

MAYILADUTHURAI DISTRICT**Second Revision Test - 2023**

12th Standard

Accountancy

ACCOUNTANCY

Reg.No. :

Exam Time : 03:00:00 Hrs

Total Marks : 90

20 x 1 = 20

PART I**Answer** the **all** questions.

- 1) Incomplete records are generally maintained by
(a) A company (b) Government (c) Small sized sole trader business (d) Multinational enterprises
- 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) 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) Donations received for a specific purpose is
(a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure
- 5) 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 to partners
(d) Interest on loan from partners is allowed at 6% per annum
- 6) 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
- 7) Which of the following is true?
(a) Super profit = Total profit / number of years (b) Super profit = Weighted profit / number of years
(c) Super profit = Average profit – Normal profit (d) Super profit = Average profit x Years of purchase
- 8) Book profit of 2017 is Rs. 35,000; non-recurring income included in the profit is Rs. 1,000 and abnormal loss charged in the year 2017 was Rs. 2,000, then the adjusted profit is _____
(a) Rs. 36,000 (b) Rs. 35,000 (c) Rs. 38,000 (d) Rs. 34,000
- 9) 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 |
- (a)

(i)	(ii)	(iii)	(iv)
1	2	3	4

 (b)

(i)	(ii)	(iii)	(iv)
3	2	4	1

 (c)

(i)	(ii)	(iii)	(iv)
4	3	2	1

 (d)

(i)	(ii)	(iii)	(iv)
3	1	4	2
- 10) Balaji and Kamalesh are partners sharing profits and losses in the ratio of 2:1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamalesh and Yogesh is agreed to 3:1:1. Find the sacrificing ratio between Balaji and Kamalesh.
(a) 1:3 (b) 3:1 (c) 2:1 (d) 1:2
- 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 2:2:1. On retirement of B, goodwill of the firm was valued as Rs. 30,000. Find the contribution of A and C to compensate B:
(a) Rs. 20,000 and Rs. 10,000 (b) Rs. 8,000 and Rs. 4,000 (c) Rs. 10,000 and Rs. 20,000
(d) Rs. 15,000 and Rs. 15,000
- 13) Which of the following statement is false?
(a) Issued capital can never be more than the authorised capital
(b) In case of under subscription, issued capital will be less than the subscribed capital
(c) Reserve capital can be called at the time of winding up (d) Paid up capital is part of called up capital

14) 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)	(b)	(c)	(d)
(1)(2)(3)(4)	(1)(2)(3)(4)	(1)(2)(3)(4)	(1)(2)(3)(4)
(i)(ii)(iv)(iv)	(iv)(iii)(ii)(i)	(iii)(ii)(iv)(i)	(iii)(iv)(i)(ii)

15) Balance sheet provides information about the financial position of a business concern

(a) Over a period of time (b) As on a particular date (c) For a period of time (d) For the accounting period

16) A limited company's sales has increased from Rs.1,25,000 to Rs.1,50,000. How does this appear in comparative income statement?

(a) + 20 % (b) + 120 % (c) - 120 % (d) - 20 %

17) Match List I with List II and select the correct answer using the codes given below:

List I	List II
(i) Current ratio	1. Liquidity
(ii) Net profit ratio	2. Efficiency
(iii) Debt-equity ratio	3. Long term solvency
(iv) Inventory turnover ratio	4. Profitability

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

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) Rs. 25,000 withdrawn from bank for office use. In which voucher type, this transaction will be recorded

(a) Contra Voucher (b) Receipt Voucher (c) Payment Voucher (d) Sales Voucher

20) Which of the following options is used to view Trial Balance from Gateway of Tally?

(a) Gateway of Tally - > Reports - > Trial Balance (b) Gateway of Tally - > Trial Balance
(c) Gateway of Tally - > Reports - > Display - > Trial Balance (d) None of these

PART II

7 x 2 = 14

Answer any **seven** questions only. Question No. **30** is **compulsory**.

21) What is a statement of affairs?

22) What is legacy?

23) Why is Profit and loss appropriation account prepared?

24) The following are the profits of a firm in the last five years:

2014: Rs. 4,000; 2015: Rs. 3,000; 2016: Rs. 5,000; 2017: Rs. 4,500 and 2018: Rs. 3,500
Calculate the value of goodwill at 3 years purchase of average profits of five years.

25) What is meant by revaluation of assets and liabilities?

26) What is gaining ratio?

27) What is over-subscription?

28) What are accounting reports?

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

PARTICULARS	RS.
Revenue from operations	3,50,000
Cost of revenue from operations	1,50,000
Administration expenses	50,000
Selling expenses	10,000

30) Write a short note on

- i) Intra-firm comparison
- ii) Inter-firm comparison

PART III

7 x 3 = 21

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

31) Following are the balances of Shanthi as on 31st December 2018.

PARTICULARS	RS	PARTICULARS	RS
Bills receivable	6,000	Sundry creditors	25,000
Bills payable	4,000	Stock	45,000
Machinery	60,000	Debtors	70,000
Furniture	10,000	Cash	4,000

Prepare a statement of affairs as on 31st December 2018 and calculate capital as at that date.

32) From the following Receipts and Payment Account of Ooty Recreation Club, prepare Income and Expenditure Account for the year ended 31.03.2018

RECEIPTS	RS.	PAYMENTS	RS.
To Opening balance		By Sports materials purchased	10,000
Cash in hand	5,000	By Stationery paid	7,000
To Rent received	10,000	By Computer purchased	25,000
To Sale of investments	8,000	By Salaries	20,000
To Subscription received	54,000	By Closing balance	
		Cash in hand	15,000
	77,000		77,000

33) From the following balance sheets of Brindha and Praveena who share profits and losses in the ratio of 3:4, calculate interest on capital at 6% p.a. for the year ending 31st December 2017.

LIABILITIES	RS.	ASSETS	RS.
Capital account		Sundry assets	80,000
Brindha	30,000		
Praveena	40,000		
Profit and loss appropriation A/c	10,000		
	80,000		80,000

Balance sheet as on 31st December 2017

On 1st July 2017, Brindha introduced an additional capital of Rs. 6,000 and on 1st October 2017, Praveena introduced Rs. 10,000. Drawings of Brindha and Praveena during the year were Rs. 5,000 and Rs. 7,000 respectively. Profit earned during the year was Rs. 31,000.

34) How is the value of goodwill calculated under the capitalisation method?

35) Sathish and Sudhan are partners in a firm sharing profits and losses in the ratio of 4:3. On 1st April 2018, they admitted Sasi as a partner. On the date of Sasi's admission, goodwill appeared in the books of the firm at Rs. 35,000. By assuming fluctuating capital account, pass the necessary journal entry if the partners decide to

- write off the entire amount of existing goodwill
- write off Rs.21,000 of the existing goodwill

36) Arjun was holding 1,000 shares of Rs.10 each of Vanavil Electronics Ltd, issued at par. He paid Rs.3 on application, Rs.4 on allotment but could not pay the first and final call of Rs.3. The directors forfeited the shares for nonpayment of call money. Give Journal entry for forfeiture of shares.

37) From the following particulars, prepare comparative income statement of Abdul Co. Ltd.

PARTICULARS	2015-16	2016-17
	RS.	RS.
Revenue from operations	3,00,000	3,60,000
Other income	1,00,000	60,000
Expenses	2,00,000	1,80,000
Income tax	30%	30%

38) State any three advantages of ratio analysis.

39) Explain how to view profit and loss statement in Tally.ERP 9.

40) Rathna, Baskar and Ibrahim are partners sharing profits and losses in the ratio of 2:3:4 respectively. Rathna died on 31st December, 2018. Final amount due to her showed a credit balance of Rs. 1,00,000. Pass journal entries if,

- The amount due is paid off immediately by cheque.
- The amount due is not paid immediately.
- Rs. 60,000 is paid immediately by cheque.

PART IV

7 x 5 = 35

Answer the all questions.

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

(OR)

b) Ananth does not keep his books under double entry system. Find the profit or loss made by him for the year ending 31st March, 2019.

PARTICULARS	31.3.2018 RS.	31.3.2019 RS.
Cash at Bank	5,000 (Dr.)	60,000 (Cr.)
Cash in hand	3,000	4,500
Stock of goods	35,000	45,000
Sundry Debtors	1,00,000	90,000
Plant and Machinery	80,000	80,000
Land and Buildings	1,40,000	1,40,000
Sundry Creditors	1,70,000	1,30,000

Ananth had withdrawn Rs. 60,000 for his personal use. He had introduced Rs. 17,000 as capital for expansion of his business. Create a provision of 5% on debtors. Plant and machinery is to be depreciated at 10%.

- 42) a) 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	RS.	RS.	PAYMENTS	RS.	RS.
To Balance b/d			By Furniture		7,000
Cash	1,000		By Sports materials purchased		800
Bank	10,000	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	
		24,000	Cash at bank	12,000	13,800
					24,000

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

Additional information:

- (i) The club had furniture of Rs. 12,000 on 1st April 2016. Ignore depreciation on furniture.
(ii) Subscription outstanding for 2016 - 2017 Rs. 600.
(iii) Stock of sports materials on 31.03.2017 Rs. 100.
(iv) Capital fund as on 1st April 2016 was Rs. 23,000.

(OR)

- b) From the following Receipts and Payment account and from the information given below of Ramanathapuram Sports Club, prepare Income and Expenditure account for the year ended 31st December, 2018 and the balance sheet as on that date

RECEIPTS	RS.	RS.	PAYMENTS	RS.	RS.
To Balance b/d			By Rent		11,000
Cash in hand	5,000		By Entertainment expenses		11,200
Cash at bank	10,000	15,000	By Furniture		10,000
To Subscription 2017	12,000		By Sports materials purchased		13,000
2018	33,000		By Match expenses		12,000
2019	16,000	61,000	By Investments made		28,000
To Entrance fees		6,000	By Balance c/d		
To General donations		7,000	Cash in hand	1,300	
To Sale of old sports materials		1,000	Cash at bank	4,000	5,300
To Miscellaneous receipts		500			
		90,500			90,500

Additional information:

- (i) Capital fund as on 1st January 2018 Rs. 30,000.
(ii) Opening stock of sports material Rs. 3,000 and closing stock of sports material Rs. 5,000.

- 43) a) State the differences between fixed capital method and fluctuating capital method.

(OR)

- b) From the following information, prepare capital accounts of partners Rooban and Deri, when their capitals are fixed.

PARTICULARS	ROOBAN RS.	DERI RS.
Capital on 1st April, 201	70,000	50,000
Current account on 1st April, 2018 (Cr.)	25,000	15,000
Additional capital introduced	18,000	16,000
Drawings during 2018 - 2019	10,000	6,000
Interest on drawings	500	300
Share of profit for 2018 - 2019	35,000	25,800
Interest on capital	3,500	2,500
Salary	Nil	18,000
Commission	12,000	Nil

- 44) a) The following particulars are available in respect of the business carried on by a partnership firm:
- (i) Profits earned: 2016: Rs. 25,000; 2017: Rs. 23,000 and 2018: Rs. 26,000.
 - (ii) Profit of 2016 includes a non-recurring income of Rs. 2,500.
 - (iii) Profit of 2017 is reduced by Rs. 3,500 due to stock destroyed by fire.
 - (iv) The stock was not insured. But, it is decided to insure the stock in future. The insurance premium is estimated to be Rs. 250 per annum.
- You are required to calculate the value of goodwill of the firm on the basis of 2 years purchase of average profits of the last three years.

(OR)

- b) 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 Rs. 60,000.
 - (b) Depreciate stock by Rs. 5,000, furniture by Rs. 2,000 and machinery by Rs. 2,500.
 - (c) Provide for an outstanding liability of Rs. 500.
- Pass journal entries and prepare revaluation account.
- 45) a) Mani, 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
Mani	50,000		Stock	20,000
Rama	50,000		Furniture	70,000
Devan	50,000	1,50,000	Debtors	20,000
Sundry creditors		20,000	Cash in hand	10,000
Profit and loss A/c		30,000		
		2,00,000		2,00,000

Mani retired from the partnership firm on 31.03.2019 subject to the following adjustments:

- (i) Stock to be depreciated by Rs. 5,000
 - (ii) Provision for doubtful debts to be created for Rs. 1,000.
 - (iii) Buildings to be appreciated by Rs. 16,000
 - (iv) The final amount due to Mani is not paid immediately
- Prepare revaluation account and capital account of partners after retirement.

(OR)

- b) X company issued 10,000 equity shares of Rs.10 each payable as under:
- On application Rs.2
 - On allotment Rs.4
 - On first call Rs.2
 - On final call Rs.2
- Applications were received for 30,000 shares. Applications for 10,000 shares were rejected and allotment was made proportionately towards remaining applications and the excess application money is adjusted towards allotment money. The directors made both the calls and the all the amount were received except the final call on 600 shares which were subsequently forfeited. Later 400 forfeited shares were reissued as fully paid by receiving Rs.7 per share.

- 46) a) From the following particulars, prepare comparative statement of financial position of Kala Ltd.

PARTICULARS	31ST MARCH, 2017	31ST MARCH, 2018
	Rs.	Rs.
I EQUITY AND LIABILITIES		
1. Shareholders' Fund		
a) Share capital	3,00,000	3,60,000
b) Reserves and surplus	50,000	50,000
2. Non-current liabilities		
Long-term borrowings	50,000	40,000
3. Current liabilities		
Trade payables	20,000	12,000
Total	4,20,000	4,20,000
II ASSETS		
1. Non-current assets		
a) Fixed assets	2,50,000	2,90,000
b) Non - current investments	50,000	40,000
2. Current assets		
Inventories	80,000	1,00,000
Cash and cash equivalent	40,000	32,000
Total	4,20,000	4,62,000

(OR)

- b) Calculate operating profit ratio under the following cases.

Case 1: Revenue from operations Rs. 8,00,000, Operating profit Rs. 2,00,000.

Case 2: Revenue from operations Rs. 20,00,000, Operating cost Rs. 14,00,000.

Case 3: Revenue from operations Rs. 10,00,000, Gross profit 25% on revenue from operations, Operating expenses Rs. 1,00,000.

- 47) a) Explain any five applications of computerised accounting system.

(OR)

- b) Thai Ltd. issued 50,000 equity shares of Rs.10 each, payable Rs.5 on application, Rs.2 on allotment, first call and n on final call. All the shares are subscribed and amount was duly received. Pass Journal entries.
