PA-1 Sample Paper — Class 12 Accountancy 2026-27 (Ch 1-3)

Question Paper — PA-1 2026-27

This is the first PA-1 practice paper for Class 12 Accountancy, covering Chapter 1, 2 and 3: Accounting for Partnership Firms - Fundamentals, Goodwill and Change in Profit-Sharing Ratio, and Admission of a Partner. Every question is original and every worked answer has been independently re-checked for accuracy.

Periodic Assessment pattern — school pattern se thoda alag ho sakta hai. Each question carries its chapter tag [Ch 1], [Ch 2] or [Ch 3]. If your school's PA-1 covers fewer chapters, simply skip the questions tagged with chapters you have not reached yet.

General Instructions

• Maximum Marks: 25
• Time Allowed: 40 minutes
• Chapter coverage: Ch 1 (Accounting for Partnership Firms: Fundamentals), Ch 2 (Goodwill and Change in Profit-Sharing Ratio), Ch 3 (Admission of a Partner)
• Section A has 5 questions of 1 mark each (MCQ). Section B has 4 questions of 2 marks each. Section C has 3 questions of 3 marks each. Section D has 1 case-based question of 3 marks.
• All workings should be shown clearly wherever required.

Section A — 1 Mark Each (MCQ)

• [Ch 1] In the absence of a partnership deed, interest on a partner's loan to the firm is allowed at:
(a) 5% per annum (b) 6% per annum (c) 8% per annum (d) No interest is allowed

• [Ch 1] In the absence of a partnership deed, partners share profits and losses:
(a) In their capital ratio (b) Equally (c) In the ratio of time devoted to the firm (d) In the ratio of sales made

• [Ch 2] The sacrificing ratio is used to determine:
(a) The new profit-sharing ratio (b) The share of goodwill to be compensated to the sacrificing partners (c) The gaining ratio (d) The capital ratio

• [Ch 2] Goodwill of a firm is classified as a/an:
(a) Fictitious asset (b) Current asset (c) Intangible asset (d) Fixed tangible asset

• [Ch 3] On admission of a new partner, the balance of General Reserve appearing in the old Balance Sheet is transferred to:
(a) The new partner's Capital Account (b) All old partners' Capital Accounts in the old profit-sharing ratio (c) Revaluation Account (d) All partners' Capital Accounts in the new ratio

Section B — 2 Marks Each

• [Ch 1] State two points of difference between the Fixed Capital Method and the Fluctuating Capital Method of maintaining partners' capital accounts.

• [Ch 1] A and B are partners without a partnership deed. A gave a loan of ■50,000 to the firm on 1 April 2025. Calculate the interest on this loan payable by the firm for the year ended 31 March 2026.

• [Ch 2] State any two factors that affect the value of goodwill of a firm.

• [Ch 3] X and Y are partners sharing profits in the ratio 3:2. They admit Z, giving him a 1/5 share of profits, which he acquires equally from X and Y. Calculate the new profit-sharing ratio of X, Y and Z.

Section C — 3 Marks Each

• [Ch 1] A and B are partners sharing profits and losses equally. Their capitals are A ■2,00,000 and B ■1,00,000. Interest on capital is allowed at 6% per annum. The net profit for the year, before allowing interest on capital, is ■90,000. Prepare the Profit and Loss Appropriation Account for the year.

• [Ch 2] The profits of a firm for the last three years were: Year 1 ■40,000; Year 2 ■50,000; Year 3 ■60,000. Goodwill is to be valued at 2 years' purchase of the average profit of the last three years. Calculate the value of goodwill.

• [Ch 3] A and B share profits in the ratio 3:2. On admission of a new partner, the following revaluations are agreed: Building appreciated by ■20,000; Stock reduced by ■5,000; Provision for doubtful debts increased by ■3,000. Pass the necessary journal entries to record the revaluation and show how the net gain or loss on revaluation is shared between A and B.

Section D — Case/Application (3 Marks)

• [Ch 3] R and S are partners sharing profits in the ratio 2:1. They admit T for a 1/4 share in future profits. T brings in ■40,000 as capital and ■9,000 in cash as his share of goodwill, which is credited to R and S in their sacrificing ratio (T acquires his share proportionately from both partners, so the sacrificing ratio equals the old ratio).
(a) Calculate the sacrificing ratio of R and S. (1 mark)
(b) Pass the journal entries for the amount brought in by T, including the treatment of goodwill. (1 mark)
(c) State the new profit-sharing ratio of R, S and T. (1 mark)