

PA 1 Sample Paper Class 12 Accountancy 2026-27 (Ch 1-3) Set 2 with Answer Key

Class 12 Accountancy · PA 1 (Periodic Assessment) · 2026-27 · Chapters 1-3 · Set 2 · Maximum Marks 25 · Time 40 minutes

This PA 1 (Periodic Assessment) sample paper for CBSE Class 12 Accountancy 2026-27 covers the first three chapters of Part A: Accounting for Not-for-Profit Organisation (Ch 1), Accounting for Partnership Firms — Fundamentals (Ch 2), and Goodwill: Nature and Valuation / Change in Profit-Sharing Ratio (Ch 3). Max Marks: 25. Time: 40 minutes. Periodic Assessment pattern — school pattern se thoda alag ho sakta hai; check your own school's PA-1 circular for exact chapter coverage. Every question below carries a [Ch N] tag so you can skip questions from a chapter your school hasn't covered yet.

Paper Structure

Section A — 5 × 1 mark MCQs. Section B — 4 × 2 marks Very Short Answer. Section C — 3 × 3 marks Short Answer. Section D — 1 × 3 marks Case/Application question. Total: 25 marks.

Section A — MCQs (1 mark each)

- Q1. [Ch 1] Subscription received in advance by a Not-for-Profit Organisation is shown in the Balance Sheet as:
(a) an asset (b) a liability (c) part of Capital Fund (d) income for the year
- Q2. [Ch 1] Unless stated otherwise, Entrance Fees received by a club is treated as a:
(a) capital receipt (b) revenue receipt, credited to Income and Expenditure A/c (c) liability (d) fixed asset
- Q3. [Ch 2] In the absence of a partnership deed, partners are entitled to interest on capital at:
(a) 6% p.a. (b) nil (c) 8% p.a. (d) 12% p.a.
- Q4. [Ch 2] Interest on a partner's drawings is:
(a) debited to the Profit and Loss Appropriation Account (b) credited to the Profit and Loss Appropriation Account (c) ignored unless the deed is silent (d) credited to the Profit and Loss Account
- Q5. [Ch 3] A firm's goodwill is valued at 2 years' purchase of average profits. If the average profit is ₹1,20,000, the value of goodwill is:
(a) ₹1,20,000 (b) ₹2,40,000 (c) ₹60,000 (d) ₹3,60,000

Section B — Very Short Answer (2 marks each)

- Q6. [Ch 1] A sports club's Receipts and Payments Account shows sports material purchased during the year as ₹40,000. The opening stock of sports material was ₹8,000 and the closing stock was ₹12,000. Calculate the amount to be shown as an expense in the Income and Expenditure Account.
- Q7. [Ch 1] State any two points of difference between a Receipts and Payments Account and an Income and Expenditure Account.
- Q8. [Ch 2] X and Y are partners with fixed capitals of ₹5,00,000 and ₹3,00,000 respectively, sharing profits equally. The deed allows interest on capital @6% p.a. The firm's profit for the year, before charging interest on capital, is only ₹40,000. Calculate the interest on capital that will actually be credited to each partner's account.
- Q9. [Ch 3] State any two circumstances under which a firm may need to value its goodwill.

Section C — Short Answer (3 marks each)

- Q10. [Ch 1] From the following information, calculate the amount of subscription to be credited to the Income and Expenditure Account for the year ended 31 March 2026:
Subscriptions received during the year: ₹1,50,000
Subscriptions outstanding on 31.3.2025: ₹12,000
Subscriptions outstanding on 31.3.2026: ₹18,000
Subscriptions received in advance on 31.3.2025: ₹5,000
Subscriptions received in advance on 31.3.2026: ₹8,000
- Q11. [Ch 2] A, B and C are partners with fixed capitals of ₹2,00,000, ₹1,50,000 and ₹1,00,000 respectively, sharing profits equally. As per the partnership deed, partners are entitled to interest on capital @5% p.a., and B is entitled to a monthly

salary of ₹2,000. The firm's profit for the year, before any appropriations, is ₹1,17,000. Show how the profit will be distributed among the partners (interest on capital, salary, and share of remaining profit for each).

Q12. [Ch 3] P and Q are partners sharing profits in the ratio 3:2. With effect from 1st April 2025, they decide to share profits equally. On that date, the goodwill of the firm is valued at ₹1,00,000. Pass the necessary journal entry to record this change, assuming no goodwill account is to be raised in the books.

Section D — Case/Application (3 marks)

Q13. [Ch 1] Sunrise Welfare Club's Receipts and Payments Account for the year ended 31 March 2026 shows "Payment for Salaries ₹85,000". Additional information: Salaries outstanding on 31.3.2025 were ₹6,000; salaries outstanding on 31.3.2026 were ₹9,000; salaries paid in advance on 31.3.2026 were ₹2,000.

(a) Calculate the salaries expense to be shown in the Income and Expenditure Account. (2 marks)

(b) State whether the outstanding salary on 31.3.2026 will appear as an asset or a liability in the club's Balance Sheet, and why. (1 mark)

Keep Practising

For chapter-level depth before your PA-1, revise Goodwill and Change in Profit-Sharing Ratio and Admission of a Partner notes. Once your school covers the later chapters, these Class 12 Accountancy notes will help too: Analysis of Financial Statements and Accounting Ratios.

Kaizen tip: redo Q10 and Q13 without looking at the key — the subscription/salary adjustment formula is the single most repeated PA-1 and half-yearly question type in Not-for-Profit accounting. Get comfortable with it now and it stops being a trap in the board exam.