNTANCY - PRACTICE QUESTIONS

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CLASS 12

Accountancy

Sample Paper 2 - Questions

34 questions | 80 marks | 2026-27

Time: 3 hours. Answer all questions and subparts unless a choice is stated. Marks are shown on the right. Write answers on separate sheets. Independently prepared practice paper.

Section A - Objective questions

1. Current assets are Rs 66000 and current liabilities Rs 22000. Calculate current ratio as a single numerical quotient. **1**
(A) 5 (B) 3 (C) 2 (D) 4

2. Select the term described below. Partners divide distributable profit according to the agreed arrangement. **1**
(A) Share capital (B) Quick ratio (C) Profit-sharing ratio (D) Sacrificing ratio

3. Select the term described below. Old share minus new share identifies a partner's sacrifice on reconstitution. **1**
(A) Quick ratio (B) Sacrificing ratio (C) Profit-sharing ratio (D) Share capital

4. A partner acquires one quarter of future profits. Firm goodwill is Rs 88000. Calculate the goodwill premium for this share. **1**
(A) 21999 (B) 22000 (C) 22001 (D) 22002

5. Select the term described below. New share minus old share identifies gain from a retiring partner. **1**
(A) Profit-sharing ratio (B) Share capital (C) Quick ratio (D) Gaining ratio

6. Select the term described below. The value associated with reputation and other advantages can require adjustment on reconstitution. **1**
(A) Share capital (B) Quick ratio (C) Profit-sharing ratio (D) Goodwill

7. 110 debentures of face value Rs 100 are issued at Rs 95. Calculate cash received on issue. **1**
(A) 10451 (B) 10452 (C) 10449 (D) 10450

8. Select the term described below. Changes in recognised asset and liability values determine revaluation profit or loss. **1**
(A) Revaluation account (B) Profit-sharing ratio (C) Quick ratio (D) Share capital

9. Select the term described below. Assets and outside liabilities are transferred for settlement on dissolution under the standard treatment. **1**
(A) Quick ratio (B) Profit-sharing ratio (C) Realisation account (D) Share capital

10. Profit before tax is Rs 51000, depreciation Rs 6000 and increase in receivables Rs 2000. With no other adjustments or tax, find operating cash flow. **1**
(A) 55001 (B) 54999 (C) 55000 (D) 55002

11. Select the term described below. Amounts raised through issued shares represent owners' funds under the relevant classification. **1**
(A) Share capital (B) Profit-sharing ratio (C) Quick ratio (D) Realisation account

12. Select the term described below. The issue price above nominal share value is recorded separately. **1**
(A) Quick ratio (B) Profit-sharing ratio (C) Realisation account (D) Securities premium

13. Current assets are Rs 72000 and current liabilities Rs 24000. Calculate current ratio as a single numerical quotient. **1**
(A) 2 (B) 3 (C) 5 (D) 4

14. Select the term described below. Shares can be cancelled for nonpayment under the applicable terms and process. **1**
(A) Quick ratio (B) Profit-sharing ratio (C) Realisation account (D) Forfeiture

15. Select the term described below. A company acknowledges borrowed funds through a debt instrument. 1
(A) Profit-sharing ratio (B) Quick ratio (C) Debenture (D) Realisation account

16. A partner acquires one quarter of future profits. Firm goodwill is Rs 96000. Calculate the goodwill premium for this share. 1
(A) 24002 (B) 23999 (C) 24001 (D) 24000

17. Select the term described below. Current assets divided by current liabilities measures broad short-term coverage. 1
(A) Current ratio (B) Profit-sharing ratio (C) Realisation account (D) Quick ratio

18. Select the term described below. Quick assets divided by relevant current liabilities focuses on more readily realisable resources. 1
(A) Quick ratio (B) Realisation account (C) Profit-sharing ratio (D) Current ratio

19. 120 debentures of face value Rs 100 are issued at Rs 95. Calculate cash received on issue. 1
(A) 11401 (B) 11402 (C) 11399 (D) 11400

20. Select the term described below. Cost of revenue from operations is compared with average inventory under the relevant definition. 1
(A) Inventory turnover (B) Profit-sharing ratio (C) Current ratio (D) Realisation account

Section B - Short responses

21. Profit before tax is Rs 52000, depreciation Rs 6000 and increase in receivables Rs 2000. With no other adjustments or tax, find operating cash flow. 3

22. Current assets are Rs 78000 and current liabilities Rs 26000. Calculate current ratio as a single numerical quotient. 3

23. A partner acquires one quarter of future profits. Firm goodwill is Rs 104000. Calculate the goodwill premium for this share. **3**

24. 130 debentures of face value Rs 100 are issued at Rs 95. Calculate cash received on issue. **3**

Section C - Short responses

25. Profit before tax is Rs 53000, depreciation Rs 6000 and increase in receivables Rs 2000. With no other adjustments or tax, find operating cash flow. **4**

26. Current assets are Rs 84000 and current liabilities Rs 28000. Calculate current ratio as a single numerical quotient. **4**

27. A partner acquires one quarter of future profits. Firm goodwill is Rs 112000. Calculate the goodwill premium for this share. **4**

28. 140 debentures of face value Rs 100 are issued at Rs 95. Calculate cash received on issue. **4**

29. Profit before tax is Rs 54000, depreciation Rs 6000 and increase in receivables Rs 2000. With no other adjustments or tax, find operating cash flow. **4**

30. Current assets are Rs 90000 and current liabilities Rs 30000. Calculate current ratio as a single numerical quotient. **4**

Section D - Extended responses

31. A and B share profits 3:2. C is admitted, and the new ratio is 3:2:1. Firm goodwill is Rs 90,000. Calculate A and B's sacrificing ratio and C's goodwill premium. Pass the premium distribution entry, assuming it has already been brought in cash. **6**

32. A company issues 1,000 debentures of Rs 100 each at Rs 95, redeemable at Rs 110. Calculate cash received and loss on issue. Pass the issue entry, assuming the full amount is received immediately. **6**

33. Current assets are Rs 240,000, including inventory Rs 60,000 and prepaid expenses Rs 10,000. Current liabilities are Rs 120,000. Calculate current ratio and quick ratio and explain their different focus. **6**

34. Profit before tax is Rs 100,000 and includes depreciation Rs 20,000. Inventory rises Rs 10,000, receivables rise Rs 15,000 and trade payables rise Rs 5,000. Tax paid is Rs 10,000. Calculate cash from operations after tax, assuming no other adjustments. **6**

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