

**SILVER JUBILEE MATRICULATION HIGHER SECONDARY SCHOOL-  
MAYILADUTHURAI**

**STD : 12<sup>th</sup> ACCOUNTANCY (Full portion)**

**MARKS : 90**

**I. Answer all the questions.**

**20 x 1 = 20**

1. When capital in the beginning is Rs 10,000, drawings during the year is Rs.6,000, profit made during the year is Rs2,000 and the additional capital introduced is 3,000, find out the amount of capital at the end  
(a) 9,000 (b) 11,000 (c) 21,000 (d) 3,000
2. A firm has liabilities is Rs.50,000 and Capital is Rs.25,000. Then its assets is \_\_\_\_\_  
(a) Rs.1,00,000 (b) Rs.25,000 (c) Rs.50,000 (d) Rs.75,000
3. 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
4. Rs.10,000 received as to annual membership subscription. Out of this Rs.2,000 is pertaining to the previous accounting period whereas Rs.1000 is receivable at the end of the current accounting period. Calculate the amount of subscription that will be shown in the income and expenditure account for this accounting.  
(a) Rs.10,000 (b) Rs.9,000 (c) Rs.12,000 (d) Rs.8,000
5. 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
6. The name under which the business of a firm is carried on is called the  
(a) Company name (b) Firm name (c) Partnership firm (d) Partner's name
7. Which of the following statements is true?  
(a) Goodwill is an intangible asset (b) Goodwill is a current asset  
(c) Goodwill is a fictitious asset (d) Goodwill cannot be acquired
8. Goodwill helps in earning more profit and attracts more  
(a) customers (b) producers (c) competitors (d) suppliers
9. James and Kamal are sharing profits and losses in the ratio of 5:3. They admit Sunil as a partner giving him 1/5 share of profits. Find out the sacrificing ratio.  
(a) 1:3 (b) 3:1 (c) 5:3 (d) 3:5
10. At the time of admission of a new partner, \_\_\_\_\_ profit ratio should be found out.  
(a) old (b) new (c) both (a) and (b) (d) none of these
11. A, B and C are partners sharing profits in the ratio of 4:2:3. Cretires. The new profit sharing ratio between A and B will be  
(a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
12. \_\_\_\_\_ maybe dissolved at any time by a partner serving notice on the other partners  
(a) Partnership at deed (b) Dissolution of partnership  
(c) Partnership at will (d) All of the above
13. When figure relating to several years are considered for the purpose of analysis, the analysis is called  
(a) Horizontal analysis (b) Vertical analysis

- (c) Trend analysis                      (d) Cash flow analysis
14. Which of the following statements is not true?  
(a) Notes and schedules also form part of financial statements  
(b) The tools of financial statement analysis include common-size statement  
(c) Trend analysis refers to the study of movement of figures for one year  
(d) The common-size statements show the relationship of various items with some common base, expressed as percentage of the common base
15. 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 arrear            (iii) Subscription below the offered shares  
(4) Calls in advance         (iv) Amount unpaid on calls
- (a) (1)      (2)      (3)      (4)  
         (i)      (ii)      (iv)      (iv)
- (b) (1)      (2)      (3)      (4)  
         (iv)      (iii)      (ii)      (i)
- (c) (1)      (2)      (3)      (4)  
         (iii)      (ii)      (iv)      (i)
- (d) (1)      (2)      (3)      (4)  
         (iii)      (iv)      (i)      (ii)
16. Application money must be at least \_\_\_\_\_ per cent of the nominal value of the shares.  
(a) 2      (b) 3      (c) 5      (d) 6
17. Current ratio indicates  
(a) Ability to meet short term obligations                      (b) Efficiency of management  
(c) Profitability    (d) Long term solvency
18. Equity share capital is Rs.2,00,000, Reserve & surplus is Rs.30,000. Debenture Rs.40,000 and the shareholder's funds will be  
(a) Rs.2,00,000      (b) Rs.2,30,000      (c) Rs.1,90,000      (d) Rs.1,70,00
19. Contra voucher is used for  
(a) Master entry                      (b) Withdrawal of cash from bank for office use  
(c) Reports                              (d) Credit purchase of assets
20. \_\_\_\_\_ are used for recording both cash and credit sales of goods.  
(a) Purchase voucher                      (b) Sales vouchers  
(c) Contra voucher                      (d) Receipt voucher

#### Part II

- II. Answer any 7 of the questions. Question no.30 is Compulsory.

7 x 2 = 14

21. Can a limited company maintain its accounts under single entry system?
22. 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 Rs50,000 which includes Rs.5,000 for 2017 and Rs.7,000 for 2019. Subscription outstanding for the year 2018 is Rs 6,000. Subscription of Rs.4,000 was received in advance for 2018 in the year 2017.
23. A and B are partners in a firm without a partnership deed. A is an active partner and claims a salary of Rs.18,000 per month. State with reasons whether the claim is valid or not.

24. From the following information, find out the value of goodwill by capitalisation method:
- (a) Average profit = Rs.60,000  
 (b) Normal rate of return = 10%  
 (c) Capital employed = Rs.4,50,000
25. On the admission of C, A and B decide to record an unrecorded asset worth Rs.10,000 State whether the revaluation account will be debited or credited.
26. Arya, Benin and Charles are partners sharing profits and losses in the ratio of 3:3:2. Charles retires and his share is taken up by Arya. Calculate the new profit sharing ratio and gaining ratio of Arya and Benin
27. Khan Ltd. issued 50,000 shares of Rs.10 each to the public payable Rs.4 on application, Rs.4 on allotment and Rs.2 on first and final call. Applications were received for 65,000 shares. The directors decided to allot 50,000 shares on pro rata basis and surplus application money was utilised for allotment. Pass journal entries assuming that the amounts due were received.
28. Common size statement is also known as 100 % statement. Do you agree?
29. From the following Balance Sheet of Pioneer Ltd. calculate proprietary ratio:  
 Balance sheet of Pioneer Ltd. as on 31.3.2019

Particulars	Rs.
<b>I EQUITY AND LIABILITIES</b>	
<b>1. Shareholders' funds</b>	
(a) Share capital	
(i) Equity share capital	1,00,000
(ii) Preference share capital	75,000
(b) Reserves and surplus	25,000
<b>2. Non-current liabilities</b>	
Long-term borrowings -	
<b>3. Current liabilities</b>	
Trade payables	2,00,000
<b>Total</b>	<b>4,00,000</b>
<b>II ASSETS</b>	
<b>1. Non-current assets</b>	
(a) Fixed assets	2,75,000
(b) Non-current investments	50,000
<b>2. Current assets</b>	
Cash and Cash equivalents	75,000
<b>Total</b>	<b>4,00,000</b>

30. What are accounting reports?

### Part III

- III. Answer any 7 of the questions. Question no.40 is Compulsory. 7 x 3 = 21

31. From the following particulars of Chennai Educational Society, prepare Receipts and Payments account for the year ended 31st December, 2018.

Particulars	₹	Particulars	₹
Opening cash balance as on 1.1.2018	20,000	Locker rent received	12,000
Investments made	80,000	Sale of furniture	5,000
Honorarium paid	3,000	General expenses	7,000
Donation received	80,000	Postage	1,000
Audit fees paid	2,000	Subscription received	10,000

32. Explain the procedure for preparation of final accounts of a partnership firm.
33. Compute average profit from the following information.  
2016: Rs.8,000; 2017: Rs.10,000; 2018: Rs.9,000
34. 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 Rs.15,000 of which he pays Rs.10,000 in cash. Pass necessary journal entries for adjustment of goodwill on the assumption that the fluctuating capital method is followed.
35. Distinguish between sacrificing ratio and gaining ratio.
36. Explains the divisions of share capital.
37. Briefly explain any three limitations of financial statements
38. A and B are partners sharing profits in the ratio of 3:2 'C' is admitted as a new partner and the new profit sharing ratio is decided as 5: 3: 2. The following revaluations are made. Pass journal entries.  
(i) The value of building increased by ₹ 15,000  
(ii) The value of the machinery is decreased by ₹ 4,000  
(iii) Provision for doubtful debtors is made for ₹ 1,000 Write a note an Long-term solvency ratios.
39. From the following information, prepare capital accounts of partners Mannan and Sevagan, when their capitals are fluctuating.
- | Particulars                              | Mannan (Rs) | Sevagan (Rs) |
|--|-------------|--------------|
| Capital on 1st January 2018 (Cr balance) | 2,00,000    | 1,75,000     |
| Drawings during 2018                     | 40,000      | 35,000       |
| Interest on drawings                     | 1,000       | 500          |
| Share of profit for 2018                 | 21,000      | 16,500       |
| Interest on capital                      | 12,000      | 10,500       |
| Salary                                   | 18,000      | Nil          |
| Commission                               | Nil         | 2,500        |
40. Mention the commonly used voucher types in Tally.ERP 9.

#### Part IV

#### IV. Answer the any SEVEN questions.

7 x 5 = 35

41. From the following receipts and payment account, prepare income and expenditure account of Kumbakonam Basket Ball Association for the year ended 31st March, 2018

Receipts	₹	₹	Payments	₹	₹
To Balance b/d			By Rent of ground paid		12,000
Cash in hand	23,000		By Printing charges		5,000
Cash at bank	12,000	35,000	By Bank charges		1,000
To Rent of hall received		6,000	By Insurance for building		2,000
To Subscription received		9,000	By Tournament expenses		16,000
To Life membership fees		7,000	By Audit fees		3,000
To Locker rent received		2,000	By Sports materials purchased		4,000
			By Balance c/d		
			Cash in hand	2,000	
			Cash at bank	14,000	16,000
		59,000			59,000

42. Antony and Ranjith started a business on 1st April 2018 with capitals of Rs.4,00,000 and Rs.3,00,000 respectively. According to the Partnership Deed, Antony is to get salary of Rs.90,000 per annum, Ranjith is to get 25% commission on profit after allowing salary to Antony and interest on capital @ 5% p.a. but after charging such commission. Profit-sharing ratio between the two partners is 1:1. During the year, the firm earned a profit of Rs.3,65,000. Prepare profit and loss appropriation account. The firm closes its accounts on 31st March every year.

43. From the following details, calculate the value of goodwill at 2 years purchase of super profit:

- Total assets of a firm are Rs.5,00,000
- The liabilities of the firm are Rs.2,00,000
- Normal rate of return in this class of business is 12.5 %.
- Average profit of the firm is Rs.60,000

44. Sheela and Neela were sharing profits in the ratio of 4:3. Kamala was admitted with 1/5th share in profits of business. Calculate the New profit Ratio and the sacrificing ratio.

45. Raja, 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, 2019 is as follows:

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

Raja retired from the partnership firm on 31.03.2019 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 Raja is not paid immediately

Prepare revaluation account and capital account of partners after retirement.

46. Mukil, Mohit and Sonu are partners sharing profit in the ratio 3:2: 1. Mukil retires from the partnership.

In order to settle his claim, the following revaluation of assets and liabilities was agreed upon:

- The value of Machinery is increased by Rs. 25,000.
- The value of Investment-is-increased by Rs 2,000.
- A Provision for outstanding bill standing in the books at Rs.1,000 is now not required.
- The value of Land and Building is decreased by Rs.12,000.

Give journal entries and prepare Revaluation account.

47. Prepare common-size statement of financial position for the following particulars of Rani Ltd.

Particulars	31st March, 2016	31st March, 2017
	₹	₹
<b>I EQUITY AND LIABILITIES</b>		
Shareholders' Fund	5,40,000	6,00,000
Non-current liabilities	2,70,000	2,50,000
Current liabilities	90,000	1,50,000
Total	9,00,000	10,00,000
<b>II ASSETS</b>		
Non-current assets	7,20,000	8,00,000
Current assets	1,80,000	2,00,000
Total	9,00,000	10,00,000

48. From the following particulars calculate total purchases.

Particulars	₹
Sundry creditors on 1st April, 2017	75,000
Bills payable on 1st April, 2017	60,000
Paid cash to creditors	3,70,000
Paid for bills payable	1,00,000
Purchases returns	15,000
Cash purchases	3,20,000
Creditors on 31st March, 2018	50,000
Bills payable on 31st March, 2018	80,000

49. John is a partner in a firm. He withdraws 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 ₹ 1000 P.M
- in the middle of every month ₹ 2000 P.M
- at the end of every month ₹ 3000 P.M

50. Record the following transactions in Tally.

- Devi commenced a business with a capital of Rs. 4,00,000
- An account was opened with Indian Bank and deposited Rs. 60,000
- Purchased furniture by paying cash Rs. 15,000
- Goods purchased on credit from Sumathy for Rs. 50,000
- Cash sales made for Rs. 10,000
- Goods purchased from Raja for Rs. 5,000 and paid by cheque
- Goods sold to Arun on credit for Rs. 70,000
- Money withdrawn from bank for office use Rs. 25,000
- Part payment of Rs. 30,000 made to Sumathy by cheque
- Arun made part payment of Rs. 10,000 by cash
- Salaries paid to staff through ECS Rs. 36,000
- Carriage on purchases of Rs. 6,000 paid by cash
- Purchased computer from Muthu Ltd. on credit Rs. 44,000