

COMMON QUARTERLY EXAM-2022

Standard XII ACCOUNTANCY

Reg. No.

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Marks : 90

A

Time : 3.00 hrs

Part - I

20 x 1 = 20

I. Choose the correct answers:

- Incomplete records are generally maintained by
 - A company
 - Government
 - Small sized sole trader business
 - Multinational enterprises
- The excess of assets over liabilities is
 - Loss
 - Cash
 - Capital
 - Profit
- 3) Opening balance of debtors: 'Rs. 30,000, Cash received: 'Rs. 1,00,000, Credit Sales 'Rs. 90,000, Closing balance of debtors is
 - 'Rs. 30,000
 - 'Rs. 1,30,000
 - 'Rs. 40,000
 - 'Rs. 20,000
- Receipts and payments account records receipts and payments of
 - Revenue nature only
 - Capital nature only
 - Both revenue and Capital nature
 - None of the above
- Income and expenditure account is a
 - Nominal A/c
 - Real A/c
 - Personal A/c
 - Representative personal account
- Donation received for a specific purpose is
 - Revenue receipt
 - Capital receipt
 - Revenue expenditure
 - Capital expenditure
- In the absence of a partnership deed, Profits of the firm will be shared by the partners in
 - Equal ratio
 - Capital ratio
 - Both (a) and (b)
 - None of these
- In the absence of an agreement, Partners are entitled to
 - Salary
 - Commission
 - Interest on Loan
 - Interest on Capital
- Profit after interest on loan from 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.
 - 'Rs. 50
 - 'Rs. 150
 - 'Rs. 550
 - 'Rs. 500
- Which of the following statement is true?
 - Goodwill is an intangible asset
 - Goodwill is a current asset
 - Goodwill is a fictitious asset
 - Goodwill cannot be acquired
- The average rate of return of similar concerns is considered as
 - Average profit
 - Normal rate of return
 - Expected rate of return
 - None of these
- The total capitalized value of a business is 'Rs. 1,00,000; assets are 'Rs. 1,50,000 and liabilities are 'Rs. 80,000. The value of goodwill as per the capitalization method will be
 - 'Rs. 40,000
 - 'Rs. 70,000
 - 'Rs. 1,00,000
 - 'Rs. 30,000
- Super profit is the difference between
 - Capital employed and average profit
 - Assets and liabilities
 - Average profit and normal profit
 - Current year's profit and average profit
- Revaluation account is a
 - Real A/c
 - Nominal A/c
 - Personal A/c
 - Impersonal A/c
- The profit or loss on revaluation of assets and liabilities is transferred to the capital account of
 - The old Partners
 - The new partners
 - All the partners
 - The sacrificing Partners

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16. Select the odd one out
 a) Revaluation profit
 b) Accumulated loss
 c) Goodwill brought by new partners
 d) Investment fluctuation fund
17. On revaluation, the increase in liabilities leads to
 a) Gain
 b) Loss
 c) Profit
 d) None of these
18. In the final amount due to a retiring partner is not paid immediately, it is transferred to
 a) Bank a/c
 b) Retiring partners Capital a/c
 c) Retiring partners loan a/c
 d) Other partners capital a/c
19. 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
20. 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 2018 which showed Rs. 36,000.
 a) Rs. 1,000
 b) Rs. 3,000
 c) Rs. 12,000
 d) Rs. 36,000

Part - II

7 × 2 = 14

II. Answer any 7 questions: (Question No. 30 is compulsory)

21. What is a Statement of affairs?
22. From the following details, Calculate the capital as on 31st December 2018.

Particulars	Amount Rs
Capital as on 1st January, 2018	1,00,000
Goods withdrawn for personal use by the owner	30,000
Additional capital introduced during the year	15,000
Profit for the year	60,000

23. Give four examples for revenue receipts of not-for-profit organization.
24. From the following details calculate the printing and stationery to be debited to Income and Expenditure Account for the year ending 31st March, 2018.

Amount paid for stationery during 2017-2018	Rs 1,500
Stock of stationery on 1st April, 2017	Rs 300
Stock of stationery on 31st March, 2018	Rs 200

25. Mannan and Ramesh share profits and losses in the ratio of 3:1. The capital on 1st April 2017 was Rs. 80,000 for Mannan and Rs. 60,000 for Ramesh and their current accounts show a credit balance of Rs. 10,000 and Rs. 5,000 respectively. Calculate interest on capital as 5% p.a. for the year ending 31st March 2018.
26. Define Partnership.
27. Mala and Vimala were partners sharing profits and losses in the ratio of 3:2. On 31.03.2017, Varshini was admitted as a partner. On the date of admission, the book of the firm showed a reserve fund of Rs. 50,000. Pass the journal entry to distribute the reserve fund.
28. Vimal and Arthi are partners sharing profits in the ratio of 2:1. Jeyam is admitted for 3/4 share in the profits. Calculate the new profit sharing ratio and sacrificing ratio.
29. What is super profit?
30. 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. Calculate the value of goodwill at 3 years purchase of average profits of five years.

Part - III

III. Answer any 7 questions: (Question No. 40 is compulsory)

7 × 3 = 21

31. Following particulars are available from Subha Books as on 31.3.2019. Prepare a statement of affairs as on 31st March 2019 and Calculate Capital as at that date.

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Particulars	Amount Rs	Particulars	Amount Rs
Bank overdraft	50,000	Stock-in-trade	1,60,000
Debtors	180,000	Creditors	90,000
Bills receivable	70,000	Bills payable	2,40,000
Computer	30,000	Cash in hand	60,000
Machinery	3,00,000		

32. From the following particulars, show how the item 'subscription' will appear in the Income and expenditure Account for the year ended 31.12.2018?
Subscription received in 2018 is Rs.50,000 which includes 'Rs.5,000 for 2017 and Rs.7,000 for 2019. Subscription outstanding for the year 2018 is 'Rs.6,000. Subscription of 'Rs.4,000 was received in advance for 2018 in the year 2017.
33. How the following items are dealt with in the final accounts of not-for-profit organization?
a) Sale of sports materials b) Life membership fees c) Tournament fund
34. John is a partner in a firm. He withdraws '1,000 pm regularly. Interest on drawings is charged @ 5% p.a. Calculate the interest on drawings using average period. if he draws
(i) at the beginning of every month (ii) in the middle of every month (iii) at the end of every month
35. From the following information, compute the value of goodwill by capitalizing super profit
(i) Capital employed 'Rs.4,00,000 (ii) Normal rate of return: 10%
(iii) Profit for 2016 : 62,000; 2017 61,000; and 2018 63,000.
36. Rajesh and Ramesh are partners sharing profits in the ratio 3:2. Raman is admitted as a new partner and the new profit sharing ratio is decided as 5:3:2. The following revaluations are made. Pass journal entries
(a) The Value of building is increased by 'Rs.15,000
(b) The value of machinery is decreased by Rs. 4,000
(c) Provision for doubtful debt is made for 'Rs.1,000
37. State the differences between statement of affairs and balance sheet (any three)
38. State any six contents of a partnership deed.
39. Ashok and Mumtaj were partners in a firm sharing profits and losses in the ratio of 5:1. They have decided to admit Tharun into the firm for 2/9 share of profits. The goodwill of the firm on the date of admission was valued at 'Rs.27,000. Tharun is not able to bring in cash for his share of goodwill. Pass necessary journal entries for goodwill on the assumption that the fluctuating capital system is followed.
40. Distinguish between Sacrificing ratio and gaining ratio (any three)

Part - IV

IV. Answer all the questions.

7 5 = 35

41. a) Pandian does not keep his books under double entry system. From the following information prepare trading and profit and loss account and balance sheet as on 31.12.2018

Particulars	1.1.2018	31.12.2018
Furniture	30,000	30,000
Cash in hand	10,000	17,000
Debtors	40,000	60,000
Stock	28,000	11,000
Bills receivable	12,000	35,100
Bank loan	25,000	25,000
Creditors	15,000	16,000

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Cash	11,200	Credit Sales	88,800
Cash purchases	4,250	Credit purchases	35,750
Carriage on purchases	3,000	Carriage on sales	700
Commission received	600	Interest on bank loan	2,500
Drawings	8,000	Additional capital	14,000
Salaries	8,900	Office rent	2,400

Adjustments: Write off depreciation of 5% on furniture. Create a provision of 1% on debtors for doubtful debts. (OR)

- b) Seenu and Siva are partners sharing profits and losses in the ratio of 5:3. In the view of Kowsalya admission, they decided
- To increase the value of building by 'Rs.40,000
 - To bring into record investments at 'Rs.10,000
 - To decrease the value of machinery by 'Rs.14,000 and furniture by 'Rs.12,000.
 - To write off sundry creditors by 'Rs.16,000

Pass journal entries and prepare Revaluation Account

42. a) From the following particulars of Chennai Sports Club, prepare Receipts and payments account for the year ended 31st March, 2018.

Particulars	Amount	Particulars	Amount	
Opening Cash balance as on 1.4.2017	10,000	Subscriptions received		
Opening bank balance as on 1.4.2017	15,000	2016-2017	4,500	
Interest paid	5,000	2017-2018	65,000	
Telephone expenses	7,000	2018-2019	5,000	74,500
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(31.3.2018)		5,000

(OR)

- 42.b. Anand and Balu are partners in a firm sharing profits and losses in the ratio of 7:3. Their balance sheet as on 31st March, 2018 is as follows:

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital accounts:			Land		60,000
Anand	50,000		Stock		40,000
Balu	30,000	80,000	Debtors		20,000
Sundry creditors		20,000	Cash in hand		10,000
Profit and loss a/c		30,000			
		1,30,000			1,30,000

Chandru is admitted as a new partner on 1.4.2018 by introducing a capital of '20,000 for 1/4 share in the future profit subject to the following adjustments:

- Stock to be depreciated by 'Rs.3,000
- Provision for doubtful debts to be created for 'Rs.2,000.
- Land was to be appreciated by 'Rs.10,000.

Prepare revaluation account and capital account of partners after admission.

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

Particulars	Amount Rs	Particulars	Amount Rs
Debtors on 1st April 2018	2,50,000	Bills receivable dishonored	15,000
Bills receivable on 1st April 2018	60,000	Returns inward	50,000
Cash received from debtors	7,25,000	Bills receivable on 31st March, 2019	90,000
Cash received for bills receivable	1,60,000	Sundry debtors on 31st March, 2019	2,40,000
Bad debts	30,000	Cash sales	3,15,000

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43. b) From the following information, prepare capital accounts of partners Padmini and Padma, when their capitals are fluctuating.

Particulars	Padmini Rs.	Padma Rs.
Capital on 1st January 2018 (Cr. Balance)	5,00,000	4,00,000
Drawings during 2018	70,000	40,000
Interest on drawings	2,000	1,000
Share of profit for 2018	52,000	40,000
Interest on capital	30,000	24,000
Salary	45,000	Nil
Commission	Nil	21,000

44. a) From the following receipts and payments account of Tenkasi Thiruvalluvar Manram prepare income and expenditure account for the year ended 31st March, 2019.

Receipts	Amount Rs.	Payments	Amount Rs.
To Balance b/d		By Salaries	20,000
Cash in hand	14,000	By Rent	24,000
To Interest received	5,000	By Travelling expenses	2,000
To Subscription	55,000	By Printing and stationery	6,000
To Legacies	48,000	By Investments made	50,000
To Entrance fees	7,000	By Sports equipment purchases	33,000
To Sale of furniture (Book Value: ` 17,000)	16,000	By Balance c/d Cash in hand	10,000
	1,45,000		1,45,000

(OR)

- b) From the following information relating to Sridevi enterprises, calculate the value of goodwill on the basis of 4 years purchase of the average profits of 3 years.
- a) Profits for the years ending 31st December 2016, 2017 and 2018 were Rs.1,75,000, Rs.150,000 and Rs.2,00,000 respectively.
- b) A non-recurring income of Rs.45,000 is included in the profits of the year 2016.
- c) The closing stock of the year 2017 was overvalued by Rs.30,000.
45. a) Find out the Value of Goodwill by capitalizing super profits:
- a) Normal Rate of Return 10%
- b) Profits for the last four years are Rs.30,000, Rs.40,000, Rs.50,000 and Rs.45,000.
- c) A non-recurring income of Rs.3,000 is included in the above mentioned profit of Rs.30,000.
- d) Average capital employed is Rs.3,00,000

(OR)

- b) From the following balance sheets of Subha and Sudha who share profits and losses equally, calculate interest on capital at 6% p.a. for the year ending 31st December 2017.

Balance sheet as on 31st December 2017

Liabilities	Rs.	Assets	Rs.
Capital accounts		Fixed Assets	30,000
Subha	15,000	Current assets	20,000
Sudha	20,000		
Current liabilities	15,000		
	50,000		50,000

Drawings of Subha and Sudha during the year were Rs.2,500 and Rs.3,500 respectively. Profit earned during the year was Rs.15,000.

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46. a) Anand and Narayanan are partners in a firm sharing profits and losses in the ratio of 5:3. On 1st January 2018, their capitals were Rs. 50,000 and Rs. 30,000 respectively. The partnership deed specifies the following:
- Interest on capital is to be allowed at 6% per annum.
 - Interest on drawings charged to Anand and Narayanan are Rs. 1,000 and Rs. 800 respectively.
 - The net profit of the firm before considering interest on capital and interest on drawings amounted to Rs. 35,000.
- Give necessary journal entries and prepare Profit and loss appropriation account as on 31st December 2018. Assume that the capitals are fluctuating.

(OR)

- b) Mani, Rama and Devan are partners in a firm sharing profits and losses in the ratio of 4:3:3. Their balance sheet as on 31st March, 2019 is as follows:

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital accounts:			Buildings		80,000
Mani	50,000		Stock		20,000
Rama	50,000		Furniture		70,000
Devan	50,000	1,50,000	Debtors		20,000
Sundry creditors		20,000	Cash in hand		10,000
Profit and loss a/c		30,000			
		2,00,000			2,00,000

Mani retired from the partnership firm on 31.03.2019 subject to the following adjustments:

- Stock to be depreciated by Rs. 5,000.
- Provision for doubtful debts to be created for Rs. 1,000.
- Buildings to be appreciated by Rs. 16,000.
- The final amount due to Mani is not paid immediately.

Prepare revaluation account and capital account of partners after retirement.

47. a) Ahamad and Basheer contribute Rs. 60,000 and Rs. 40,000 respectively as capital. Their respective share of profit is 2:1 and the profit before interest on capital for the year is Rs. 5,000. Compute the amount of interest on capital in each of the following situations:
- if the partnership deed is silent as to the interest on capital.
 - in the interest on capital @ 4% allowed as per the partnership deed.
 - if the partnership deed allows interest on capital @ 6% per Annum.

(OR)

- b) Rajesh, Sathish and Mathan are partners sharing profits and losses in the ratio of 3:2:1 respectively. Their balance sheet as on 31.03.2017 is given below:

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital accounts:			Premises		4,00,000
Rajesh	4,00,000		Machinery		4,20,000
Sathish	3,00,000		Debtors		1,60,000
Mathan	2,50,000	9,50,000	Stock		3,00,000
General reserve		1,20,000	Cash at bank		20,000
Creditors		50,000			
Bills payable		1,80,000			
		13,00,000			13,00,000

Mathan retire on 31st March, 2017 subject to the following conditions:

- Rajesh and sathish will share profits and losses in the ratio of 3:2.
- Assets are to be revalued as follows:
Machinery Rs. 3,90,000, Stock Rs. 2,90,000, Debtors Rs. 1,52,000.
- Goodwill of the firm is valued at Rs. 1,20,000.

Prepare necessary ledger accounts and the balance sheet immediately after the retirement of Mathan.