

A. VENNILA
Kumbakonam

THANJAVUR DISTRICT
QUARTERLY EXAMINATION - 2022
ACCOUNTANCY

TJQ
XII - Std

Time : 3.00 Hrs

Part - I

Marks : 90

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Note : 1. Answer all the questions. 2. Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer :-

20 X 1 = 20

- The excess of assets over liabilities is
a) Loss b) Cash c) Capital d) Profit
- 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
- Receipts and payments account is a
a) Nominal Account b) Real Account
c) Personal Account d) Representative personal Account
- Donations received for a specific purpose is
a) Revenue receipt b) Capital receipt c) Revenue expenditure d) Capital Expenditure
- Which Account ends with surplus or deficit?
a) Receipts and Payments Account b) Trading Account
c) Income and Expenditure Account d) Profit and Loss account
- Which of the following is shown in profit and loss appropriation account?
a) Office expenses b) Salary of Staff c) Partner's Salary d) Interest on bank loan
- Which of the following is incorrect pair?
a) Interest of 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
- 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
- methods are there to value goodwill. a) 2 b) 3 c) 4 d) 5
- Revaluation Account is a
a) Real A/c b) Nominal A/c c) Personal A/c d) Impersonal A/c
- Closing Capital + Drawings - Additional Capital =
a) Adjusted Opening Capital
b) Opening Capital c) Profit or Loss d) Adjusted Closing Capital
- Which of the following is correct pair?
a) Admission of a New Partner - Gaining Ratio
b) Retirement of Old Partner - Sacrificing Ratio
c) Goodwill - Fictitious Asset
d) Indian Partnership Act - 1932
- On revaluation, the increase in liabilities leads to:
a) Gain b) Loss c) Profit d) None of these
- When a partner withdraws regularly a fixed sum of money be calculated on the drawings on an average
a) 12 months b) 5.5 months c) 6.5 months d) 6 months
- Select the odd one out.
a) Fixed capital method
b) Average profit method c) Super profit method d) capitalisation method
- The following are the profits of a firm in the last five years. 2014 : Rs. 4,000 ; 2015 : Rs. 3,000 ; 2016 : Rs. 5,000 ; 2017 : Rs. 4,500 and 2018 : Rs. 3,500. The average profit of five years is
a) Rs. 6,000 b) Rs. 12,000 c) Rs. 4,000 d) Rs. 5,000
- A, B, C are partners sharing profits in the ratio 4 : 2 : 3 'C' retires. The new profit sharing ratio between A & B will be
a) 4 : 3 b) 3 : 4 c) 2 : 1 d) 1 : 2
- Incomplete records are generally maintained by
a) a company
b) government c) Small sized sole trader business d) Multinational enterprises
- 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
- If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called
a) Solvency ratio b) Capital ratio c) Sacrificing ratio d) Gaining ratio

PART - II

Note : Answer any seven questions. Question No. 30 is compulsory.

7X2=14

- What is statement of affairs?
- From the following particulars ascertain profit or loss

Particulars
Capital as on 1st January 2020
Capital as on 31st December 2020
Additional capital introduced during the year
Drawings made during the year

Rs.
2,20,000
1,80,000
40,000
50,000

23. Write short note on life membership fees.
24. Raja is a partner, who withdrew Rs. 30,000 on 1st September, 2021. Interest on drawings is charged at 6% per annum. Calculate interest on drawings on 31st December 2021 and show the journal entries by assuming that fluctuating capital method is followed.
25. What is super profit?
26. What is sacrificing ratio?
27. The following are the profits of a firm in the last five years,
2014 : Rs. 10,000 ; 2015 : Rs. 11,000 ; 2016 : Rs. 12,000
2017 : Rs. 13,000 ; 2018 : Rs. 14,000
Calculate the value of goodwill at 2 years purchase of five years.
28. From the following balance sheet of Subha and Sudha who share profits and losses in 2 : 3. Calculate interest on capital at 5% p.a. for the year ending 31st December 2021.

Balance sheet as on 31st December 2022

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts:			Fixed assets	70,000
Subha	40,000		Current assets	50,000
Sudha	60,000	1,00,000		
Current liabilities		20,000		
		1,20,000		1,20,000

Drawings of Subha and Sudha during the year were Rs. 8,000 and Rs. 10,000 respectively. Profit earned during the year was Rs. 20,000

29. Surya and Karthick are partners, sharing profits in the ratio of 3 : 2. Bharathi is admitted as a partner. The new profit sharing ratio among Surya, Karthick and Bharathi is 5 : 3 : 2. Find out the sacrificing ratio.
30. Give four examples of Non - profit organisation.

PART - III

Answer any seven questions in which question no. 40 is compulsory :

7 X 3 = 21

31. From the following particulars, calculate total purchases.
- | | |
|--|----------|
| Sundry creditors as on 1st January, 2021 | 30,000 |
| Paid cash to creditors | 1,20,000 |
| Purchases returns | 15,000 |
| Cash purchases | 2,25,000 |
| Creditors as on 31st December 2021 | 25,000 |
32. State any three differences between receipts and payments account and income and expenditure account.
33. Compute capital fund of Thanjai Sports Club on 1.4.2022
- | Particulars | Rs. | Particulars | Rs. |
|--|--------|------------------------|--------|
| Sports equipment | 30,000 | Prize fund | 10,000 |
| Computer | 25,000 | Prize fund Investments | 10,000 |
| Subscription out standing for 2021 - 2022 | 5,000 | Cash in hand | 7,000 |
| subscription received in advance for 2022 - 2023 | 8,000 | Cash at bank | 21,000 |
34. State the differences between fixed capital method and fluctuating capital method.
35. State any three factors determining Goodwill.
36. Siva and Raja and partners sharing profits and losses in the ratio of 5 : 3. In view of Parithi's admission, they decided : (i) To increase the value of building by Rs. 70,000
(ii) To bring into record investments at Rs. 20,000 which have not so far been brought into account.
(iii) To decrease the value of machinery by Rs. 14,000 and furniture by Rs. 12,000.
(iv) To write off sundry creditors by Rs. 16,000.
37. Anandha, Ranjan and Jeevana are partners of a firm sharing profits and losses equally. Anandha retired from partnership on 1.1.2022. On that date, their balance sheet showed accumulated loss of Rs. 45,000 on the asset side of the balance sheet. Give the journal entry to distribute the accumulated loss.
38. From the following information relating to a partnership firm, find out the value of its goodwill based on 3 years purchase of average profits of the last 4 years.
- a) Profits of the years 2018, 2019, 2020 and 2021 are Rs. 10,000 Rs. 12,500, Rs. 12,000 and Rs. 11,500 respectively.
- b) The business was looked after by a partner and his fair remuneration amounts to Rs. 1,500 per year. This amount was not considered in the calculation of the above profits.
39. Mala and Anitha are partners, Sharing profits and losses in the ratio of 3 : 2. Mercury is admitted into the partnership with 1/5 share in the profits. Calculate new profit sharing ratio and sacrificing ratio.
40. How will the following appear in the final accounts of Marthandam Women Cultural Association?
- | | |
|--|----------|
| Stock of sports materials on 1.4.2020 | 32,000 |
| Sports materials purchased during the year | 1,68,000 |
| Sale of old sports materials during the year | 1,000 |
| Stock of sports materials on 31.3.2021 | |

PART - IV

Note : Answer all the questions :-

7 X 5 = 35

41. a) From the following particulars, calculate total sales.

Particulars	Rs.
Debtors on 1 st April 2021	1,50,000
Bills receivable on 1 st April 2021	40,000
Cash received from debtors	3,90,000
Cash received from bills receivable	90,000
Bills receivable dishonored	10,000
Sales return	40,000
Bills receivable on 31 st March 2022	30,000
Sundry debtors on 31 st March, 2022	1,30,000
Cash sales	2,00,000

(OR)

- b) The following particulars are available in respect of the business carried on by a partnership firm.

(i) Profit earned : 2016, Rs. 25,000, 2017 Rs. 23,000 and 2018, Rs. 26,000

(ii) Profit of 2016 includes a non - recurring income of Rs. 2,500.

(iii) Profit of 2017 is reduced by Rs. 3,500 due to stock destroyed by fire.

(iv) The stock was not insured. But it is decided to insure the stock in future. The insurance premium is estimated to be Rs. 250 per annum.

You are required to calculate the value of goodwill of the firm on the basis of 2 years purchases of average profits of the last three years.

42. a) From the following Receipts and payment account of Ooty recreation club, prepare income and expenditure account for the year ended 31.03.2018

Receipts	Rs.	Payment	Rs.
To opening balance		By sports materials purchased	10,000
Cash in hand	5,000	By stationery paid	7,000
To rent received	10,000	By computer purchased	25,000
To sale of investments	8,000	By salaries	20,000
To subscription received	54,000	By closing balance cash in hand	15,000
	77,000		77,000

(OR) b) Ratna, Basker and Mohamed are partners sharing profits and losses in the ratio of 2 : 3 : 4 respectively. Ratna died on 31st December, 2018. Final amount due to her showed a credit balance of Rs. 1,00,000. Pass journal entries if.

(i) The amount due is paid off immediately by cheque.

(ii) The amount due is not paid immediately.

(iii) Rs. 60,000 is paid immediately by cheque.

43. a) Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?

(i) Akash has contributed maximum capital. He demands interest on capital at 10% per annum

(ii) Bala has withdrawn Rs. 3,000 per month. Other partners ask Bala to pay interest on drawings @8% per annum to the firm but Bala did not agree to it.

(iii) Akash demands the profit to be shared in the capital ratio. But others do not agree.

(iv) Daniel demands salary at the rate of Rs. 10,000 per month as he spends full time for the business.

(v) Loan advanced by Chandru to the firm is Rs. 50,000. He demands interest on loan @12% per annum. (OR) b) The following is the balance sheet of James and Justina as on 1.1.2017. They share the profits and losses equally.

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts			Building	70,000
James	40,000		Stock	30,000
Justina	50,000	90,000	Debtors	20,000
Creditors		35,000	Bank	15,000
Reserve fund		15,000	Prepaid Insurance	5,000
		1,40,000		1,40,000

On the above date, Balan is admitted as a partner with 1/5 share in future profits. Following are the terms for his admissions.

i. Balan brings Rs. 25,000 as capital.

ii. His share of goodwill is Rs. 10,000 and he brings cash for it.

iii. The assets are to be valued as under. Building Rs. 80,000 Debtors Rs. 18,000 Stock Rs. 33,000

iv. Profit on revaluation is Rs. 11,000.

Prepare capital accounts of partners and the balance sheet after admission.

44. a) From the following information, compute the value of Goodwill as per annuity method.

(i) Capital employed Rs. 50,000.

(ii) Normal rate of return 10%.

(iii) profits of the years 2016, 2017 and 2018 were Rs. 13,000, Rs. 15,000 and Rs. 17,000 respectively.

(iv) The present value of annuity of Rs. 1. for 3 years at 10% is Rs. 8468. (OR)

b) From the following particulars of Chennai Sports Club, prepare receipts and payments account for the year ended 31st March, 2022.

Particulars	Rs.	Particulars	Rs.
Opening cash balance (1.4.2021)	10,000	Subscriptions received	
Opening bank balance (1.4.2021)	15,000	2020-21	4,500
Interest paid	5,000	2021 - 22	65,000
Telephone expenses	7,000	2022 - 23	5,000
Upkeep of grounds	22,500	Tournament expenses	12,500
Life membership fees received	5,500	Tournament fund receipts	15,000
Bats and balls purchased	13,000	Closing balance of cash (31.3.2022)	5,000

45. a) Kavin and Midhun are partners in a firm sharing profit and losses in the ratio of 7 : 5. Their balance sheet as on 31st March 2022 is as follows.

Liabilities	Rs.	Assets	Rs.
Capital accounts:		Land	80,000
Kavin 70,000		Furniture	20,000
Midhun 50,000	1,20,000	Stock	25,000
Sundry creditors	30,000	Debtors	30,000
Profit and Loss A/c	24,000	Bank	19,000
	1,74,000		1,74,000

Madhan is admitted as a new partner on 1.4.2022 by introducing a capital of Rs. 30,000 for 1/3 share in the future profit subject to the following adjustments :

- Stock to be depreciated by Rs. 5,000
- Provision for doubtful debts to be created for Rs. 3,000
- Land to be appreciated by Rs. 20,000.

Prepare Revaluation account and capital accounts of partners after admission. (OR)

b) Compute income from subscription for the year 2021 from the following particulars in relation to a club.

Particulars	1.1.2021 Rs.	31.12.2021 Rs.
Outstanding subscription	3,000	5,000
Subscription received in advance	4,000	7,000

Subscription received during the year 2021 Rs. 45,000

Show how these items will appear in final accounts of a club.

46. a) Charles, Muthu and Sekar are partners, sharing profits in the ratio of 3 : 4 : 2. Their balance sheet as on 31st December 2021 is as under.

Liabilities	Rs.	Assets	Rs.
Capital accounts :		Furniture	20,000
Charles 30,000		Stock	40,000
Muthu 40,000		Debtors	30,000
Sekar 20,000	90,000	Cash at bank	33,000
Sundry creditors	33,000		
	1,23,000		1,23,000

On 1.1.2022, Charles retired from the partnership firm on the following arrangement.

- Stock to be appreciated by 10%.
- To provide Rs. 1,300 for bad debts.

(ii) The final amount due to Charles was paid immediately. Prepare revaluation account, Partner's capital account and the balance sheet of the firm after retirement. (OR)

b) On 1st April 2021 Chandrika started her business with a capital of Rs. 1,20,000. She did not maintain proper book of accounts. Following particulars are available from her books as on 31.3.2022.

Particulars	Rs.	Particulars	Rs.
Bank overdraft	50,000	Stock - in - trade	1,60,000
Debtors	1,80,000	Creditors	90,000
Bills receivable	70,000	Bills payable	2,40,000
Computer	30,000	Cash in hand	60,000
Machinery	3,00,000		

During the year she withdrew Rs. 30,000 for her personal use she introduced further capital of Rs. 40,000 during the year. Calculate her profit or loss.

47. a) A, B and C are partners in a firm, Sharing profits and losses in the ratio of 2 : 2 : 1. On 31st March, 2022, C retires from the firm. On the date of C's retirement, goodwill appeared in the books of the firm at Rs. 40,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to

- Write off the entries amount of existing goodwill.
- Write off half of the amount of existing goodwill. (OR)

b) State the differences between double entry system and in complete.