Book-keeping and Accountancy

HSC Board Exam February–March 2027 – Practice Paper No. 2

Practice Question Paper

Time: 3 hours **Max. Marks: 80**

(1) All questions are compulsory, subject to internal choice.
(2) Figures to the right indicate full marks.
(3) Answer to every question must be written on a new page.
(4) Working notes should form part of your answer.
(5) Use of simple calculator is allowed.
(6) In Q.1, write the sub-question number with each answer.

Q.1 (A) Select the most appropriate answer from the alternatives given below and rewrite the sentences. **[5]**

(1) On retirement of a partner, the profit on revaluation of assets and liabilities is credited to _____.

(a) the continuing partners only
(b) all the partners, including the retiring partner, in their old ratio
(c) the retiring partner only
(d) the continuing partners in their new ratio

(2) On dissolution of a firm, cash received from the sale of an unrecorded asset is credited to _____.

(a) Realisation Account
(b) the Partners' Capital Accounts
(c) Profit and Loss Account
(d) Goodwill Account

(3) When the holder sends a bill to his bank for collection, he debits _____.

(a) Bills Receivable Account
(b) Bills Sent for Collection Account
(c) the Drawee's Account
(d) Bank Account

(4) In a 'Not for Profit' concern, depreciation on fixed assets is shown on the _____.

(a) receipts side of the Receipts and Payments Account
(b) payments side of the Receipts and Payments Account
(c) expenditure side of the Income and Expenditure Account
(d) liabilities side of the Balance Sheet

(5) In a Common Size Income Statement, _____ is taken as 100.

(a) Gross Profit
(b) Net Sales
(c) Net Profit
(d) Cost of Goods Sold

Q.1 (B) Find the odd one. **[5]**

(1) Salary to Librarian, Electricity Charges, Purchase of Library Books, Honorarium to Secretary

(2) Goods lost by fire, Goods distributed as free samples, Goods withdrawn by a partner, Carriage Inward

(3) Share Capital, Securities Premium, Calls-in-Advance, Calls-in-Arrears

(4) Interest on Renewed Bill, Discount on Bill, Rebate on Bill, Bills Receivable

(5) Ready-to-use software, Customised software, Tailored software, Pirated software

Q.1 (C) Answer in one sentence only. **[5]**

(1) Why is a partner's loan not transferred to the Realisation Account on dissolution?

(2) Who is an executor of a deceased partner?

(3) What is meant by outstanding subscription?

(4) What is meant by renewal of a bill?

(5) What is meant by under-subscription of shares?

Q.1 (D) Calculate the following. **[5]**

(1) Amit, Bina and Chirag share profits in the ratio 5 : 3 : 2. Chirag retires and Amit and Bina decide to share future profits in the ratio 3 : 2. Calculate their gain ratio.

(2) A bill of ₹48,000 falling due on 30th November, 2026 is retired by the drawee on 31st August, 2026. Rebate is allowed at 10% p.a. Calculate the amount of rebate.

(3) Stock of stationery on 1st April, 2025 ₹1,200; amount paid for stationery during the year ₹6,500; stock of stationery on 31st March, 2026 ₹900; unpaid bill for stationery on 31st March, 2026 ₹400. Calculate the stationery consumed during the year.

(4) A partner whose share of profit is 1/4 died on 31st July, 2026. The firm's profit for the last year (2025-26) was ₹1,44,000. Books are closed on 31st March. Calculate his share of profit up to the date of death on the basis of the last year's profit.

(5) Net profit of a company was ₹80,000 in 2024-25 and ₹92,000 in 2025-26. Calculate the percentage change for a Comparative Income Statement.

Q.2 Solve any ONE of the following. **[10]**

(A) Nilesh, Omkar and Priya are partners sharing profits and losses in the ratio 4 : 3 : 3. Their Balance Sheet as on 31st March, 2026 was as under:

Balance Sheet of Nilesh, Omkar and Priya as on 31st March, 2026

Liabilities	₹	Assets	₹
Capital Accounts:		Cash at Bank	26,000
Nilesh	1,10,000	Sundry Debtors 60,000 Less: R.D.D. 3,000	57,000
Omkar	80,000	Stock	48,000
Priya	60,000	Furniture	18,000
Sundry Creditors	52,000	Machinery	75,000
Bills Payable	12,000	Premises	80,000
		Profit and Loss A/c (debit balance)	10,000
Total	**3,14,000**	Total	**3,14,000**

Priya retired from the firm on 1st April, 2026 on the following terms:

(1) Premises are to be appreciated by 15% and Machinery is to be depreciated by 10%.

(2) Stock is to be reduced by 5%.

(3) R.D.D. is to be maintained at 8% on Sundry Debtors.

(4) An outstanding electricity bill of ₹1,300, not recorded in the books, is to be provided for.

(5) Goodwill of the firm is valued at ₹60,000. Goodwill Account is to be raised in the books and written off immediately. Nilesh and Omkar will share future profits in the ratio 3 : 2.

(6) Priya is to be paid ₹25,000 by cheque and the balance due to her is to be transferred to her Loan Account.

Prepare: Profit and Loss Adjustment Account, Partners' Capital Accounts and Balance Sheet of the new firm.

OR

(B) Shreya and Tanmay are partners sharing profits and losses in the ratio 5 : 3. Their Balance Sheet as on 31st March, 2026 was as under:

Balance Sheet of Shreya and Tanmay as on 31st March, 2026

Liabilities	₹	Assets	₹
Capital Accounts:		Cash in Hand	12,000
Shreya	80,000	Sundry Debtors	40,000
Tanmay	50,000	Stock	36,000
General Reserve	16,000	Investments	20,000
Sundry Creditors	36,000	Furniture	14,000
		Land and Building	60,000
Total	**1,82,000**	Total	**1,82,000**

On 1st April, 2026 they admitted Uday as a partner for 1/4th share in future profits on the following terms:

(1) Uday is to bring ₹60,000 as his capital. He is unable to bring his share of goodwill in cash. Goodwill of the firm is valued at ₹48,000 and Goodwill Account is to be raised in the books and retained.

(2) Land and Building is to be appreciated by 20%. Stock is to be valued at ₹33,000 and Investments at their market value of ₹18,500.

(3) Bad debts of ₹2,000 are to be written off and R.D.D. is to be created at 5% on the remaining Sundry Debtors.

(4) Furniture is to be depreciated by 10%.

(5) Sundry Creditors include ₹1,000 which is not payable.

(6) The capitals of Shreya and Tanmay are to be adjusted on the basis of Uday's capital in the new profit sharing ratio. Any excess is to be withdrawn or any deficit brought in by them in cash.

Prepare: Profit and Loss Adjustment Account, Partners' Capital Accounts and Balance Sheet of the new firm.

Q.3 Solve any ONE of the following. **[10]**

(A) On 15th February, 2026 Vaishali sold goods worth ₹36,000 to Yogesh. Yogesh paid ₹6,000 in cash immediately and accepted a bill drawn by Vaishali for the balance, payable after 2 months. Vaishali retained the bill with her.

On the due date, Yogesh requested Vaishali to renew the bill. Vaishali agreed on the following terms:

(i) Yogesh paid ₹10,000 in cash along with interest at 15% p.a. for 3 months on the balance amount;

(ii) Yogesh accepted a new bill for the balance amount payable after 3 months.

On 21st June, 2026 Yogesh retired the new bill under a rebate of 12% p.a.

Pass the necessary Journal entries in the books of Vaishali and Yogesh.

OR

(B) Gauri, Hemant and Irfan were partners sharing profits and losses in the ratio 5 : 4 : 1. Their Balance Sheet as on 31st March, 2026 was as under:

Balance Sheet of Gauri, Hemant and Irfan as on 31st March, 2026

Liabilities	₹	Assets	₹
Capital Accounts:		Cash at Bank	6,500
Gauri	50,000	Sundry Debtors	28,000
Hemant	30,000	Stock	34,000
Irfan	1,500	Machinery	45,000
Hemant's Loan	15,000	Furniture	12,000
Sundry Creditors	36,000	Investments	10,000
Bills Payable	9,000	Profit and Loss A/c	6,000
Total	**1,41,500**	Total	**1,41,500**

On the above date the firm was dissolved and the following transactions took place:
(1) Debtors realised ₹25,000, Stock ₹30,000 and Machinery ₹36,000.
(2) Gauri took over the Investments at ₹11,000 and the Furniture at ₹9,000.
(3) Sundry Creditors were paid ₹34,500 in full settlement and Bills Payable were paid in full.
(4) Hemant's Loan was paid in full.
(5) Realisation expenses amounted to ₹2,400.
(6) Irfan became insolvent and only ₹540 could be recovered from his private estate.
Prepare: Realisation Account, Partners' Capital Accounts and Bank Account.

Q.4 Solve any ONE of the following. **[8]**

(A) Godavari Solar Energy Ltd. issued 25,000 Equity Shares of ₹10 each at a premium of ₹3 per share, payable as under:
On Application ₹2; On Allotment ₹6 (including premium ₹3); On First and Final Call ₹5.
Applications were received for 34,000 shares. Applications for 4,000 shares were rejected and their money was refunded. The remaining applicants were allotted 25,000 shares on pro-rata basis, and the excess application money was adjusted towards the amount due on allotment.
All the money due was received. Mrs. Anjali Deshmukh, an allottee of 500 shares, paid the first and final call money along with the allotment money.
Pass the necessary Journal entries in the books of the company.

OR

(B) Answer the following:
(i) Explain the four categories of accounting packages. (4 marks)
(ii) Distinguish between Manual Accounting and Computerised Accounting (any four points). (4 marks)

Q.5 Solve any ONE of the following. **[8]**

(A) From the following information of Indrayani Textiles Ltd., (i) prepare a Comparative Income Statement for the years 2024-25 and 2025-26, taking income tax at 30% of net profit before tax, and (ii) calculate the Operating Ratio and the Operating Profit Ratio for 2025-26.

Particulars	2024-25 ₹	2025-26 ₹
Net Sales	8,00,000	10,00,000
Cost of Goods Sold	5,00,000	6,40,000
Office and Administrative Expenses	80,000	96,000
Selling and Distribution Expenses	60,000	72,000
Non-operating Income (Interest received)	20,000	8,000

OR

(B) Rutuja, Siddharth and Tejas were partners sharing profits and losses in the ratio 3 : 1 : 1. Tejas died on 31st August, 2026. The books are closed on 31st March every year. On 1st April, 2026 Tejas's Capital Account had a credit balance of ₹50,000 and the Reserve Fund stood at ₹25,000. It was agreed that:

(1) Building (book value ₹1,20,000) is to be valued at ₹1,35,000; Machinery (book value ₹40,000) is to be depreciated by 10%; Stock (book value ₹30,000) is to be valued at ₹29,000.

(2) Goodwill of the firm is to be valued at 2½ years' purchase of the average profit of the last four years. Tejas's share is to be adjusted through the capital accounts of Rutuja and Siddharth, who will share future profits in the ratio 3 : 1.

(3) Tejas's share of profit up to the date of death is to be calculated on the basis of the last year's profit.

(4) Tejas was entitled to a salary of ₹2,000 per month and interest on capital at 9% p.a.

Profits of the last four years were: 2022-23 ₹92,000; 2023-24 ₹1,14,000; 2024-25 Loss ₹10,000; 2025-26 ₹1,08,000.

Tejas had withdrawn ₹8,000 up to the date of his death; interest on his drawings is ₹200.

His executor was paid ₹40,000 by cheque on the date of death and the balance was transferred to the Executor's Loan Account.

Prepare: Profit and Loss Adjustment Account, Tejas's Capital Account and Tejas's Executor's Account.

Q.6 Problem on Accounts of 'Not for Profit' Concerns. **[12]**

The following is the Receipts and Payments Account of Dnyandeep Public Library, Kolhapur for the year ended 31st March, 2026:

Dr. Receipts and Payments Account for the year ended 31st March, 2026 Cr.

Receipts	₹	Payments	₹
To Balance b/d: Cash 4,500; Bank 15,500	20,000	By Salary to Librarian	36,000
To Subscriptions:		By Honorarium to Secretary	6,000
2024-25 2,500; 2025-26 54,000; 2026-27 3,500	60,000	By Newspapers and Periodicals	9,500
To Legacy	25,000	By Stationery	4,200
To Government Grant	20,000	By Library Books (purchased on 1st October, 2025)	40,000
To Sale of Old Newspapers	1,800	By Electricity Charges	6,300
To Hall Rent	12,000	By Prizes awarded (out of Prize Fund)	6,000
To Interest on Investments	3,600	By Repairs	2,700
To Donation for Prize Fund	15,000	By Balance c/d: Cash 4,700; Bank 42,000	46,700
Total	**1,57,400**	Total	**1,57,400**

Additional information:

(1) On 1st April, 2025 the Library had: Library Books ₹1,50,000; Furniture ₹30,000; 8% Investments ₹60,000; Stock of Stationery ₹800; Subscriptions outstanding for 2024-25 ₹2,500; Subscriptions received in advance for 2025-26 ₹2,000; Salary outstanding ₹3,000; Cash and Bank as shown above.

(2) Subscriptions outstanding for 2025-26 are ₹4,000.

(3) Salary outstanding on 31st March, 2026 ₹3,500; Hall Rent receivable ₹1,000.

(4) Stock of Stationery on 31st March, 2026 ₹1,000.

(5) Legacy is to be capitalised.

(6) Interest on Investments for the full year is to be taken into account.

(7) Depreciate Library Books by 10% p.a. and Furniture by 10% p.a.

Prepare the Income and Expenditure Account for the year ended 31st March, 2026 and the Balance Sheet as on that date.

Q.7 Problem on Partnership Final Accounts. **[12]**

Prachi, Kunal and Ruchita are partners sharing profits and losses in the ratio 2 : 1 : 1. From the following Trial Balance and adjustments, prepare Trading Account and Profit and Loss Account for the year ended 31st March, 2026 and the Balance Sheet as on that date.

Trial Balance as on 31st March, 2026

Debit Balances	₹	Credit Balances	₹
Opening Stock	56,000	Capital: Prachi	1,20,000
Purchases	2,80,000	Capital: Kunal	80,000
Sales Returns	6,000	Capital: Ruchita	60,000
Wages	22,000	Sales	4,20,000
Carriage Inward	3,000	Purchase Returns	5,000
Salaries	36,000	Sundry Creditors	48,000
Rent (for 10 months)	15,000	Bills Payable	10,000
Insurance	4,800	10% Bank Loan (taken on 1st October, 2025)	30,000
Advertisement	9,000	R.D.D.	3,000
Office Expenses	7,000	Commission Received	4,800
Discount Allowed	1,500		
Bad Debts	2,000		
Sundry Debtors	92,000		
Bills Receivable	12,000		
Furniture	30,000		
Plant and Machinery	1,20,000		
Cash in Hand	5,200		
Cash at Bank	53,300		
Drawings: Prachi	12,000		
Drawings: Kunal	8,000		
Drawings: Ruchita	6,000		
Total	**7,80,800**	Total	**7,80,800**

Adjustments:

(1) Closing Stock is valued at ₹68,000.

(2) Goods worth ₹8,000 were destroyed by fire. The insurance company admitted a claim of ₹5,000, which is not yet received.

(3) Write off further bad debts of ₹2,000 and maintain R.D.D. at 5% on Sundry Debtors.

(4) Depreciate Plant and Machinery by 10% and Furniture by 10%.

(5) Insurance prepaid ₹1,200.

(6) Ruchita is entitled to a commission of 5% on Gross Profit.

All the best for your exam!