

**MODEL QUARTERLY EXAMINATION - SEPTEMBER 2022**

Std: 12

Mark: 90

Subject: Accountancy

Time: 3 Hrs

**PART - A****I. Choose the correct answers:****20 x 1 = 20**

1. The excess of assets over liabilities is
  - a) Loss
  - b) Cash
  - c) Capital
  - d) Profit
2. 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
3. Incomplete records are generally maintained by
  - a) A company
  - b) Government
  - c) Small sized sole trader business
  - d) Multinational enterprises
4. Receipts and payments account is a
  - a) Nominal A/c
  - b) Real A/c
  - c) Personal A/c
  - d) Representative personal account
5. 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
6. Legacy is a
  - a) Revenue expenditure
  - b) Capital expenditure
  - c) Revenue receipt
  - d) Capital receipt
7. Donations received for a specific purpose is
  - a) Revenue receipt
  - b) Capital receipt
  - c) Revenue expenditure
  - d) Capital expenditure
8. 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
9. 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
10. In the absence of an agreement, partners are entitled to
  - a) Salary
  - b) Commission
  - c) Interest on loan
  - d) Interest on capital
11. 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
12. 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
13. Revaluation A/c is a
  - a) Real A/c
  - b) Nominal A/c
  - c) Personal A/c
  - d) Impersonal A/c
14. 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 partners
15. 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
16. On revaluation, the increase in liabilities leads to
  - a) Gain
  - b) Loss
  - c) Profit
  - d) None of these

17. 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
18. The single entry system will not be accepted by .....  
a) Proprietor b) Partners c) Tax authorities d) All the above
19. At the time of admission of a partner calculation of net profit ratio is .....  
a) not necessary b) necessary c) optional d) a & b
20. Interest capital is calculated as the .....  
a) opening capital b) closing capital c) Additional Capital d) All the above

### PART - B

#### II. Answer any Seven Questions. Q.No. 30 is Compulsory

7 x 2 = 14

21. What is a statement of affairs?
22. Write a short note on life membership fees.
23. From the following particulars, prepare bills receivable amount and compute the bills received from the Debtors.

Particulars	Rs
Bills receivable at the beginning of the year	1,40,000
Bills receivable at the end of the year	2,00,000
Cash received for bills receivable	3,90,000
Bills receivable dishonoured	30,000

24. How will the following appear in the final accounts of Martha dam Women Cultural Association?

Stock of sports materials on 1.4.2018	16,000
Sports materials purchased during the year	84,000
Stock of sports materials on 31.3.2019	10,000

25. Kevin and Francis are partners. Kevin draws 5,000 at the end of each quarter. Interest on Drawings is Chargeable at 6% p.a. Calculate interest on drawings for the year ending 31st March 2019 using average Period..
26. What is acquired goodwill?
27. Anjali and Nithya are partners of a firm sharing profits and losses in the ratio of 5:3. They Admit Pramila on 1.1.2018. On that date, their balance sheet showed accumulated loss of 40,000 on the asset side of the Balance sheet. Give the journal entry to transfer the Accumulated loss on admission
28. What is the purpose of calculating gaining ratio?
29. Sunil, Sumathi and Sundari are partners sharing profits in the ratio of 3:3:4. Sundari retires and her share is taken up entirely by Sunil. Calculate the new profit sharing ratio and gaining ratio.
30. 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 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.

**PART-C**

**III. Answer any Seven Questions. Q.No. 40 is Compulsory**

**7 x 3 = 21**

31. From the following details, calculate the missing figure.

Particulars	Rs
Closing capital as on 31.3.2018	80,000
Additional capital introduced during the year	30,000
Drawings during the year	15,000
Opening capital on 01.4.2017	?
Loss for the year ending 31.3.2018	25,000

32. How will the following appear in the final accounts of Karaikudi sports club for the year ending 31st March, 2019?

Particulars	Rs
Tournament fund on 1st April 2018	90,000
Tournament fund investment on 1st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

33. Prakash and Supria were partners who share profits and losses in the ratio of 5:3. Balance in their capital account on 1st April, 2018 was Prakash 3,00,000 and Supria 2,00,000. On 1st July, 2018 Prakash introduced additional capital of 60,000. Supria introduced additional capital of 30,000 during the year. Calculate interest on capital at 6% p.a. for the year ending 31st March, 2019 and show the journal entries.
34. State any six factors determining goodwill.
35. What are the adjustments required at the time of admission of a partner?
36. Vimala and Kamala are partners, sharing profits and losses in the ratio of 4:3. Vinitha enters into the Partnership and she acquires  $\frac{1}{14}$  from Vimala and  $\frac{1}{14}$  from Kamala. Find out the new profit sharing Ratio and sacrificing ratio.
37. From the following information, find out the value of goodwill by capitalisation method:  
(i) Average profit 20,000 (ii) Normal rate of return 10% (iii) Capital employed 1,50,000
38. Kayal, Mala and 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.
39. State the procedure for calculating profit or loss through statement of affairs.
40. 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 50,000 and 30,000 respectively. The partnership deed specifies the following:

- (a) Interest on capital is to be allowed at 6% per annum.  
 (b) Interest on drawings charged to Anand and Narayanan are 1,000 and 800 respectively.  
 (c) The net profit of the firm before considering interest on capital and interest on drawings amounted to 35,000.

Give necessary journal entries and prepare profit and loss appropriation account as on 31st December 2018. Assume that the capitals are fluctuating.

#### PART-D

#### IV. Answer all questions:

7 x 5 = 35

41.A) Ananth does not keep his books under double entry system. Find the profit or loss made by him for the year ending 31st March, 2019.

Particulars	31.3.2018	31.3.2019
Cash at Bank	5,000 (Dr.)	60,000 (Cr.)
Cash in hand	3,000	4,500
Stock of goods	35,000	45,000
Sundry Debtors	1,00,000	90,000
Plant and Machinery	80,000	80,000
Land and Buildings	1,40,000	1,40,000
Sundry Creditors	1,70,000	1,30,000

Ananth had withdrawn 60,000 for his personal use. He had introduced 17,000 as capital for expansion of his business. Create a provision of 5% on debtors. Plant and machinery is to be depreciated at 10%. [OR]

B) Vinoth, Karthi and Pranav are partners sharing profits and losses in the ratio of 2:2:1. Pranav retires from partnership on 1st April 2018. The following adjustments are to be made.

- (i) Increase the value of land and building by 18,000  
 (ii) Reduce the value of machinery by 15,000  
 (iii) A provision would also be made for outstanding expenses for ` 8,000.

Give journal entries and prepare revaluation account.

42. 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	Rs	Payments	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 purchased	33,000
To Sale of furniture (Book value: 17,000)	16,000	By Balance c/d	
	<b>1,45,000</b>		<b>1,45,000</b>

[OR]

**B)** Sibi and Manoj are partners in a firm. Sibi is to get a commission of 20% of net profit before charging any commission. Manoj is to get a commission of 20% on net profit after charging all commission. Net profit for the year ended 31st December 2018 before charging any commission was 60,000. Find the commission of Sibi and Manoj. Also show the distribution of profit.

43. **A)** From the information given below, prepare Receipts and Payments account of Kurunji Sports Club for the year ended 31st December, 2018.

Particulars	Rs	Particulars	Rs
Cash in hand (1.1.2018)	4,000	Paid for printing charges	2,500
Salaries paid	3,000	Lockers rent received	1,000
Life membership fees received	10,000	Tournament receipts	14,000
Subscription received	15,000	Tournament expenses	10,500
Rent received	2,000	Investments purchased	25,000

[OR]

**B)** The following particulars are available in respect of the business carried on by a partnership firm:

- Profits earned: 2016: 25,000; 2017: 23,000 and 2018: 26,000.
- Profit of 2016 includes a non-recurring income of 2,500.
- Profit of 2017 is reduced by 3,500 due to stock destroyed by fire.
- 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.

44. **A)** from the following particulars calculate total purchases.

Particulars	Rs	Particulars	RS
Sundry creditors on 1st January, 2018	30,000	Purchases returns	15,000
Bills payable on 1st January, 2018	25,000	Cash purchases	2,25,000
Paid cash to creditors	1,20,000	Creditors on 31st December, 2018	25,000
Paid for bills payable	30,000	Bills payable on 31st December, 2018	20,000

[OR]

**B)** Rajan and Selva are partners sharing profits and losses in the ratio of 3:1. Their balance sheet as on 31st March 2017 is as under:

Liabilities	Rs	Rs	Assets	Rs
Capital accounts:			Building	25,000
Rajan	30,000		Furniture	1,000
Selva	16,000	46,000	Stock	20,000
General reserve		4,000	Debtors	16,000
Creditors		37,500	Bills receivable	3,000
			Cash at bank	12,500
			Profit and loss account	10,000
		<b>87,500</b>		<b>87,500</b>

On 1.4.2017, they admit Ganesan as a new partner on the following arrangements:

- Ganesan brings 10,000 as capital for  $\frac{1}{5}$  share of profit.
- Stock and furniture is to be reduced by 10%, a reserve of 5% on debtors for doubtful debts is to be created.
- Appreciate buildings by 20%.

Prepare revaluation account, partners' capital account and the balance sheet of the firm after admission.

**45. A)** Distinguish between sacrificing ratio and gaining ratio. **[OR]**

**B)** 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 50,000 which includes 5,000 for 2017 and 7,000 for 2019. Subscription outstanding for the year 2018 is 6,000. Subscription of 4,000 was received in advance for 2018 in the year 2017.

**46. A)** Kavin, Madhan and Ranjith are partners sharing profits and losses in the ratio of 4:3:3 respectively. Kavin retires from the firm on 31st December, 2018. On the date of retirement, his capital account shows a credit balance of 1,50,000. Pass journal entries if:

- The amount due is paid off immediately.
- The amount due is not paid immediately.
- 1,00,000 is paid and the balance in future. **[OR]**

**B)** A partnership firm earned net profits during the last three years as follows:

2016: 20,000; 2017 : 17,000 and 2018 : 23,000

The capital investment of the firm throughout the above mentioned period has been 80,000. Having regard to the risk involved, 15% is considered to be a fair return on capital employed in the business. Calculate the value of goodwill on the basis of 2 years purchase of super profit.

47. A) From the following details of Rakesh, prepare Trading and Profit and Loss account for the year ended 31st March, 2019 and a Balance Sheet as on that date.

Particulars	31.3.2018	31.3.2019
Stock of goods	2,20,000	1,60,000
Debtors	5,30,000	6,40,000
Cash at bank	60,000	10,000
Machinery	80,000	80,000
Sundry creditors	3,70,000	4,20,000

Other details:

Particulars	Rs	Particulars	Rs
Rent paid	1,20,000	Cash received from debtors	12,50,000
Discount received	35,000	Drawings	1,00,000
Discount allowed	25,000	Cash sales	20,000
Cash paid to creditors	11,00,000	Capital as on 1.4.2018	5,20,000

[OR]

B) Below on various conditions you prepare Journal Entries of Good will?

- A. Malathi and Shobana are partners sharing profits and losses in the ratio of 5:4. They admit Jayasri into partnership for  $\frac{1}{3}$  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.
- B. Anu and Arul were partners in a firm sharing profits and losses in the ratio of 4:1. They have decided to admit Mano into the firm for  $\frac{2}{5}$  share of profits. The goodwill of the firm on the date of admission was valued at 25,000. Mano is not able to bring in cash for his share of goodwill. Pass necessary journal entry for goodwill on the assumption that the fluctuating capital method is followed.
- C. Varun and Barath are partners sharing profits and losses 5:4. They admit Dhamu into partnership. The new profit sharing ratio is agreed at 1:1:1. Dhamu's share of goodwill is valued at 15,000 of which he pays 10,000 in cash. Pass necessary journal entries for adjustment of goodwill on the assumption that the fluctuating capital method is followed.

\*\*\*\* ALL THE BEST \*\*\*\*