

PUBLIC MODEL QUESTION PAPER -1 (2022-2023)**STD: 12****TIME: 3 HRS****SUB: ACCOUNTANCY****MARK: 90****PART-A****I. Choose the correct Answer:****20 x 1 =20****1. Incomplete records are generally maintained by**

- (a) A company (b) Government
(c) Small sized sole trader business (d) Multinational enterprises

2. Which one of the following statements is not true in relation to incomplete records?

- (a) It is an unscientific method of recording transactions
(b) Records are maintained only for cash and personal accounts
(c) It is suitable for all types of organisations
(d) Tax authorities do not accept

3. 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

4. Profit after interest on drawings, interest on capital and remuneration is 10,500.

Geetha, a partner, is entitled to receive commission @ 5% on profits after charging Such commission. Find out commission.

- (a) 50 (b) 150 (c) 550 (d) 500

5. Identify the incorrect pair

- (a) Goodwill under Average profit method - Average profit \times Number of years of purchase
(b) Goodwill under Super profit method - Super profit \times Number of years of purchase
(c) Goodwill under Annuity method - Average profit \times Present value annuity factor
(d) Goodwill under Weighted average - Weighted average profit \times Number of years of profit method purchase

6. Book profit of 2017 is 35,000; non-recurring income included in the profit is 1,000 and abnormal loss charged in the year 2017 was 2,000, then the adjusted profit is

- (a) 36,000 (b) 35,000 (c) 38,000 (d) 34,000

7. The profit or loss on revaluation of assets and liabilities is transferred to the capital account of

- (a) The old partners (b) The new partner (c) All the partners (d) The Sacrificing partners

8. On revaluation, the increase in the value of assets leads to
(a) Gain (b) Loss (c) Expense (d) None of these
9. On retirement of a partner from a partnership firm, accumulated profits and losses are distributed to the partners in the
(a) New profit sharing ratio (b) Old profit sharing ratio
(c) Gaining ratio (d) Sacrificing ratio
10. 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
11. 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
12. The financial statements do not exhibit
a) Non-monetary data b) Past data c) Short term data d) Long term data
13. 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 %
14. Current assets excluding inventory and prepaid expenses is called
(a) Reserves (b) Tangible assets (c) Funds (d) Quick assets
15. Proportion of share holders' funds to total assets is called
(a) Proprietary ratio (b) Capital gearing ratio (c) Debt equity ratio (d) Current ratio
16. Which is not the default group in Tally?
(a) Suspense account (b) Outstanding expense (c) Sales account (d) Investments
17. Function key F11 is used for
(a) Company Features (b) Accounting vouchers
(c) Company Configuration (d) None of these
18. Bank accounts comes under
a) Current assets b) Loans c) Current Liabilities d) Capital Account
19. Name of the method of calculating interest on drawings of the partner if different amounts are withdrawn is different dates
a) Direct methods b) Product method c) Average period methods d) none

20. The gain of remaining partners is equal to

- a) New share b) Old Share c) New share – Old Share d) Old Share – New Share

PART-B

II. Answer Any Seven questions. (Q.NO: 30 Compulsory)

7 x 2 = 14

21. State the meaning of not-for-profit organisation.

22. What is super profit?

23. Why are the shares forfeited?

24. What is meant by debt equity ratio?

25. What is a group in Tally.ERP 9?

26. From the following particulars, prepare bills receivable amount and compute the bills Received from the debtors.

Particulars	Rs
Bills receivable at the beginning of the year	1,40,000
Bills receivable at the end of the year	2,00,000
Cash received for bills receivable	3,90,000
Bills receivable dishonoured	30,000

27. How the following items will appear in the final accounts of a club for the year ending 31st March 2019?

Dr. Receipts and Payments Account for the year ended 31st March, 2019 Cr.

Receipts	RS	Rs	Payments	Rs
To Subscription				
2017-2018	10,000			
2018-2019	50,000			
2019-2020	5,000	65,000		

There are 200 members in the club each paying an annual subscription of 400 per annum. Subscription still outstanding for the year 2017- 2018 is 2,000.

28. 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.

29. Ramu, Somu, Gopu are partners sharing profits in the ratio of 3:5:7. Gopu retires and the share is purchased by Ramu and Somu in the ratio of 3:1. Find the new profit sharing ratio and gaining ratio.

30. From the following information calculate capital gearing ratio:

Balance Sheet (Extract) as on 31.03.2018

Particulars	Amount`
I EQUITY AND LIABILITIES	
1. Shareholders' funds	
(a) Share capital	
Equity share capital	4,00,000
5% Preference share capital	1,00,000
(b) Reserves and surplus	
General reserve	2,50,000
Surplus	1,50,000
2. Non-current liabilities	
Long-term borrowings (6% Debentures)	3,00,000
3. Current liabilities	
Trade payables	1,20,000
Provision for tax	30,000
Total	13,50,000

PART- C

III. Answer Any Seven questions: (Q.No: 40 Compulsory)

7 x 3 = 21

31. What are the features of incomplete records?

32. How is goodwill calculated under the super profits method?

33. What is reissue of forfeited shares?

34. How the following items are dealt with in the final accounts of not-for-profit organisation? a) Sale of sports materials b) Life membership fees

35. Kavin, Madhan and Ranjith are partners sharing profits and losses in the ratio of 4:3:3 respectively. Kavin retires from the firm on 31st December, 2018. On the date of retirement, his capital account shows a credit balance of 1,50,000. Pass journal entries if:

- (a) The amount due is paid off immediately.
 (b) The amount due is not paid immediately.
 (c) 1,00,000 is paid and the balance in future.

36. Prakash and Supria were partners who share profits and losses in the ratio of 5:3. Balance in their capital account on 1st April, 2018 was Prakash 3,00,000 and Supria 2,00,000. On 1st July, 2018 Prakash introduced additional capital of 60,000. Supria introduced additional capital of 30,000 during the year. Calculate interest on capital at 6% p.a. for the year ending 31st March, 2019 and show the journal entries.

37. Hari, Madhavan and Kesavan are partners, sharing profits and losses in the ratio of 5:3:2. As from 1st April 2017, Vanmathi is admitted into the partnership and the new profit sharing ratio is decided as 4:3:2:1. The following adjustments are to be made.

- (a) Increase the value of premises by 60,000.
 (b) Depreciate stock by 5,000, furniture by 2,000 and machinery by 2,500.
 (c) Provide for an outstanding liability of 500. Pass journal entries.

38. Rajan, Suman and Jegan were partners in a firm sharing profits and losses in the ratio of 4:3:2. Suman retired from partnership. The goodwill of the firm on the date of retirement was valued at 45,000. Pass necessary journal entries for goodwill on the assumption that the fluctuating capital method is followed.

39. Nivetha Ltd. forfeited 1,000 equity shares of 10 each for nonpayment of call of 4 per share. Of these 800 shares were reissued @ 7 per share. Pass journal entries for forfeiture and reissue.

40. From the given information calculate the inventory turnover ratio and inventory conversion period (in months) of Devi Ltd.

Particulars	₹
Revenue from operations	12,00,000
Inventory at the beginning of the year	1,70,000
Inventory at the end of the year	1,30,000
Purchases made during the year	6,90,000
Carriage inwards	20,000

PART- D**IV. Answer Any Seven questions:****7 x 5 = 35****41. a)** From the following particulars, calculate total sales.

Particulars	Rs	Particulars	Rs
Debtors on 1st April 2018	2,50,000	Bills receivable dishonoured	15,000
Bills receivable on 1st April 2018	60,000	Returns inward	50,000
Cash received from debtors	7,25,000	Bills receivable on 31st March, 2019	90,000
Cash received for bills receivable	1,60,000	Sundry debtors on 31st March, 2019	2,40,000
Bad debts	30,000	Cash sales	3,15,000

[OR]

b) Mayiladuthurai Recreation Club gives you the following details. Prepare Receipts and Payments account for the year ended 31st March, 2019.

Particulars	Rs	Particulars	Rs
Opening cash balance	15,000	Salary of watchman	12,000
Opening bank balance	25,000	Club annual day expenses	15,000
Donations received	48,000	Lighting charges	16,500
Sale of old equipment	26,000	Entertainment expenses	13,500
Refreshment charges	13,000	Billiards table purchased	5,000
Club annual day collections	18,000	Expenses of charity show	3,000
Construction of tennis court	7,000	Sale of investments	12,000
Receipts from charity show	4,000	Closing cash balance	12,000
Rent paid	1,000		

42. a) Anand and Narayanan are partners in a firm sharing profits and losses in the ratio of 5:3. On 1st January 2018, their capitals were 50,000 and 30,000 respectively. The partnership deed specifies the following:

- Interest on capital is to be allowed at 6% per annum.
- Interest on drawings charged to Anand and Narayanan are ` 1,000 and ` 800 respectively.
- The net profit of the firm before considering interest on capital and interest on drawings amounted to 35,000.

Give necessary journal entries and prepare profit and loss appropriation account as on 31st December 2018. Assume that the capitals are fluctuating.

[OR]

b) Ahamad and Basheer contribute 60,000 and 40,000 respectively as capital. Their respective share of profit is 2:1 and the profit before interest on capital for the year is 5,000. Compute the amount of interest on capital in each of the following situations:

- (i) if the partnership deed is silent as to the interest on capital
- (ii) if interest on capital @ 4% is allowed as per the partnership deed
- (iii) if the partnership deed allows interest on capital @ 6% per annum.

43. a) The following is the balance sheet of James and Justina as on 1.1.2017. They share the Profits and losses equally.

Liabilities	Rs	Rs	Assets	Rs
Capital Accounts			Building	70,000
James	40,000		Stock	30,000
Justina	<u>50,000</u>	90,000	Debtors	20,000
Creditors		35,000	Bank	15,000
Reserve fund		15,000	Prepaid Insurance	5,000
		1,40,000		1,40,000

On the above date, Balan is admitted as a partner with 1/5 share in future profits. Following are the terms for his admission:

- (i) Balan brings 25,000 as capital.
- (ii) His share of goodwill is 10,000 and he brings cash for it.
- (iii) The assets are to be valued as under:

Building 80,000; Debtors 18,000; Stock 33,000

Prepare necessary ledger accounts and the balance sheet after admission.

[OR]

b) Janani, Janaki and Jamuna are partners sharing profits and losses in the ratio of 3:3:1 respectively. Janaki died on 31st December, 2017. Final amount due to her showed a credit balance of 1,40,000. Pass journal entries if,

- (a) The amount due is paid off immediately.
- (b) The amount due is not paid immediately.
- (c) 75,000 is paid and the balance in future.

44. a) Sampath company issued 25,000 equity shares at 10 per share payable 3 on application, 4 on allotment, 3 on first and final call. The public subscribed for 24,000 Shares. The directors allotted all the 24,000 shares and received the money duly. Pass necessary journal entries. [OR]

b) State the differences between double entry system and incomplete records.

45. a) United Industries Ltd. issued equity shares of 10 each at 10% premium payable 3 on application, 4 on allotment (including premium), 2 on first call and 2 on second and final call. Journalise the transactions relating to forfeiture of shares for the following situations:

(i) Manoj who holds 250 shares failed to pay the second and final call and his shares were forfeited.

(ii) Manoj who holds 250 shares failed to pay the allotment money and first call and second and final call and his shares were forfeited.

(iii) Manoj who holds 250 shares failed to pay the allotment money and first call money and his shares were forfeited after the first call.

[OR]

b) State any six factors determining goodwill.

46.a) From the following particulars of Siva Ltd, prepare common size income statement for the years ended 31st March, 2016 and 31st March, 2017.

Particulars	2015-16	2016-17
Revenue from operations	2,00,000	3,00,000
Other income	25,000	75,000
Expenses	2,50,000	1,50,000
Income tax %	40	40

b) From the following particulars, calculate the trend percentages of Anu Ltd.

Particulars	in thousands		
	Year 1	Year 2	Year 3
I EQUITY AND LIABILITIES			
Shareholders' Fund	500	550	600
Non-current liabilities	200	250	240
Current liabilities	100	80	120
Total	800	880	960
II ASSETS			
Non-current assets	600	720	780
Current assets	200	160	180
Total	800	880	960

47. a) 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	Rs	Rs	Payments	Rs
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

[OR]

b) 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

Balance Sheet of James Ltd. as on 31.03.2019

Particulars	Amount Rs
I EQUITY AND LIABILITIES	
1. Shareholders' funds	
(a) Share capital	
Equity share capital	2,50,000
6% Preference share capital	2,00,000
(b) Reserves and surplus	1,50,000
2. Non-current liabilities	
Long-term borrowings (8% Debentures)	3,00,000
3. Current liabilities	
Short-term borrowings from banks	2,00,000
Trade payables	1,00,000
Total	12,00,000

II ASSETS	
1. Non-current assets	
Fixed assets	8,00,000
2. Current assets	
(a) Inventories	1,20,000
(b) Trade receivables	2,65,000
(c) Cash and cash equivalents	10,000
(d) Other current assets	
Expenses paid in advance	5,000
Total	12,00,000

***** ALL THE BEST*****

A.BOOPATHI., M.Com. M.Phil., B.Ed.,
P.G. Assistant in Commerce,
43/2, SANKARI MAIN ROAD,
KAKAPALAYAM (PO), SANKARI (TK),
SALEM (DT), PIN: 637 504
CELL: 9715743467