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Date : 05-Sep-22

12th Standard

Accountancy

Reg.No. :

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Total Marks : 58

Exam Time : 01:00:00 Hrs

58 x 1 = 58

Part A Multiple Choice Question

- 1) Incomplete records are generally maintained by
(a) A company (b) Government (c) Small sized sole trader business (d) Multinational enterprises
- 2) Statement of affairs is a
(a) Statement of income and expenditure (b) Statement of assets and liabilities (c) Summary of cash transactions
(d) Summary of credit transactions
- 3) Opening statement of affairs is usually prepared to find out the
(a) Capital in the beginning of the year (b) Capital at the end of the year (c) Profit made during the year
(d) Loss occurred during the year
- 4) The excess of assets over liabilities is
(a) Loss (b) Cash (c) Capital (d) Profit
- 5) Which of the following items relating to bills payable is transferred to total creditors account?
(a) Opening balance of bills payable (b) Opening balance of bills payable (c) Bills payable accepted during the year
(d) Cash paid for bills payable
- 6) The amount of credit sales can be computed from
(a) Total debtors account (b) Total creditors account (c) Bills receivable account (d) Bills payable account
- 7) Which one of the following statements is not true in relation to incomplete records?
(a) It is an unscientific method of recording transactions (b) Records are maintained only for cash and personal accounts
(c) It is suitable for all types of organisations (d) Tax authorities do not accept
- 8) What is the amount of capital of the proprietor, if his assets are Rs. 85,000 and liabilities are Rs. 21,000?
(a) Rs.85,000 (b) Rs.1,06,000 (c) Rs.21,000 (d) Rs.64,000
- 9) When capital in the beginning is Rs 10,000, drawings during the year is Rs.6,000, profit made during the year is Rs 2,000 and the additional capital introduced is 3,000, find out the amount of capital at the end
(a) 9,000 (b) 11,000 (c) 21,000 (d) 3,000
- 10) Opening balance of debtors: Rs 30,000, cash received:Rs 1,00,000, credit sales: Rs90,000; closing balance of debtors is
(a) Rs.30,000 (b) Rs.1,30,000 (c) Rs.40,000 (d) Rs.20,000
- 11) Receipts and payments account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
- 12) Receipts and payments account records receipts and payments of
(a) Revenue nature only (b) Capital nature only (c) Both revenue and capital nature (d) None of the above
- 13) Balance of receipts and payments account indicates the
(a) Loss incurred during the period (b) Excess of income over expenditure of the period
(c) Total cash payments during the period (d) Cash and bank balance as on the date
- 14) Income and expenditure account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
- 15) Income and Expenditure Account is prepared to find out
(a) Profit or loss (b) Cash and bank balance (c) Surplus or deficit (d) Financial position
- 16) Which of the following should not be recorded in the income and expenditure account?
(a) Sale of old news papers (b) Loss on sale of asset (c) Honorarium paid to the secretary
(d) Sale proceeds of furniture
- 17) Subscription due but not received for the current year is
(a) An asset (b) A liability (c) An expense (d) An item to be ignored
- 18) Legacy is a
(a) Revenue expenditure (b) Capital expenditure (c) Revenue receipt (d) Capital receipt
- 19) Donations received for a specific purpose is
(a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure
- 20) There are 500 members in a club each paying Rs.100 as annual subscription. Subscription due but not received for the current year is Rs.200; Subscription received in advance is Rs.300.Find out the amount of subscription to be shown in the income and expenditure account
(a) Rs.50,000 (b) Rs.50,200 (c) Rs.49,900 (d) Rs.49,800
- 21) In the absence of a partnership deed, profits of the firm will be shared by the partners in
(a) Equal ratio (b) Capital ratio (c) Both (a) and (b) (d) None of these
- 22) In the absence of an agreement among the partners, interest on capital is
(a) Not allowed (b) Allowed at bank rate (c) Allowed @ 5% per annum (d) Allowed @ 6% per annum
- 23) As per the Indian Partnership Act, 1932, the rate of interest allowed on loans advanced by partners is
(a) 8% per annum (b) 12% per annum (c) 5% per annum (d) 6% per annum
- 24) Which of the following is shown in Profit and loss appropriation account?
(a) Office expenses (b) Salary of staff (c) Partners' salary (d) Interest on bank loan
- 25) When fixed capital method is adopted by a partnership firm, which of the following items will appear in capital account?

- (a) Additional capital introduced (b) Interest on capital (c) Interest on drawings (d) Share of profit
- 26) When a partner withdraws regularly a fixed sum of money at the middle of every month, period for which interest is to be calculated on the drawings on an average is
(a) 5.5 months (b) 6 months (c) 12 months (d) 6.5 months
- 27) Which of the following is the incorrect pair?
(a) Interest on drawings – Debited to capital account (b) Interest on capital - Credited to capital account
(c) Interest on loan - Debited to capital account (d) Share of profit - Credited to capital account
- 28) In the absence of an agreement, partners are entitled to
(a) Salary (b) Commission (c) Interest on loan (d) Interest on capital
- 29) Pick the odd one out
(a) Partners share profits and losses equally (b) Interest on partners' capital is allowed at 7% per annum
(c) No salary or remuneration is allowed (d) Interest on loan from partners is allowed at 6% per annum
- 30) Profit after interest on drawings, interest on capital and remuneration is Rs.10,500. Geetha, a partner, is entitled to receive commission @ 5% on profits after charging such commission. Find out commission.
(a) Rs.50 (b) Rs.150 (c) Rs.550 (d) Rs.500
- 31) Which of the following statements is true?
(a) Goodwill is an intangible asset (b) Goodwill is a current asset (c) Goodwill is a fictitious asset
(d) Goodwill cannot be acquired
- 32) Super profit is the difference between
(a) Capital employed and average profit (b) Assets and liabilities (c) Average profit and normal profit
(d) Current year's profit and average profit
- 33) The average rate of return of similar concerns is considered as
(a) Average profit (b) Normal rate of return (c) Expected rate of return (d) None of these
- 34) Which of the following is true?
(a) Super profit = Total profit / number of years (b) Super profit = Weighted profit / number of years
(c) Super profit = Average profit – Normal profit (d) Super profit = Average profit x Years of purchase
- 35) Identify the incorrect pair
(a) Goodwill under Average profit method - Average profit × Number of years of purchase
(b) Goodwill under Super profit method - Super profit × Number of years of purchase
(c) Goodwill under Annuity method - Average profit × Present value annuity factor
(d) Goodwill under Weighted average profit method - Weighted average profit × Number of years of purchase
- 36) When the average profit is Rs.25,000 and the normal profit is Rs.15,000, super profit is
(a) Rs.25,000 (b) Rs.5,000 (c) Rs.10,000 (d) Rs.15,000
- 37) Book profit of 2017 is Rs.35,000; non-recurring income included in the profit is Rs.1,000 and abnormal loss charged in the year 2017 was Rs.2,000, then the adjusted profit is
(a) Rs.36,000 (b) Rs.35,000 (c) Rs.38,000 (d) Rs.34,000
- 38) The total capitalised value of a business is Rs.1,00,000; assets Rs.1,50,000 and liabilities are Rs.80,000. The value of goodwill as per the capitalisation method will be
(a) Rs.40,000 (b) Rs.70,000 (c) Rs.1,00,000 (d) Rs.30,000
- 39) Revaluation A/c is a
(a) Real A/c (b) Nominal A/c (c) Personal A/c (d) Impersonal A/c
- 40) On revaluation, the increase in the value of assets leads to
(a) Gain (b) Loss (c) Expense (d) None of these
- 41) The profit or loss on revaluation of assets and liabilities is transferred to the capital account of
(a) The old partners (b) The new partner (c) All the partners (d) The Sacrificing partner
- 42) If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called
(a) Capital ratio (b) Sacrificing ratio (c) Gaining ratio (d) None of these
- 43) At the time of admission, the goodwill brought by the new partner may be credited to the capital accounts of
(a) all the partners (b) the old partners (c) the new partner (d) the sacrificing partner
- 44) Which of the following statements is not true in relation to admission of a part
(a) Generally mutual rights of the partners change
(b) The profits and losses of the previous years are distributed to the old partners
(c) The firm is reconstituted under a new agreement (d) The existing agreement does not come to an end
- 45) Match List I with List II and select the correct answer using the codes given below:
- | List I | List II |
|-------------------------------|--------------------------------|
| (i) Sacrificing ratio | 1. Investment fluctuation fund |
| (ii) Old profit sharing ratio | 2. Accumulated profit |
| (iii) Revaluation Account | 3. Goodwill |
| (iv) Capital Account | 4. Unrecorded liability |
- (a)

(i)	(ii)	(iii)	(iv)
1	2	3	4

 (b)

(i)	(ii)	(iii)	(iv)
3	2	4	1

 (c)

(i)	(ii)	(iii)	(iv)
4	3	2	1

 (d)

(i)	(ii)	(iii)	(iv)
3	1	4	2
- 46) Select the odd one out
(a) Revaluation profit (b) Accumulated loss (c) Goodwill brought by new partner (d) Investment fluctuation fund

- 47) James and Kamal are sharing profits and losses in the ratio of 5:3. They admit Sunil as a partner giving him 1/5 share of profits. Find out the sacrificing ratio.
(a) 1:3 (b) 3:1 (c) 5:3 (d) 3:5
- 48) Balaji and Kamalesh are partners sharing profits and losses in the ratio of 2:1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamalesh and Yogesh is agreed to 3:1:1. Find the sacrificing ratio between Balaji and Kamalesh.
(a) 1:3 (b) 3:1 (c) 2:1 (d) 1:2
- 49) A partner retires from the partnership firm on 30th June. He is liable for all the acts of the firm up to the
(a) End of the current accounting period (b) End of the previous accounting period (c) Date of his retirement
(d) Date of his final settlement
- 50) On retirement of a partner from a partnership firm, accumulated profits and losses are distributed to the partners in the
(a) New profit sharing ratio (b) Old profit sharing ratio (c) Gaining ratio (d) Sacrificing ratio
- 51) On retirement of a partner, general reserve is transferred to the
(a) Capital account of all the partners (b) Revaluation account (c) Capital account of the continuing partners
(d) Memorandum revaluation account
- 52) On revaluation, the increase in liabilities leads to
(a) Gain (b) Loss (c) Profit (d) None of these
- 53) At the time of retirement of a partner, determination of gaining ratio is required
(a) To transfer revaluation profit or loss (b) To distribute accumulated profits and losses (c) To adjust goodwill
(d) None of these
- 54) If the final amount due to a retiring partner is not paid immediately, it is transferred to
(a) Bank A/c (b) Retiring partner's capital A/c (c) Retiring partner's loan A/c (d) Other partners' capital A/c
- 55) 'A' was a partner in a partnership firm. He died on 31st March 2019. The final amount due to him is Rs. 25,000 which is not paid immediately. It will be transferred to
(a) A's capital account (b) A's current account (c) A's Executor account (d) A's Executor loan account
- 56) A, B and C are partners sharing profits in the ratio of 2:2:1. On retirement of B, goodwill of the firm was valued as Rs. 30,000. Find the contribution of A and C to compensate B:
(a) Rs.20,000 and Rs. 10,000 (b) Rs. 8,000 and Rs. 4,000 (c) Rs.10,000 and Rs. 20,000
(d) Rs. 15,000 and Rs. 15,000
- 57) A, B and C are partners sharing profits in the ratio of 4:2:3. C retires. The new profit sharing ratio between A and B will be
(a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
- 58) X, Y and Z were partners sharing profits and losses equally. X died on 1st April 2019. Find out the share of X in the profit of 2019 based on the profit of 2018 which showed Rs. 36,000.
(a) Rs. 1,000 (b) Rs. 3,000 (c) Rs. 12,000 (d) Rs. 36,000

"You define your own life. Don't let other people write your script."

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- (a)

(i)	(ii)	(iii)	(iv)
1	2	3	4

 (b)

(i)	(ii)	(iii)	(iv)
3	2	4	1

 (c)

(i)	(ii)	(iii)	(iv)
4	3	2	1

 (d)

(i)	(ii)	(iii)	(iv)
3	1	4	2
- 46) Select the odd one out
(a) Revaluation profit (b) Accumulated loss (c) **Goodwill brought by new partner**
(d) Investment fluctuation fund
- 47) James and Kamal are sharing profits and losses in the ratio of 5:3. They admit Sunil as a partner giving him 1/5 share of profits. Find out the sacrificing ratio.
(a) 1:3 (b) 3:1 (c) **5:3** (d) 3:5
- 48) Balaji and Kamalesh are partners sharing profits and losses in the ratio of 2:1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamalesh and Yogesh is agreed to 3:1:1. Find the sacrificing ratio between Balaji and Kamalesh.
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(c) **To adjust goodwill** (d) None of these
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(d) Rs. 15,000 and Rs. 15,000
- 57) A, B and C are partners sharing profits in the ratio of 4:2:3. C retires. The new profit sharing ratio between A and B will be
(a) 4:3 (b) 3:4 (c) **2:1** (d) 1:2
- 58) X, Y and Z were partners sharing profits and losses equally. X died on 1st April 2019. Find out the share of X in the profit of 2019 based on the profit of 2018 which showed Rs. 36,000.
(a) Rs. 1,000 (b) **Rs. 3,000** (c) Rs. 12,000 (d) Rs. 36,000