

**Standard 12****ACCOUNTANCY****PART - A**

Time: 3.00 Hours

Marks: 90

20 x 1 = 20**Answer all the question**

- 1) The excess of assets over liabilities is
 - a) Loss
 - b) Cash
 - c) Capital
 - d) Profit
- 2) 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
- 3) Receipts and payments account is a
 - a) Nominal A/C
 - b) Real A/C
 - c) Personal A/C
 - d) Representative personal account
- 4) Which of the following should not be recorded in the income and expenditure account?
 - a) Sale of old news papers
 - b) Loss on sale of asset
 - c) Honorarium paid to the secretary
 - d) Sale proceeds of furniture
- 5) Which of the following is the incorrect pair?
 - a) Interest on drawings - Debited to capital account
 - b) Interest on capital - Credited to capital account
 - c) Interest on loan - Debited to capital account
 - d) Share of profit - credited to capital account
- 6) Pick the odd one out
 - a) Partners share profits and losses equally
 - b) Interest on partners' capital is allowed at 7% per annum
 - c) No salary or remuneration is allowed
 - d) Interest on loan from partners is allowed at 6% per annum
- 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) When the average profit is Rs.25,000 and the normal profit is Rs.15,000, super profit is
 - a) Rs.25,000
 - b) Rs.5,000
 - c) Rs.10,000
 - d) Rs.15,000
- 9) On revaluation, the increase in the value of assets leads to
 - a) Gain
 - b) Loss
 - c) Expense
 - d) None of these
- 10) Match List I with List II and select the correct answer using the codes given below:

List I**List II**

- | | |
|------------------------------|--------------------------------|
| i) Sacrificing ratio | 1. Investment fluctuation fund |
| ii) Old profit sharing ratio | 2. Accumulated profit |
| iii) Revaluation Account | 3. Goodwill |
| iv) Capital Account | 4. Unrecorded liability |

Codes :

- | | (i) | (ii) | (iii) | (iv) |
|----|-----|------|-------|------|
| a) | 1 | 2 | 3 | 4 |
| b) | 3 | 2 | 4 | 1 |
| c) | 4 | 3 | 2 | 1 |
| d) | 3 | 1 | 4 | 2 |

- 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) None of these
- 12) 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
- 13) 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
- 14) If a share of Rs.10 on which Rs.8 has been paid up is forfeited. Minimum reissue price is
 a) Rs.10 per share b) Rs.8 per share c) Rs.5 per share d) Rs. 2 per share
- 15) The financial statements do not exhibit
 a) Non-monetary data b) Past data
 c) Short term data d) Long term data
- 16) Which of the following statements is not true?
 a) All the limitations of financial statements are applicable to financial statement analysis also.
 b) Financial statement analysis is only the means and not an end.
 c) Expert knowledge is not required in analysing the financial statements.
 d) Interpretation of the analysed data involves personal judgement.
- 17) The mathematical expression that provides a measure of the relationship between two figures is called
 a) Conclusion b) Ratio c) Model d) Decision
- 18) Current liabilities Rs.40,000; current assets Rs.1,00,000; Inventory Rs.20,000. Quick ratio is
 a) 1 : 1 b) 2.5 : 1 c) 2 : 1 d) 1 : 2
- 19) Function key F11 is used for
 a) Company Features b) Accounting vouchers
 c) Company Configuration d) None of these
- 20) Salary account comes under which of the following head?
 a) Direct Incomes b) Direct Expenses
 c) Indirect Incomes d) Indirect Expenses

PART - B

7 x 2 = 14

Answer any Seven question. Question No. 30 is compulsory.

- 21). Give four examples for capital receipts of not-for-profit organisation.
- 22) The capital account of Begum and Fatima on 1st January, 2018 showed a balance of Rs.50,000 and Rs.40,000 respectively. On 1st October, 2018, Begum introduced an additional capital of Rs.10,000 and on 1st May, 2018 Fatima introduced an additional capital of Rs.9,000. Calculate interest on capital at 4% p.a. for the year ending 31st December,2018
- 23) 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.
- 24) Arul and Anitha are partners sharing profits and losses in the ratio of 4 : 3. On 31.3.2018, Ajay was admitted as a partner. On the date of admission, the book of the firm showed a general reserve of 42,000. Pass the journal entry to distribute the general reserve.
- 25). What is gaining ratio?
- 26). What is over-subscription?
- 27). What is working capital?
- 28) Calculate gross profit ratio from the following:
 Revenue from Operations Rs.2,50,000, cost of revenue from operations Rs.2,10,000 and Purchases Rs.1,80,000.
- 29). State any four accounting reports.
- 30). From the following details, Calculate the missing figure:

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

PART - C

7 x 3 = 21

Answer any Seven question. Question No. 40 is compulsory.

- 31). State the differences between double entry system and incomplete records.(any three)
- 32) 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 rs.50,000 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.
- 33) State the differences between fixed capital method and fluctuating capital method.(any three)
- 34) From the following information, calculate the value of goodwill based on 3 years purchase of super profit
- capital employed : Rs.2,00,000
 - Normal rate of return : 15%
 - Average profit of the business : Rs. 42,000
- 35) Amudha and Bhuvana are partners who share profits and losses in the ratio of 5 : 3. Chithra joins the firm on 1st January, 2019 for 3/8 share of profits and brings in cash for her share of goodwill of Rs.8,000. Pass necessary journal entry for adjusting goodwill on the assumption that the fluctuating capital method is followed and the partners withdraw the entire amount of their share of goodwill.
- 36) Kayal, Mala and Neela are partners sharing profits in the ratio of 2 : 2 : 1. Kayal retires and the new profit sharing ratio between Nila and Neela is 3 : 2. Calculate the gaining ratio.
- 37) Abdul Ltd. issues 50,000 shares of Rs.10 each payable fully on application. Pass journal entries if shares are issued
- At par
 - at a premium of Rs. 3 per share
- 38) Bring out the limitations of ratio analysis. (any three)
- 39) Mention the commonly used voucher types in Tally.ERP 9.
- 40) From the following particulars, prepare comparative income statement of Arui Ltd.

Particulars	2015 - 16	2016 - 17
	Rs.	Rs.
Revenue from operations	50,000	60,000
Other income	10,000	30,000
Expenses	40,000	50,000

PART - D**7 x 5 = 35****Answer all the question.**

- 41) a) David does not keep proper books of accounts. Following details are given from his records.

Particulars	1.4.2018	31.3.2019
	Rs.	Rs.
Cash	43,000	29,000
Stock of goods	1,20,000	1,30,000
Sundry debtors	84,000	1,10,000
Sundry creditors	1,05,000	1,02,000
Loan	25,000	20,000
Business premises	2,50,000	2,50,000
Furniture	33,000	45,000

During the year he introduced further capital of Rs.45,000 and withdrew Rs.2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information.

(OR)

- b) From the following details of Rakesh, prepare Trading and Profit and Loss account for the year ended 31st March, 2019 and a Balance Sheet as on that date.

Particulars	31.3.2018	31.3.2019
	Rs.	Rs.
Stock of goods	2,20,000	1,60,000
Debtors	5,30,000	6,40,000
Cash at bank	60,000	10,000
Machinery	80,000	80,000
Sundry creditors	3,70,000	4,20,000

Other details:

Particulars		Rs.	Particulars		Rs.
Rent paid		1,20,000	Cash received from debtors		12,50,000
Discount received		35,000	Drawings		1,00,000
Discount allowed		25,000	Cash sales		20,000
Cash paid to creditors		11,00,000	Capital as on 1.4.2018		5,20,000

42) a) From the following particulars of Poompuhar Literary Association, prepare Receipts and Payments account for the year ended 31st March, 2019

Particulars		Rs.	Particulars		Rs.
Opening cash in hand as on 1.4.2018		5,000	Subscription received		20,000
Bank overdraft as on 1.4.2018		4,000	Repairs and renewals		2,500
Printing and stationery		1,500	Conveyance paid		2,750
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 31.03.2019		2,000

(OR)

- b) From the following Receipts and Payments Account of Friends Football club, for the year ending 31st March 2017, prepare Income and Expenditure Account for the year ending 31st March, 2017 and the Balance sheet as on that date

In the books of Friends Football Club

Receipts and Payments Account for the year ended 31st March, 2017

Dr.		Rs.		Cr.	
Receipts	Rs.	Rs.	Payments	Rs.	Rs.
To Balance b/d			By Furniture		7,000
Cash	1,000		By Sports materials purchased		8,00
Bank	<u>10,000</u>	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	<u>12,000</u>	<u>13,800</u>
		<u>24,000</u>			<u>24,000</u>

Additional information:

- The club had furniture of Rs.12,000 on 1st April 2016. Ignore depreciation on furniture.
 - Subscription outstanding for 2016-2017 Rs.600.
 - Stock of sports materials on 31.03.2017 Rs.100.
 - Capital fund as on 1st April 2016 was Rs.23,000.
- 43) a) Durai and Velan entered into a partnership agreement on 1st April 2018, Durai contributing Rs.25,000 and Velan Rs.30,000 as capital. The agreement provided that:
- Profits and losses to be shared in the ratio 2 : 3 as between Durai and Velan
 - Partners to entitled to interest on capital @ 5% p.a.
 - Interest on drawings to be charged Durai: Rs.300 Velan : Rs.450
 - Durai to receive a salary of Rs.5,000 for the year, and
 - Velan to receive a commission of Rs.2,000
- During the year, the firm made a profit of Rs.20,000 before adjustment of interest, salary and commission. Prepare the Profit and loss appropriation account

(OR)

- b) 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 withdrawn Rs.3,000 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.
- iv) Daniel demands salary at the rate of Rs.10,000 per month as he spends full time for the business.
- v) Loan advanced by Chandru to the firm is Rs.50,000. He demands interest on loan @ 12% per annum

44) a) From the following information, compute the value of goodwill as per annuity method:

- a) Capital employed ; Rs.50,000
- b) Normal rate of return: 10%
- c) Profits of the years 2016,2017 and 2018 were Rs.13,000, Rs.15,000 and Rs.17,000 respectively.
- d) The present value of annuity of Rs.1 for 3 years at 10% is Rs.2.4868.

(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.

45) a) Prabu, Ragu and Siva partners sharing profits and losses in the ratio of 3:2:1. Prabu retires from partnership on 1st April 2017. The following adjustments are to be made:

- i) Increase the value of building by Rs.12,000
- ii) Reduce the value of furniture by Rs.8,500.
- iii) A provision would also be made for outstanding salary for Rs.6,500.

Give journal entries and prepare revaluation account.

(OR)

b) Manju, Charu and Lavanya are partners in a firm sharing profits and losses in the ratio of 5 : 3 : 2. Their balance sheet as on 31st March, 2018 is as follows:

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts:			Buildings	1,00,000
Manju	70,000		Furniture	80,000
Charu	70,000		Stock	60,000
Lavanya	<u>70,000</u>	2,10,000	Debtors	40,000
Sundry creditors		40,000	Cash in hand	20,000
Profit and loss A/C		50,000		
		<u>3,00,000</u>		<u>3,00,000</u>

Manju retired from the partnership firm on 31.03.2018 subject to the following adjustments:

- i) Stock to be depreciated by Rs.10,000
- ii) Provision for doubtful debts to be created for Rs.3,000
- iii) Buildings to be appreciated by Rs.28,000

Prepare revaluation account and capital accounts of partners after retirement.

46) a) Maruthu Ltd. forfeited 150 equity shares of Rs.10 each for non payment of final call of Rs.4 per share. Of these 100 shares were reissued @ Rs.9 per share. Pass journal entries for forfeiture and reissue.

(OR)

b) Viswanath Furniture Ltd. invited applications for 20,000 shares of Rs.10 each a premium of Rs.2 per share payable.

Rs.2 on application

Rs.5 (including premium) on allotment

Rs.5 on first and final call

There was over subscription and applications were received for 30,000 shares and the excess applications were rejected by the directors. All the money due were received. Pass the journal entries.

47) a) Calculate trend percentages for the following particulars of Palai Ltd.

Particulars	Rs. in lakhs		
	Year 1	Year 2	Year 3
I. EQUITY AND LIABILITIES			
Shareholder's 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

(OR)

b) From the following trading activities of Jones Ltd. calculate

(i) Gross profit ratio

(ii) Net profit ratio

(iii) Operating cost ratio

(iv) Operating profit ratio

Statement of Profit and Loss

Particulars	Rs.
I. Revenue from operations	4,00,000
II. Other income:	
Income from investments	4,000
III. Total revenues (I + II)	<u>4,04,000</u>
IV. Expenses:	
Purchases of stock-in-trade	2,10,000
Changes in inventories	30,000
Finance costs	24,000
Other expenses (Administration and selling)	60,000
Total expenses	<u>3,24,000</u>
V. Profit before tax (III - IV)	80,000