



I Choose the correct answer

(3x1=3)

- 1) Income and expenditure account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
- 2) Donations received for a specific purpose is
(a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure
- 3) Which of the following should not be recorded in the income and expenditure account?
(a) Sale of old news papers (b) Loss on sale of asset (c) Honorarium paid to the secretary (d) Sale proceeds of furniture

II Answer the following any 3 questions

(3x2=6)

- 4) State the meaning of not-for-profit organisation.
- 5)

1. From the information given below, prepare Receipts and Payments account of Kurunji Sports Club for the year ended 31st December, 2018.

Particulars	₹	Particulars	₹
Cash in hand (1.1.2018)	4,000	Paid for printing charges	2,500
Salaries paid	3,000	Lockers rent received	1,000
Life membership fees received	10,000	Tournament receipts	14,000
Subscription received	15,000	Tournament expenses	10,500
Rent received	2,000	Investments purchased	25,000

- 6) How will the following appear in the final accounts of Marthandam Women Cultural Association?
Stock of sports materials on 1.4.2018 16,000 ; Sports materials purchased during the year 84,000
Stock of sports materials on 31.3.2019 10,000
- 7)

9. Compute capital fund of Salem Sports Club as on 1.4.2019.

Particulars	₹	Particulars	₹
Sports equipment	30,000	Prize fund	10,000
Computer	25,000	Prize fund investments	10,000
Subscription outstanding for 2018-19	5,000	Cash in hand	7,000
Subscription received in advance for 2019-20	8,000	Cash at bank	21,000

III. Answer the following questions any 2 questions

(2x3=6)

9. 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	₹	₹	Payments	₹
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.

How will the following appear in the final accounts of Karaikudi sports club for the year ending 31st March, 2019?

Particulars	₹
Tournament fund on 1 st April 2018	90,000
Tournament fund investment on 1 st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

10)

7. 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	₹	₹	Payments	₹	₹
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

IV Answer the following any 2 questions

(2x5=10)

11) Following is the Receipts and Payments Account of Salem Recreation Club for the year ended 31st March, 2019.

In the books of Salem Recreation Club

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

Receipts	₹	₹	Payments	₹
To Balance b/d:			By Furniture	15,000
Cash in hand		9,000	By Stationery	2,400
To Subscriptions			By Investment	12,500
2018 – 2019	12,500		By Postage	1,000
2019 – 2020	400	12,900	By Balance c/d:	
To Proceeds from entertainment		12,000	Cash in hand	3,500
To Sundry receipts		500		
		34,400		34,400

Additional information:

- There are 450 members each paying annual subscription of ₹ 30.
- Stock of stationery on 31st March, 2018 ₹ 300 and on March 31, 2019 ₹ 500.
- Capital fund as on 1st April 2018 was ₹ 9,300.

Prepare income and expenditure account for the year ended 31st March, 2019 and the balance sheet as on that date.

12)

6. From the following receipts and payments account of Tenkasi Thiruvalluvar Manram, prepare income and expenditure account for the year ended 31st March, 2019.

Receipts	₹	Payments	₹
To Balance b/d		By Salaries	20,000
Cash in hand	14,000	By Rent	24,000
To Interest received	5,000	By Travelling expenses	2,000
To Subscription	55,000	By Printing and stationery	6,000
To Legacies	48,000	By Investments made	50,000
To Entrance fees	7,000	By Sports equipment purchased	33,000
To Sale of furniture	16,000	By Balance c/d	
(Book value: ₹ 17,000)		Cash in hand	10,000
	1,45,000		1,45,000

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



K.G. S. MATRIC HR SEC SCHOOL, TIRUPUR
SLIP TEST – 3 JULY 2023

CLASS:XII
SUBJECT: ACCOUNTANCY

MARKS:25
DATE: 04.07.23

I Choose the correct answer

(3x1=3)

- 1) In the absence of an agreement among the partners, interest on capital is
(a) Not allowed (b) Allowed at bank rate (c) Allowed @ 5% per annum (d) Allowed @ 6% per annum
- 2) When a partner withdraws regularly a fixed sum of money at the end of every month, period for which interest is to be calculated on the drawings on an average is
(a) 5.5 months (b) 6 months (c) 12 months. (d) 6.5 months
- 3) 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

II Answer the following any 3 questions

(3x2=6)

4)

i. 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	₹
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.

- 5) Murali and Sethu are partners in a firm. Murali is to get a commission of 10% of net profit before charging any commission. Sethu is to get a commission of 10% on net profit after charging all commission. Net profit for the year ended 31st March 2019 before charging any commission was ₹ 1,10,000. Find the amount of commission due to Murali and Sethu.
- 6) 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. And pass the journal entries?
- 7) John is a partner in a firm. He withdraws ₹ 1,000 p.m. regularly. Interest on drawings is charged @ 5% p.a. Calculate the interest on drawings using average period, if he draws
(i) at the beginning of every month (ii) in the middle of every month (iii) at the end of every month

III Answer the following any 2 questions**(2x3=6)**

8)

From the following information, prepare capital accounts of partners Mannan and Sevagan, when their capitals are fluctuating.

Particulars	Mannan ₹	Sevagan ₹
Capital on 1 st January 2018 (Cr. balance)	2,00,000	1,75,000
Drawings during 2018	40,000	35,000
Interest on drawings	1,000	500
Share of profit for 2018	21,000	16,500
Interest on capital	12,000	10,500
Salary	18,000	Nil
Commission	Nil	2,500

9) Syed, Samuel and Sudhakar are partners in a firm sharing profits and losses equally. As per the terms of the partnership deed, Samuel is allowed a monthly salary of ₹ 2,000 and Sudhakar is allowed a commission of ₹ 6,000 per annum for their contribution to the business of the firm. You are required to pass the necessary journal entry. Assume that their capitals are fluctuating.

10)

Kumar 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	₹
March 1	4,000
June 1	4,000
September 1	4,000
December 1	4,000

Calculate the amount of interest on drawings and pass the journal entries for interest on drawings

IV Answer the following any 2 questions**(2x5=10)**

11) Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?

- Akash has contributed maximum capital. He demands interest on capital at 10% per annum.
- Bala has withdrawn ₹ 3,000 per month. Other partners ask Bala to pay interest on drawings @ 8% per annum to the firm. But, Bala did not agree to it.
- Akash demands the profit to be shared in the capital ratio. But, others do not agree.
- Daniel demands salary at the rate of ₹ 10,000 per month as he spends full time for the business.
- Loan advanced by Chandru to the firm is ₹ 50,000. He demands interest on loan @ 12% per annum.

12)

9. From the following balance sheets of Rajan and Devan who share profits and losses 2:1, calculate interest on capital at 6% p.a. for the year ending 31st December, 2018.

Balance sheet as on 31st December, 2018

Liabilities	₹	₹	Assets	₹
Capital accounts:			Sundry assets	2,20,000
Rajan	1,00,000			
Devan	80,000	1,80,000		
Profit and loss appropriation A/c		40,000		
		2,20,000		2,20,000

On 1st April, 2018, Rajan introduced an additional capital of ₹ 40,000 and on 1st September, 2018, Devan introduced ₹ 30,000. Drawings of Rajan and Devan during the year were ₹ 20,000 and ₹ 10,000 respectively. Profit earned during the year was ₹ 70,000.

- 13) 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.



I Choose the correct answer

(3x1=3)

1) _____ cannot be recorded in the books of accounts.

A) purchased Goodwill. B) Acquired Goodwill. C) self-generated goodwill. D) none of the above

2) The total capitalised value of a business is ₹ 1,00,000; assets are ₹ 1,50,000 and liabilities are ₹ 80,000. The value of goodwill as per the capitalisation method will be

(a) ₹ 40,000 (b) ₹ 70,000 (c) ₹ 1,00,000 (d) ₹ 30,000

3) _____ refers to series of uniform cash flows at regular intervals

a) super profit. B) Average profit. C) Annuity. D) capitalisation

II Answer the following any 3 questions

(3x2=6)

4) From the following information, calculate the value of goodwill based on 3 years purchase of super profit

(i) Capital employed: ₹ 2,00,000 (ii) Normal rate of return: 15% (iii) Average profit of the business: ₹ 42,000

5) The profits and losses of a firm for the last four years were as follows:

2015: ₹ 15,000; 2016: ₹ 17,000; 2017: ₹ 6,000 (Loss); 2018: ₹ 14,000

You are required to calculate the amount of goodwill on the basis of 5 years purchase of average profits of the last 4 years.

6) Explain the Nature of Goodwill?

7) From the following information, find out the value of goodwill by capitalisation method:

(a) Average profit = ₹ 60,000 (b) Normal rate of return = 10% (c) Capital employed = ₹ 4,50,000

III Answer the following any 2 questions

(2x3=6)

8) What is goodwill and explain the classification of Goodwill

9) From the following information, calculate the value of goodwill under annuity method:

(i) Average profit ₹ 14,000 (ii) Normal Profit ₹ 4,000 (iii) Normal rate of return 15%

(iv) Years of purchase of goodwill 5

Present value of ₹ 1 for 5 years at 15% per annum as per the annuity table is 3.352

10) From the following details, calculate the value of goodwill at 2 years purchase of super profit:

(a) Total assets of a firm are ₹ 5,00,000

(b) The liabilities of the firm are ₹ 2,00,000

(c) Normal rate of return in this class of business is 12.5 %.

(d) Average profit of the firm is ₹ 60,000.

IV. Answer the following any 2 questions

(2x5=10)

11) Explain the any five factors determining goodwill.

12) A partnership firm earned net profits during the last three years as follows:

2016 : ` 20,000; 2017 : ` 17,000 and 2018 : ` 23,000

The capital investment of the firm throughout the above mentioned period has been ` 80,000.

Having regard to the risk involved, 15% is considered to be a fair return on capital employed in the business. Calculate the value of goodwill on the basis of 2 years purchase of super profit

13) 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 is included in the profits of the year 2016.

(c) The closing stock of the year 2017 was overvalued by ` 10,000.

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