



K V MATRIC. HR. SEC. SCHOOL

CREATIVITY * PROSPERITY* ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 10 7.

12 STD

ACCOUNTANCY

MODEL QUARTERLY EXAMINATIONS- 1

TIMES: 3.00Hrs.

MARKS: 90

INSTRUCTIONS: USE BLUE INK TO WRITE AND PENCIL TO DRAW DIAGRAMS.

PART – A

I. ANSWER ALL THE QUESTIONS.

(20X1=20)

CHOOSE THE MOST APPROPRIATE ANSWER FROM THE GIVEN FOUR ALTERNATIVES AND WRITE THE OPTION CODE AND THE CORRESPONDING ANSWER:

INSTRUCTIONS: USE BLUE INK TO WRITE AND PENCIL TO DRAW DIAGRAMS.

- 1) The excess of assets over liabilities is _____
 (a) Loss (b) Cash (c) Capital (d) Profit
- 2) 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
- 3) Opening balance of debtors: Rs 30,000, cash received: Rs 1,00,000, credit sales: Rs 90,000; closing balance of debtors is _____
 (a) Rs.30,000 (b) Rs.1,30,000 (c) Rs.40,000 (d) Rs.20,000
- 4) 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
- 5) Legacy is a ____
 (a) Revenue expenditure (b) Capital expenditure
 (c) Revenue receipt (d) Capital receipt
- 6) 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
- 7) 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
- 8) 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

- 9) 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
- 10) 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
- 11) 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 × Years of purchase
- 12) 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
- 13) 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
- 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 partner
- 15) 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
- 16) Balaji and Kamallesh are partners sharing profits and losses in the ratio of 2:1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamallesh and Yogesh is agreed to 3:1:1. Find the sacrificing ratio between Balaji and Kamallesh.
- (a) 1:3 (b) 3:1 (c) 2:1 (d) 1:2
- 17) On revaluation, the increase in liabilities leads to ____
- (a) Gain (b) Loss (c) Profit (d) None of these
- 18) '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

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 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

PART - B

7 x 2 = 14

II. ANSWER ANY 7 QUESTIONS. QUESTION NO. 30 IS COMPULSORY:

21) State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed.

22) What is gaining ratio?

23) What is the journal entry to be passed for providing interest on capital to a partner?

24) What is acquired goodwill?

25) 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

26) Give four examples for revenue receipts of not-for-profit organisation.

27) Chennai tennis club had Match fund showing credit balance of Rs.24,000 on 1st April, 2021. Receipt to the fund during the year was Rs 26,000. Match expenses incurred during the year was Rs.33,000. How these items will appear in the final accounts of the club for the year ended 31st March, 2022?

28) The capital account of Arivazhagan and Srinivasan on 1st January 2021 showed a balance of Rs.15,000 and Rs.10,000 respectively. On 1st July 2021, Arivazhagan introduced an additional capital of Rs.5,000 and on 1st September 2021 Srinivasan introduced an additional capital of Rs.10,000. Calculate interest on capital at 6% p.a. for the year ending 31st December 2021.

29) Kavitha and Radha are partners of a firm sharing profits and losses in the ratio of 4:3. They admit Deepa on 01.01.2021. On that date, their balance sheet showed debit balance of profit and loss account being accumulated loss of Rs. 70,000 on the asset side of the balance sheet. Give the journal entry to transfer the accumulated loss on admission.

30) State whether the following will be debited or credited in the revaluation account.

(a) Depreciation on assets

(b) Unrecorded liability

(c) Provision for outstanding expenses

(d) Appreciation of assets

PART - C

7 x 3 = 21

III. ANSWER ANY 7 QUESTIONS. QUESTION NO. 40 IS COMPULSORY

31) From the following details, calculate the missing figure

	Rs.
Capital as on 31.03.2022	1,90,000
Additional capital introduced during the year	50,000
Drawings during the year	30,000
capital on 01.04.2021	?
Loss for the year ending 31.03.2022	40,000

32) On 1st April 2021 Subha 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 31.03.2022.

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 Machinery	30,000	Cash in hand	60,000

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.

33) List out the adjustments made at the time of retirement of a partner in a partnership firm

34) How the following items are dealt with in the final accounts of not-for-profit organisation?

- Sale of sports materials
- Life membership fees
- Tournament fund

35) How will the following appear in the final accounts of Vedaranyam Sports club?

	Rs.
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

36) A and B contribute Rs.4,00,000 and Rs.2,00,000 respectively as capital. Their respective share of profit is 3:2 and the profit before interest on capital for the year is Rs.27,000. 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
- if interest on capital @ 3% is allowed as per the partnership deed
- if the partnership deed allows interest on capital @ 5% p.a.

37) Dhanam is a partner in a firm. He withdraws Rs.1,000 p.m. regularly. Interest on drawings is charged @ 5% p.a. Calculate the interest on drawings using average period, if he draws

- at the beginning of every month
- in the middle of every month
- at the end of every month

38) Find out the value of goodwill at three years purchase of weighted average profit of last four year.

Year	Profit Rs.	Weight
2019	10,000	1
2020	12,000	2
2021	16,000	3
2022	18,000	4

Purchase of super profit method.

- 39) Sathish and Sudhan are partners in a firm sharing profits and losses in the ratio of 4:3. On 1st April 2021, they admitted Sasi as a partner. On the date of Sasi's admission, goodwill appeared in the books of the firm at Rs.35,000. By assuming fluctuating capital account, pass the necessary journal entry if the partners decide to
- write off the entire amount of existing goodwill
 - write off Rs.21,000 of the existing goodwill
- 40) How is the value of goodwill calculated under the capitalisation method?

PART - D

7 × 5 = 35

IV. ANSWER ALL THE QUESTIONS.

- 41) a) State the differences between double entry system and incomplete records.

(OR)

- b) Selvam does not keep his books under double entry system. From the following information prepare trading and Profit and loss A/c and Balance Sheet as on 31-12-2018

Particulars	01-01-2021 Rs.	31-12-2021 Rs.
Machinery	60,000	60,000
Cash at bank	25,000	33,000
Sundry debtors	70,000	1,00,000
Stock	45,000	22,000
Bills receivable	20,000	38,000
Bank loan	45,000	45,000
Sundry creditors	25,000	21,000

Particulars	Rs.	Particulars	Rs.
Cash sales	20,000	Credit sales	1,80,000
Cash purchases	8,000	Credit purchases	52,000
Wages	6,000	Salaries	23,500
Advertisement	7,000	Interest on bank loan	4,500
Drawings	60,000	Additional capital	21,000

Adjustments:

Write off depreciation of 10% on machinery

- 42) a) From the following details you are required to calculate credit sales and credit purchases by preparing total debtors account, total creditors account, bills receivable account and bills payable account.

Particulars	Opening Rs.	Closing Rs.
Debtors	60,000	55,000
Bills receivable	5,000	1,000
Creditors	25,000	28,000
Bills payable	2,000	3,000
<u>OTHER INFORMATION</u>		
Cash received from debtors		1,30,000
Discount allowed to customers		5,500
Cash paid to creditors		70,000
Discount allowed by suppliers		3,500
Payments against bill payable		7,000
Cash received for bills receivable		14,000
Bills receivable dishonoured		1,200
Bad debts		3,500

(OR)

- b) From the following Receipts and Payments Account of Friends Football club, for the year ending 31st March, 2022, prepare Income and Expenditure Account for the year ending 31st March, 2022 and the Balance sheet as on that date.

In the books of Friends Football Club

Dr. Receipts and Payments Account for the year ended 31st March, 2022 Cr.

Receipts	Rs.	Rs.	Payments	Rs.	Rs.
To Balance b/d			By Furniture		7,000
Cash	1,000		By Sports materials purchased		800
Bank	10,000	11,000	By Special dinner expenses		1,500
To Subscriptions		5,000	By Electricity charges		900
To Legacies		6,000	By Balance c/d		
To Collection for special dinner		2,000	Cash in hand	1,800	
			Cash at bank	12,000	13,800
		24,000			24,000

Additional information:

- (i) The club had furniture of Rs.12,000 on 1st April 2021. Ignore depreciation on furniture.
- (ii) Subscription outstanding for 2021-2022 Rs. 600.
- (iii) Stock of sports materials on 31.03.2022 Rs.100.
- (iv) Capital fund as on 1st April 2021 was Rs. 23,000.

- 43) a) The following particulars are available in respect of the business carried on by a Partnership firm:
- Profits earned: 2020: Rs.25,000; 2021: Rs.23,000 and 2022: Rs.26,000.
 - Profit of 2020 includes a non-recurring income of Rs.2,500.
 - Profit of 2021 is reduced by Rs.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 Rs.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)

- b) Sriram and Raj are partners sharing profits and losses in the ratio of 2:1. Nesa joins as a partner on 1st April 2017. The following adjustments are to be made:
- Increase the value of stock by Rs.5,000
 - Bring into record investment of Rs.7,000 which had not been recorded in the books of the firm.
 - Reduce the value of office equipment by Rs.10,000
 - A provision would also be made for outstanding wages for Rs.9,500.
- Give journal entries and prepare revaluation account.

- 44) a) Bragathish and Naresh are partners who maintain their capital accounts under fixed capital method. From the following particulars, prepare capital accounts of partners.

Particulars	Bragathish Rs.	Naresh Rs.
Capital on 1st April 2022	4,00,000	6,00,000
Current account on 1 st April 2022	20,000(Cr.)	15,000(Dr.)
Additional capital introduced during the	50,000	Nil
Drawings made during the year	45,000	60,000
Interest on drawings	2,000	3,000
Share of profit for the year	80,000	1,20,000
Interest on capital	20,000	30,000
Commission	17,000	Nil
Salary	Nil	38,000

(OR)

- b) Dinesh and Sugumar entered into a partnership agreement on 1st January 2021, Dinesh contributing Rs.1,50,000 and Sugumar Rs.1,20,000 as capital. The agreement provided that:
- Profits and losses to be shared in the ratio 2:1 as between Dinesh and Sugumar.
 - Partners to be entitled to interest on capital @ 4% p.a.
 - Interest on drawings to be charged Dinesh: Rs.3,600 and Sugumar: Rs.2,200
 - Dinesh to receive a salary of Rs.60,000 for the year, and
 - Sugumar to receive a commission of Rs.80,000.
- During the year ended on 31st December 2021, the firm made a profit of Rs.2,20,000 before adjustment of interest, salary and commission.
- Prepare the Profit and loss appropriation account.

- 45) a) 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, 2022 is as follows:

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

Mani retired from the partnership firm on 31.03.2022 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.

(OR)

- b) Vijayan, Sudhan and Suman are partners who share profits and losses in their capital ratio. Their balance sheet as on 31.12.2022 is as follows

Balance Sheet as on 31.12.2022

Liabilities	Rs.	Rs.	Asset	Rs.
Capital accounts:			Building Stock	80,000
Vijayan	70,000		Debtors Cash at	45,000
Sudhan	50,000		bank Cash in	25,000
Suman	20,000	1,50,000	hand	20,000
General reserve		18,000		15,000
creditors		17,000		
		1,85,000		1,85,000

Suman died on 31.3.2022. On the death of Suman, the following adjustments are made:

- Building is to be valued at Rs. 1,00,000
- Stock to be depreciated by Rs. 5,000
- Goodwill of the firm is valued at Rs. 36,000

Share of profit from the closing of the last financial year to the date of death on the basis of the average of the three completed years'

profit before death. Profit for 2020, 2021 and 2022 were Rs. 40,000, Rs. 50,000 and Rs. 30,000 respectively.

Prepare the necessary ledger accounts and the balance sheet immediately after the death of Suman.

- 46) a) From the following particulars of Poompohar Literary Association, prepare Receipts and Payments account for the year ended 31st March, 2022.

Particulars	Rs.	Particulars	Rs.
Opening cash in hand as on 1.4.2021	5,000	Subscriptions received	20,000
Bank overdraft as on 1.4.2021	4,000	Repairs and renewals	2,500
Printing and stationery	1,500	Conveyance paid	2,750

Particulars	Rs.	Particulars	Rs.
Interest paid	3,250	Books purchased	10,000
Sale of investments	1,000	Insurance premium paid	4,000
Purchase of refreshments	1,500	Sundry receipts	750
Outstanding salary	2,000	Government grants received	6,000
Endowment fund receipts	2,000	Sale of refreshments	1,500
Lighting charges	1,300	Depreciation on buildings	2,000
		Cash at bank on 31.03.2022	2,000

(OR)

b) From the following Receipts and Payment account of Yercaud Youth Association, prepare Income and expenditure account for the year ended 31st March, 2022 and the balance sheet as on that date.

Dr. Receipts and Payments Account for the year ended 31st March, 2022 Cr

Receipts	Rs.	Payments	Rs.
To Balance b/d		By Salary	14,000
Cash in hand	9,600	By Office expenses	7,200
To Government grants for purchase of books	10,000	By Books purchased	15,000
To Subscription	24,800	By Stationery purchased	1,800
To Admission fees	2,000	By Newspaper purchased	2,100
To Prize fund receipts	6,000	By Prizes awarded	5,000
To Bank interest	1,500	By Balance c/d	
To Sale of newspapers	1,100	Cash in hand	9,900
	55,000		55,000

Additional information:

(i) Opening capital fund Rs.20,000.

(ii) Stock of books on 1.4.2018 Rs.9,200.

(iii) Subscription due but not received Rs1,700.

(iv) Stock of stationery on 1.4.2018 Rs.1,200 and stock of stationery on 31.03.2022, Rs.2,000

- 47) a) A, B, C and D are partners in a firm. There is no partnership deed. How will you deal with the following?
- A has contributed maximum capital. He demands interest on capital at 12% per annum.
 - B has withdrawn Rs.1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.
 - Loan advanced by C to the firm is Rs10,000. He demands interest on loan @ 9% per annum. A and B do not agree with this.
 - D demands salary at the rate of Rs.5,000 per month as he spends full time for the business. B and C do not agree with this.
 - A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

(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

- (a) To increase the value of building by Rs.40,000.
 - (b) To bring into record investments at Rs.10,000, which have not so far been brought into account.
 - (c) To decrease the value of machinery by Rs.14,000 and furniture by Rs.12,000.
 - (d) To write off sundry creditors by Rs.16,000.
- Pass journal entries and prepare revaluation account.

Character is repeated habits, and repeated habits alone can reform character.

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