

**MERIT TUITION CENTRE(MTC),Thirumayam(BO),Pudukkottai(HO)****FRIST MID TERM EXAM-2023****ACCOUNTANCY-XII****PART-A****TOTAL MARK:050****I. CHOOSE THE CORRECT ANSWER:****5X1=5**

1. Statement of affairs is a
  - (a) Statement of income and expenditure
  - (b) Statement of assets and liabilities
  - (c) Summary of cash transactions
  - (d) Summary of credit transactions.
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. Legacy is a
  - (a) Revenue expenditure
  - (b) Capital expenditure
  - (c) Revenue receipt
  - (d) Capital receipt
4. As per the Indian Partnership Act, 1932, the rate of interest allowed on loans advanced by partners is
  - (a) 8% per annum
  - (b) 12% per annum
  - (c) 5% per annum
  - (d) 6% per annum
5. Super profit is the difference between
  - (a) Capital employed and average profit
  - (b) Assets and liabilities
  - (c) Average profit and normal profit
  - (d) Current year's profit and average profit

**PART-B****5X2=10****II. ANSWER 5 QUESTIONS:**

6. What is a statement of affairs?
7. What is legacy?
8. 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
9. What is a partnership deed?
10. The following are the profits of a firm in the last five years:  
2014: ` 10,000; 2015: ` 11,000; 2016: ` 12,000; 2017: ` 13,000 and 2018: ` 14,000  
Calculate the value of goodwill at 2 years purchase of average profit of five years.
11. Find out credit sales from the following information:

Particulars	Amount
Debtors on 1 <sup>st</sup> April, 2018	1,00,000
Cash received from debtors	2,30,000
Discount allowed	5,000
Returns inward	25,000
Debtors on 31 <sup>st</sup> March 2019	1,20,000

**PART-C****5X3=15****III. ANSWER 5 QUESTIONS:**

12. State the differences between double entry system and incomplete records.

13. 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`	31.3.2019`
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Ananth had withdrawn ` 60,000 for his personal use.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%.

14. How will the following appear in the final accounts of Vedaranyam Sports club?

Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

15. 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:

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.

16. Find out the value of goodwill at three years purchase of weighted average profit of last four years.

Year	Profit`	Weight
2015	10,000	1
2016	12,000	2
2017	16,000	3
2018	18,000	4

17. Compute income from subscription for the year 2018 from the following particulars relating to a club.

Particulars	1.1.2018`	31.12.2018`
Outstanding subscription	10,000	7,000
Subscription received in advance	3,000	5,000

**PART-D**

**4X5=20**

**IV. ANSWER ANY 4 QUESTIONS:**

18. 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		Particulars	
<b>Balances as on 1st April 2018</b>		<b>Balances as on 31st March 2019</b>	
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
<b>Other information:</b>			
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

19. 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		By Rent	24,000
To Interest received	14,000	By Travelling expenses	2,000
To Subscription	5,000	By Printing and stationery	6,000
To Legacies	55,000	By Investments made	50,000
To Entrance fees	48,000	By Sports equipment purchased	33,000
To Sale of furniture (Book value: ` 17,000)	7,000	Cash in hand	10,000
	16,000		
	1,45,000		1,45,000

20. Dinesh and Sugumar entered into a partnership agreement on 1st January 2018, Dinesh contributing ` 1,50,000 and Sugumar ` 1,20,000 as capital. The agreement provided that:

- Profits and losses to be shared in the ratio 2:1 as between Dinesh and Sugumar.
- Partners to be entitled to interest on capital @ 4% p.a.
- Interest on drawings to be charged Dinesh: ` 3,600 and Sugumar: ` 2,200
- Dinesh to receive a salary of ` 60,000 for the year, and
- Sugumar to receive a commission of ` 80,000

During the year ended on 31st December 2018, the firm made a profit of ` 2,20,000 before adjustment of interest, salary and commission.

Prepare the Profit and loss appropriation account.

21. 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.

22. From the following Receipts and Payments account of Coimbatore Cricket Club for the year ending 31st March 2016, prepare income and expenditure account for the year ending 31st March, 2016 and a balance sheet as on that date.

**In the books of Coimbatore Cricket Club**  
**Receipts and Payments Account for the year ending 31st March, 2016**

Receipts	`	Payments	`
To Balance b/d:		By Maintenance	5,000
Cash at bank	8,000	By Furniture	15,000
To Subscriptions	11,000	By Tournament expenses	1,400
To Sale of old bats and balls	100	By Secretary's honorarium	4,500
To Subscription for tournament	2,000	By Bats and balls	7,400
To Legacies		20,000	By Balance c/d:
Cash at bank			7,800
	41,100		41,100

Additional information: On 1st April, 2015 the club had stock of balls and bats ` 3,000 and an advance subscription of ` 500. Surplus on account of tournament should be kept in reserve for permanent pavilion. Subscription due on 31.03.2016 was ` 2,000. Stock of bats and balls on 31.3.2016 was ` 1,000.

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