

XII-ACCOUNTANCY

MARKS: 90

UNIT : (6 TO 10) TIME: 3 HOUR

PART-A

I.(MULTIPLE CHOICE QUESTIONS) (20X1=20)

1. 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

2. A, B and C are partners sharing profits in the ratio of 2:2:1. On retirement of B, goodwill of the firm was valued as ₹ 30,000. Find the contribution of A and C to compensate B:

- (a) ₹ 20,000 and ₹ 10,000 (b) ₹ 8,000 and ₹ 4,000
 (c) ₹ 10,000 and ₹ 20,000 (d) ₹ 15,000 and ₹ 15,000

3. 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

4. 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 ₹ 36,000.

- (a) ₹ 1,000 (b) ₹ 3,000 (c) ₹ 12,000 (d) ₹ 36,000

5. At the time of forfeiture, share capital account is debited with

- (a) Face value (b) Nominal value
 (c) Paid up amount (d) Called up amount

6. After the forfeited shares are reissued, the balance in the forfeited shares account should be transferred to

- (a) General reserve account (b) Capital reserve account
 (c) Securities premium account (d) Surplus account

7. The amount received over and above the par value is credited to

- (a) Securities premium account (b) Calls in advance account
 (c) Share capital account (d) Forfeited shares account

8. A preference share is one

- (i) which carries preferential right with respect to payment of dividend at fixed rate
 (ii) which carries preferential right with respect to repayment of capital on winding up

- (a) Only (i) is correct (b) Only (ii) is correct
 (c) Both (i) and (ii) are correct (d) Both (i) and (ii) are incorrect

9. The term 'fund' refers to

- a) Current liabilities b) Working capital c) Fixed assets d) Non-current assets

10. A limited company's sales has increased from 1,25,000 to 1,50,000. How does this appear in comparative income statement?

- a) + 20 % b) + 120 % c) - 120 % d) - 20 %

11. In a common-size balance sheet, if the percentage of non-current assets is 75, what would be the percentage of current assets?

- a) 175 b) 125 c) 25 d) 100

12. Expenses for a business for the first year were ₹ 80,000. In the second year, it was increased to ₹ 88,000. What is the trend percentage in the second year?

- a) 10 % b) 110 % c) 90 % d) 11%

13. To test the liquidity of a concern, which of the following ratios are useful?

- (i) Quick ratio (ii) Net profit ratio
 (iii) Debt-equity ratio (iv) Current ratio

Select the correct answer using the codes given below:

- (a) (i) and (ii) (b) (i) and (iv) (c) (ii) and (iii) (d) (ii) and (iv)

14. Proportion of share holders' funds to total assets is called

- (a) Proprietary ratio (b) Capital gearing ratio
 (c) Debt equity ratio d) Current ratio

15. Current liabilities ` 40,000; Current assets ` 1,00,000 ;

Inventory ` 20,000 . Quick ratio is

(a) 1:1 (b) 2.5:1 (c) 2:1 (d) 1:2

16. Cost of revenue from operations ` 3,00,000; Inventory in the beginning of the year 60,000; Inventory at the close of the year ` 40,000. Inventory turnover ratio is

(a) 2 times (b) 3 times (c) 6 times (d) 8 times

17. Function key F11 is used for

(a) Company Features (b) Accounting vouchers

(c) Company Configuration (d) None of these

18. Which submenu displays groups, ledgers and voucher types in Tally?

(a) Inventory vouchers (b) Accounting vouchers

(c) Company Info (d) Account Info

19. What are the predefined Ledger(s) in Tally?

(i) Cash (ii) Profit & Loss A/c (iii) Capital A/c

(a) Only (i) (b) Only (ii) (c) Both (i) and (ii) (d) Both (ii) and (iii)

20. 25,000 withdrawn from bank for office use. In which voucher type, this transaction will be recorded

(a) Contra Voucher (b) Receipt Voucher

(c) Payment Voucher (d) Sales Voucher

PART-B

II. (Write any 7 Questions (compulsory Q.No:30) (7X2=14)

21. What is meant by retirement of a partner?

22. Write a short note on securities premium account.

23. What is working capital?

24. State any two limitations of ratio analysis.

25. Calculate quick ratio: Total current liabilities ` 2,40,000;

Total current assets ` 4,50,000; Inventories ` 70,000;

Prepaid expenses ` 20,000

26. Rosi, Rathi and Rani are partners of a firm sharing profits and losses equally. Rathi retired from the partnership on 1.1.2018. On that date, their balance sheet showed accumulated loss of ` 45,000 on the asset side of the balance sheet. Give the journal entry to distribute the accumulated loss.

27. Anitha was holding 500 equity shares of ` 10 each of Thanjavur Motors Ltd, issued at par. She paid 3 on application, 5 on allotment but could not pay the first and final call of ` 2. The directors forfeited the shares for nonpayment of call money. Give Journal entry for forfeiture of shares.

28. Prepare common-size income statement for the following particulars of Raja Ltd. for the year ended 31st March, 2017

Revenue from operations 4,50,000

Other income 67,500 Expenses 1,35,000

29. From the following details of a business concern calculate net profit ratio.

Particulars

Revenue from operations 3,50,000

Cost of revenue from operations 1,50,000

Administration expenses 50,000

Selling expenses 10,000

30.

Complete the following journal entries by filling the missing information.

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
1.	_____ Dr. To Share application A/c (Application money received @ 2 per share)		2,00,000	_____
2.	Share application A/c Dr. To Share capital A/c (Share application money for _____ shares transferred to _____)		_____	2,00,000

PART-C

II. Answer any 7 Questions (Q.No 40 Compulsory) (7*3=21)

31. List out the adjustments made at the time of retirement of a partner in a partnership firm.
32. Write a short note on (a) Authorised capital (b) Reserve capital
33. Briefly explain any three limitations of financial statements.
34. State any three advantages of ratio analysis.
35. Write a brief note on accounting vouchers.
36. 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.

37. Abdul Ltd. issues 50,000 equity shares of ₹ 10 each payable fully on application. Pass journal entries if shares are issued (i) at par (ii) at a premium of ₹ 3 per share.

38. Calculate trend percentages for the following particulars of Kurinji Ltd.

Particulars ` in thousands	2015-16	2016-17	2017-18
Revenue from operations	120	132	156
Other income	50	38	65
Expenses	100	135	123

39. From the following figures obtained from Kalpana Ltd, calculate the trade payables turnover ratio and credit payment period (in days).

Credit purchases during 2018 - 2019 1,00,000

Trade creditors as on 1.4.2018 20,000

Trade creditors as on 31.3.2019 10,000

Bills payable as on 1.4.2018 4,000

Bills payable as on 31.3.2019 6,000

40. Naresh, Mani and Muthu are partners in a firm sharing profits and losses in the ratio of 2:2:1. On 31st March 2019, Muthu retires from the firm. On the date of Muthu's retirement, goodwill appeared in the books of the firm at ₹ 40,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to

- (a) write off the entire amount of existing goodwill
- (b) write off half of the amount of existing goodwill.

PART-D

II. Answer ANY 7 Questions (7*5=35)

41. Explain any five applications of computerised accounting system.
42. Gemini Ltd. forfeited 20 equity shares of ₹ 10 each, ₹ 7 called up, on which Mahesh had paid application and allotment money of ₹ 5 per share. Of these 15 shares were reissued to Naresh by receiving

` 6 per share paid up as ` 7 per share. Pass journal entries for forfeiture and reissue.

43. Jenifer Ltd. issued 10,000 equity shares of ` 10 each at par payable on application ` 3 per share, on allotment ` 3 per share, on first call ` 2 per share and on second and final call ` 2 per share. The issue was fully subscribed and all the amounts were duly received with the exception of 100 shares held by Subbu, who failed to pay the second and final call. His shares were forfeited and reissued to Hema at ` 7 per share.

Journalise the above transactions

44. Calculate operating profit ratio under the following cases.

Case 1: Revenue from operations ` 10,00,000, Operating profit ` 1,50,000.

Case 2: Revenue from operations ` 15,00,000, Operating cost ` 12,00,000

Case 3: Revenue from operations ` 20,00,000, Gross profit 30% on revenue from operations, Operating expenses ` 4,00,000

45.

Charles, Muthu and Sekar are partners, sharing profits in the ratio of 3:4:2. Their balance sheet as on 31st December, 2018 is as under:

Liabilities	₹	₹	Assets	₹
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	42,000
Workmen compensation fund		27,000	Profit and loss A/c (loss)	18,000
Sundry creditors		33,000		
		1,50,000		1,50,000

On 1.1.2019, Charles retired from the partnership firm on the following arrangements.

- Stock to be appreciated by 10%
- Furniture to be depreciated by 5%
- To provide ₹ 1,000 for bad debts
- There is an outstanding repairs of ₹ 11,000 not yet recorded
- The final amount due to Charles was paid by cheque

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

46.

Prepare common-size balance sheet of Sharmila Ltd. and Sangeetha Ltd. as on 31st March, 2019.

Particulars	Sharmila Ltd	Sangeetha Ltd
	₹	₹
I EQUITY AND LIABILITIES		
Shareholders' funds	5,00,000	11,00,000
Non-current liabilities	4,00,000	7,00,000
Current liabilities	1,00,000	2,00,000
Total	10,00,000	20,00,000
II ASSETS		
Non-current assets	6,50,000	18,00,000
Current assets	3,50,000	2,00,000
Total	10,00,000	20,00,000

47.

Calculate trend percentages for the following particulars of Palai Ltd.

Particulars	₹ in lakhs		
	Year 1	Year 2	Year 3
I EQUITY AND LIABILITIES			
Shareholders' fund	250	275	300
Non-current liabilities	100	125	100
Current liabilities	50	40	80
Total	400	440	480
II ASSETS			
Non-current assets	300	360	390
Current assets	100	80	90
Total	400	440	480

48.

Sundar, Vivek and Pandian are partners, sharing profits in the ratio of 3:2:1. Their balance sheet as on 31st December, 2018 is as under:

Balance Sheet as on 31st December, 2018

Liabilities	₹	₹	Assets	₹
Capital accounts:			Land	80,000
Sundar	50,000		Stock	20,000
Vivek	40,000		Debtors	30,000
Pandian	10,000	1,00,000	Cash at bank	14,000
General reserve		36,000	Profit and loss A/c (loss)	6,000
Sundry creditors		14,000		
		1,50,000		1,50,000

On 1.1.2019, Pandian died and on his death the following arrangements are made:

- Stock to be depreciated by 10%
- Land is to be appreciated by ₹ 11,000
- Reduce the value of debtors by ₹ 3,000
- The final amount due to Pandian was not paid

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

49.

From the following Balance Sheet of Arunan Ltd. as on 31.03.2019 calculate (i) Debt-equity ratio (ii) Proprietary ratio and (iii) Capital gearing ratio.

Balance Sheet of Arunan Ltd. as on 31.03.2019

Particulars	₹
I EQUITY AND LIABILITIES	
1. Shareholders' funds	
(a) Share capital	
Equity share capital	1,50,000
8% Preference share capital	2,00,000
(b) Reserves and surplus	1,50,000
2. Non current liabilities	
Long term borrowings (9% Debentures)	4,00,000
3. Current liabilities	
Short-term borrowings from banks	25,000
Trade payables	75,000
Total	10,00,000
II ASSETS	
1. Non-current assets	
Fixed assets	7,50,000
2. Current assets	
(a) Inventories	1,20,000
(b) Trade receivables	1,00,000
(c) Cash and cash equivalents	27,500
(d) Other current assets	
Expenses paid in advance	2,500
Total	10,00,000

50.

Calculate (i) Inventory turnover ratio (ii) Trade receivables turnover ratio (iii) Trade payables turnover ratio and (iv) Fixed assets turnover ratio from the following information obtained from Anitha Ltd.

Particulars	As on 31st March, 2018 ₹	As on 31st March, 2019 ₹
Inventory	3,60,000	4,40,000
Trade receivables	7,40,000	6,60,000
Trade payables	1,90,000	2,30,000
Fixed assets	6,00,000	8,00,000

Additional information:

(i) Revenue from operations for the year ₹ 35,00,000

(ii) Purchases for the year ₹ 21,00,000

(iii) Cost of revenue from operations ₹ 16,00,000.

Assume that sales and purchases are for credit.

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=====All the best=====