

3<sup>rd</sup> - Revision Test-2023

12<sup>th</sup> Accountancy

Marks : 90

Time : 3.00 hrs

PART-I

Answer all the question

20X1=20

Choose the Correct answers with option code.

- Which of the following items relating to bills payable is transferred to total creditors account?  
a) Opening balance of bills payable                      b) Closing balance of bills payable  
c) Bills payable accepted during the year              d) Cash paid for bills payable
- When capital in the beginning is ₹10,000, drawings during the year is ₹6,000, the additional capital introduced is ₹3,000 and capital at the end ₹ 9,000, find out the amount of Adjusted closing capital  
a) ₹9,000              b) ₹12,000              c) ₹21,000              d) ₹2,000
- Subscription due but not received for the current year is  
a) An asset                      b) A liability  
c) An expenses                      d) An item to be ignored
- Subscription received in 2018 is ₹ 50,000 which includes ₹ 5,000 for 2017 and ₹ 7,000 for 2019. calculate the subscription amount of for the year 2018.....  
a) ₹50,000              b) ₹62,000              c) ₹7,000                      d) ₹38,000
- In the absence of a partnership deed, profits of the firm will be shared by the partners in  
a) Equal ratio                      b) Capital ratio  
c) Both (a) and (b)                      d) None of these
- 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
- 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 × Years of purchase
- Book profit of 2017 is ₹35,000; non recurring income included in the profit is ₹2,000 and abnormal loss charged in the year 2017 was ₹1,000 then the adjusted profit is  
a) ₹36,000              b) ₹35,000              c) ₹38,000                      d) ₹34,000
- If the new profit sharing ratio is more than the old profit sharing ratio of a partner, the difference is called  
a) Capital ratio                      b) Sacrificing ratio  
c) Gaining ratio                      d) None of these
- Which of the following statements is not true in relation to admission of a partner  
a) Generally mutual rights of the partners change  
b) The profits and losses of the previous years are distributed to the old partners  
c) The firm is reconstituted under a new agreement  
d) The existing agreement does not come to an end

11. 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
12. X, Y and Z were partners sharing profits and losses equally. X died on 1<sup>st</sup> April 2019. Find out the share of X in the profit of 2019 based on the profit of 2018 which showed ₹36,000
- a) ₹1,000              b) ₹3,000                      c) ₹12,000                      d) ₹36,000
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. If shares of ₹10 on which ₹5 has been paid up is forfeited. Minimum reissue price is
- a) ₹10 per share                      b) ₹8 per share  
c) ₹5 per share                              d) ₹2 per share
15. The term 'fund' refers to
- a) Current liabilities                      b) Working capital  
c) Fixed assets                              d) Non-current assets
16. A limited company's sales has increased from ₹1,00,000 to ₹1,50,000. How does this appear in comparative income statement?
- a) +20%              b) +50%                      c) -50%                      d) -20%
17. To test the liquidity of a concern, which of the following ratios are useful?
- i) Net profit ratio      ii) Quick 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)
18. Which one of the following is not correctly matched?
- a) Liquid ratio – Proportion  
b) Gross profit ratio – times  
c) Fixed assets turnover ratio- times  
d) Debt-equity ratio – Proportion
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. In which voucher type credit purchase of furniture is recorded in Tally
- a) Receipt voucher                      b) Journal voucher  
c) Purchase voucher                      d) Payment voucher

**PART -II**

**Answer any 7 questions. Question No 30 is compulsory.7X2=14**

21. From the following particulars, prepare bills receivable amount and compute the bills received from the debtors.

Particulars	₹
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 dishonored	30,000

22. Give four examples for revenue receipts of not-for-profit organisation.

23. Mani is a partner, who withdrew ₹ 30,000 on 1st September, 2018. Interest on drawings is charged at 6% per annum. Calculate interest on drawings on 31st December, 2018 and show the journal entries by assuming that fluctuating capital method is followed.

24. What is acquired goodwill?

25. Govind and Gopal are partners, sharing profits and losses in the ratio of 3:2. Hema is admitted into the partnership with 1/5 share in the profits. Calculate new profit sharing ratio and sacrificing ratio.

26. Dheena, Surya and Janaki are partners sharing profits and losses in the ratio of 5:3:2. On 31.3.2018, Dheend retired. On the date of retirement, the books of the firm showed a reserve fund of ₹ 1,00,000. Pass journal entry to transfer the reserve fund.

27. Muthu Ltd. issued 50,000 equity shares of ₹10 each payable as follows; ₹2 on application; ₹ 4 on allotment; ₹ 4 on first and final call. All money were duly received except one shareholder holding 1,000 shares failed to pay the call money. Pass the necessary journal entries for calls by using calls in arrear account.

28. What is working capital?

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

30. Calculate the current ratio from the following information.

Particulars	₹	Particulars	₹
Inventories	1,30,000	Fixed assets	6,00,000
Trade debtors	2,20,000	Trade creditors	1,20,000
Cash	10,000	Non-current liability	3,00,000

**PART -III**

**Answer any 7 questions. Question No 40 is compulsory.7X3=21**

31. On 1<sup>st</sup> April 2018 Subha started her business with a capital of Rs 1,00,000. She did not maintain proper book of accounts. Following particulars are available from her books as on 31.3.2019.

Particulars	₹	Particulars	₹
Bank over draft	50,000	Stock-in-trade	1,60,000
Debtors	1,80,000	Creditors	90,000
Bills receivable	70,000	Bills payable	2,40,000
Machinery	3,30,000	Cash in hand	60,000

During the year she withdrawRs 30,000 for her personal use. She introduced further capital of Rs 40,000 during the year. Calculate her profit or loss.

32. How will the following appear in the final accounts of Erode Sports club for the year ending 31<sup>st</sup> March, 2019?

Particulars	₹
Tournament fund on 1 <sup>st</sup> April 2018	1,00,000
Tournament fund investment on 1 <sup>st</sup> April 2018	1,00,000
Interest received on tournament fund investment	10,000
Donation to tournament fund	20,000
Tournament expenses	70,000

33. State the differences between fixed capital method and fluctuating capital method. (any3)

34. From the following information, find out the value of goodwill by capitalisation method:

- Average profit ₹ 20,000
- Normal rate of return 10%
- Capital employed ₹ 1,50,000

35. Sam and Jose are partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April 2018, they admitted Joel as a partner. On the date of Joel's admission, goodwill appeared in the books of the firm at ₹ 30,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to

- write off the entire amount of existing goodwill
- write off ₹ 20,000 of the existing goodwill.

36. 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:

- The amount due is paid off immediately.
- The amount due is not paid immediately.
- ₹ 1,00,000 is paid and the balance in future.

37. Nivetha Ltd. forfeited 1,000 equity shares of ₹ 10 each for non payment of call of ₹3 per share.

Of these 900 shares were reissued @ ₹7 per share. Pass journal entries for forfeiture and reissue.

38. Explain the steps involved in preparing comparative statement.

39. Explain any 3 applications of computerised accounting system.

40. From the following statement of profit and loss of KaarvembuLtd.

Calculate (i) Gross profit ratio (ii) Net profit ratio

Statement of Profit and Loss

Particulars	₹
I.Revenue from operations	24,00,000
II.Other income:	
Income from investment	70,000
III.total revenues(I+II)	24,70,000
IV.Expenses:	
Purchase of stock-in-trade	18,80,000
Changes in inventories	(-)80,000
Employee benefits expense	2,90,000
Other expenses	1,10,000
Provision for tax	30,000
Total expenses	22,30,000
V.Profit of the year	2,40,000

**PART-IV**

**Answer all the question**

**7 X 5 = 35**

41. A) Nimalkumar does not keep his books under double entry system. From the following information prepare trading and Profit and loss A/c and Balance Sheet as on 31-12-2018.

Particulars	1-1-2018	31-12-2018
	Rs	Rs
Machinery	60,000	60,000
Cash at bank	25,000	33,000
Sundry debtors	90,000	1,38,000
Stock	45,000	22,000
Sundry creditors	70,000	66,000

Additional information:

	₹		₹
Cash sales	20,000	Credit sales	1,80,000
Cash Purchases	8,000	Credit purchases	52,000
Wages	6,000	Salaries	23,500
Advertisement	7,000	Interest on bank loan	4,500
Drawings	60,000	Additional capital	21,000

(OR)

B) Kannan, Rahim and John are partners in a firm sharing profits and losses in the ratio of 5:3:2. The balance sheet as on 31<sup>st</sup> December, 2017 was as follows.

Liabilities	₹	₹	Assets	₹
Capital accounts:			Buildings	90,000
Kannan	1,00,000		Machinery	60,000
Rahim	80,000		Debtors	30,000
John	40,000	2,20,000	Stock	20,000
Workmen compensation fund		30,000	Cash at bank	50,000
Creditors		20,000	Profit and loss A/c (loss)	20,000
		2,70,000		2,70,000

John retires on 1<sup>st</sup> January 2018, subject to following conditions:

- (i) To appreciate building by 10%
- (ii) Stock to be depreciated by 5%
- (iii) To provide ₹ 1,000 for bad debts
- (iv) An unrecorded liability of ₹ 8,000 have been noticed.
- (v) The retiring partner shall be paid immediately.

Prepare revaluation account, partner's capital account and the balance sheet of the firm after retirement.

42. A) 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
<b>I. Equity And Liabilities</b>	
1.Shareholder's 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	
Land-term borrowings(8%Debentures)	3,00,000
3.Current liabilities	
Short-term borrowings from banks	2,00,000
Trade payable	1,00,000
Total	12,00,000
<b>II.Assets</b>	
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

(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	₹	₹	Payments	₹
To Balance b/d			By Rent	11,000
Cash in hand		5,000	By Entertainment expenses	11,200
Cash at bank		10,000	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 Cash in hand	1,300
To General donations		7,000	Cash at bank	4,000
To Sale of old sports materials		1,000		
To Miscellaneous receipts		500		
		90,500		90,500

Additional information: (i) Capital fund as on 1st January 2018 ₹ 30,000.

(ii) Opening stock of sports material ₹ 3,000 and closing stock of sports material ₹5,000

43. A) Arun and Selvam are partners who maintain their capital accounts under fixed capital method. From the following particulars, prepare capital accounts of partners.

Particulars	Arun ₹	Selva. ₹
Capital on 1 <sup>st</sup> January, 2018	2,30,000	1,60,000
Current account on 1 <sup>st</sup> January, 2018	4,250(Dr)	10,000(Cr)
Additional capital introduced during the year	--	70,000
Withdrew for personal use	10,000	20,000
Interest on drawings	750	600
Share of profit for 2018	22,000	15,000
Interest on capital	1,100	750
Commission	6,800	--
Salary	--	6,850

(OR)

B) Prepare the Formats of Total debtors account, Total creditors account, bills receivable account and bills payable account.

44. A) Find out the value of goodwill by capitalising super profits:

(a) Normal Rate of Return 10%

(b) Profits for the last four years are ₹ 30,000, ₹ 40,000, ₹ 50,000 and ₹ 45,000.

(c) A non-recurring income of ₹3,000 is included in the above mentioned profit of ₹ 30,000.

(d) Average capital employed is ₹3,00,000

(OR)

B) Calculate (i) Inventory turnover ratio (ii) Trade receivables turnover ratio (iii) Trade payables turnover ratio and (iv) Fixed assets turnover ratio from the following information obtained from Annamalai Ltd.

Particulars	31 <sup>st</sup> March, 2018 ₹	31 <sup>st</sup> March, 2019 ₹
Inventory	3,60,000	4,40,000
Trade receivable	7,40,000	6,60,000
Trade payables	1,90,000	2,30,000
Fixed assets	6,00,000	8,00,000

Additional information:

(i) Revenue from operations for the year ₹ 35,00,000

(ii) Purchase for the year ₹ 21,00,000

(iii) Cost of revenue from operations ₹ 16,00,000.

(iv) Assume that sales and purchase are for credit.

45. A) The following is the balance sheet of James and Justina as on 1.1.2017. they share the profits and losses equally.

Liabilities	₹	₹	Assets	₹
Capital accounts:			Building	70,000
James	40,000		Stock	30,000
Justina	50,000	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 bring ₹ 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) From the following particulars, calculate the trend percentage of Kumar Ltd.

Particulars	₹ 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

46. A) Varsha, Shanthi and Madhuri are partners, sharing profits in the ratio of 5:4:3. Their balance sheet as on 31<sup>st</sup> December 2017 is as under.

Balance Sheet as on 31<sup>st</sup> December 2017

Liabilities	₹	₹	Assets	₹
Capital accounts:			Premises	1,20,000
Varsha	80,000		Stock	40,000
Shanthi	60,000		Debtors	50,000
Madhuri	20,000	1,60,000	Cash at bank	18,000
General reserve		48,000	Profit and loss A/c(loss)	12,000
Sundry creditors		32,000		
		2,40,000		2,40,000

On 1.1.2018, Madhuri died and on her death the following arrangements are made:

- (i) Stock to be depreciated by ₹ 5,000  
 (ii) Premises is to be appreciated by 20%  
 (iii) To provide ₹ 4,000 for bad debts  
 (iv) The final amount due to Madhuri was not paid

Prepare revaluation account, partner's capital account and the balance sheet of the firm after death.

(OR)

B). State the differences between Receipts and Payments Account and Income and Expenditure Account.

47. A) What are accounting reports? State any five accounting reports.

(OR)

B) 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 200 shares failed to pay the second and final call and his shares were forfeited.  
 (ii) Manoj who holds 200 shares failed to pay the allotment money and first call and second and final call and his shares were forfeited.  
 (iii) Manoj who holds 200 shares failed to pay the allotment money and first call money and his shares were forfeited after the first call.