

12

Time : 3.00 hrs.

# Half-Yearly Examination - 2022

## ACCOUNTANCY

Reg. No.

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Max. Marks : 90

## PART - A

20 x 1 = 20

- Choose the correct answer
  - The amount of credit sales can be computed from
    - Total debtors A/c
    - Total creditors A/c
    - Bills Receivable A/c
    - Bills Payable A/c
  - Income and expenditure account is prepared to find out
    - profit or loss
    - cash and bank balance
    - surplus or deficit
    - financial position
  - 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
    - 5.5 months
    - 6 months
    - 12 months
    - 6.5 months
  - When the average profit is ₹ 25000 and the normal profit is ₹ 15000 super profit is
    - ₹ 25000
    - ₹ 5000
    - ₹ 10000
    - ₹ 15000
  - Revaluation A/c is a
    - Real A/c
    - Nominal A/c
    - Personal A/c
    - Impersonal A/c
  - If the final amount due to retiring partner is not paid immediately, it is transferred to
    - Bank A/c
    - Retiring partner's capital A/c
    - Retiring partner's loan A/c
    - other partner's capital A/c
  - The amount received over and above the par value is credited to
    - Securities premium A/c
    - Calls in advance A/c
    - Share capital A/c
    - Forfeited shares A/c
  - Which of the following is not a tool of financial statement analysis?
    - Trend analysis
    - Common size statement
    - comparative statement
    - standard costing
  - Debt-equity ratio is a measure of
    - short term solvency
    - long term solvency
    - profitability
    - efficiency
  - Accounting report prepared according to the requirements of the user is
    - Routine accounting report
    - Special purpose report
    - Trial balance
    - Balance sheet
  - Donations received for a specific purpose is
    - Revenue receipt
    - Capital receipt
    - Revenue expenditure
    - Capital expenditure
  - Which of the following statements is true?
    - Goodwill is an intangible asset
    - Goodwill is a current asset
    - Goodwill is a fictitious asset
    - Goodwill cannot be acquired
  - 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
    - 4 : 3
    - 3 : 4
    - 2 : 1
    - 1 : 2
  - A limited company's sales has increased from ₹125000 to ₹150000. How does this appear in comparative income statement?
    - +20%
    - +120%
    - 120%
    - 20%
  - Salary account comes under which of the following head?
    - Direct incomes
    - Direct expenses
    - Indirect incomes
    - Indirect expenses
  - Pick the odd one out
    - Partner's share profits and losses equally
    - Interest on partner's capital is allowed at 7% per annum.
    - No salary or remuneration is allowed to partners
    - Interest on loan from partners is allowed at 6% per annum.
  - .....and.....accounts are maintained under incomplete records method.
    - personal and nominal
    - cash and personal
    - real and nominal
    - representative personal and personal
  - Match the pair and identify the correct option.
 

1. Under subscription	-	i) Amount prepaid for calls
2. Over subscription	-	ii) Subscription above the offered shares
3. Calls in arrears	-	iii) Subscription below the offered shares
4. Calls in advance	-	iv) Amount unpaid on calls

## PART - B

7 x 2 = 14

II. Answer any seven questions. Question No.30 is compulsory.

- Write a short note on life membership fees.
- What is Reserve capital?
- What is working capital?
- What is automated accounting system?
- From the following particulars ascertain profit or loss.

Capital at the beginning of the year (1st April 2016)	₹ 200000
Capital at the end of the year (31st March 2017)	350000
Additional capital introduced during the year	70000
Drawings during the year	40000

- X and Y were partners. X withdrew ₹18000 at the beginning of each half year. Interest on drawings is chargeable @ 10% p.a. Calculate interest on the drawings for the year ending 31st December 2018 using average period.
- Praveena and Dhanya are partners sharing profits in the ratio of 7 : 3. They admit Malini into the firm. The new ratio among Praveena, Dhanya and Malini is 5 : 2 : 3. Calculate the sacrificing ratio.
- Mary, Meena and Mariam are partners of a firm sharing profits and losses equally. Mary retired from the partnership on 01.01.2019. On that date, their balance sheet showed accumulated loss of ₹75000 on the asset side of the balance sheet. Give the journal entry to distribute the accumulated loss.



29. Calculate current ratio from the following information.

Particulars	₹	Particulars	₹
Current investment	80000	Prepaid expenses	40000
Inventories	160000	Trade creditors	160000
Trade receivables	400000	Bills payable	100000
Cash and cash equivalents	120000	Expenses payable	140000

30. What is super profit?

#### PART - C

7 x 3 = 21

Answer any seven questions. Question No.40 is compulsory.

31. What are the limitations of incomplete records? (any three)
32. State any three differences between sacrificing ratio and gaining ratio.
33. Explain any three applications of computerised accounting system.
34. How will the following items appear in the final accounts of a sports club?
- | Particulars                                      | ₹    |
|--|------|
| Stock of sports materials (01.04.2018)           | 3000 |
| Sports materials purchased during current year   | 9000 |
| Sale of old sports materials during current year | 500  |
| Stock of sports materials (31.07.2019)           | 4000 |
35. The profits and losses of a firm for the last four years were as follows.  
2015 : ₹15000, 2016 : ₹17000, 2017 : ₹6000 (loss) 2018 : ₹14000. You are required to calculate the amount of goodwill on the basis of 5 years purchase of average profits of the last 4 years.
36. Rajesh and Ramesh are partners sharing profits in the ratio 3 : 2. Raman is admitted as a new partner and the new profit sharing ratio is decided as 5 : 3 : 2. The following revaluations are made prepare revaluation account.
- a) The value of building is increased by ₹15000.  
b) The value of the machinery is decreased by ₹4000  
c) Provision for doubtful debt is made for ₹1000.
37. Paradise Ltd. purchased assets of ₹440000 from Suguna Furniture Ltd. It issued equity shares of ₹10 each fully paid in satisfaction of their claim. What entries will be made if such issue is at par.
38. Prepare common-size balance sheet of Reena Ltd as on 31<sup>st</sup> March 2018.

Particulars	₹
<b>I. EQUITY AND LIABILITIES</b>	
Shareholder's Funds	200000
Non-current liabilities	160000
Current liabilities	40000
<b>Total</b>	<b>400000</b>
<b>II. ASSETS</b>	
Non-current assets	300000
Current assets	100000
<b>Total</b>	<b>400000</b>

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

Particulars	₹
Revenue from operations	960000
Cost of Revenue from operations	550000
Office and administration expenses	145000
Selling and distribution expenses	25000

40. 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 withdrew ₹3000 per month. Other partners ask Bala to pay interest on drawings @ 8% per annum to the firm. But, Bala did not agree to it.
- iii) Akash demands the profit to be shared in the capital ratio, but others do not agree.

#### PART - D

Answer all the questions.

7 x 5 = 35

41. a) On 1st April 2017, Ganesh started his business with a capital of ₹75000. He did not maintain proper book of accounts. Following particulars are available from his books as on 31.03.2018.

Particulars	₹	Particulars	₹
Cash	5000	Debtors	16000
Stock of goods	18000	Creditors	9000
Bills receivable	7000	Cash at Bank	24000
Furniture	3000	Bills payable	6000
Land and building	30000		

During the year he withdrew ₹ 15000 for his personal use. He introduced further capital of ₹ 20000 during the year. Calculate his profit or loss. (OR)

- b) From the following balance sheets of Subha and Sudha who share profits and losses equally. Calculate interest on capital at 6% p.a. for the year ending 31<sup>st</sup> December 2017.

Balance sheet as on 31 <sup>st</sup> December 2017			
Liabilities	₹	Assets	₹
Capital account		Fixed assets	30000
Subha	15000	Current assets	20000
Sudha	20000		
Current liabilities	15000		
	<u>50000</u>		<u>50000</u>

42. Drawings of Subha and Sudha during the year were ₹2500 and ₹3500 respectively. Profit earned during the year was ₹15000. a) From the following information, prepare Receipts and Payments account of Coimbatore Cricket Club for the year ending 31<sup>st</sup> March 2019.

Particulars	₹	Particulars	₹
Bank overdraft (1.4.2018)	6000	Honorarium paid	2800
Cash in hand (1.4.2018)	1000	Water and electricity charges	700
Wages paid for ground maintenance	2000	Sports materials purchased	1900
Subscription received		Match fund receipts	5200
Previous year	500	Legacies received	2000
Current year	9600	Cash balance (31.03.2019)	300
Subsequent year	400	Donation received for pavilion	2000
	<u>10500</u>		
Wages yet to be paid	2200		
Interest on loan paid	2000		

(OR)

- b) From the following particulars calculate total purchases

Particulars	₹	Particulars	₹
Sundry creditors on 1st Jan. 2018	30000	Purchase returns	15000
Bills payable on 1st Jan. 2018	25000	Cash purchases	225000
Paid cash to creditors	120000	Creditors on 31st Dec 2018	25000
Paid for bills payable	30000	Bills payable on 31st Dec 2018	20000

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

Years	Profit ₹	Weight
2015	10000	1
2016	12000	2
2017	16000	3
2018	18000	4

(OR)

- b) Saranya Ltd. issued 20000 equity shares of 10 each to the public at par. The details of the amount payable on the shares are as follows.

On application ₹3 per share On allotment ₹4 per share On first and final call ₹3 per share

Application money was received on 30000 shares. Excess application money was refunded immediately. Pass journal entries to record the above.

44. a) From the following balance sheet of Chandra Ltd. prepare comparative balance sheet as on 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017.

Particulars	31 <sup>st</sup> March 2016 ₹	31 <sup>st</sup> March 2017 ₹
<b>I. EQUITY AND LIABILITIES</b>		
Shareholders fund	100000	260000
Non-current assets	50000	60000
Current liabilities	25000	30000
<b>Total</b>	<u>175000</u>	<u>350000</u>
<b>II. ASSETS</b>		
Non-current assets	100000	200000
Current assets	75000	150000
	<u>175000</u>	<u>350000</u>

(OR)

- b) From the following Receipts and Payments Account of Ooty Recreation Club, prepare Income and Expenditure Account for the year ended 31.03.2018.

Receipts	₹	Payments	₹
To Opening balance	5000	By Sports material purchased	10000
Cash in hand	10000	By Stationery paid	7000
To Rent received	8000	By Computer purchased	25000
To Sale of investments	54000	By Salaries	20000
To Subscription received		By Closing balance	



Cash in hand

15000

77000

77000

45. a) Amal and Vimal are partners in a firm sharing profit and losses in the ratio of 7 : 5. Their balance sheet as on 31<sup>st</sup> Mar. 2019 is as follows.

Liabilities	₹	₹	Assets	₹
Capital accounts			Land	80000
Amal	70000		Furniture	20000
Vimal	50000		Stock	25000
		120000	Debtors	30000
Sundry creditors		30000	Bank	19000
Profit and loss A/c		24000		
		174000		174000

Nirmal is admitted as a new partner on 1.4.2018 by introducing a capital of ₹ 30000 for 1/3 share in the future profits subject to the following adjustments. a) Stock to be depreciated by ₹ 5000 b) Provision for doubtful debts to be created ₹ 3000. c) Land to be appreciated by ₹ 20,000. Prepare revaluation account and capital account of partners after admission. (OR)

b) From the following particulars, calculate the Trend percentages of Kavitha Ltd.

Particulars	₹ in thousands	2015-16	2016-17	2017-18
Revenue from operations	100	100	125	150
Other income	20	20	25	30
Expenses	100	100	120	80
Income tax	30%	30%	30%	30%

46. a) Anu Company forfeited 200 equity shares of ₹10 each issued at par held by Thyagu for non payment of the final call of ₹3 per share. The shares were re-issued to Laxman at ₹6 per share. Show the journal entries for forfeiture and re-issue. (OR)
- b) Arun and Selvam are partners who maintain their capital accounts under fixed capital method. From the following particulars prepare capital accounts of partners

Particulars	Arun ₹	Selvam ₹
Capital on 1st January 2018	220000	150000
Current account on 1st January 2018	4250 (Dr)	10000 (Cr)
Additional capital introduced during the year	Nil	70000
Withdraw for personal use	10000	20000
Interest on drawings	750	600
Share of profit for 2018	22000	15000
Interest on capital	1100	750
Commission	6900	Nil
Salary	Nil	6850

47. a) From the following Balance sheet of James Ltd, as on 31.03.2019. Calculate  
i) Debt - equity ratio ii) Proprietary ratio iii) Capital gearing ratio

Particulars	Amount ₹
<b>I. EQUITY AND LIABILITIES</b>	
1. Shareholders funds	
(a) Share capital	
Equity share capital	250000
6% preference share capital	200000
(b) Reserves and surplus	150000
2. Non-current liabilities	
Long-term borrowings (8% debentures)	300000
3. Current liabilities	
Short term borrowings from bank	200000
Trade payables	100000
<b>Total</b>	<b>1200000</b>
<b>II. ASSETS</b>	
1. Non - current assets	
Fixed assets	800000
2. Current assets	
(a) Inventories	120000
(b) Trade receivables	265000
(c) Cash and cash equivalents	10000
(d) Other current assets - Expenses paid in advance	5000
<b>Total</b>	<b>1200000</b>

(OR)

- b) Rathna, Baskar and Ibrahim are partners sharing profits and losses in the ratio of 2 : 3 : 4 respectively. Rathna died on 31st Dec. 2018. Final amount due to her showed a credit amount of ₹100000. Pass journal entries if a) The amount due is paid off immediately by cheque. b) The amount due is not paid immediately. c) ₹ 60000 is paid immediately by cheque.