

HALF YEARLY EXAMINATION - 2019

12 - Std

ACCOUNTANCY

Time : 3.00 hrs. SUCCESS ACADEMY - SHARANI Marks : 90

PART - I

Note : (i) Answer all the questions.

20 X 1 = 20

(ii) Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer.

- What is the amount of Capital of the Proprietor, if his assets are Rs. 85,000 and liabilities are Rs. 21,000 ?
(a) Rs. 85,000 (b) Rs. 1,06,000 (c) Rs. 21,000 (d) Rs. 64,000
- Find out the correct one :
(a) Total Sales = Cash Sales + Credit Sales
(b) Total Sales = Cash Sales - Credit Sales
(c) Total Sales = Credit Sales - Cash Sales
(d) Total Sales = Credit Sales + Cash Purchase
- Which of the following should not be recorded in the income and expenditure account ?
(a) Sale of old newspapers (b) Loss on sale of asset
(c) Honorarium paid to the secretary (d) Sale proceeds of furniture
- Subscription due but not received for the current year is :
(a) An asset (b) A liability
(c) An expense (d) An item to be ignored
- 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
- Closing balance of partner's current account may be _____
(a) Debit balance or Credit balance (b) Debit balance only
(c) Credit balance only (d) NIL balance
- Under Weighted average profit method, Goodwill = _____
(a) Goodwill = Weighted average profit × Number of years of purchase
(b) Goodwill = Average profit × Number of years of purchase
(c) Goodwill = Super profit × Number of years of purchase
(d) Goodwill = Super profit × Present value annuity factor
- Revaluation A/c is a :
(a) Real A/c (b) Nominal A/c (c) Personal A/c (d) Impersonal A/c
- James and Kamal are sharing profits and losses in the ratio of 5 : 3. They admit Sunil 1/5 as a partner giving him 5 share of profits. Find out the sacrificing ratio.
(a) 1 : 3 (b) 3 : 1 (c) 5 : 3 (d) 3 : 5
- When admitting a new partner reserves and accumulated profits and losses should be distributed to the old partners in the _____
(a) New Profit Sharing Ratio (b) Old Profit Sharing Ratio
(c) Sacrificing Ratio (d) Gaining Ratio

11. At the time of retirement of a partner, determination of gaining ratio is required :
 (a) To transfer revaluation profit or loss
 (b) To distribute accumulated profits and losses
 (c) To adjust goodwill
 (d) To distribute accumulated reserves
12. 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 was Rs. 36,000.
 (a) Rs. 1,000 (b) Rs. 3,000 (c) Rs. 12,000 (d) Rs. 36,000
13. 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
14. When shares are issued for purchase of assets, the amount should be credited to : (a) Vendor's A/c (b) Sundry assets A/c
 (c) Share Capital A/c (d) Bank A/c
15. Match the following :
 The share capital may be received through instalments as below,
 (1) First instalment - (i) First call money
 (2) Second instalment - (ii) Application money
 (3) Third instalment - (iii) Allotment money
 (4) Last instalment - (iv) Final call money
 (a) (1) - (iii), (2) - (ii), (3) - (i), (4) - (iv)
 (b) (1) - (i), (2) - (iv), (3) - (iii), (4) - (ii)
 (c) (1) - (ii), (2) - (iii), (3) - (i), (4) - (iv)
 (d) (1) - (ii), (2) - (iii), (3) - (iv), (4) - (i)
16. Which of the following is not a tool of financial statement analysis?
 (a) Trend analysis (b) Common size statement
 (c) Comparative statement (d) Standard costing
17. In a common-size balance sheet, if the percentage of non-current assets is 75, what would be the percentage of current assets ?
 (a) 17.5 (b) 12.5 (c) 25 (d) 100
18. The mathematical expression that provides a measure of the relationship between two figures is called :
 (a) Conclusion (b) Ratio (c) Model (d) Decision
19. Which one of the following is not correctly matched ?
 (a) Current assets - Inventories
 (b) Current liabilities - Trade Payables
 (c) Long term debt - Expenses payable
 (d) Shareholder's funds - Equity share capital
20. What are the predefined ledger(s) in Tally?
 (i) Cash (ii) Profit & Loss A/c (iii) Capital A/c
 (a) (i) only (b) (ii) only (c) Both (i) and (ii) (d) Both (ii) and (iii)

PART - II**Answer any seven questions in which question no. 30 is compulsory.**

21. From the following details, calculate the missing figure : 7x2 = 14

Particulars	Rs.
Capital as on 1 st April, 2018	40,000
Capital as on 31 st March, 2019	50,000
Additional capital introduced during the year	7,000
Profit for the year	8,000
Drawings during the year	?

22. What is subscription of not-for-profit organisation ?

23. Murali and Sethu are partners in a firm. Murali is to get a commission of 10% of net profit before charging any commission. Sethu is to get a commission of 10% on net profit after charging all commission. Net profit for the year ended 31st March 2019 before charging any commission was Rs. 1,10,000. Find the amount of commission due to Murali and Sethu.

24. The following are the profits of a firm in the last five years :
 2014 : Rs. 10,000 ; 2015 : Rs. 11,000 ; 2016 : Rs. 12,000 ;
 2017 : Rs. 13,000 and 2018 : Rs. 14,000
 Calculate the value of goodwill at 2 years purchase of average profit of five years.

25. 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.

26. Muthu Ltd., issued 50,000 shares of Rs. 10 each payable as follows :
 Rs. 2 on application ; Rs. 4 on allotment ; Rs. 4 on first and final call.
 All money were duly received except one shareholder holding 1,000 shares failed to pay the call money. Pass the necessary journal entries for calls by using calls in arrear account.

27. What is Working Capital ?

28. Calculate quick ratio : Total current liabilities Rs. 2,40,000 ;
 Total current assets Rs. 4,50,000 ; Inventories Rs. 70,000 ; Prepaid expenses Rs. 20,000.

29. What is group in Tally.ERP 9 ?

30. What is under Subscription ?

PART - III

7x3 = 21

Answer any seven questions in which question no. 40 is compulsory.

31. From the following details find out total sales made during the year.

Particulars	Rs.
Debtors on 1 st 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 st December 2018	2,00,000
Cash Sales	4,60,000

32. How will the following appear in the final accounts of Marthandam 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

33. "Favourable location of the business enterprises" - will it determine the value of goodwill in a partnership firm? Why?
34. Vimal and Athi are partners sharing profits in the ratio of 2 : 1. Jeyam is admitted for 1/4 share in the profits. Calculate the new profit sharing ratio and sacrificing ratio.

35. Complete the following journal entries. Journal entries for settlement of the amount due to the deceased partner.

(a) When the amount due is not paid immediately in cash.

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Deceased partner's executor A/c Dr		XXX	
	To _____			

(b) When the amount due is partly paid in cash immediately.

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
	Deceased partner's executors A/c Dr		XXX	
	To _____			
	To _____			

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

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

37. From the given information calculate the Inventory turnover ratio of Sania Ltd.

Particulars	Rs.
Revenue from operations	1,90,000
Inventory at the beginning of the year	40,000
Inventory at the end of the year	20,000
Purchases made during the year	90,000
Carriage inwards	10,000

38. Classify the ratios on the basis of function.
39. What are accounting reports? Classify them.
40. In which Capital method, two accounts are maintained for each partner? Explain.

PART - IV

Answer all the questions.

7 X 5 = 35

41. (a) Differentiate between statement of affairs and balance sheet. (OR)
- (b) Saran, Arun and Karan are partners in a firm sharing profits and losses in the ratio of 4 : 3 : 3. Their balance sheet as on 31.12.2016 was as follows

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital accounts			Buildings		60,000
Saran	60,000		Machinery		40,000
Arun	50,000		Investment		20,000
Karan	40,000	1,50,000	Stock		12,000
General reserve		15,000	Debtors	25,000	
Creditors		35,000	Less : Provision for bad debts	1,000	24,000
			Cash at bank		44,000
					<u>2,00,000</u>
		<u>2,00,000</u>			

Karan retires on 1.1.2017 subject to the following conditions:

- (i) Goodwill of the firm is valued at Rs. 21,000
- (ii) Building to be valued at Rs. 80,000
- (iii) Machinery to be appreciated by 10%
- (iv) Provision for bad debts to be raised to Rs. 2,000.
- (v) Stock to be depreciated by Rs. 2,000
- (vi) Final amount due to Karan is not paid immediately
- (vii) Revaluation profit Rs. 21,000

Prepare Capital Accounts of the partner's and show the balance sheet of the firm after retirement.

42. (a) Arjun carries on grocery business and does not keep his books on double entry basis. The following particulars have been extracted from his books:

Particulars	1.4.2018 Rs.	31.3.2019 Rs.
Plant and Machinery	20,000	20,000
Stock	9,000	16,000
Sundry Debtors	2,000	5,300
Sundry Creditors	5,000	4,000
Cash at bank	4,000	6,000

Other information for the year ending 31-03-2019 showed the following:

	Rs.
Advertising	4,700
Carriage inwards	8,000
Cash paid to creditors	64,000
Drawings	2,000

Total sales during the year were Rs. 85,000.

Total purchase during the year were Rs. 65,000.

Purchase return during the year were Rs. 2,000 and sales returns were Rs. 1,000. Depreciate Plant and Machinery by 5%. Provide Rs. 300 for doubtful debts.

Prepare trading and profit and loss account for the year ending 31st March, 2019 and a balance sheet as on the date. (OR)

- (b) 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	Rs.
I. EQUITY AND LIABILITIES	
1. Shareholder's 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