



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

*****\

CENTUM MODEL QUESTION PAPER – 3, 2022-23.

12 STD

ACCOUNTANCY

TIME: 3.00Hrs.

MARKS: 90

PART – A

I. ANSWER ALL THE QUESTIONS.

(20X1=20)

CHOOSE THE MOST APPROPRIATE ANSWER FROM THE GIVEN FOUR ALTERNATIVES AND WRITE THE OPTION CODE AND THE CORRESPONDING ANSWER

1) Profit or Loss = _____

- a) Closing capital + Drawings – Additional capital – Opening capital
- b) Closing capital + Additional capital – Drawings – Opening capital
- c) Opening capital + Drawings – Additional capital – Closing capital
- d) Closing capital + Drawings – Additional capital + Opening capital

2) Opening statement of affairs is usually prepared to find out the _____

- (a) Capital in the beginning of the year
- (b) Capital at the end of the year
- (c) Profit made during the year
- (d) Loss occurred during the year

3) Read the question and answer according to the following key:

Assertion (A): Statement of affairs is not called balance sheet.

Reason (R): The values of all assets and liabilities shown in the statement of affairs are not fully based on the ledger balances.

- a) Both A and R is correct and R is the correct explanation of A
- b) Both A and R correct but R is not the correct explanation of A
- c) A is correct but R is not correct
- d) Both A and R is not correct.

4) Income and Expenditure Account is prepared to find out _____

- (a) Profit or loss
- (b) Cash and bank balance
- (c) Surplus or deficit
- (d) Financial position

5) Subscription due but not received for the current year is _____

- (a) An asset
- (b) An item to be ignored
- (c) An expense
- (d) A liability

6) 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

7) 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

8) The average rate of return of similar concerns is considered as _____

- (a) Average profit
- (b) Normal rate of return
- (c) Expected rate of return
- (d) None of these

9) Identify the incorrect pair _____

- (a) Goodwill under Average profit method – Average profit × Number of years of purchase
- (b) Goodwill under Super profit method – Super profit × Number of years of purchase
- (c) Goodwill under Annuity method – Average profit × Present value annuity factor



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

*****\

- (d) Goodwill under Weighted average - Weighted average profit × Number of years of profit method purchase
- 10) If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called _____
- (a) Capital ratio (b) Sacrificing ratio (c) Gaining ratio (d) None of these.
- 11) 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 partners
- 12) Workmen compensation fund is classified under _____
- (a) Reserves (b) Assets (c) Income (d) Expenses
- 13) Investment fluctuation fund is an example of _____
- (a) Assets (b) Expenses (c) Revenues (d) Reserves
- 14) On retirement of a partner, general reserve is transferred to the _____
- (a) Capital account of all the partners (b) Revaluation account
(c) Capital account of the continuing partners (d) Memorandum revaluation account
- 15) On revaluation, the increase in liabilities leads to _____
- (a) Gain (b) Loss (c) Profit (d) None of these
- 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) 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 %.
- 18) Which one of the following is not correctly matched?
- (a) Liquid ratio - Proportion (b) Gross profit ratio - Percentage
(c) Fixed assets turnover ratio - Percentage (d) Debt-equity ratio - Proportion
- 19) Current assets excluding inventory and prepaid expenses is called _____
- (a) Reserves (b) Tangible assets (c) Funds (d) Quick assets
- 20) Function key F11 is used for _____
- (a) Company Features (b) Accounting vouchers (c) Company Configuration (d) None of these

PART - B

II. ANSWER ANY 7 QUESTIONS. QUESTION NO. 30 IS COMPULSORY:

(7X3=21)

- 21) What is a statement of affairs?
- 22) Give four examples for revenue receipts of not-for-profit organisation
- 23) Vennila and Eswari are partners. Vennila draws ₹5,000 at the beginning of each half year. Interest on drawings is chargeable at 4% p.a. Calculate interest on drawings for the year ending 31st December 2018 using average period.
- 24) The following are the profits of a firm in the last five years: 2014: ₹4,000; 2015: ₹3,000; 2016: ₹5,000; 2017: ₹4,500 and 2018: ₹3,500 Calculate the value of goodwill at 3 years purchase of average profits of five years.



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

*****\

- 25) Vimala and Kamala are partners, sharing profits and losses in the ratio of 4:3. Vinitha enters into the partnership and she acquires $\frac{1}{14}$ from Vimala and $\frac{1}{14}$ from Kamala. Find out the new profit sharing ratio and sacrificing ratio
- 26) Kiran, Vinoth and Vimal are partners sharing profits in the ratio of 5:3:2. Kiran retires and the new profit sharing ratio between Vinoth and Vimal is 2:1. Calculate the gaining ratio.
- 27) What is working capital?
- 28) What is automated accounting system.
- 29) Calculate quick ratio of Ananth Constructions Ltd from the information given below.
 Total current liabilities ₹1,00,000
 Total current assets ₹2,50,000
 Inventories ₹50,000
 Prepaid expenses ₹15,000
- 30) KPR Ltd. issues 50,000 equity shares of ₹10 each payable fully on application. Pass journal entries if shares are issued at a premium of ₹3 per share.

PART - C

III. ANSWER ANY 7 QUESTIONS. QUESTION NO. 40 IS COMPULSORY:

(7X3=21)

- 31) From the following details find out total sales made during the year.
 Debtors on 1st January 2021 - ₹1,30,000
 Cash received from debtors during the year - ₹4,20,000
 Sales returns - ₹35,000
 Bad debts - ₹15,000
 Debtors on 31st December 2021 - ₹2,00,000
 Cash Sales - ₹4,60,000.
- 32) How will the following items appear in the final accounts of a club for the year ending 31st March 2017? A club received subscription of ₹25,000 during the year 2016-17. This includes subscription of ₹2,000 for 2015-16 and ₹1,500 for the year 2017-18. Subscription of ₹500 is still outstanding for the year 2016-17.
- 33) The capital account of Arivazhagan and Srinivasan on 1st January 2017 showed a balance of ₹15,000 and ₹10,000 respectively. On 1st July 2017, Arivazhagan introduced an additional capital of ₹5,000 and on 1st September 2017 Srinivasan introduced an additional capital of ₹10,000. Calculate interest on capital at 6% p.a. for the year ending 31st December 2017.
- 34) From the following information relating to Arul enterprises, calculate the value of goodwill on the basis of 2 years purchase of the average profits of 3 years.
 (a) Profits for the years ending 31st December 2016, 2017 and 2018 were ₹46,000, ₹44,000 and ₹50,000 respectively.
 (b) A non-recurring income of ₹5,000 are included in the profits of the year 2016.
 (c) The closing stock of the year 2017 was overvalued by ₹10,000.
- 35) What are the adjustments required at the time of admission of a partner?
- 36) Varun and Barath are partners sharing profits and losses 5:4. They admit Dhamu into partnership. The new profit sharing ratio is agreed at 1:1:1. Dhamu's share of goodwill is valued at ₹15,000 of which he pays ₹10,000 in cash. Pass necessary journal entries for adjustment of goodwill on the assumption that the fluctuating capital method is followed



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

37) Nivetha Ltd. forfeited 1,000 equity shares of ₹ 10 each for non - payment of call of ₹ 4 per share. Of these 800 shares were reissued @ ₹ 7 per share. Pass journal entries for forfeiture and reissue.

38) Financial statements are prepared based on the past data'. Explain how this is a limitation.

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

40) Calculate current ratio from the following information:

Current investments ₹80,000	Trade creditors ₹1,60,000
Inventories ₹1,60,000	Bills payable ₹1,00,000
Trade receivables ₹4,00,000	Expenses payable ₹1,40,000
Cash and cash equivalents ₹1,20,000	Prepaid expenses ₹40,000

PART - D

IV. ANSWER ALL THE QUESTIONS.

(7X5=35)

41) A) Arun does not keep his books under double entry system. Find the profit or loss made by him for the year ending 31st March, 2022.

Particulars	31.03.2021 (₹)	31.03.2022 (₹)
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

Arun had withdrawn ₹60,000 for his personal use. He had introduced ₹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]

41. 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.

Balances as on 1st April 2021. (₹)		Balances as on 31st March 2022 (₹)	
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:

Cash received from debtors	₹6,00,000	Payments against bill payable	₹30,000
Discount allowed to customers	₹20,000	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



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

42)A) From the following particulars of Vellore Recreation Club, prepare Receipts and Payments account for the year ended 31st March, 2022.

Particulars	(₹)	Particulars	(₹)
Opening cash balance as on 1.4.2021	3,000	Furniture purchased	11,000
Opening bank balance as on 1.4.2021	12,000	Donation received for pavilion	8,000
Sports equipment purchased	11,000	Municipal taxes	22,000
Sale of old tennis balls	1,500	Construction of new tennis court	18,000
Newspapers bought	500	Receipts from charity show	2,500
Admission fees received	1,000	Receipts from entertainment	20,000
Billiards table purchased	15,000	Travelling expense	4,500
Expenses of charity show	2,000	Closing balance of cash in hand	8,000

[OR]

42)B)The following is the summary of cash transactions of Delhi Literary Club for the year ending 31st March, 2019.

Delhi Literary Club Receipts and Payments Account for the year ending 31st March, 2019.

Dr

Cr

Receipts	(₹)	Payments	(₹)
To Balance b/d		By Rents and Rate	21,000
Cash in hand	3,200	By Lecture fees	4,500
To Entrance fees	2,300	By Sundry expenses	7,200
To Subscriptions	46,000	By Fixed deposit	40,000
To Life membership fees	2,500	By Balance c/d	
To Interest received on fixed deposit	500	Cash in hand	4,300
To Sale of furniture (on 1.4.2018) (Book value ₹25,000)	22,500		
	77,000		77,000

Additional information

(a) At the beginning of the year the club possessed books worth ₹20,000 and furniture worth ₹40,000.

(b) Subscription received in advance during the current year amounted to ₹1,000.

Prepare Income and Expenditure account of the club for the year ending 31st March, 2019 and the Balance sheet as on that date.

43) A) A, B, C and D are partners in a firm. There is no partnership deed. How will you deal with the following?

(i) A has contributed maximum capital. He demands interest on capital at 12% per annum.

(ii) B has withdrawn ` 1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.

(iii) Loan advanced by C to the firm is ` 10,000. He demands interest on loan @ 9% per annum. A and B do not agree with this.



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

*****\

(iv) D demands salary at the rate of ` 5,000 per month as he spends full time for the business. B and C do not agree with this.

(v) A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

[OR]

43.B) From the following information, prepare capital accounts of partners Shanthy and Sumathi, when their capitals are fixed.

Particulars `	Shanthy (₹)	Sumathi (₹)
Capital on 1st January 2018	1,00,000	80,000
Current account on 1st January 2018(Cr.)	5,000	3,000
Additional capital introduced on 1st June 2018	10,000	20,000
Drawings during 2018	20,000	13,000
Interest on drawings	500	300
Share of profit for 2018	10,000	8,000
Interest on capital	6,300	5,400
Salary	9,000	Nil
Commission	Nil	1,200

[OR]

44) A) Sundar and Suresh are partners sharing profits in the ratio of 3:2. Their balance sheet as on 1st January, 2017 was as follows:

Liabilities	₹	₹	Assets	₹
Capital accounts:			Building	40,000
Sundar	30,000		Stock	25,000
Suresh	20,000	70,000	Debtors	15,000
Creditors		50,000	Bills Receivable	14,000
Reserve fund		10,000	Bank	18,000
Workmen compensation fund		15,000	Furniture	13,000
		1,25,000		1,25,000

They decided to admit Sugumar into partnership for 1/4 share in the profits on the following terms:

- Sugumar has to bring in ₹30,000 as capital. His share of goodwill is valued at ₹5,000. He could not bring cash towards goodwill.
- That the stock be valued at ₹20,000.
- That the furniture be depreciated by ₹2,000.
- That the value of building be depreciated by 20%. Prepare necessary ledger accounts and the balance sheet after admission.



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

44) B) Read and analyse the following transactions. Fill in the following table by writing asset or liability and put in the appropriate column. The first two transactions are done as examples.

- (1) The value of inventory should be revalued from ₹2,500 to ₹ 3,000
- (2) Building revalued from ₹2,00,000 to ₹1,60,000
- (3) Creditors revalued from ₹ 2,000 to ₹1,800, as discount can be availed from creditors.
- (4) The value of furniture decreased by ₹ 2,000
- (5) A provision for outstanding wages would be created for ₹1,000
- (6) Vehicle revalued to ₹20,000 from ₹28,000
- (7) Outstanding salary would be created for ₹10,000
- (8) Provision for doubtful debts is to be created for ₹1,000
- (9) Land revalued from ₹ 2,00,000 to ₹ 2,50,000
- (10) Fixtures revalued from ₹ 20,000 to ₹22,000

Transaction number	Asset / liability	Increase	Decrease	Debit revaluation account	Credit revaluation account
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

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	₹	₹	Assets	₹
Capital accounts:			Building	80,000
Mani	50,000		Stock	20,000
Rama	50,000		Debtors	20,000
Devan	50,000	1,50,000	Furniture	70,000
Creditors		20,000	Cash in hand	10,000
Profit & 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 ₹5,000
- (ii) Provision for doubtful debts to be created for ₹1,000.
- (iii) Buildings to be appreciated by ₹16,000
- (iv) The final amount due to Mani is not paid immediately Prepare revaluation account and capital account of partners after retirement.



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY * ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

[OR]

45.B) Keerthiga Company issued equity shares of ₹10 each at 10% premium, payable ₹2 on application, ₹3 on allotment (including premium), ₹3 on first call and ₹3 on second and final call.

Journalise the transactions relating to forfeiture of shares for the following situations:

(i) Mohan who holds 50 shares failed to pay the second and final call and his shares were forfeited.

(ii) Mohan who holds 50 shares failed to pay the allotment money, first call and second and final call money and his shares were forfeited.

(iii) Mohan who holds 50 shares failed to pay the allotment money and first call and his shares were forfeited after the first call.

46)A) Divya Ltd. allotted 10,000 equity shares of ₹10 each at a premium of ₹2 per share to applicants of 14,000 shares on a pro rata basis. The excess application money will be adjusted towards allotment money. The amount payable was ₹2 on application, ₹ 5 on allotment (including premium of ₹2 each) and ₹3 on first call and ₹2 on final call. Vikas, a shareholder failed to pay the first call and final call on his 300 shares. All the shares were forfeited and out of them 200 shares were reissued @ ₹9 per share.

Pass the necessary journal entries.

[OR]

46)B) From the following particulars, calculate the trend percentages of Kumar Ltd.

Particulars	₹ - in thousands		
	2019-20	2020-21	2021-22
Revenue from operations	300	270	150
Other income	50	80	60
Expenses	250	200	125
Income tax %	40	40	40

47) A) Calculate (i) Inventory turnover ratio (ii) Trade receivable turnover ratio (iii) Trade payable turnover ratio and (iv) Fixed assets turnover ratio from the following information obtained from Delphi Ltd.

Particulars	As on 31st March, 2018 - ₹	As on 31st March, 2019- ₹
Inventor	1,40,000	1,00,000
Trade receivables	80,000	60,000
Trade payable	40,000	50,000
Fixed assets	5,50,000	5,00,000

Additional information:

(i) Revenue from operations for the year ₹10,50,000

(ii) Purchases for the year ₹4,50,000

(iii) Cost of revenue from operations ₹6,00,000.

Assume that sales and purchases are for credit.

[OR]



K V MATRIC.HR.SEC. SCHOOL

CREATIVITY * PROSPERITY* ACHIEVEMENT

546, SATHY MAIN ROAD, KURUMBAPALAYAM, COIMBATORE – 641 107.

47)B)The following particulars are available in respect of a business carried on by a partnership firm:

(a) Profits earned: 2016: ₹30,000; 2017: ₹29,000 and 2018: ₹ 32,000.

(b) Profit of 2016 includes a non-recurring income of ₹3,000.

(c) Profit of 2017 is reduced by ₹2,000 due to stock destroyed by fire.

(d) The stock is not insured. But, it is decided to insure the stock in future.

The insurance premium is estimated at ₹ 5,600 per annum. You are required to calculate the value of goodwill on the basis of 2 years purchase of average profits of the last three years.

✍ Prepared by:

K.PUSHPARASU M.Com., M.Phil, B.Ed.,,
P.G.T IN COMMERCE & ACADEMIC CO-ORDINATOR,
K V MATRIC. HR. SEC. SCHOOL,
KURUMBAPALAYAM,
COIMBATORE – 641 107,
Mob. No. 93857 – 63859
