CUET 2026 May 21 Accountancy Shift 1

Question Paper (Memory-Based)

Conducted by National Testing Agency (NTA)

General Instructions

- The examination will be conducted in Computer-Based Test (CBT) mode.
- Each question carries +5 marks for correct answer and -1 mark for wrong answer.
- The total number of questions are 50.
- Duration of the exam is 1 hour (60 minutes).

1. A and B are partners sharing profits in the ratio of 3 : 2. C is admitted as a new partner for a $\frac{1}{5}$th share in the profits, which he acquires entirely from A. What will be the new profit-sharing ratio of A, B, and C?

(A) 2 : 2 : 1

(B) 3 : 2 : 1

(C) 12 : 8 : 5

(D) 4 : 3 : 1

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2. X and Y are partners in a firm with capitals of \$60,000 and \$40,000 respectively. Z is admitted as a new partner for a $\frac{1}{4}$th share in profits and brings in \$40,000 as his capital contribution. What is the total value of the Hidden Goodwill of the firm?

(A) \$60,000

(B) \$20,000

(C) \$160,000

(D) \$40,000

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3. A company forfeited 200 equity shares of \$10 each, fully called up, on which application and allotment money of \$6 per share was paid. Out of these, 150 shares were reissued as

fully paid up for \$8 per share. What exact amount must be transferred to the Capital Reserve Account?

(A) \$600

(B) \$900

(C) \$750

(D) \$300

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4. During a financial year, Zenith Ltd. paid \$50,000 as an interim dividend to its equity shareholders. Under which specific activity classification must this transaction be reported within a Cash Flow Statement prepared as per AS-3?

(A) Operating Activities

(B) Investing Activities

(C) Financing Activities

(D) Cash and Cash Equivalents

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5. The financial records of Alpha Ltd. show a Current Ratio of $2.5 : 1$ **and a Quick Ratio of** $1.5 : 1$**. If the total Current Liabilities of the company equal \$40,000, what is the total dollar valuation of the Inventory held by the firm?**

(A) \$40,000

(B) \$60,000

(C) \$100,000

(D) \$20,000

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6. If a company issues debentures as a secondary security to back a primary bank loan, under which classification entry title must these corporate debentures be presented in the Notes to the Balance Sheet?

(A) Secured Loans

(B) Collateral Security

(C) Current Liabilities

(D) Contingent Liabilities

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7. An unrecorded liability of \$5,000 is settled at \$4,500 during the dissolution of a partnership

firm. **Which of the following accounting treatments correctly records this settlement transaction inside the Realisation Account?**

(A) Debiting the Realisation Account with $4,500

(B) Crediting the Realisation Account with $4,500

(C) Debiting the Realisation Account with $5,000

(D) Crediting the Realisation Account with $500

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8. A corporate entity issues 1,000, 9% **Debentures of $100 each at a premium of** 10%. **What is the total annual interest obligation that the company must pay on these debentures?**

(A) $9,000

(B) $9,900

(C) $900

(D) $10,000

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9. Under pro-rata allotment, a company receives applications for 20,000 shares but allots only 10,000 shares to applicants. If a shareholder was allotted 400 shares under this scheme, how many shares did they originally apply for?

(A) 800 shares

(B) 200 shares

(C) 400 shares

(D) 600 shares

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10. If an item titled 'Premium on Redemption of Debentures' is visible inside a corporate balance sheet, under which primary classification category heading must it be presented?

(A) Non-Current Liabilities (Long-term Borrowings)

(B) Reserves and Surplus

(C) Current Liabilities (Other Current Liabilities)

(D) Share Capital
