

Third Revision Test -2023

12th Standard

Accountancy

Date : 22-Feb-23

Reg.No. : **ACCOUNTANCY**

Exam Time : 03:00:00 Hrs

Total Marks : 90

20 x 1 = 20

PART - IAnswer the **all questions.**

- 1) The excess of assets over liabilities is
(a) Loss (b) Cash (c) Capital (d) Profit
- 2) The amount of credit sales can be computed from
(a) Total debtors account (b) Total creditors account (c) Bills receivable account
(d) Bills payable account
- 3) Receipts and payments account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
- 4) Legacy is a
(a) Revenue expenditure (b) Capital expenditure (c) Revenue receipt (d) Capital receipt
- 5) When fixed capital method is adopted by a partnership firm, which of the following items will appear in capital account?
(a) Additional capital introduced (b) Interest on capital (c) Interest on drawings (d) Share of profit
- 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 to partners
(d) Interest on loan from partners is allowed at 6% per annum
- 7) 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
- 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) 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
- 10) At the time of admission, the goodwill brought by the new partner may be credited to the capital accounts of
(a) all the partners (b) the old partners (c) the new partner (d) the sacrificing partne
- 11) If the final amount due to a retiring partner is not paid immediately, it is transferred to
(a) Bank A/c (b) Retiring partner's capital A/c (c) Retiring partner's loan A/c
(d) Other partners' capital A/c
- 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) 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)
- 14) Supreme Ltd. forfeited 100 shares of Rs.10 each for non-payment of final call of Rs.2 per share. All these shares were re-issued at Rs.9 per share. What amount will be transferred to capital reserve account?
(a) Rs.700 (b) Rs.800 (c) Rs.900 (d) Rs.1,000
- 15) The financial statements do not exhibit
(a) Non-monetary data (b) Past data (c) Short term data (d) Long term data

16) In a common-size balance sheet, if the percentage of non-current assets is 75, what would be the percentage of current assets?

- (a) 175 (b) 125 (c) 25 (d) 100

17) Current assets excluding inventory and prepaid expenses is called

- (a) Reserves (b) Tangible assets (c) Funds (d) Quick assets

18) To test the liquidity of a concern, which of the following ratios are useful?

- (i) Quick ratio
(ii) Net profit ratio
(iii) Debt-equity ratio
(iv) Current ratio

Select the correct answer using the codes given below:

- (a) (i) and (ii) (b) (i) and (iv) (c) (ii) and (iii) (d) (ii) and (iv)

19) What are the predefined Ledger(s) in Tally?

- (i) Cash
(ii) Profit & Loss A/c
(iii) Capital A/c

- (a) Only (i) (b) Only (ii) (c) Both (i) and (ii) (d) Both (ii) and (iii)

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

7x 2 = 14

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

21) What is meant by incomplete records?

22) From the following details calculate the printing and stationery to be debited to Income and Expenditure Account for the year ending 31st March, 2018 and also show how it will appear in the Balance Sheet as on 31st March, 2018.

PARTICULARS	AMT(RS.)
Amount paid for stationery during 2017- 2018	Rs.1,500
Stock of stationery on 1 st April, 2017	Rs.300
Stock of stationery on 31 st March, 2018	Rs.200

23) Jayaraman is a partner who withdrew Rs. 10,000 regularly in the middle of every month. Interest is charged on the drawings at 6% per annum. Calculate interest on drawings for the year ended 31st December, 2018.

24) 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.

25) 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 Rs.42,000. Pass the journal entry to distribute the general reserve.

26) What is the purpose of calculating gaining ratio?

27) From the following particulars of Kumar Ltd, prepare a common-size income statement for the year ended 31st March, 2018.

PARTICULARS	2017-18
	RS.
Revenue from operations	5,00,000
Other income	20,000
Expenses	3,00,000

28) Calculate the current ratio from the following information.

PARTICULARS	RS.	PARTICULARS	RS.
Current investments	40,000	Fixed assets	5,00,000
Inventories	2,00,000	Trade creditors	80,000
Trade debtors	1,20,000	Bills payable	50,000
Bills receivable	80,000	Expenses payable	20,000
Cash and cash equivalents	10,000	Non-current liability	3,00,000

29) What is a group in Tally ERP 9?

30) What do you mean by Capital Reserve? .

PART - III

7x 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) How the following items will appear in the final accounts of a club for the year ending 31st March 2019?

RECEIPTS	RS.	RS.	PAYMENTS	RS.
To Subscription				
2017-2018	10,000			
2018-2019	50,000			
2019-2020	5,000	65,000		

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

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

33) 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 31st December 2017.

LIABILITIES	RS.	ASSETS	RS.
Capital accounts:		Fixed assets	30,000
Subha	15,000	Current assets	20,000
Sudha	20,000		
	15,000		
	50,000		50,000

Balance sheet as on 31st December 2017

Drawings of Subha and Sudha during the year were Rs. 2,500 and Rs. 3,500 respectively. Profit earned during the year was Rs. 15,000.

34) 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

35) Kavitha, Kumudha and Lalitha are partners sharing profits and losses in the ratio of 5 : 3 : 3 respectively. Kumudha retires from the firm on 31st December, 2018. On the date of retirement, her capital account shows a credit balance of Rs. 2,00,000. Pass journal entries if:

- The amount due is paid off immediately by cheque.
- The amount due is not paid immediately.
- Rs. 70,000 is paid immediately by cheque

36) What is meant by issue of shares for consideration other than cash?

37) From the following particulars, calculate the trend percentages of Kumar Ltd

PARTICULARS	RS. IN THOUSANDS		
	2015-16	2016-17	2017-18
Revenue from operations	300	270	150
Other income	50	80	60
Expenses	250	200	125
Income tax %	40	40	40

38) From the following information, calculate debt equity ratio:

PARTICULARS	RS.
I EQUITY AND LIABILITIES	
1. Shareholders' funds	
(a) Share capital	
Equity share capital	1,00,000
(b) Reserves and surplus	60,000
2. Non-current liabilities	
Long-term borrowings (Debentures)	80,000
3. Current liabilities	
(a) Trade payables	50,000
(b) Other current liabilities	
Outstanding expenses	30,000
Total	3,20,000

Balance sheet (Extract) as on 31.03.2018

39) What are the pre-defined ledgers available in Tally.ERP 9?

40) Weighted Average: The following were the profit earned for past four years.

- 2007 - Rs. 60,000
- 2008 - Rs. 80,000
- 2009 - Rs. 1,00,000
- 2010 - Rs. 1,40,000

You are required to value goodwill on the basis of 3 years purchase of weighted average profit assigning weights 1, 2, 3, 4 respectively.

PART - IV

17x 5 = 35

Answer the **all questions**.

- 41) a) 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%.

(OR)

- b) From the following details you are required to calculate credit sales and credit purchases by preparing total debtors account, total creditors account, bills receivable account and bills payable account

PARTICULARS	RS.	PARTICULARS	RS.
Balances as on 1st April 2018		Balances as on 31st March 2019	
Sundry debtors	2,40,000	Sundry debtors	2,20,000
Bills receivable	30,000	Sundry creditors	1,50,000
Sundry creditors	1,20,000	Bills receivable	8,000
Bills payable	10,000	Bills payable	20,000
Other information	Rs.		
Cash received from debtors	6,00,000	Payments against bill payable	30,000
Discount allowed to customers	25,000	Cash received for bills receivable	60,000
Cash paid to creditors	3,20,000	Bills receivable dishonoured	4,000
Discount allowed by suppliers	10,000	Bad debts	16,000

- 42) a) From the following Receipts and Payment Account of Trichy Recreation Club, prepare Income and Expenditure Account for the year ended 31.03.2018.d

RECEIPTS	RS.	PAYMENTS	RS.
To Opening balance		By Furniture purchased	10,000
Cash in hand	11,000	By Rent	2,800
To Dividend received	27,600	By Secretary's honorarium	15,000
To Sale of old newspaper	3,000	By Postage	1,700
To Members' subscription	31,000	By General expenses	4,350
To Locker rent	8,000	By Printing and Stationery	45,000
To Interest on investments	1,250	By Audit fees	5,000
To Sale of furniture (Book value Rs. 4,400)	5,000	By Closing balance	
		Cash in hand	3,000
	86,850		86,850

(OR)

- b) 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 be 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.

- 43) a) The following particulars are available in respect of the business carried on by a partnership firm:
- Profits earned: 2016: Rs. 25,000; 2017: Rs. 23,000 and 2018: Rs. 26,000.
 - Profit of 2016 includes a non-recurring income of Rs. 2,500.
 - Profit of 2017 is reduced by Rs. 3,500 due to stock destroyed by fire.
 - 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) Seenu and Siva are partners sharing profits and losses in the ratio of 5:3. In the view of Kowsalya admission, they decided
- To increase the value of building by Rs. 40,000.
 - To bring into record investments at Rs. 10,000, which have not so far been brought in to account.
 - To decrease the value of machinery by Rs. 14,000 and furniture by Rs. 12,000.
 - To write off sundry creditors by Rs. 16,000.
- Pass journal entries and prepare revaluation account

- 44) a) Santhosh is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 6% per annum. During the year ended 31st December, 2018 he withdrew as follows:

DATE	AMOUNT (RS.)
February 1	2,000
May 1	10,000
July 1	4,000
October 1	6,000

Calculate the amount of interest on drawings by using product method.

(OR)

- b) 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:

- 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 Mani is not paid immediately
- Prepare revaluation account and capital account of partners after retirement.

- 45) a) 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.

(OR)

- b) 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
	Rs.	Rs.
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

- 46) a) From the following particulars, calculate the trend percentages of Babu Ltd.

PARTICULARS	RS. IN THOUSANDS		
	YEAR 1	YEAR 2	YEAR 3
I EQUITY AND LIABILITIES			
1. Shareholders' Fund	100	127	106
b) Reserves and surplus	30	30	45
2. Non-current liabilities			
Long-term borrowings	70	77	84
3. Current liabilities			
Trade payables	20	30	40
Total	220	264	275
II ASSETS			
1. Non-current assets			
a) Fixed assets	100	118	103
b) Non current investments	40	50	60
2. Current assets			
Inventories	60	66	72
Cash and cash equivalents	20	20	40
	20	30	40
Total	220	264	275

(OR)

- b) Explain any five applications of computerised accounting system.
- 47) a) From the following Balance Sheet of James Ltd. as on 31.03.2019 calculate
- Debt-equity ratio
 - Proprietary ratio
 - Capital gearing ratio

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