



TENKASI DISTRICT **Standard - 12**

Time Allowed: 3.00 Hours

**ACCOUNTANCY**

Maximum Marks: 90

**PART - I****Note: 1. Answer all the questions.****20×1=20****2. Choose the correct answer.**

1. Incomplete records are generally maintained by
    - a) A company
    - b) Government
    - c) Small sized sole trader business
    - d) Multinational enterprises
  2. The excess of assets over liabilities is
    - a) loss
    - b) cash
    - c) capital
    - d) profit
  3. What is the amount of capital of the proprietor, if his assets are ₹ 85,000 and liabilities are ₹ 21,000?
    - a) ₹ 85,000
    - b) ₹ 1,06,000
    - c) ₹ 21,000
    - d) ₹ 64,000
  4. Income and expenditure account is a
    - a) Nominal A/C
    - b) Real A/C
    - c) Personal A/C
    - d) Representative personal account
  5. Subscription due but not received for the current year is
    - a) An asset
    - b) A liability
    - c) An expenses
    - d) An item to be ignored
  6. In the absence of an agreement, partners are entitled to
    - a) salary
    - b) commission
    - c) Interest on loan
    - d) Interest on capital
  7. 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 at @ 6% per annum
  8. 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 to partners
    - d) Interest on loan from partner at 6% per annum
  9. When the Average profit is ₹ 25,000 and the normal profit is ₹ 15,000, super profit is
    - a) ₹ 25,000
    - b) ₹ 5,000
    - c) ₹ 10,000
    - d) ₹ 15,000
  10. 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
  11. Revaluation A/C is a
    - a) Real A/C
    - b) Nominal A/C
    - c) Personal A/C
    - d) Impersonal A/C
  12. Match:
 

(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
- Codes:**
- |       |      |       |      |
|-------|------|-------|------|
| (i)   | (ii) | (iii) | (iv) |
| (a) 1 | 2    | 3     | 4    |
| (b) 3 | 2    | 4     | 1    |
| (c) 4 | 3    | 2     | 1    |
| (d) 3 | 1    | 2     | 4    |
13. On revaluation, the increase in the value of assets leads to
    - a) Gain
    - b) Loss
    - c) Expense
    - d) None of these
  14. 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 partners
  15. A partner retires from the partnership firm on 30<sup>th</sup> 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

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16. 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 partner's capital A/C
17. The average rate of return of similar concern is considered as  
 a) Average profit b) Normal rate of return  
 c) Expected rate of return d) None of these
18. When a partner withdraws regularly a fixed sum of money at the beginning 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
19. Donations received for a specific purpose is  
 a) Revenue receipt b) Capital receipt  
 c) Revenue expenditure d) Capital expenditure
20. James and Kamal are sharing profits and losses in the ratio of 5 : 3. They admit Sunil as a partner giving him  $\frac{1}{5}$  share of profits. Find out the sacrificing ratio.  
 a) 1 : 3 b) 3 : 1 c) 5 : 3 d) 3 : 5

## PART - II

**Note: Answer any SEVEN of the following.****7×2=14****Question Number 30 is compulsory.**

21. State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.
22. From the following particulars ascertain profit or loss.

Particulars	₹
Capital as on 1 <sup>st</sup> January 2018	2,20,000
Capital as on 31 <sup>st</sup> December 2018	1,80,000
Additional capital introduced during the year	40,000
Drawings made during the year	50,000

23. What is receipts and payments account?
24. What is a partnership deed?
25. Mani is a partner, who withdraw ₹ 30,000 on 1<sup>st</sup> September, 2018. Interests on drawing is charged at 6% per annum. Calculate interest on drawings on 31<sup>st</sup> December 2018 and show the journal entries by assuming that fluctuating capital method followed.
26. The following are the profits of a firm in the last five years.  
 2014 : ₹ 4000 2015 : ₹ 3000 2016 : ₹ 5000 2017 : ₹ 4500 2018 : ₹ 3500  
 Calculate the value of goodwill at 3 years purchase of Average profits of five years.
27. What is sacrificing ratio?
28. Mala and Anitha are partners, sharing profits and losses in the ratio of 3:2, mercy is admitted into the partnership with  $\frac{1}{5}$  share in the profits. Calculate new profit sharing ratio and sacrificing ratio.
29. What is meant by retirement of a partner?
30. Kayal, Mala, Neela are partners sharing profits in the ratio of 2:2:1. Kayal retires and the new profit sharing ratio between Mala and Neela is 3:2. Calculate the gaining ratio.

## PART - III

**Note: Answer any SEVEN of the following.****7×3=21****Question Number 40 is compulsory.**

31. Differentiate between statement of affairs and balance sheet.
32. From the following details, calculate credit purchases.

Particulars	₹
Opening creditors	1,70,000
Purchase returns	20,000
Cash paid to creditors	4,50,000
Closing creditors	1,90,000

33. Compute income from subscription for year 2018 from the following particulars relating to a club.

Particulars	1.1.2018 ₹	31.12.2018 ₹
Outstanding subscription	10,000	7,000
Subscription received in advance	3,000	5,000
Subscription received during the year 2018 : ₹ 1,50,000		

34. Write a brief note on the applications of the provisions of the Indian partnership Act 1932 in the absence of partnership deed.
35. From the following information, find out the value of goodwill by capitalism method.  
 (i) Average profit ₹ 20,000 (ii) Normal rate of return 10%  
 (iii) Capital employed ₹ 1,50,000

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36. What are the adjustments required at the time of admission of a partner?
37. Raja and Ravi are partners, sharing profits in the ratio of 3:2. They admit Ram for 1/4 share of the profit. He takes 1/20 share from Raja and 4/20 from Ravi. Calculate the new profit sharing ratio and sacrificing ratio.
38. Ramya, Sara and Thara are partners sharing profits and losses in the ratio of 5:3:2 on 1<sup>st</sup> April, 2018, Thara retires and on retirement, the following adjustments are agreed upon.
- Increase the value of premises by ₹ 40,000.
  - Depreciate stock by ₹ 3,000 and Machinery by ₹ 6,500.
  - Provide an outstanding liability of ₹ 500.
- Prepare only revaluation account.
39. What is the purpose of calculating ratio?
40. Calculate the value of average profit from the following information.  
2016; - ₹ 8,000 2017; - ₹ 10,000 2018; - ₹ 9,000

**PART - IV****Note: Answer all the questions.****7×5=35**

41. a) From the following information, Calculate the value of goodwill under annuity method.
- Average profit ₹ 14,000
  - Normal profit ₹ 4,000
  - Normal rate of return 15%
  - Years of purchase of goodwill 5
- Present value of ₹ 1 for 5 years at 15% per annum as per the annuity table is 3.352.

**(OR)**

- b) What are the journal entries to be passed on revaluation of assets and liabilities?
42. a) Distinguish between sacrificing ratio and gaining ratio.

**(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 31<sup>st</sup> March, 2019 is as follows.

Liabilities		Assets	
	₹		₹
Capital Accounts		Buildings	80,000
Mani	50,000	Stock	20,000
Rama	50,000	Furniture	20,000
Devan	<u>50,000</u>	Debtors	20,000
Sundry creditors	20,000	Cash in hand	10,000
Profit and loss A/C	<u>30,000</u>		
	<u>2,00,000</u>		<u>2,00,000</u>

Mani retired from the partnership from on 31.03.2019 subject to the following adjustments.

- Stock to be depreciated by ₹ 5,000
  - Provision for doubtful debts to be credited for ₹ 1,000
  - Building to be appreciated by ₹ 16,000
  - The final amount due to Mani is not paid immediately
- Prepare revaluation account, partners capital account and the balance sheet of the firm after retirement.

43. a) How will the following appear in the final accounts of Vedaranyam sports club?

	₹
Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

**(OR)**

- b) From the following information, prepare capital accounts of partners Rooban and Deri when their capitals are fixed

Particulars	Rooban (₹)	Deri (₹)
Capital on 1 <sup>st</sup> April, 2018	70,000	50,000
Current account on 1 <sup>st</sup> April 2018 (Cr)	25,000	15,000
Additional capital introduced	18,000	16,000
Drawings during 2018-2019	10,000	6,000
Interest on drawings	500	300
Share of profit for (2018-2019)	35,000	25,800
Interest on capital	3,500	2,500
Salary	Nil	18,000
Commission	12,000	Nil

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

- Profit earned : 2016 ; ₹ 25,000 2017 ; ₹ 23,000 2018 ; ₹ 26,000
- Profit of 2016 includes a non-recurring income of ₹ 2,500.

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- (iii) Profit of 2017 is reduced by ₹ 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 ₹ 250 per annum.  
 You are required to calculate the value of goodwill of the firm on the basis of 2 years purchase of Average profits of the last three years.

(OR)

Malathi and Shobana are partners sharing profits and losses in the ratio of 5:4. They admit Jayasri into partnership for 1/3 share of profit. Jayasri pays cash ₹ 6,000 towards her share of goodwill. The new ratio is 3:2:1. Pass necessary journal entry for adjusting goodwill on the assumption that the fixed capital method is followed.

45. a) Ahamad and Basheer contribute ₹ 60,000 and ₹ 40,000 respectively as capital. Their respective share of profit is 2:1 and the profit before interest on capital for the year is ₹ 5,000. Compute the amount of interest on capital in each of the following situations.  
 (i) If the partnership deed is silent as to the interest on capital.  
 (ii) If interest on capital @ 4% is allowed as per the partnership deed.  
 (iii) If the partnership deed allows interest on capital @ 6% per annum.

(OR)

- b) From the following receipts and payments account of Tenkasi Thiruvallur Manram. Prepare income and expenditure account for the year ended 31<sup>st</sup> March, 2019.

Receipts	₹	Payments	₹
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 purchased	33,000
To Sale of furniture (Book value ₹ 17,000)	16,000	By Balance c/d	
		Cash in hand	10,000
	<u>1,45,000</u>		<u>1,45,000</u>

46. a) From the following details findout total sales made during the year.

Particulars	₹
Debtors on 1 <sup>st</sup> January 2018	1,30,000
Cash received from debtors during the year	4,20,000
Sales returns	35,000
Bad debts	15,000
Debtors on 31 <sup>st</sup> December 2018	2,00,000
Cash sales	4,60,000

(OR)

- b) Roja, Neela and Kanaga are partners sharing profits and losses in the ratio of 4:3:3. On 1st April 2017, Roja retires and on retirement, the following adjustments are agreed upon.

- (i) Increase the value of building by ₹ 30,000  
 (ii) Depreciate stock by ₹ 5,000 and furniture by ₹ 12,000  
 (iii) Provide an outstanding liability of ₹ 1,000.

Pass journal entries and prepare revaluation account.

47. a) Compute capital fund of Karur Social club as on 31.03.2018.

Particulars as on 31.03.2018	₹
Furniture	50,000
Buildings	40,000
Subscription outstanding for 2017-2018	10,000
Subscription received in advance for 2018-2019	5,000
Loan borrowed	10,000
Investments	20,000
Cash in hand	4,000
Cash at bank	6,000

(OR)

- b) Kavitha is a partner in a firm. She withdraws ₹ 2,500 p.m. regularly. Interest on drawings is charged @ 4% p.a. Calculate the interest on drawings using average period, if she draws

- (i) at the beginning of every month  
 (ii) In the middle of every month  
 (iii) at the end of every month

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