ACCOUNTANCY (055)

SAMPLE QUESTION PAPER

Class XII (2025-26)

TIME 3 HOURS **MAX. MARKS 80**

GENERAL INSTRUCTIONS:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Part - **A is compulsory for all candidates**.
4. Part - B has two options i.e. **(i) Analysis of Financial Statements and (ii) Computerised Accounting.** Students must attempt **only one** of the given options.
5. Question 1 to 16 and 27 to 30 carries 1 mark each.
6. Questions 17 to 20, 31and 32 carries **3** marks each.
7. Questions from 21 ,22 and 33 carries **4** marks each
8. Questions from 23 to 26 and 34 carries **6** marks each
9. There is no overall choice. However, an internal choice has been provided in 7 questions of **one mark**, 2 questions of **three marks**, 1 question of **four marks** and 2 questions of **six marks.**

Part - A

S.No.		Marks
	Part A :- Accounting for Partnership Firms and Companies	
1.	A partner's capital account was credited with ₹80,000 during the year. Which of the following can be the possibility for such a credit in his capital account? **A.** Opening Balance **B.** Drawings during the year **C.** Loss during the year **D.** Capital introduced **OR** Assertion (A) :- Fluctuating Capital Account can show debit balance. Reason (R) :- Losses and Drawings can be more than Capital Balance. **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.** Both A and R are incorrect.	**1**
2.	On 1st July, 2024, A, B and C entered into partnership sharing Profits & Losses in the ratio 5:3:2. C was guaranteed that his share of profits will not be less than ₹ 60,000 p.a. Deficiency if any will be borne by A and B equally. For the year ended March 31, 2025, firm incurred loss of ₹ 1,25,000. Deficiency will be borne by A and B will be: **A.** A ₹ 30,000 and B ₹ 30,000 **B.** A ₹ 43,750 and B ₹ 26,250 **C.** A ₹ 42,500 and B ₹ 42,500 **D.** A ₹ 35,000 and B ₹ 35,000	**1**
3.	Pali Limited offered 2,00,000 shares of ₹ 10 each at a premium of ₹ 2 per share. Applications were received for 1,95,000 shares, which were duly allotted. The amount was payable as ₹3 on Application (including ₹1 premium), ₹ 6 on Allotment (including ₹1 premium) and balance on call. Manoj, holding 6,000 shares failed to pay allotment money and his shares were	**1**

immediately forfeited. Out of the forfeited shares, 4,000 shares were re-issued @ ₹ 11 per share as fully paid up. The amount of Capital Reserve will be:

A. ₹ 16,000	**B.** ₹ 12,000	**C.** ₹ 8,000	**D.** ₹ 18,000

OR

Prafful Limited forfeited 15,000 shares of ₹ 20 each on which ₹ 8 (including ₹ 2 premium) was paid. Out of these 13,000 shares were re-issued @ ₹ 19 per share as fully paid up. Determine the amount of Share Forfeited balance.

A. ₹ 90,000	**B.** ₹ 91,000	**C.** ₹ 12,000	**D.** ₹ 16,000

4. Pista Ltd. took over running business of Vista Ltd. comprising of Assets of ₹ 45,00,000 and Liabilities of ₹ 7,50,000 and in consideration issued them 30,000, 9% debentures of ₹ 100 each at 5% discount and a cheque of ₹ 10,00,000. Determine the amount of Goodwill or Capital Reserve. **1**

A. Goodwill ₹ 9,00,000	**B.** Capital Reserve ₹ 9,00,000
C. Goodwill ₹ 1,00,000	**D.** Capital Reserve ₹ 1,00,000

OR

Dawn Ltd. purchased Equipment and paid ₹ 2,20,000 by cheque and issued 16,000 equity shares of ₹ 10 each at 25% premium. The purchase consideration will be:

A. ₹ 3,40,000	**B.** ₹ 4,20,000	**C.** ₹ 3,80,000	**D.** ₹ 2,00,000

5. Bala and Lala were partners in a firm with Capitals of ₹ 24,00,000 and 16,00,000. They admitted Mala as a new partner for 1/3 share for which Mala brings ₹ 20,00,000 as capital. There was Investment and Investment Fluctuation Reserve appearing in the books of ₹ 2,50,000 and ₹ 50,000 respectively. Bala took over 40% of the Investments at ₹ 80,000 and remaining Investments were valued at ₹ 1,10,000. By what amount Revaluation account will be affected for the above information? **1**

A. Debited ₹ 60,000	**B.** Credited with ₹ 60,000
C. Debited ₹ 10,000	**D.** Credited ₹ 10,000

6. Jai and Veeru were in a partnership sharing Profit &Loss in the ratio 5:3. Their Capitals were ₹ 10,00,000 and ₹ 8,00,000 respectively. The firm was also having reserves of ₹ 7,00,000. Normal rate of return was 10%. Firm made average profits of ₹ 2,30,000 for the year ended March 31, 2025 (after adjustment of loss of machinery of book value of ₹2,00,000 by fire against which insurance claim of ₹1,50,000 was admitted). Value of goodwill as per Capitalisation of super profits will be: **1**

A. ₹ 10,00,000	**B.** ₹ 3,00,000	**C.** ₹ 18,00,000	**D.** Nil.

7. On 1st August, 2024 Tom, Jerry and Tyke entered into partnership with capitals of ₹5,00,000 each. Interest on Drawings was to be charged @ 6% p.a. For the year ended March 31, 2025, Tyke withdrew ₹ 80,000. What amount of Interest on drawings will be charged from Tyke? **1**

A. ₹ 4,800	**B.** ₹ 1,600	**C.** ₹ 3,200	**D.** ₹ 2,400

8. A, B and C were partners sharing Profits &Losses in the ratio 7:2:1. B died. A took over 1/20 from his share and remaining share was taken over by C. Determine the new Profit sharing Ratio. **1**

A. 4 : 1	**B.** 7 : 1	**C.** 71 : 29	**D.** 3 : 1

OR

X, Y and Z were partners sharing Profit & Losses in the ratio 5:3:2. Y retired, and he gifted half of his share to X and remaining half was taken over equally by X and Z. Determine the new Profit-sharing Ratio.

A. 29 : 11	**B.** 13 : 7	**C.** 1 : 1	**D.** 5 : 2

9.	X, a partner was assigned to look after the dissolution process and was allowed remuneration of ₹ 15,000. Actual realisation expenses amounted to ₹ 20,000, being paid by another partner Y. By what amount Realisation account will be debited for the above-mentioned information? **A.** ₹ 20,000 | **B.** ₹ 35,000 | **C.** ₹ 5,000 | **D.** ₹ 15,000	**1**
10.	Arun and Barun were partners sharing Profits &Losses in the ratio 3:2. They admitted Charan into partnership for 20% share. Charan was to bring proportionate Capital and he brought ₹ 3,50,000 (including ₹ 50,000 for goodwill share) in firm. If adjusted capital of Arun after Revaluation Gain/Loss, Accumulated Profits/Losses and Goodwill treatment was ₹ 8,40,000. What was Barun's Capital after Revaluation Gain/Loss, Accumulated Profits/Losses and Goodwill treatment? **A.** ₹ 5,60,000 | **B.** ₹ 3,60,000 | **C.** ₹ 12,00,000 | **D.** ₹ 6,60,000 **OR** Raghav and Sahil were partners sharing Profit &Loss in the ratio 5:3. Their capital balances were ₹ 7,20,000 and ₹ 2,80,000 respectively. There were balances of General Reserve of ₹ 5,00,000 and Deferred Revenue Expenditure of ₹ 4,00,000 in the books of the firm. They admitted Ojasv into partnership for 20% share for which he brings ₹ 4,00,000 as capital. Determine the goodwill share of Ojasv. **A.** ₹ 5,00,000 | **B.** ₹ 1,00,000 | **C.** ₹ 1,20,000 | **D.** ₹ 60,000	**1**
11.	Building was appearing in the books at ₹ 20,00,000 which was overvalued by 25%. What amount will be shown in the Balance Sheet of a reconstituted firm for building? **A.** ₹ 25,00,000 | **B.** ₹ 16,00,000 | **C.** ₹ 24,00,000 | **D.** ₹ 15,00,000	**1**
	From the given hypothetical situation, answer Q 12 – 14. Floater Ltd. issued 60,000; 8% debentures of ₹ 100 each at 5% Discount and to be redeemed at 10% premium at the end of 5 years. On the date of issue, balance in Securities Premium was ₹ 8,00,000 and Statement of Profit Loss (Dr.) was ₹ 5,00,000.	
12.	Loss on Issue of Debentures is to be written off as ______ out of Securities Premium and ______) out of Statement of Profit and Loss. **A.** ₹ 4,50,000 ; ₹ 4,50,000 | **B.** ₹ 6,00,000 ; ₹ 3,00,000 **C.** ₹ 8,00,000 ; ₹ 1,00,000 | **D.** ₹ 4,00,000 ; ₹ 5,00,000	**1**
13.	After writing off Loss on Issue of Debentures, _______ balance in Statement of Profit and Loss will be ________ **A.** Debit ; ₹ 6,00,000 | **B.** Credit ; ₹ 6,00,000 **C.** Debit ; ₹ 4,00,000 | **D.** Credit ; ₹ 4,00,000	**1**
14.	Premium on Redemption of Debentures account will have a balance of________ to be treated as ______ in the first year. **A.** ₹ 9,00,000 ; Non-Current Liabilities | **B.** ₹ 9,00,000 ; Current Liabilities **C.** ₹ 6,00,000 ; Non-Current Liabilities | **D.** ₹ 6,00,00 ; Current Liabilities	**1**
15.	Arun, Basu and Tarun were partners sharing Profit &Loss in the ratio 5:3:2. Their firm was dissolved on March 31, 2025. On this date following assets and liabilities were appearing in their books of accounts. Building ₹ 2,00,000 ; Furniture ₹ 80,000 ; Stock ₹ 70,000 ; Goodwill ₹ 10,000 ; Debtors ₹ 40,000 ; Cash ₹ 20,000 ; Creditors ₹ 50,000 ; Arun's Loan ₹ 60,000 ; Tarun's Brother Loan ₹ 30,000. Assets realised at for ₹ 3,40,000. Determine the amount of Realisation Gain/Loss.	**1**

	A. Realisation Loss ₹ 80,000	**B.** Realisation Gain ₹ 60,000	
	C. Realisation Loss ₹ 60,000	**D.** No Gain or Loss on Realisation	

16.	John and Sourabh were partners sharing Profit &Loss equally. They decided to share future Profit &Loss in the ratio 3:2. Their manager Arya met with an accident in the office itself and his claim for compensation amounted to ₹. 50,000. The firm had a Workmen Compensation Reserve of ₹. 80,000. Which of the following statement holds true at the time of reconstitution? **A.** ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be distributed amongst partners in old ratio. **B.** ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be distributed amongst partners in new ratio. **C.** ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be credited to Revaluation Account. **D.** ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be carried forward in the books of the firm without any treatment.	**1**
17.	Raju, Rinku and Munni were partners sharing Profits & Losses in the ratio 3:1:1. They admitted Chunni into partnership for 1/5 share. It was decided that Munni will have 1/4 share in future profits. Goodwill of the firm was valued at ₹ 3,20,000 and Chunni was unable to bring anything. Calculate New Ratio, Sacrificing Ratio and journalise for goodwill at the time of admission of Chunni. **OR** Yashasvi, Nitish and Harshit were partners sharing Profit &Loss in the ratio 5:3:2. W.e.f 01 April, 2025, they decided to share future Profit &Loss in the ratio 4:3:2. On the date of reconstitution Goodwill was appearing in the books of ₹ 4,00,000. Goodwill of the firm was valued at ₹ 7,20,000 on the date of reconstitution. Determine gain or sacrifice for each partner and pass necessary entries.	**3**
18.	Hemant and Pankaj were partners sharing Profit & Loss in the ratio of 3:2. The firm was dissolved on March 31, 2024 and the following balances were appearing in the books of the firm. **a.** Hemant's Loan ₹ 80,000 **b.** Ruby's Loan ₹ 50,000 **c.** Creditors ₹ 1,00,000 **d.** Capital Balances after all adjustments – Hemant ₹ 1,60,000 and Pankaj - ₹ 1,40,000 Assets of the firm realised at ₹ 6,00,000. You are required to show the amounts and order of payments as per section 48 of Indian Partnership Act 1932 at the time of Dissolution of the firm.	**3**
19.	On January 01, 2025 Ritu Ltd. Issued ₹ 40,00,000, 8% Debentures of ₹ 100 each at 5% discount to be redeemed at 10% premium at the end of 5 years. Balance in Securities Premium on the date of such issue was of ₹ 2,70,000. Pass entries for Issue of debentures.	**3**
20.	Ankur and Vikram were partners sharing Profits &Losses in the ratio 3:2. They decided to share future Profits & Losses equally. On the date of reconstitution there was Investment Fluctuation Reserve of ₹ 4,00,000 in the books of accounts. Pass entries in the following cases **A.** Value of Investment reduced by ₹ 2,50,000. **B.** Value of Investment increased by ₹ 5,00,000.	**3** **(1+1.5+0.5)**

	C. There was no change in value of investments.	
21.	Sapphire Ltd. Was registered with an authorised capital of ₹ 80,00,000 divided into 4,00,000 shares of ₹ 20 each. Company offered and issued 1,50,000 shares at a premium of ₹ 4 per share payable as ₹ 7 on application (including ₹ 1 premium), ₹ 12 on allotment (including ₹ 2 premium) and balance on first call. Rancho, holding 10,000 shares failed to pay allotment and call money. Another shareholder Sultan holding 5,000 shares failed to pay the call money. All the shares held by Rancho were forfeited and of these 8,000 were reissued at ₹ 22 per share as fully paid. Show Share Capital sub head as it would in the Balance Sheet of Sapphire ltd. along with notes to Account as per the Companies Act 2013.	**4**
22.	Amit, Sumit and Pulkit were partners sharing Profit &Loss in the ratio 5:3:2. Their Capitals were ₹ 8,00,000; ₹ 7,00,000 and ₹ 5,00,000 respectively. According to Partnership Deed:- **(a)** Interest on Capital @ 10% p.a. **(b)** Salary to Amit ₹ 10,000 p.m and Pulkit ₹ 15,000 per quarter. **(c)** Commission to Sumit ₹ 70,000. **(d)** Sumit was being guaranteed that his share of profits will not be less than ₹ 65,000. Deficiency if any will be borne by Amit and Pulkit equally. Ignoring the above terms the profits of ₹ 6,00,000, for the year ended March 31, 2025 were divided equally between partners. You are required to pass necessary adjustment entry. Show your workings clearly.	**4**
23.	Extract of Financial statements of Alexa Ltd are produced below.	**6**

Balance Sheet (Extract)

Equity and Liabilities	Note no.	31-03-25	31-03-24
Shareholders funds		(₹)	(₹)
Equity Share capital	1	2,37,60,000	2,00,00,000
Reserves and Surplus	2	20,00,000	10,00,000

Note No. 1 Share Capital

Authorised Share Capital	31-03-25 (₹)	31-03-24 (₹)
Equity shares of Rs.10 each	-------	-------
Issued Capital	2,37,60,000	2,00,00,000
Subscribed capital (Fully Paid)	2,37,60,000	2,00,00,000

Note No. 2 Reserves and Surplus	31-03-25 (₹)	31-03-24 (₹)
Securities Premium	20,00,000	10,00,000

During the year Alexa ltd. purchased business of Gloria ltd. with assets of Rs.50,00,000 and liabilities of Rs.20,00,000. With regards to the following additional Information:
1) During the year 40,000 Equity Shares were issued at a premium of Rs.4 per share for cash.
2) Besides this no shares were issued as sweat equity, bonus or as ESOP or in any other form.

Give journal entries for issue of shares for cash and consideration other than cash. Also, prepare Share Capital A/c and Securities Premium Account in the books of Alexa ltd.

24.	Alok, Deepak and Manish were partners sharing Profit &Loss in the ratio 5:3:2. Deepak retired	**6**

	on March 31, 2025. On this date his dues after all adjustments related to Revaluation Gain/Loss, Accumulated Profits/Losses and Goodwill treatment came out to be ₹ 6,40,000. He was paid ₹ 40,000 through Furniture on retirement and it was agreed to pay balance in three equal annual instalments together with interest as per the rate permissible by act, in the absence of any agreement. First instalment being paid on March 31, 2026. You are required to pass entry for immediate payment to Deepak on retirement and prepare Deepak's Loan Account till it is finally closed.	
25.	Dhwani and Iknoor were partners sharing Profits & Losses in the ratio 3:2. Their Balance Sheet on March 31, 2025 was as follows	**6**

Liabilities	Amount (₹)	Assets	Amount (₹)
Dhwani's Capital	2,40,000	Cash in Hand	50,000
Iknoor's Capital	2,60,000	Building	3,00,000
Investment Fluctuation Reserve	50,000	Debtors 80,000 (-) Prov for Doubtful Debts (8,000)	72,000
Employee Provident Fund	50,000		
General Reserve	60,000	Stock	88,000
Creditors	40,000	Accrued Income	20,000
Bills Payable	30,000	Profit and Loss	1,00,000
Bank Overdraft	20,000	Investment	1,20,000
	7,50,000		**7,50,000**

On the above date, they admitted Ishaya into partnership for 25% share. Ishaya brings ₹ 2,50,000 as capital and ₹ 40,000 for goodwill. Goodwill of the firm was valued at ₹ 2,00,000. Following agreements were agreed upon:-

a) Bad Debts amounted to ₹ 5,000 and Provision for doubtful debts to be created at same existing rate.

b) Investments were valued at ₹ 1,00,000.

c) Accrued Income was recovered only of ₹ 14,500 in settlement.

d) Building was overvalued by 20%.

e) Capital of Dhwani and Iknoor were to be adjusted on the basis Ishaya's capital contribution. Necessary adjustment to be done by opening Current Accounts.

You are required to prepare Revaluation Account and Partner's Capital Account at the time of admission of partner.

OR

Aman, Barman and Raman were partners sharing Profits & Losses in the ratio 5:3:2. Their Balance Sheet on March 31, 2025 was as follows

Liabilities	Amount (₹)	Assets	Amount (₹)
Aman's Capital	80,000	Bank	30,000
Barman's Capital	70,000	Building	1,00,000
Raman's Capital	50,000	Furniture	60,000
Workmen Compensation Reserve	50,000	Debtors	50,000
Accumulated Depreciation on Building	20,000	Stock	40.000
Profit and Loss	40,000	Prepaid Expenses	20.000
Creditors	25,000	Deferred Revenue Exp.	20.000
Outstanding Expenses	15,000	Goodwill	30.000
	3,50,000		**3,50,000**

	On the above date Barman retired and his share was acquired by Aman and Raman equally. Following agreements were agreed upon:- **a)** Create Provision for doubtful debts @ 10%. **b)** Market value of Building is ₹1,00,000 and Furniture was overvalued by 20%. **c)** Stock was valued at ₹ 55,000. Creditors of ₹ 15,000 took over stock of ₹ 10,000 in settlement of their claims. **d)** Goodwill of the firm was valued at ₹ 80,000. **e)** Prepaid Expenses are worthless and Outstanding Expenses are now ₹20,000. **f)** ₹ 20,000 was immediately paid to Barman on retirement brought in Aman and Raman in ratio 3:2. Prepare Revaluation Account and Partner's Capital Account at the time of retirement of partner.	
26.	Space Ventures Limited was registered with an authorised capital of ₹ 20,00,000 divided into 2,00,000 shares of ₹ 10 each. The company offered 80,000 shares for public subscription payable ₹ 4 on application and ₹ 7 on allotment (including ₹ 1 premium). Public had applied for 1,10,000 shares and pro-rata allotment was made in the ratio of 5:4. Remaining applications were rejected. Mukta, holding 6,000 shares failed to pay allotment money. Her shares were being forfeited and later re-issued 4,000 shares at a discount of ₹ 2 per share. Pass necessary entries in the books of Space Ventures Ltd. **OR** Chitinoor Ltd. invited applications for 2,00,000 shares of ₹ 10 each payable ₹ 3 on application, ₹ 5 on allotment (including ₹ 1 premium) and balance on call. Applications were received for 3,00,000 shares out of which 20% applications were rejected and remaining were allotted on pro-rata basis. Rohan, an applicant of 12,000 shares failed to pay allotment money and Mohan holding 8,000 shares paid the entire money along with allotment. Subsequently the call was made, all the money was duly received except from Rohan. Later on, company issued a notice to Rohan to pay the balance in 15 days failing which his shares would be forfeited. Rohan cleared his dues within the stipulated time period. Journalise.	**6**
	Part B :- Analysis of Financial Statements **(Option – I)**	
27.	A company had following balances in their books of Accounts	**1**

	31 March, 2025	31 March, 2024
Raw Material	40,000	30,000
Work in Progress	1,00,000	1,40,000
Finished Goods	70,000	1,00,000
Stock in Trade	2,00,000	1,20,000

Determine the amount of Change in Inventories to be shown in Statement of Profit and Loss Account.

A. ₹ 20,000	**B.** ₹ (20,000)	**C.** ₹ (10,000)	**D.** ₹ 10,000

28.	Inventory Turnover Ratio of company was 5 times. The firm had Revenue from operations of ₹ 5,00,000 and Gross Profit was 25% of Cost of Revenue from Operations. Determine the amount of Opening Inventory if Closing Inventory was ₹ 60,000.	**1**

A. ₹ 80,000	**B.** ₹ 60,000	**C.** ₹ 1,00,000	**D.** ₹ 50,000

OR

Assertion (A) :- Gross Profit Ratio is always higher than Net Profit Ratio.

Reason (R) :- To calculate Net Profit, Indirect Expenses are subtracted from Gross Profit and Indirect Incomes are added to Gross Profit.

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

29. Proposed Dividend for the year ended March 31, 2025 and March 31, 2024 were ₹ 2,50,000 and ₹ 2,00,000 respectively. Shareholders finalised the dividend amount at ₹ 1,80,000 during the year ended March 31, 2025 in AGM held in June-July 2024. Unclaimed dividend as at March 31, 2025 was ₹ 10,000. **1**

Choose the correct option while preparing Cash Flow Statement for the year ended March 31, 2025:

A.	Proposed Dividend added in Net Profit after tax will be ₹ 2,00,000 and outflow of Dividend paid in financing activities will be ₹ 1,90,000.
B.	Proposed Dividend added in Net Profit after tax will be ₹ 2,50,000 and outflow of Dividend paid in financing activities will be ₹ 2,00,000.
C.	Proposed Dividend added in Net Profit after tax will be ₹ 1,80,000 and outflow of Dividend paid in financing activities will be ₹ 1,90,000.
D.	Proposed Dividend added in Net Profit after tax will be ₹ 1,80,000 and outflow of Dividend paid in financing activities will be ₹ 1,70,000.

OR

Provision for Tax for the year ended March 31, 2025 and 31 March 2024 were ₹ 3,00,000 and ₹ 2,80,000 respectively. During the year Tax paid was ₹ 2,50,000. Determine the amount of Tax proposed during the year by the firm.

A. ₹ 3,00,000	**B.** ₹ 2,30,000	**C.** ₹ 2,80,000	**D.** ₹ 2,70,000

30. Which of the following is cash flow from Operating activities for a finance company: **1**

A. Conversion of debentures into shares	**B.** Dividend received
C. Building purchased	**D.** Dividend paid

31. Complete the following Comparative Balance Sheet as at March 31, 2024 and Match 31, 2025 **3**

PARTICULARS	31st March 2024	31st March, 2025	Absolute Change	Percentage Change
Shareholders' Funds	6,00,000	??	3,00,000	??
Non-current Liabilities	3,00,000	??	NIL	??
Current Liabilities	??	3,00,000	2,00,000	??
TOTAL	**??**	**??**	**??**	**??**
Non-current Assets	7,00,000	??	??	50
Current Assets	??	??	??	??
TOTAL	**??**	**??**	**??**	**??**

OR

Prepare Common Size Statement of Profit and Loss for the year ended March 31, 2025

PARTICULARS	31st March, 2025
Revenue from Operations	40,00,000
Other Expenses	4,00,000
Other Income	6,00,000
Employee Benefit Expenses	8,00,000
Purchases of Stock in Trade	10,00,000
Change in Inventory	(2,00,000)

	Tax Rate 50 %		

32.	**(i)** Give two examples of Inventory except Raw Materials, Work in Progress, Finished Goods and Stock in Trade. **(ii)** Where will you disclose the amount of loss on issue of debentures written off out of Statement of Profit and Loss? **(iii)** Where will you disclose Purchase of Raw Materials in Financial Statement of Company?	**3**
33.	Quick Ratio of Roxy Traders is 0.8 : 1. State with reasons whether the following transactions will increase , decrease or will have no change on the ratio **a)** Goods purchased on Credit **b)** Outstanding Expenses paid **c)** Sale of Fixed Assets a 20% loss **d)** Issue of Debentures at Premium to Vendors **OR** From the following information, calculate Trade Receivables Turnover Ratio: Cost of Revenue from Operations (Cost of Goods Sold) : Rs. 6,00,000 Gross Profit on Cost : 25% Cash Sales: 20% of Total Sales Opening Debtors: Rs. 1,00,000 Closing Debtors : Rs. 2,00,000. Provision for Doubtful Debts: Opening Rs. 10,000 and Closing Rs.20,000.	**4**
34.	Extracts of the Balance Sheets of M/s Agrawal Ltd. as on 31st March,2024 and 31st March 2025alonwith additional information are given below. You are required to calculate: (i) Operating profit before changes in working capital. (ii) Cash Flows from Financing Activities.	**6**

	31.03.2025	**31.03.2024**
Equity Share Capital	12,00,000	9,00,000
10% Preference Share Capital	4,00,000	5,00,000
Cash Credit	2,50,000	1,00,000
Profit and Loss (Cr.)	8,00,000	6,00,000
12% Debentures	4,00,000	3,00,000
Bank overdraft	1,00,000	75,000
Outstanding Interest on Debentures	3,000	--------

Additional Information:

a) New equity shares and debentures were issued on last day the current accounting year ended 31st March, 2025. Debentures were issued at a discount of 5% which was written off at the end of the year.

b) Dividend on preference shares and interim dividend @ 15% were paid on equity shares on 31st March, 2025

c) Preference Shares were redeemed on 1st April, 2025 at a premium of 5%. The premium was provided out of profits.

Part B :- Computerised Accounting
(Option – II)

27.	A 'legend' can be repositioned on the chart: (A) On the right side only (B) On the left side only (C) On the bottom of x-axis (D) Anywhere	**1**

	OR The need for codification is for: (A) the generation of mnemonic codes (B) securing the accounting reports (C) easy processing of data and keeping records (D) the encryption of data	
28.	To see all available shape styles of a chart, which of the following buttons is clicked? (A) More (B) Chart tool (C) Picture (D) Custom	**1**
29.	Which of the following is not an advantage of computerised accounting system? (A) Timely generation of reports in desired format (B) Ensures effective control over the system (C) Faster obsolescence of technology (D) Confidentiality of data is maintained	**1**
30.	A sequential code refers to code applied to some documents where: (A) Account heads are assigned to documents (B) Numbers and letters are assigned in consecutive order (C) Special names are given to accounts (D) Documents are arranged in special sequence OR Name the Accounting information sub-system which is linked with other sub-systems for obtaining information about cost and expenses: (A) Cash and Bank sub-system (B) Costing sub-system (C) Expense accounting sub-system (D) Final accounts sub-system	**1**
31.	What is encryption and how is it helpful in CAS?	**3**
32.	State any three limitations of Computerised Accounting System.	**3**
33.	State steps to be taken in preparation of a chart. OR What are the uses of 'Error Alert tab'?	**4**
34.	What is meant by 'Merging a range of cells'? How is it done? State the steps to split a merged cell.	**6**

ACCOUNTANCY (055)

Marking Scheme

Class XII (2025-26)

No.	Question	Marks
	Part A – Partnership and Company Accounts	
1.	**D.** Capital introduced OR A. Both A and R are correct, and R is the correct explanation of A	**1**
2.	D. A ₹ 35,000 and B ₹ 35,000	**1**
3.	**C.** ₹ 8,000 OR C ₹ 12,000	**1**
4.	C. Goodwill ₹ 1,00,000 OR **B.** Rs. 4,20,000	**1**
5.	**C.** Debited ₹ 10,000	**1**
6.	B . ₹ 3,00,000	**1**
7.	**B.** ₹ 1,600	**1**
8.	**D.** 3 : 1 OR **A.** 29 : 11	**1**
9.	**B.** ₹ 35,000	**1**
10.	B ₹ 3,60,000 OR **B.** ₹ 1,00,000	**1**
11.	**B.** ₹ 16,00,000	**1**
12.	**C.** ₹ 8,00,000 ; ₹ 1,00,000	**1**
13.	**A.** Debit ; ₹ 6,00,000	**1**
14.	**C.** ₹ 6,00,000 ; Non-Current Liabilities	**1**
15.	**C.** Realisation Loss ₹ 60,000	**1**
16.	**A.** ₹ 50,000 will be provided as workmen claim out of Workmen Compensation Reserve and balance ₹ 30,000 will be distributed amongst partners in old ratio.	**1**
17.	Let total share be 1 Chunni share = 1/5 Remaining share = 4/5 Munni share = 1/4 Remaining share = 4/5 – 1/4 = 11/20 Raju share = 11/20 x 3/4 = 33/80 Rinku share = 11/20 x 1/4 = 11/80 New Ratio = 33/80 : 11/80 : 1/4 : 1/5 = 33 : 11 : 20 : 16 Sacrificing Ratio = 3 : 1 (Raju and Rinku) Gain to Munni = 1/20 **Journal**	**3**

Date	Particulars	Debit	Credit

(i)	Chunni's Current A/c Dr. Munni's Capital A/c Dr. To Raju's Capital A/c To Rinku's Capital A/c (Being adjustment entry passed for goodwill)	64,000 16,000	 60,000 20,000

OR

Yashasvi's Gain/sacrifice = 5/10 – 4/9 = 5/90 - Sacrifice,
Nitish's Gain/sacrifice = 3/10 – 3/9 = (-) 3/90 - Gain and
Harshit's Gain/sacrifice = 2/10 – 2/9 = (-) 2/90 – Gain

Journal

Date	Particulars	Debit	Credit
(i)	Yashasvi's Capital A/c Dr. Nitish's Capital A/c Dr. Harshit's Capital A/c Dr. To Goodwill A/c (Being existing goodwill written off)	2,00,000 1,20,000 80,000	 4,00,000
(ii)	Nitish's Capital A/c Dr. Harshit's Capital A/c Dr. To Yashasvi's Capital A/c Being adjustment entry passed for goodwill)	24,000 16,000	 40,000

18. First: - Rs.1,00,000 paid to Creditors and Rs.50,000 paid to Ruby respectively.
Second:- Rs.80,000 paid to Hemant next
Third:- Capital Balances of Hemant and Pankaj Rs.1,60,000 and Rs.1,40,000 paid to partners along with Surplus of Rs.70,000 paid to partners Hemant and Pankaj as Rs.42,000 and Rs.28,000 i.e. in profit sharing ratio. **3**

19. **Journal** **3**

Date	Particulars	Debit	Credit
Jan. 01 2025	Bank A/c Dr. To Debentures Application and Allotment A/c (Being application and allotment money received for debentures)	38,00,000	 38,00,000
Jan. 01 2025	Debentures Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 8% Debentures A/c To Premium on Redemption of Debentures A/c (Being Issued ₹ 40,00,000, 8% Debentures of ₹ 100 each at 5% discount to be redeemed at 10% premium)	38,00,000 6,00,000	 40,00,000 4,00,000

20. **Journal** **3**

Date	Particulars	Debit	Credit
A	Investment Fluctuation Reserve A/c Dr. To Investment A/c To Ankur's Capital A/c To Vikram's Capital A/c (Being decline in the value of Investment credited to Investment A/c and remaining reserve credited to old partners.)	4,00,000	 2,50,000 90,000 60,000
B	Investment Fluctuation Reserve A/c Dr. To Ankur's Capital A/c To Vikram's Capital A/c	4,00,000	 2,40,000 1,60,000

	(Being reserve credited to old partners.)		
	Investment A/c Dr. To Revaluation A/c (Being investment value increased)	5,00,000	 5,00,000
	Revaluation A/ c Dr. To Ankur's Capital A/c To Vikram's Capital A/c (Being profit on revaluation distributed among partners)	5,00,000	 3,00,000 2,00,000
C	Investment Fluctuation Reserve A/c Dr. To Ankur's Capital A/c To Vikram's Capital A/c (Being reserve credited to old partners.)	4,00,000	 2,40,000 1,60,000

21. **Balance Sheet (extract)** **4**

Particulars	Note No.	Current Year	Previous Year
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	29,52,000	----

Notes to Accounts

Note No.			
1	**Share Capital**		Amount
	Authorised Share Capital (4,00,000 Equity shares @ ₹20 each)		80,00,000
	Issued Share Capital (1,50,000 Equity shares @ ₹20 each)		30,00,000
	Subscribed Share Capital		
	Subscribed and Fully Paid up (1,43,000 Equity shares @ ₹20 each)		28,60,000
	Subscribed but not Fully Paid up 5,000 shares @ ₹20 each (-) Calls in Arrears Add: Share Forfeiture A/c	 1,00,000 (20,000)	 80,000 12,000
			<u>29,52,000</u>

22. **Journal** **4**

Date	Particulars	Debit	Credit
Mar. 31 2025	Pulkit's Capital A/c Dr. To Amit's Capital A/c To Sumit's Capital A/c (Being adjustment entry passed for omission)	70,000	 65,000 5,000

Working Notes

Particulars	Amit		Sumit		Pulkit		Firm	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Profits wrongly shared	2,00,000		2,00,000		2,00,000			6,00,000
IOC omitted		80,000		70,000		50,000	2,00,000	
Salary omitted		1,20,000				60,000	1,80,000	

Commission				70,000			70,000	
Profits to be shared		75,000		45,000		30,000	1,50,000	
Guarantee effect	10,000			20,000	10,000			
	2,10,000	**2,75,000**	**2,00,000**	**2,05,000**	**2,10,000**	**1,40,000**	**6,00,000**	**6,00,000**
	65,000 (Cr.)		**5,000 (Cr.)**		**70,000 (Dr.)**			

23. **Journal** **6**

Date	Particulars	Debit	Credit
	Bank A/c Dr. To Equity Share Application and Allotment A/c (Being application money including premium received))	5,60,000	 5,60,000
	Equity share application and allotment A/c Dr. To Equity Share Capital A/c To Securities Premium A/c (Being Shares issued at premium)	5,60,000	 4,00,000 1,60,000
	Assets A/c Dr. Goodwill A/c Dr. To Liabilities A/c To Gloria ltd. A/c (Being business taken over and goodwill recorded)	50,00,000 12,00,000	 20,00,000 42,00,000
	Gloria ltd. A/c Dr. To Equity Share Capital A/c To Securities Premium A/c (Being Purchase consideration paid to Gloria ltd.)	42,00,000	 33,60,000 8,40,000

Dr. **Equity Share Capital A/c** **Cr.**

Date	Particulars	Amount	Date	Particulars	Amount
	To Balance C/d	2,37,60,000		By Balance b/d By Equity share application and allotment A/c By Gloria Ltd. A/c	2,00,00,000 4,00,000 33,60,000
		2,37,60,000			2,37,60,000

Dr. **Securities Premium A/c** **Cr.**

Date	Particulars	Amount	Date	Particulars	Amount
	To Balance C/d	20,00,000		By Balance b/d By Equity share application and allotment A/c By Gloria Ltd. A/c	10,00,000 1,60,000 8,40,000
		20,00,000			20,00,000

24. **Journal** **6**

Date	Particulars	Debit	Credit
March 31, 2025	Deepak's Capital A/c Dr. To Furniture A/c To Deepak's Loan A/c (Being Deepak's Capital account settled)	6,40,000	 40,000 6,00,000

Dr. **Deepak's Loan A/c** Cr.

Date	Particulars	Amount	Date	Particulars	Amount
Mar. 31 2026	Bank A/c Balance c/d	2,36,000 4,00,000	Apr.01, 2025 Mar. 31, 2026	Deepak's Capital A/c Interest A/c	6,00,000 36,000
		6,36,000			**6,36,000**
Mar. 31 2027	Bank A/c Balance c/d	2,24,000 2,00,000	Apr.01, 2026 Mar. 31, 2027	Balance b/d Interest A/c	4,00,000 24,000
		4,24,000			**4,24,000**
Mar. 31 2028	Bank A/c	2,12,000	Apr.01, 2027 Mar. 31, 2028	Balance b/d Interest A/c	2,00,000 12,000
		2,12,000			**2,12,000**

25. Dr. **Revaluation Account** Cr. **6**

Particulars	Amount	Particulars	Amount
Prov. For Doubtful Debts	4,500	Revaluation (Loss)	
Accrued Income	5,500	Dhwani's Capital	36,000
Building	50,000	Iknoor's Capital	24,000
	60,000		**60,000**

Dr. **Partner Capital Account** Cr.

Particulars	Dhwani	Iknoor	Ishaya	Particulars	Dhwani	Iknoor	Ishaya
Rev. Loss	36,000	24,000		Balance b/d	2,40,000	2,60,000	
P&L	60,000	40,000		Inv. Fluct. Res.	18,000	12,000	
				Gen. Res.	36,000	24,000	
				Cash A/c			2,50,000
				Prem. for goodwill	24,000	16,000	
Balance c/d	2,28,000	2,52,000	2,50,000	Ishaya's Current	6,000	4,000	
	3,24,000	**3,16,000**	**2,50,000**		**3,24,000**	**3,16,000**	**2,50,000**
				Balance b/d	2,28,000	2,52,000	2,50,000
Balance c/d	4,50,000	3,00,000	2,50,000	Dhwani's Current	2,22,000		
				Iknoor's Current		48,000	
	4,50,000	**3,00,000**	**2,50,000**		**4,50,000**	**3,00,000**	**2,50,000**

OR

Dr. **Revaluation Account** Cr.

Particulars	Amount	Particulars	Amount
Furniture	10,000	Building	20,000
Prepaid Expenses	20.000	Stock	15,000
Prov. For doubtful debts	5,000	Creditors	5,000
Outstanding Expenses	5,000		
	40,000		**40,000**

Dr. **Partner's Capital Account** Cr.

Particulars	Aman	Barman	Raman	Particulars	Aman	Barman	Raman
Def. Rev. Exp.	10,000	6,000	4,000	Balance b/d	80,000	70,000	50,000
Goodwill	15,000	9,000	6,000	WCR	25,000	15,000	10,000
Barman's Cap.	12,000	--	12,000	Profit and Loss	20,000	12,000	8,000
Cash		20,000		Aman's Capital		12,000	
Barman's Loan		86,000		Raman's Capital		12,000	
Bal c/d	1,00,000		54,000	Cash	12,000		8,000

	1,37,000	1,21,000	76,000		1,37,000	1,21,000	76,000

26. **Journal** **6**

Date	Particulars	Debit	Credit
I.	Bank A/c Dr.	4,40,000	
	To Share Application A/c		4,40,000
	(Being application amount received for 1,10,000 shares)		
II.	Share Application A/c Dr.	4,40,000	
	To Share Capital A/c		3,20,000
	To Share Allotment A/c		80,000
	To Bank A/c		40,000
	(Being application money adjusted and surplus money refunded)		
III.	Share Allotment A/c Dr.	5,60,000	
	To Share Capital A/c		4,80,000
	To Securities Premium A/c		80,000
	(Being allotment amount due)		
IV.	Bank A/c Dr.	4,44,000	
	Calls in Arrears A/c Dr.	36,000	
	To Share Allotment A/c		4,80,000
	(Being allotment money received and unpaid amount transferred to Call in arrears)		
V.	Share Capital A/c Dr.	60,000	
	Securities Premium A/c Dr.	6,000	
	To Share Forfeited A/c		30,000
	To Calls in Arrears A/c		36,000
	(Being shares forfeited)		
VI.	Bank A/c Dr.	32,000	
	Share Forfeited A/c Dr.	8,000	
	To Share Capital A/c		40,000
	(Being shares reissued)		
VII.	Share Forfeited A/c Dr.	12,000	
	To Capital Reserve A/c		12,000
	(Being gain on reissue transferred to Capital Reserve)		

OR

Journal

Date	Particulars	Debit	Credit
I.	Bank A/c Dr.	9,00,000	
	To Share Application A/c		9,00,000
	(Being application amount received for 3,00,000 shares)		
II.	Share Application A/c Dr.	9,00,000	
	To Share Capital A/c		6,00,000
	To Share Allotment A/c		1,20,000
	To Bank A/c		1,80,000
	(Being application money adjusted and surplus money refunded)		
III.	Share Allotment A/c Dr.	10,00,000	
	To Share Capital A/c		8,00,000
	To Securities Premium A/c		2,00,000

	(Being allotment amount due)		
IV.	Bank A/c Dr. Calls in Arrears A/c Dr. To Share Allotment A/c To Calls in advance A/c (Being allotment money received with calls in advance and unpaid amount transferred to Call advance and calls in arrears A/c)	8,60,000 44,000	 8,80,000 24,000
V.	Share First Call A/c Dr. To Share Capital A/c (Being Call money due)	6,00,000	 6,00,000
VI.	Bank A/c Dr. Calls in Advance A/c Dr. Calls in Arrears A/c Dr. To Share First Call A/c (Being Call money received except on 10,000 shares and advance adjusted)	5,46,000 24,000 30,000	 6,00,000
VII.	Bank A/c Dr. To Calls in Arrears A/c (Being Calls in arrears received)	74,000	 74,000

Part B – Analysis of Financial Statements

Option – I

27.	**C.** ₹ (10,000)	**1**
28.	**C.** ₹ 1,00,000 OR **D.** A is incorrect but R is correct	**1**
29.	**D.** Proposed Dividend added in Net Profit after tax will be ₹ 1,80,000 and outflow of Dividend paid in financing activities will be ₹ 1,70,000. OR **D.** ₹ 2,70,000	**1**
30.	**B.** Dividend rece ived	**1**
31.	Comparative Balance Sheet as at March 31, 2024 and Match 31, 2025	**3**

PARTICULARS	31st March 2024	31st March, 2025	Absolute Change	Percentage Change
Shareholders' Funds	6,00,000	**9,00,000**	3.00.000	**50**
Non-current Liabilities	3,00,000	**3,00,000**	NIL	**--**
Current Liabilities	**1,00,000**	3,00,000	2,00,000	**200**
TOTAL	**10,00,000**	**15,00,000**	**5,00,000**	**50**
Non-current Assets	7,00,000	**10,50,000**	**3,50,000**	50
Current Assets	**3,00,000**	**4,50,000**	**1,50,000**	**50**
TOTAL	**10,00,000**	**15,00,000**	**5,00,000**	**50**

OR

Common Size Statement of Profit and Loss for the year ended March 31, 2025

PARTICULARS	31st March, 2025	Percentage of RFO

Revenue from Operations	40,00,000	100
Other Income	6,00,000	15
Total Income	**46,00,000**	115
Purchases of Stock in Trade	10,00,000	25
Change in Inventory	(2,00,000)	(5)
Employee Benefit Expenses	8,00,000	20
Other Expenses	4,00,000	10
Total Expenses	**20,00,000**	50
Profit Before Tax	26,00,000	65
Less :- Tax	13,00,000	32.5
Profit after Tax	13,00,000	32.5

32.

(i) Loose Tools, Stores and Spares.

(ii) Finance Cost

(iii) Cost of Material Consumed.

3

33.

a) Ratio will decrease Current Liabilities (Trade Payables) will increase

b) Ratio will decrease as both Quick Assets (Cash) and Current Liabilities (Outstanding Expenses) will decrease.

c) Ratio will increase as Current Assets (Cash and Cash Equivalents) will increase.

d) No change as no impact on Quick Assets and Current Liabilities.

4

OR

Trade Receivables Turnover Ratio = Credit Revenue from Operations / Average Trade Receivables

= 6,00,000/1,50,000 = 4 times

Revenue From Operations Cost of Revenue from Operations + Gross Profit = 6,00,000 + 1,50,000 = 7,50,000

Cash Revenue from Operations = 20% of Revenue From Operations = 20% of 7,50,000 = 1,50,000

Credit Revenue from Operations = Revenue from operations – Cash Revenue from operations = 7,50,000 – 1,50,000 = 6,00,000

Average Trade Receivables = (Opening Trade Rec. + Closing Trade Rec.) / 2 = (1,00,000 + 2,00,000)/2 = 1,50,000

34.

Cash Flow from Operating activities

6

Particulars	**Amount**
Net Profit before tax	**3,75,000**
Non-Operating and non-cash items	
Add: Premium on redemption on preference Shares (5%of 1,00,000)	5,000
Interest on debentures	36,000
Discount on issue of debentures written off	5,000
Operating profit before changes in working Capital	**4,21,000**

Working notes :

Calculation of net profit before tax

	Profit & Loss account balance as at 31st Marc 2025	8,00,000	
	Less Profit and loss account balance as at 31st Marc 2024	(6,00,000)	
		2,00,000	
	Add Dividend paid on preference shares (10% of 4,00,000)	40,000	
	Interim dividend on equity shares (15% of 9,00,000)	1,35,000	
		3,75,000	

Cash flow from Financing activities

Particulars	Amount
Proceeds from issue of equity shares	3,00,000
Redemption of preference shares(1,00,000+5,000)	(1,05,000)
Proceeds from issue of debentures (1,00,000-5,000)	95,000
Increase in Bank overdraft	25,000
Increase in cash Credit	1,50,000
Dividend paid on preference shares	(40,000)
Interim dividend on equity shares	(1,35,000)
Interest on debentures (36,000-3,000)	(33,000)
Net cash from Financing activities	**2,57,000**

	Part B – Computerised Accounting **Option – II**	
27.	(D) Anywhere OR (D) The encryption of data	**1**
28.	(A) More	**1**
29.	(C) Faster obsolescence of technology	**1**
30.	(B) Numbers and letters are assigned in consecutive order OR (B) Costing sub-system	**1**

31.	Encryption is a way to protect data by scrambling it into a code that can only be unlocked with a unique key. It's a vital component of cybersecurity and data privacy protection, and is used to keep sensitive information out of the hands of unauthorized users. Encryption can be used to protect data in a number of ways, including: • At rest: Protecting data on computers or in the cloud • In transit: Protecting data while it's being sent between computers • While being processed: Protecting data while it's being processed	**3**
32.	**<u>1.System failure</u>** The system may crash due to hardware failure, which can disrupt work. This is especially true if there is no backup. **<u>2.High cost of training</u>** New versions of hardware and software require training for staff, which can be costly. **3.Security risks** Computerized accounting systems store sensitive financial data, which can be vulnerable to cyber-attacks, data breaches, and theft.	**3**
33.	Following are the steps prepare a chart: Step – 1: Enter data in a worksheet with proper column and row titles. Step – 2: Create a basic chart using the pattern from the panel available on top of worksheet in Chart groups' option. Step – 3: Change the layout or style of chart. Apply a predefined chart layout. Apply a predefined chart style. Change the layout of chart elements. Change the format of chart elements. Step – 4: Add or remove titles or data labels. Add (Remove) a chart title. Add (Remove) axis titles. Link a title to a worksheet cell. Add (Remove) data labels. Step – 5: Show or hide a legend. Step – 6: Display or hide chart axes or gridlines. Display (hide) primary axes Display (hide) secondary axes Display (hide) gridlines Step – 7: Move (resize) a chart Step – 8: Save a chart OR This tab enables : (a) To display the error alert after invalid data is entered in the box. (b) Enter message allows to type the desired message for user and title for reference purpose. (c) In Style drop-down menu select Information, Warning or Stop as per the severity and accuracy requirement for data where. (i) Information: displays a message but will prevent entry of invalid data. (ii) Warning: displays a warning message but will not prevent entry of invalid data. (iii) Stop: will prevent invalid entry of data.	**4**
34.	**Merging a range of Cells:** Merged cells are a single cell that is created by combining two or more selected cells. The cell reference for a merged cell is the upper-left cell in the original selected range. When two or more adjacent horizontal or vertical cells are merged, the cells become one large cell and displayed across multiple columns or rows. The contents of one appear in the centre of the merged cell. **Steps:**	**6**

	1. Select two or more adjacent cells that we want to merge. 2. On the Home tab, in the Alignment group, click Merge and Centre. **Steps to split a merged cell:** 1. Select the merged cell. 2. When we select a merged cell, the Merge and Centre button also appears selected in the Alignment group on the Home tab. 3. To split the merged cell, click Merge and Centre. The contents of the merged cell will appear in the upper-left cell of the range of split cells.	