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ACCOUNTANCY

12

This special guide is prepared
on the basis of New Syllabus
and Govt. Key

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Publications

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PREFACE

Dear Teachers and Students.

- ✓ We **Loyola Publications** sincerely thank you for the support that you have extended to us so far.
- ✓ The only **GUIDE** which shows How to Solve the problems? and Do yourself (Practice Exercises) and Theory Questions in **ACRONYMS**.
- ✓ **In section I**, 20 questions will be given and U have to answer 20 questions. [$20 \times 1 = 20$]
The questions may be :
 - i) Choose the correct Answer (with 4 choices)
 - ii) Fill in the blanks
 - iii) Match List I with List II
 - iv) Pick the odd one out
 - v) Correctly matched
 - vi) Wrong pair
 - vii) True statement
 - viii) Wrong statement
 - ix) Assertion (A) Reason (R)
- **In section II**, 10 questions will be given and U have to answer 7 questions.
Q.No.30 is compulsory. [$7 \times 2 = 14$] (5 Theory Questions + 5 Sums)
- **In section III**, 10 questions will be given and U have to answer 7 questions.
Q.No.40 is compulsory [$7 \times 3 = 21$] (3 Theory Questions + 7 Sums)
- **In section IV** 7 questions (14) will be given in either or pattern.
U have to answer all the 7 questions [$7 \times 5 = 35$] (All Seven - Sums)
- For Two mark theory questions, U write :
 - 4 points (without explanation) (e.g) [Give 4 examples for Capital Receipt]
 - 2 points (with explanation) (e.g) [Difference between statement of Affairs and Balance sheet]
- For Three mark Theory questions U write :
 - 6 points (without explanation) (e.g) [What are the contents of partnership Deed?]
 - 3 points (with explanation) (e.g) [Features of Incomplete Records]
- 5 Mark Theory Questions May or may not be asked.
If asked : U write 5 points with explanation. **TO GET FULL MARKS.**
- Included PTA questions and Govt. question with their keys.

ALL THE BEST

Yours,

SHAHUL RAJA





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Unit 1

ACCOUNTS FROM INCOMPLETE RECORDS

Self - examination questions

I. Multiple choice questions (Text Book)

Choose the correct answer

- Incomplete records are generally maintained by PTA - 1 Aug - 2021 Aug 2022
 - A company
 - Government
 - Small sized sole trader business
 - Multinational enterprises

Ans : c) Small sized sole trader business
- Statement of affairs is a PTA - 2 QY - 2019 May 2022
 - Statement of income and expenditure
 - Statement of assets and liabilities
 - Summary of cash transactions
 - Summary of credit transactions

Ans : b) Statement of assets and liabilities
- Opening statement of affairs is usually prepared to find out the PTA - 3
 - Capital in the beginning of the year
 - Capital at the end of the year
 - Profit made during the year
 - Loss occurred during the year

Ans : a) Capital in the beginning of the year
- The excess of assets over liabilities is PTA - 4 QY - 2019 Sep - 2020 May 2022 Aug 2022
 - Loss
 - Cash
 - Capital
 - Profit

Ans : c) Capital
- Which of the following items relating to bills payable is transferred to total creditors account? PTA - 5
 - Opening balance of bills payable
 - Closing balance of bills payable
 - Bills payable accepted during the year
 - Cash paid for bills payable

Ans : c) Bills payable accepted during the year
- The amount of credit sales can be computed from PTA - 5 QY - 2019 Sep - 2020
 - Total debtors account
 - Total creditors account
 - Bills receivable account
 - Bills payable account

Ans : a) Total debtors account
- Which one of the following statements is not true in relation to incomplete records? PTA - 4 GMQ - 2019
 - It is an unscientific method of recording transactions
 - Records are maintained only for cash and personal accounts
 - It is suitable for all types of organisations
 - Tax authorities do not accept

Ans : c) It is suitable for all types of organisations
- What is the amount of capital of the proprietor, if his assets are ₹ 85,000 and liabilities are ₹ 21,000? PTA - 3 HY - 2019
 - ₹ 85,000
 - ₹ 1,06,000
 - ₹ 21,000
 - ₹ 64,000

Ans : d) ₹ 64,000

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EC – 12th ACCOUNTANCY

9. When capital in the beginning is ₹ 10,000, drawings during the year is ₹ 6,000, profit made during the year is ₹ 2,000 and the additional capital introduced is ₹ 3,000, find out the amount of capital at the end. **PTA - 2**

- a) ₹ 9,000 b) ₹ 11,000 c) ₹ 21,000 d) ₹ 3,000

Ans : a) ₹ 9,000

10. Opening balance of debtors: ₹ 30,000, cash received: ₹ 1,00,000, credit sales: ₹ 90,000; closing balance of debtors is **PTA - 1 & 6**

- a) ₹ 30,000 b) ₹ 1,30,000 c) ₹ 40,000 d) ₹ 20,000

Ans : d) ₹ 20,000

ADDITIONAL QUESTIONS

1. Match the List - I with List - II and select the correct answer using the codes given below:

List - I		List - II	
i	Statement of Affairs	1	Net Loss
ii	Balance Sheet	2	Gross profit
iii	Trading A/c	3	Financial position
iv	Profit & Loss A/c	4	ascertaining Capital

Codes	i	ii	iii	iv
a	4	3	2	1
b	1	2	3	4
c	1	3	2	4
d	2	4	3	1

Ans : a) 4 3 2 1

2. Match the List - I with List - II and select the correct answer using the codes given below :

List - I		List - II	
i	Total Debtors A/c	1	Bills received
ii	Total Creditors A/c	2	Bills accepted
iii	Bills Receivable A/c	3	Credit sales
iv	Bills payable A/c	4	Credit purchase

Codes	i	ii	iii	iv
a	4	3	2	1
b	3	4	2	1
c	3	4	1	2
d	4	3	1	2

Ans : c) 3 4 1 2

3. Match the List - I with List - II and select the correct answer using the codes given below :

List - I		List - II	
i	Incomplete records	1	Profit or Loss
ii	Double Entry System	2	Cash and Personal accounts maintained
iii	Statement of Affairs	3	all the accounts maintained
iv	Networth method	4	Balance Sheet

Codes	i	ii	iii	iv
a	2	3	1	4
b	2	3	4	1
c	2	4	3	1
d	2	1	3	4

Ans : b) 2 3 4 1

4. Which of the following is not correct method?

- a) Sole Trade - Incomplete records
 b) Joint stock Company - Double entry system
 c) Closing capital - Closing statement of Affairs
 d) Comparison method - Balance Sheet

Ans : d) Comparison method - Balance Sheet

5. Which one of the following is not correct?

- a) Capital = Assets - Liabilities
 b) Assets = Capital + Liabilities
 c) Liabilities = Assets - Capital
 d) Capital = Assets + Liabilities

Ans : d) Capital = Assets + Liabilities

6. Which of the following is correct ?

Incomplete records system is

- a) unscientific system
 b) Trial balance can be prepared
 c) Recording both aspects of all transactions
 d) Suitable for all types of organisation

Ans : a) unscientific system

7. Pick the odd one out from the following

- a) Statement of profit / loss
 b) Statement of Affairs
 c) Customer's A/c
 d) Receipts and payments A/c

Ans : d) Receipts and payments A/c

8. Consider the following statement

Assertion (A) : Errors and Frauds cannot be detected from incomplete records.

Reason (R) : It keeps only cash and personal accounts. Not keeps Real and nominal accounts.

Select the correct answer:

- a) Both (A) and (R) are true and (R) is the correct explanation of (A)
 b) Both (A) and (R) are true and (R) is the not correct explanation of (A)
 c) A is true but R is false
 d) A is false but R is true

Ans : a) Both (A) and (R) are true and (R) is the correct explanation of (A)

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EC – 12th ACCOUNTANCY

9. Which of the following items relating to bills receivable account is transferred to total debtors account?
 (a) Opening balance of bills receivable
 (b) Closing balance of bills receivable
 (c) Bills receivable received during the year
 (d) Cash received for bills receivable **Ans : c) Bills receivable received during the year**
-
10. The amount credit purchase can be computed from account.
 a) Total Debtors b) Total Creditors c) Bills Receivable d) Bills Payable
Ans : b) Total Creditors
-
11. What is the amount of Assets, if his capital is Rs. 85,000 and liabilities are ₹ 21,000
 a) ₹ 1,06,000 b) ₹ 64,000 c) ₹ 85,000 d) ₹ 21,000
Ans : a) Rs 1,06,000
-
12. What is the amount of liabilities, if his assets is ₹ 1,06,000 and Capital is ₹ 85,000 ?
 a) ₹ 1,91,000 b) ₹ 21,000 c) ₹ 90,000 d) ₹ 1,42,000
Ans : b) ₹ 21,000
-
13. Opening balance of Debtors ₹ 30,000; cash received ₹ 1,00,000 and closing balance of debtors ₹ 20,000 then credit sales is
 a) ₹ 1,50,000 b) ₹ 1,10,000 c) ₹ 90,000 d) ₹ 50,000
Ans : c) ₹90,000
-
14. Opening balance of creditors 60,000; cash paid 2,00,000 and closing balance of creditors 40,000 then credit purchase is
 a) ₹3,00,000 b) ₹1,20,000 c) ₹1,00,000 d) ₹1,80,000
Ans : d) ₹1,80,000
-
15. Opening balance of creditors 70,000; cash paid 1,30,000 and credit purchase 1,40,000 then closing balance of creditor is
 a) ₹ 1,00,000 b) ₹ 60,000 c) ₹ 3,40,000 d) ₹ 80,000
Ans : d) ₹ 80,000
-
16. Statement of affairs resembles
 a) Trading account b) Balance Sheet c) Trial Balance d) NOTA
Ans : b) Balance Sheet
-
17. In incomplete record accounts are maintained
 a) Personal and cash account
 b) Depreciation account and Fixed asset account.
 c) Bad Debts account and Sundry Debtors account
 d) Rent account and outstanding rent account **Ans : a) Personal and cash account**

II. Very short answer questions (Text Book)

1. What is meant by incomplete records? **Aug 2022 PTA - 1**
 When accounting records are not strictly maintained according to double entry system, these records are called "Incomplete accounting records or single entry system".
-
2. State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed. **PTA - 2 / March 2020**
- Generally, cash account and the personal accounts of customers (Debtors) and Suppliers (Creditors) are maintained fully and other accounts are maintained based on necessity.
 - Real accounts and Nominal accounts are not maintained.

3. What is a statement of affairs?

QY - 2019 Sep - 2020 May 2022 PTA - 3

- It is a statement showing the balances of assets and liabilities on a particular date.
- It is prepared under single entry system to find out the opening capital or closing capital.
- Capital = Asset – liabilities.

ADDITIONAL QUESTIONS

1. Define single entry system.

- It is an admixture of Single entry, Double entry and No entry” - PICKLES
- “Single entry system is a system of book-keeping in which as a rule, only records of cash and personal accounts are maintained. It is always incomplete double entry varying with circumstances”. - KOHLER.

III. Short answer questions (Text Book)

1. What are the features of incomplete records? (MUNAF)

Features :**Maintained by :** (Suitability To)

It is maintained by **Sole trader** and **Partnership** firms which have no legal obligations to maintain the books under **double entry system**.

Uniformity Lacks :

Different organization record their transactions according to their needs and convenience without uniformity.

Nature :

- It does not follow any accounting principles.
- It is an unscientific, incomplete system.
- It is not at all a system.

Accounts :

- Cash accounts and personal accounts are maintained.
- Real accounts and nominal accounts are not maintained.
- Some transactions are completely omitted.

Financial Statements :

- It does not represent true and fair financial position due to incomplete information and inaccurate records.

2. What are the limitations of incomplete records? (TRADE)

PTA - 2

Limitations :**Trial Balance :**

It is difficult to prepare trial balance. Because, the accounting records are incomplete.

Records :

- It is an unscientific and unsystematic way of maintaining records.
- Real and Nominal accounts are not maintained properly.

Ascertaining profitability :

- It is difficult to ascertain true profitability of the business from incomplete records.
- Trading, Profit and Loss account cannot be prepared with accuracy.

Difficult in ascertaining financial position :

- It is difficult to ascertain true and fair view of state of affairs or financial position from incomplete records.

Errors and Frauds :

Errors and frauds cannot be easily detected from partial records.

3. State the differences between double entry system and incomplete records. (A STAR)

PTA - 3 GMQ - 2019 Aug 2022

No	Basic of Difference	Double entry system	Single entry system
1.	Accounts	Personal, Real and Nominal accounts are maintained	Only Personal and Cash accounts are maintained. Real and Nominal accounts are not maintained.
2.	Suitable	It is suitable for all types of organization	It is suitable for small concerns like Sole trade and Partnership.
3.	Trial balance	Trial balance can be prepared easily	It is difficult to prepare Trial balance.
4.	Acceptability	It is accepted by all users including taxation authorities.	It is not accepted by all users. Taxation authority does not accept this for taxation purpose.
5.	Reliability	It is reliable since it is a scientific system.	It is not reliable since it is an unscientific system.

4. State the procedure for calculating profit or loss through statement of affairs.

- The difference between the Closing capital and the Opening capital are taken as profit or loss of the business.
- Due adjustments are to be made for Drawings (Add) and Additional capital (Less)

In The book of Mr. NehanStatement of Profit or loss for the year ended 31st March, 2109

Particulars	₹
Closing capital	xxx
Add : Drawings	xxx
Less : Additional capital	xxx
Adjusted closing capital	xxx
Less : Opening capital	xxx
Profit / loss of the year	xxx
	xxx

- Adjusted closing capital is more than opening capital - Profit
- Adjusted closing capital is Less than opening capital - Loss

5. Differentiate between statement of affairs and balance sheet. (RAMBO) PTA - 1 Aug 2022

No	Basic Difference	Statement of Affairs	Balance Sheet
1.	Reliable	It is not reliable.	It is reliable.
2.	Accounting system	It is prepared from incomplete records. (single entry system)	It is prepared from Double entry system.
3.	Missing items	It is difficult to trace the item omitted.	The omitted items can be easily traced.
4.	Basis of preparation	It is not fully based on Ledger balance.	It is prepared exclusively on the basis of Ledger balance.
5.	Objective	It is prepared to find out the capital of the business	It is prepared to find out the true and fair financial position of the business.

6. How is the amount of credit sale ascertained from incomplete records?

By preparing Total Debtors account, credit sales can be ascertained.

Dr.		Total Debtors Account		Cr.	
Particulars	₹	Particulars	₹		
To Balance b/d (Opening debtors)	xxxx	By Cash/Bank (Received from debtors)	xxxx		
To Bills receivables (B/R Dishonoured)	xxxx	By Discount (allowed)	xxxx		
To Sales (Credit sales)	?	By Sales return (inwards)	xxxx		
(Balancing figure)		By Bad debts	xxxx		
		By Bill receivables (B/R Received)	xxxx		
		By balance C/d(Closing debtors)	xxxx		
	xxxx				xxxx

ADDITIONAL QUESTIONS

1. How is the amount of credit Purchase ascertained from incomplete records?

By preparing Total Creditors account, credit purchases can be ascertained.

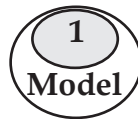
Dr.		Total Creditors Account		Cr.	
Particulars	₹	Particulars	₹		
To Cash/Bank (Paid to Creditors)	xxxx	By Balance b/d(Opening Creditors)	xxxx		
To Discount Received	xxxx	By Bills Payables (BP Dishonoured)	xxxx		
To Purchase return (outwards)	xxxx	By Purchase (Credit Purchase)	?		
To Bills payable accepted	xxxx	(Balancing figure)			
To Balance C/d(Closing balance)	xxxx				
	xxxx				xxxx

2. What are the steps to be followed to prepare final accounts from incomplete records? Or what is conversion method?

Steps :

- 1) **Statement of affairs** - Opening capital
- 2) **Missing figures**
 - a) Bills receivables account - Bills Receivable received
 - b) Total Debtors account - Credit sales
 - c) Bills Payable account - Bills Payables accepted
 - d) Total Creditors account - Credit purchases
- 3) **Final accounts**
 - a) Trading account - Gross Profit or Gross Loss
 - b) Profit and loss account - Net Profit or Net Loss
 - c) Balance sheet - Financial position.
(Assets = capital + Liabilities)

How to Solve the problems?



To ascertain profit or Loss → Prepare Statement of Profit or Loss.

Formula

Profit or Loss	=	Closing Capital	⊕	Drawings	⊖	Additional capital	⊖	Opening capital
----------------------	---	--------------------	---	----------	---	-----------------------	---	--------------------

(OR)

Mr. Nehan's
Statement of Profit & Loss,
For the year ended 31st March, 2019.

	₹
Closing Capital or Capital at the end or Capital on 31.03.19.	xxxx
ADD : Drawings [If given in the sum p.m → multiplied in to 12]	xxx
	xxxx
LESS : Additional capital or capital in traduced during the year or Capital on 30.09.19	xxx
Adjusted closing capital	xxx
LESS : Opening capital or capital at the begining or capital on 01.04.2018	xxx
Profit Or Loss	xxx

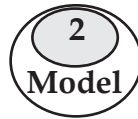
If the adjusted closing capital is more than opening capital It is Profit (OR)

If the adjusted closing capital is Less than opening capital It is Loss

Statement of Profit & Loss

Closing Capital	₹			Opening Capital	₹
Drawings				Additional capital	
← Loss		(OR)	Profit →		
-----				-----	

- Closing Capital, Drawings and Loss → Should be shown on the LEFT side.
- Opening capital, Additional capital and Profit → Should be shown on the RIGHT side.
- Of the above 5 Items [Profit or Loss] any one of them is not given the balancing figure is the Missing Figure.



To ascertain Capital - prepare Statement of Affairs Formula

$$\text{Capital} = \text{Assets} - \text{Liabilities}$$

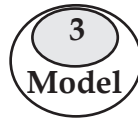
Mr. Nehan's Statement of Affairs,

As on 31.03.2018 Or 01.04.2018 [Opening] Or 31.03.2019 [Closing]

Liabilities	₹	₹	Assets	₹	₹
Sundry creditors			Investment		
Bills payable			Cash - in - hand		
Outstanding expenses [Payable]			Cash -at - Bank [Bank Dr]		
Bank Loan [Loan]			Bills Receivable		
Bank overraft			Debtors [Sundry)		
Bank (Cr)			Stock		
Opening Or Closing Capital			Prepaid Expenses		
[Balancing Figure]		⊙	Furniture [Fittings]		
			Machinery [plant]		
			Land & Buildings - Loan Dr		
			Goodwill		
		xxx			xxx

For easy Memory

- Only 4 Items **SBOB** are to be shown in Liability Side.
- Other Items are to be shown in Asset side (ICC BD SP FML G)
- **Important - Note :**
Adjustment like Depreciation, Provisions for Bad and Doubtful Debts etc. Should be deducted only in closing statement of Affairs. [31.03.2019] Not deducted in opening statement of Affairs [31.03.2018 Or 01.04.2019]
- To Ascertain Profit or Loss - Two capitals - are required :
 - i) Opening Capital
 - ii) Closing Capital
- If opening capital is given and closing capital is not given : [one information - 31.03.2019 will be given]
- With that 31.03.2019 information prepare closing statement of Affairs and ascertain closing capital. [Adjustments - Dep - PB & DD can be deducted]
- If BOTH - 31.03.2018 (Opening) and 31.03.2019 (Closing) capitals are not given prepare Two statement of Affairs [Two informations will be given]
- With that 31.03.2018 information prepare opening statement of Affairs and ascertain opening Capital.
- With that 31.03.2019 information prepare closing statement of Affairs and ascertain closing capital.
- Adjustment deducted in closing 31.03.2019 statement of Affairs.



Prepare the following Accounts To Ascertain

No	Account	Can Find out
1	Bills Receivable A/c	[Debtors] BR - Received
2	Total Debtors A/c	Credit Sales Or closing Debtors
3	Bills Payable A/c	[Creditors] BP - Accepted
4	Total Creditors A/c	Credit Purchase Or closing creditors

Dr		Bills Receivable A/C		Cr.	
To Opening Balance	₹	By Cash	₹		
To Debtors [BR - Received]		[cash received for BR][BR-Honoured]			
[Balancing Figure]	?	By Debtors [BR - Dishonoured]			
		By Closing Balance			

- **BR - Received** will be transferred to Total Debtors A/c credit side.
- **BR - Dishonoured** will be transferred to Total Debtors A/c Debit side.
- If Br A/c is not prepared these items will not be shown (No need) in Total debtors A/c.

Dr		Total Debtors A/C		Cr.	
To Opening Balance	₹	By Cash [Received from Debtors]	₹		
To BR - Dishonoured		By Discount [Allowed]			
To Credit Sales		By Sales Return [Inwards]			
[Balancing Figure]	?	By Bad Debts			
		By BR [BR - Received]			
		By Closing Balance			

- Credit Sales \oplus Cash Sales = Total Sales \ominus Sales Return (Inwards) Shown in the credit side of the Trading A/c.
- Closing Balance of Total Debtors may be Balancing Figure. (To be show in Balance sheet asset side)
- If BR A/c is not prepared No need to Transfer
 - BR - Received - To Total Debtors A/c Credit side
 - BR - Dishonoure - To Total Debtors A/c Debit side.

Dr		Bills Payable A/C		Cr.	
To Cash	₹	By Opening Balance	₹		
[cash paid to BP] [BP Honoured]					
To Creditors [BR - Dishonoured]		By Creditors [BP - Accepted]			
To Closing Balance		[Balancing Figure]			(?)

- BP - Accepted will be transferred to Total Creditors A/c - Debit side.
- BP - Dishonoured will be transferred to Total Creditors A/c Credit side.
- If BP A/c is not prepared these items will not be shown (No need) in Total creditors A/c.

Dr		Total Creditors A/C		Cr.	
To Cash [paid to creditors]	₹	By Opening Balance	₹		
To Discount [Received]		By BP - Dishonoured			
To Purchase Return [outwards]		By Credit Purchase			
To BP [Accepted]		[Balancing Figure]			(?)

- Credit Purchase \oplus Cash Purchase = Total Purchase \ominus purchase return (outwards)
Shown in the Debit side of the Trading A/C
- Closing Balance of Total Creditors may be Balancing Figure. [when credit purchase given] [To be shown in B/S Liability side]
- If BP A/c is not prepared No need to transfer BP - To Total creditors A/c Debit side
- BP Accepted Dishonoured - To Total creditors A/c credit side.

4

Model

Conversion of Single Entry Into Double Entry

OR

Conversion of Incomplete Records into Complete Records.

No	By Preparing	(?)	Can Ascertain
1	Statement of Affairs	?	Opening Capital
2	Total Debtors A/C	?	Credit Sales Or Closing Debtors
3	Total Creditors A/C	?	Credit Purchase Or Closing creditors
4	Trading A/C	?	Gross Profit Or Gross Loss
5	Profit & Loss A/C	?	Net Profit Or Net Loss
6	Balance sheet	Tally	Financial Position A = C + L

1. Statement of affairs :

- If opening capital is not given, then prepare statement of Affairs and ascertain opening capital. It should be shown in Balance sheet Liability side. Add : Net profit Less : Drawings and Add : Additional capital.
- If opening capital is given, then no need to prepare statement of Affairs.

2. Total Debtors A/c :

- To find out credit sales prepare total debtors A/c.
- Credit Sales \oplus Cash Sales = Total Sales \ominus Sales Return of Return Inwards to be shown in the credit side of the Trading A/c.
- If credit Sales is given, then the Balancing Figure is Closing Debtors. It should be shown in B/S Asset side.

3. Total Creditors A/C :

- To find out credit purchase prepare total creditors A/c.
- Credit Purchase \oplus Cash Purchase = Total Purchase \ominus Purchase Return Or Return Outwards to be shown in the Debit side of the Trading A/c.
- If credit purchase is given, then the Balancing Figure is Closing Creditors. It should be shown in B/S Liability side.

Mr. Nehan's Trading And Profit & Loss A/c
For the year ended 31.03.2019

Dr.	₹	₹	Cr.	₹	₹
To Opening Stock		xxxx	By Credit Sales	xxxx	
To Credit purchase	xxxx				
Add : Cash purchase	xxxx		Add : Cash Sales	xxx	
	xxxx			xxxx	
Less : Purchase Return or Return outwards	xxx		Less : Sales Return or Return Inwards	xxx	xxxx
To Wages		xxxx	By Closing Stock		xxx
To Carriage Inwards or carriage on purchases		xxx			
To Gross Profit C/d [Transferred to P&L A/c]		(?)			
		xxxxxx			xxxx

Dr	Profit and Loss A/c		Cr.	₹	₹
To General Expenses		xx	By Gross Profit b/d.		xxx
To Office Rent, Rates, Taxes		xx	[Transferred from trading A/c]		
To Discount Allowed		xx	By Commission Received		xxx
To Advertisement		xx	By Interest Received Interest on Investment		---
To Interest on Loan		xx	By Discount Received		xxx
To Salary -Sundry Expenses		xx	By Rent Received		---
To Carriage outwards or carriage on Sales.		xx			
To NET Profit [Transferred to capital]		(?)			
		xxxxxx			xxxx

Mr. NEHAN'S
Balance Sheet As on 31.03.2019

Liabilities	₹	₹	Assets	₹	₹
Sundry Creditors		xxx	Investment		xxx
Bills Payable		xxx	Cash - in - hand		xxx
Outstanding Expenses		---	Cash -at - Bank - Bank Dr		xxx
Bank Loan - Loan Cr.			Bills Receivable		xxx
Bank Over Draft		xxx	Debtors (Sundry)		xxx
Bank Cr.			Stock (Closing)		xxx
Capital	xxx		Prepaid Expenses		xxx
Add : Additional Capital	xxx		Furniture & Fittings		xxx
Add : Net Profit	xxx		Machinery [Plant]		xxx
Less : Drawings	xxx	xxxx	Land, Buildings, Premises		xxx
		xxxxx			xxxxx

IV. Exercises (Text Book)

1. From the following particulars ascertain profit or loss :

PTA - 1 & 6

Particulars	₹
Capital at the beginning of the year (1 st April, 2018)	5,00,000
Capital at the end of the year (31 st March, 2019)	8,50,000
Additional capital introduced during the year	1,20,000
Drawings during the year	70,000

Statement of profit or loss for the year ended 31st March, 2019

Particulars	₹
Closing capital (as on 31.03.2019)	8,50,000
Add : Drawings during the year	70,000
	9,20,000
Less : Additional capital introduced during the year	1,20,000
Adjusted closing capital	8,00,000
Less : Opening capital (as on 01.04.2018)	5,00,000
Profit made during the year ending 31.03.2019	3,00,000

2. From the following particulars ascertain profit or loss :

PTA - 2 Sep 2020

Particulars	₹
Capital as on 1 st January 2018	2,20,000
Capital as on 31 st December 2018	1,80,000
Additional capital introduced during the year	40,000
Drawings made during the year	50,000

Statement of profit or loss for the year ended 31st March, 2019

Particulars	₹
Closing capital (as on 31.12.2018)	1,80,000
Add : Drawings during the year	50,000
	2,30,000
Less : Additional capital introduced during the year	40,000
Adjusted closing capital	1,90,000
Less : Opening capital (as on 01.01.2018)	2,20,000
Loss for the year ending 31.12.2018	30,000

3. From the following details, calculate the missing figure.

Particulars	₹
Closing capital as on 31.03.2018	80,000
Additional capital introduced during the year	30,000
Drawings during the year	15,000
Opening capital on 01.04.2017	?
Loss for the year ending 31.03.2018	25,000

Statement of profit or loss for the year ended 31st December, 2018

Particulars	₹
Closing capital (as on 31.03.2018)	80,000
Add : Drawings during the year	15,000
	95,000
Less : Additional capital introduced during the year	30,000
Adjusted closing capital	65,000
Add : Loss for the year ending 31.03.2018	25,000
Opening capital (as on 01.04.2017)	90,000

4. From the following details, calculate the capital as on 31st December 2018.

PTA - 4

Particulars	₹
Capital as on 1 st January, 2018	1,00,000
Goods withdrawn for personal use by the owner	30,000
Additional capital introduced during the year	15,000
Profit for the year	60,000

Statement of profit or loss for the year ended 31st December, 2018

Particulars	₹
Opening capital (as on 31.03.2019)	1,00,000
Add : Additional capital introduced during the year	15,000
	1,15,000
Less : Drawing during the year	30,000
	85,000
Add : Profit for the year ending 31.03.2018	60,000
Closing capital (as on 01.04.2018)	1,45,000

5. From the following details, calculate the missing figure:

HY - 2019 PTA - 5

Particulars	₹
Capital as on 1 st April, 2018	40,000
Capital as on 31 st March, 2019	50,000
Additional capital introduced during the year	7,000
Profit for the year	8,000
Drawings during the year	?

Statement of profit or loss for the year ended 31st December, 2018

Particulars	₹
Opening capital (as on 31.03.2019)	40,000
Add : Additional capital introduced during the year	7,000
	47,000
Less : Closing capital (as on 01.04.2018)	50,000
	- 3,000
Add : Profit for the year ending 31.03.2018	8,000
Drawings during the year	5,000

6. Following are the balances in the books of Thomas as on 31st March, 2019.

PTA - 1

Particulars	₹	Particulars	₹
Sundry creditors	6,00,000	Bills payable	1,20,000
Furniture	80,000	Cash in hand	20,000
Land and building	3,00,000	Bills receivable	60,000
Sundry Debtors	3,20,000	Stock	2,20,000

Prepare a statement of affairs as on 31st March 2019 and calculate capital as at that date.

In the Book of Thomas

Statement Of Affairs As on 31st March, 2017

Liabilities	₹	Assets	₹
Sundry creditors	6,00,000	Furniture	80,000
Bills Payable	1,20,000	Land and building	3,00,000
Capital (Balancing figure)	2,80,000	Sundry Debtors	3,20,000
		Cash in hand	20,000
		Bills receivable	60,000
		Stock	2,20,000
	10,00,000		10,00,000

7. On 1st April 2018 Subha started her business with a capital of ₹ 1,20,000. She did not maintain proper book of accounts. Following particulars are available from her books as on 31.03.2019.

Sep 2020 PTA - 2 Aug 2022

Particulars	₹	Particulars	₹
Bank overdraft	50,000	Stock-in-trade	1,60,000
Debtors	1,80,000	Creditors	90,000
Bills receivable	70,000	Bills payable	2,40,000
Computer	30,000	Cash in hand	60,000
Machinery	3,00,000		

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

In the Book of Subha Statement Of Affairs As on 31st March, 2017

Liabilities	₹	Assets	₹
Sundry creditors	90,000	Machinery	3,00,000
Bills Payable	2,40,000	Computer	3,000
Bank Over Draft	50,000	Sundry Debtors	1,80,000
Closing Capital (Balancing figure)	4,20,000	Cash in hand	60,000
		Bills receivable	70,000
		Stock	1,60,000
	8,00,000		8,00,000

In the Book of Subha
Statement of profit or loss for the year ended 31st March, 2019

Particulars	₹
Closing capital (as on 31.03.2019)	4,20,000
Add : Drawings during the year	30,000
	4,50,000
Less : Additional capital introduced during the year	40,000
Adjusted closing capital	4,10,000
Less : Opening Capital (as on 01.04.2018)	4,10,000
Profit made during the year ending 31.03.2019	1,20,000
	2,90,000

8. Raju does not keep proper books of accounts. Following details are taken from his records.

PTA - 1 & 6 GMQ - 2019

Particulars	1.1.2018 ₹	31.12.2018 ₹
Cash at bank	80,000	90,000
Stock of goods	1,80,000	1,40,000
Debtors	90,000	2,00,000
Sundry Creditors	1,30,000	1,95,000
Bank Loan	60,000	60,000
Bills payable	80,000	45,000
Plant and machinery	1,70,000	1,70,000

During the year he introduced further capital of ₹ 50,000 and withdrew ₹ 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information.

In the Book of Raju
Statement of Affairs As on 1st January, 2018

Liabilities	₹	Assets	₹
Sundry Creditors	1,30,000	Cash at Bank	80,000
Bank Loan	60,000	Stock	1,80,000
Bills Payable	80,000	Debtors	90,000
		Plant Machinery	1,70,000
Opening Capital	2,50,000		
(Balancing figure)	5,20,000		5,20,000

In the Book of Raju
Statement of Affairs As on 31st December, 2018

Liabilities	₹	Assets	₹
Sundry Creditors	1,95,000	Plant Machinery	1,70,000
Bills Payable	60,000	Sundry Debtors	2,00,000
Bank Loan	45,000	Cash at Bank	90,000
		Stock	1,40,000
Closing Capital	3,00,000		
(Balancing figure)	6,00,000		6,00,000

In the Book of Raju
Statement of profit or loss for the year ended 31st March, 2019

Particulars	₹
Closing capital (as on 31.03.2019)	3,00,000
Add : Drawings during the year (2,500 × 12)	30,000
	3,30,000
Less : Additional capital introduced during the year	50,000
Adjusted closing capital	2,80,000
Less : Opening Capital (as on 01.04.2018)	2,50,000
Profit made during the year ending 31.03.2019	30,000

9. 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. **PTA - 2/Mar 2020**

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%.

In The Book Of Ananth
Statement of Affairs As On 31st March, 2018

Liabilities	₹	Assets	₹
Sundry Creditors	1,70,000	Cash bank	5,000
		Cash in hand	3,000
		Stock	35,000
		Sundry Debtors	1,00,000
Opening Capital	1,93,000	Plant and Machinery	80,000
(Balancing Figure)		Land and Buildings	1,40,000
	3,63,000		3,63,000

In The Book Of Ananth
Statement of Affairs As On 31st March, 2019

Liabilities	₹	Assets	₹
Sundry Creditors	1,30,000	Cash in hand	4,500
Bank Overdraft	60,000	Stock	45,000
		Sundry Debtors	90,000
		Less: Doubtful debts	4,500
Closing Capital	1,57,000	Plant and Machinery	80,000
(Balancing Figure)		Less: 10% Depreciation	8,000
		Land and Buildings	1,40,000
	3,47,000		3,47,000

In The Book of Ananth Statement of profit or loss for the year ended 31st December, 2018

Particulars	₹
Closing capital (as on 31.3.2018)	1,57,000
Add: Drawings during the year	60,000
	2,17,000
Less: Additional capital introduced during the year	17,000
Adjusted closing capital	2,00,000
Less: Opening capital (as on 31.3.2018)	1,93,000
Profit made during the year ending 31.3.2019	7,000

10. Find out credit sales from the following information:

QY - 2019 Sep 2020

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

Dr.		Total Debtors Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Balance b/d (Opening Debtors)	1,00,000	By Cash (Received From Debtors)	2,30,000		
		By Discount (allowed)	5,000		
To Sales (Credit sales)	2,80,000	By Sales Return	25,000		
(Balancing Figure)		By Balance c/d (Closing Debtors)	1,20,000		
	3,80,000		3,80,000		

11. From the following details find out total sales made during the year. **May 2022 PTA - 5 & 6**
HY - 2019

Particulars	₹
Debtors on 1 st January 2018	1,30,000
Cash received from debtors during the year	4,20,000
Sales returns	35,000
Bad debts	15,000
Debtors on 31 st December 2018	2,00,000
Cash Sales	4,60,000

Dr.		Total Debtors Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Balance b/d (Opening Debtors)	1,30,000	By Cash (Received From Debtors)	4,20,000		
		By Sales return	35,000		
To Sales (Credit sales)	5,40,000	By Bad debts	15,000		
(Balancing Figure)		By Balance c/d (Closing Debtors)	2,00,000		
	6,70,000		6,70,000		

$$\text{Total sales} = \text{Cash sales} + \text{Credit sales}$$

$$= ₹ 4,60,000 + ₹ 5,40,000$$

$$\text{Total sales} = ₹ 10,00,000$$

12. From the following particulars, prepare bills receivable amount and compute the bills received from the debtors. **Mar 2020**

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 dishonoured	30,000

(Answer: ₹ 4,80,000)

Dr. Bills Receivable Account Cr.			
Particulars	₹	Particulars	₹
To Balance b/d (Opening Debtors)	1,40,000	By Cash (B/R honoured)	3,90,000
To Debtors (B/R Received during the year) (Balancing Figure)	4,80,000	By Debtors (B/R Dishonoured)	30,000
		By Balance c/d (Closing B/R)	2,00,000
	6,20,000		6,20,000

13. From the following particulars, calculate total sales.

QY - 2019 PTA - 5/Mar 2020

May - 2022 Aug 2022

Particulars	₹	Particulars	₹
Debtors on 1 st April 2018	2,50,000	Bills receivable dishonoured	15,000
Bills receivable on 1 st April 2018	60,000	Returns inward	50,000
Cash received from debtors	7,25,000	Bills receivable on 31 st March, 2019	90,000
Cash received for bills receivable	1,60,000	Sundry debtors on 31 st March, 2019	2,40,000
Bad debts	30,000	Cash sales	3,15,000

Dr. Bills Receivable Account Cr.			
Particulars	₹	Particulars	₹
To Balance b/d (Opening B/R)	60,000	By Cash (B/R honoured)	1,60,000
To Debtors (B/R Received during the year) (Balancing Figure)	2,05,000	By Debtors (B/R Dishonoured)	15,000
		By Balance c/d (Closing B/R)	90,000
	2,65,000		2,65,000

Dr. Total Debtors Accounts Cr.			
Particulars	₹	Particulars	₹
To Balance b/d (Opening Debtors)	1,30,000	By Cash (Received From Debtors)	7,25,000
To (B/R Dishonoured)	15,000	By (B/R Received during the year)	2,05,000
To Sales (Credit sales) (Balancing Figure)	9,85,000	By Bad Debts	30,000
		By Sales Return	50,000
		By Balance c/d (Closing Debtors)	2,40,000
	12,50,000		12,50,000

Total sales = Cash sales + Credit sales

= ₹ 3,15,000 + ₹ 9,85,000

Total sales = ₹13,00,000

14. From the following details, calculate credit purchases.

Particulars	₹
Opening creditors	1,70,000
Purchase returns	20,000
Cash paid to creditors	4,50,000
Closing creditors	1,90,000

Dr. **Total Creditors Account** Cr.

Particulars	₹	Particulars	₹
To Cash (Paid to Creditor)	4,50,000	By Balance b/d (Opening Creditor)	1,70,000
To Purchase Return	20,000	By Purchase (Credit Purchase) (Balancing Figure)	4,90,000
To Balance c/d (Closing Creditor)	1,90,000		
	6,60,000		6,60,000

15. From the following particulars calculate total purchases.

QY - 2019 PTA - 3

Particulars	₹	Particulars	₹
Sundry creditors on 1 st January, 2018	30,000	Purchases returns	15,000
Bills payable on 1 st January, 2018	25,000	Cash purchases	2,25,000
Paid cash to creditors	1,20,000	Creditors on 31 st December, 2018	25,000
Paid for bills payable	30,000	Bills payable on 31 st December, 2018	20,000

Dr. **Bills Payables Accounts** Cr.

Particulars	₹	Particulars	₹
To Cash (Bills Paid)	30,000	By Balance b/d (Opening BP)	25,000
To Balance c/d (Closing BP)	20,000	By Creditor (B/P Accepted) (Balancing Figure)	25,000
	50,000		
	50,000		50,000

Dr. **Total Creditors Accounts** Cr.

Particulars	₹	Particulars	₹
To Cash (Paid to Creditor)	1,20,000	By Balance b/d (Opening Creditor)	30,000
To Bills Payables (bills accepted)	25,000	By Purchase (Credit Purchase) (Balancing Figure)	1,55,000
To Purchase Return	15,000		
To Balance c/d (Closing Creditor)	25,000		
	1,85,000		1,85,000

$$\begin{aligned} \text{Total purchase} &= \text{Cash purchase} + \text{Credit purchase} \\ &= ₹ 2,25,000 + ₹ 1,55,000 \\ \text{Total purchase} &= ₹ 3,80,000 \end{aligned}$$

16. 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. **GMQ - 2019 PTA - 2**

Particulars	₹	Particulars	₹
Balances as on 1 st April 2018		Balances as on 31 st 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:	₹		₹
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

Dr. Bills Receivable Account Cr.

Particulars	₹	Particulars	₹
To Balance b/d (Opening B/R)	30,000	By Cash (B/R honored)	60,000
To Debtors (B/R Received during the year) (Balancing Figure)	42,000	By Debtors (B/R Dishonoured)	4,000
		By Balance c/d (Closing B/R)	8,000
	72,000		72,000

Dr. Total Debtors Accounts Cr.

Particulars	₹	Particulars	₹
To Balance b/d (Opening Debtors)	2,40,000	By Cash (Received From Debtors)	6,00,000
To (B/R Dishonoured)	4,000	By (B/R Received during the year)	42,000
To Sales (Credit Sales) (Balancing Figure)	6,59,000	By Bad Debts	16,000
		By Discount allowed	25,000
		By Balance c/d (Closing Debtors)	2,20,000
	9,03,000		9,03,000

Dr.		Bills Payables Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Cash (Bills Paid)	30,000	By Balance b/d	10,000		
To Balance c/d (Closing BP)	20,000	By Creditor (B/P Accepted) (Balancing Figure)	40,000		
	50,000		50,000		

Dr.		Total Creditor Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Cash (Paid to Creditor)	3,20,000	By Balance b/d (Opening Creditor)	1,20,000		
To Bills Payables (bills accepted)	40,000	By Purchase (Credit Purchase) (Balancing Figure)	4,00,000		
To Discount Received	10,000				
To Balance c/d (Closing Creditor)	1,50,000				
	5,20,000		5,20,000		

17. From the following details of Rakesh, prepare Trading and Profit and Loss account for the year ended 31st March, 2019 and a Balance Sheet as on that date. **PTA - 2 & 6**

Particulars	31.3.2018	31.3.2019
	₹	₹
Stock of goods	2,20,000	1,60,000
Debtors	5,30,000	6,40,000
Cash at bank	60,000	10,000
Machinery	80,000	80,000
Sundry creditors	3,70,000	4,20,000

Other Details:

Particulars	₹	Particulars	₹
Rent paid	1,20,000	Cash received from debtors	12,50,000
Discount received	35,000	Drawings	1,00,000
Discount allowed	25,000	Cash sales	20,000
Cash paid to creditors	11,00,000	Capital as on 1.4.2018	5,20,000

Dr.		Total Debtors Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Balance b/d (Opening Debtors)	5,30,000	By Cash (Received From Debtors)	12,50,000		
To Sales (Credit Sales) (Balancing Figure)	13,85,000	By Discount allowed	25,000		
	19,15,000	By Balance c/d (Closing Debtors)	6,40,000		
			19,15,000		

$$\begin{aligned}
 \text{Total sales} &= \text{Cash sales} + \text{Credit sales} \\
 &= 20,000 + 13,85,000 \\
 &= 14,05,000
 \end{aligned}$$

Dr.		Total Creditor Accounts		Cr.	
Particulars	₹	Particulars	₹		
To Cash (Paid to Creditor)	11,00,000	By Balance b/d (Opening Creditor)	3,70,000		
To Discount Received	35,000				
To Balance c/d (Closing Creditor)	4,20,000	By Purchase (Credit Purchase) (Balancing Figure)	11,85,000		
	15,55,000				15,55,000

$$\begin{aligned}
 \text{Total sales} &= \text{Cash Purchase} + \text{Credit Purchase} \\
 &= 0 + 11,85,000 \\
 &= 11,85,000
 \end{aligned}$$

In the book of Rakesh

Dr.		Trading and Profit and Loss account for the year ended 31 st March 2019				Cr.	
Particulars	₹	₹	Particulars	₹	₹		
To Opening Stock		2,20,000	By Sales				
To Purchase			Cash	20,000			
Cash	---		Add: Credit	13,85,000	14,05,000		
Add: Credit	11,85,000	11,85,000	By Closing stock			1,60,000	
To Gross Profit c/d		1,60,000					
		15,65,000				15,65,000	
To Rent Paid		1,20,000	By Gross Profit b/d				1,60,000
To Discount allowed		25,000	By Discount received				35,000
To Net Profit (Transferred to capital a/c)		50,000					
		1,95,000					1,95,000

In the book of Rakesh, Balance sheet as on 31st March, 2019

Liabilities	₹	₹	Assets	₹	₹
Capital	5,20,000		Closing Stock		1,60,000
Add: Net Profit	50,000		Sundry Debtors		6,40,000
	5,70,000		Bank		10,000
Less: Drawings	1,00,000	4,70,000	Machinery		80,000
Sundry Creditor		4,20,000			
		8,90,000			8,90,000

GOVT. SUPPLEMENTARY EXAM – AUGUST 2022

Time : 3.00 Hours

XII ACCOUNTANCY

Maximum Marks : 90

- Instructions:** (1) Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
 (2) Use **Blue** or **Black** ink to write and underline and pencil to draw diagrams.

PART - I

- Note :** (i) Answer **all** the questions. 20×1=20
 (ii) Choose the most appropriate answer from the given **four** alternatives and write the option code and the corresponding answer.

- A, B, C are partners sharing profits in the ratio 4 : 2 : 3. 'C' retires. The new profit sharing ratio between A & B will be :
 (a) 4:3 (b) 3 : 4 (c) 2:1 (d) 1 : 2
- Incomplete records are generally maintained by
 (a) a company
 (b) government
 (c) small sized sole trader business
 (d) multinational enterprises
- Balance of receipts and payments account indicates the _____
 (a) loss incurred during the period
 (b) excess of income over expenditure of the period
 (c) total cash payments during the period
 (d) cash and bank balance as on date
- Legacy is a _____
 (a) Revenue expenditure (b) Capital expenditure
 (c) Revenue receipt (d) Capital receipt
- As per Indian Partnership Act, 1932, the rate of interest allowed on loan advanced by partner is _____
 (a) 8% per annum (b) 12% per annum
 (c) 5% per annum (d) 6% per annum
- When a partner withdraws regularly a fixed sum of money at the middle 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
- 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
- On revaluation, the increase in the value of assets leads to :
 (a) Gain (b) Loss (c) Expense (d) None of these

9. Match the following:
- | | |
|------------------------------|---------------------------------|
| (1) Sacrificing ratio | (i) Investment Fluctuation Fund |
| (2) Old profit sharing ratio | (ii) Accumulated profit |
| (3) Revaluation Account | (iii) Goodwill |
| (4) Capital Account | (iv) Unrecorded Liability |
- (a) (1)-(i), (2)-(ii), (3)-(iii), (4)-(iv) (b) (1)-(iii), (2)-(ii), (3)-(iv), (4)-(i)
(c) (1)-(iv), (2)-(iii), (3)-(ii), (4)-(i) (d) (1)-(iii), (2)-(i), (3)-(ii), (4)-(iv)
10. The excess of assets over liabilities is:
- (a) loss (b) cash (c) capital (d) profit
11. When shares are issued for purchase of assets, the amount should be credited to:
- (a) Vendor's Account (b) Sundry Assets Account
(c) Share Capital Account (d) Bank Account
12. The part of share capital which can be called up only on winding up of a company is called ____
- (a) authorised capital (b) called up capital
(c) capital reserve (d) reserve capital
13. A company issued 50,000 equity shares of ₹ 10 each at a premium of ₹3/share. Premium amount is _____
- (a) ₹1,00,000 (b) ₹50,000 (c) ₹1,50,000 (d) ₹2,00,000
14. In a common-size balance sheet, if the percentage of non-current asset is 60, what would be the percentage of current assets ?
- (a) 175 (b) 125 (c) 25 (d) 40
15. 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.
16. Proportion of share holder's funds to total assets is called :
- (a) Proprietary ratios (b) Capital gaining ratio
(c) Debt equity ratio (d) Current ratio
17. Profitability ratios are expressed as a _____
- (a) in multiples (b) proportion (c) percentage (d) All of the above
18. Salary account comes under which of the following head?
- (a) Direct Incomes (b) Direct Expenses (c) Indirect Incomes (d) Indirect Expenses
19. What are the predefined ledger(s) in Tally ?
- (i) Cash (ii) Profit & Loss A/c (iii) Capital A/c
(a) (i) only (b) (ii) only (c) (i) and (ii) only (d) (ii) and (iii) only
20. When the average profit is ₹ 50,000 and the normal profit is ₹30,000, Super profit is :
- (a) ₹25,000 (b) ₹5,000 (c) ₹20,000 (d) ₹15,000

PART - II

- Note :** Answer **any seven** questions. Question number **30** is **compulsory**. 7×2=14
21. What is meant by Incomplete records ? Unit-1
 22. Give four examples for capital receipts of not-for-profit organisation. Unit-2
 23. Kevin and Francis are partners. Kevin draws ₹5,000 at the end of each quarter. Interest on drawings is chargeable at 6% p.a. Calculate interest on drawings for the year ending 31st March 2019 using average period. Unit-3
 24. What is normal rate of return? Unit-4
 25. A and B are partners sharing profits and losses in the ratio of 4:3. On 31.3.2019 C was admitted. On the date of admission the book of the firm showed a general reserve of ₹42,000. Pass the journal entry to distribute the general reserve. Unit-5
 26. What is gaining ratio? Unit-6
 27. What is a group in Tally ERP-9? Unit-10
 28. What is working capital? Unit-8
 29. Calculate operating profit ratio from the following data. Unit-9
Revenue from operations ₹10,00,000 Gross profit 25% on revenue from operations, operating expenses ₹1,00,000.
 30. United Industries Ltd. issues 1,00,000 equity shares of ₹10 each payable fully on application. Pass journal entries if shares are issued at a premium of ₹2 per share. Unit-7

PART - III

- Note :** Answer **any seven** questions. Question number **40** is **compulsory**. 7×3=21
31. State the difference between Receipts and Payments Account and Income and Expenditure Account. Unit-2
 32. The capital account of Begum and Fatima on 1.1.2018 showed a balance of ₹50,000 and ₹40,000 respectively. On 1st October 2018, Begum introduced an additional capital of ₹10,000 and on 1st May 2018, Fatima introduced an additional capital of ₹9,000. Calculate interest on capital at 4% p.a. for the year ending 31st December 2018. Unit-3
 33. From the following information relating to a partnership firm, find out the value of its goodwill based on 3 years purchase of average profits of the last 4 years. Unit-4
(a) Profit of the years 2015, 2016, 2017 and 2018 are ₹10,000, ₹12,500, ₹12,000 and ₹11,500 respectively.
(b) The business was looked after by a partner and his fair remuneration amounts to ₹1,500 per year. This amount was not considered in the calculation of the above profits.
 34. Mala and Anitha are partners, sharing profits and losses in the ratio of 3:2 Mercy is admitted into the partnership with $\frac{1}{5}$ share in the profits. Calculate new profit sharing ratio and sacrificing ratio. Unit-5
 35. List out the adjustments made at the time of retirement of a partner in a partnership firm. Unit-6
 36. Bharath Ltd. issued 1,00,000 equity shares of ₹10 each at par. Application money is ₹5 per share. Application money was received for 1,20,000 shares. Excess application money was refunded immediately. Pass journal entries to record the above. Unit-7

37. From the following particulars, prepare comparative income statement of Daniel Ltd. **Unit-8**

Particulars	2015-16	2016-17
	₹	₹
Revenue from operations	40,000	50,000
Operating expenses	25,000	27,500
Income tax (% of the profit before tax)	30	30

38. How is operating profit ascertained?

Unit-9

39. Explain how to view profit and loss statement in Tally ERP-9.

Unit-10

40. From the following details find out total sales made during the year.

Unit-1

Particulars	₹
Debtors on 1 st April 2019	1,00,000
Cash received from debtors during the year	2,00,000
Returns inward	30,000
Bad debts	10,000
Debtors on 31 st March 2020	1,20,000
Cash sales	2,40,000

PART - IV

Note : Answer all the questions.

7×5=35

41. (a) From the following particulars, calculate total sales.

Unit-1

Particulars	₹	Particulars	₹
Debtors on 1 st April 2018	2,50,000	Bills Receivable dishonoured	15,000
Bills Receivable on 1 st April 2018	60,000	Returns Inward	50,000
Cash Received from debtors	7,25,000	Bills Receivable on 31 st March 2019	90,000
Cash Received for bills receivable	1,60,000	Debtors on 31 st March 2019	2,40,000
Bad debts	30,000	Cash sales	3,15,000

OR

(b) Differentiate Fixed capital and Fluctuating capital method.

Unit-3

42. (a) On 1st April 2018 Subha started her business with a capital of ₹ 1,20,000. She did not maintain proper book of accounts. Following particulars are available from her books as on 31-3-2019.

Unit-1

Particulars	₹	Particulars	₹
Bank overdraft	50,000	Stock-in-Trade	1,60,000
Debtors	1,80,000	Creditors	90,000
Bills receivable	70,000	Bills payable	2,40,000
Computer	30,000	Cash in hand	60,000
Machinery	3,00,000		

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

OR

- (b) Seenu and Siva are partners sharing profits and losses in the ratio of 5: 3, In view of Subbu's admission, they decided : Unit-5

(i) To increase the value of building by ₹40,000.

(ii) To bring into record investments at ₹10,000 which have not so far been brought into account.

(iii) To decrease the value of machinery by ₹14,000 and furniture by ₹12,000.

(iv) To write off sundry creditors by ₹16,000

Pass Journal entries and prepare revaluation account.

43. (a) Mayiladuthurai Recreation Club gives you the following details. Prepare Receipts and Payments account for the year ended 31st March 2019. Unit-2

Particulars	₹	Particulars	₹
Opening cash balance	15,000	Salary of watchman	12,000
Opening bank balance	25,000	Club annual day expenses	15,000
Donations received	48,000	Lighting charges	16,500
Sale of old equipment	26,000	Entertainment expenses	13,500
Refresh charges	13,000	Billiards table purchased	5,000
Club annual day collections	18,000	Expenses of charity show	3,000
Construction of tennis court	7,000	Sale of Investments	12,000
Receipts from charity show	4,000	Closing cash balance	12,000
Rent paid	1,000		

OR

- (b) Gaja Ltd. issued 40,000 equity shares of ₹10 each to the public payable ₹2 on application, ₹5 on allotment and ₹3 on first and final call. Applications were received for 50,000 shares. The Directors decided to allot 40,000 shares on pro-rata basis and surplus of application money was utilised for allotment. Pass Journal entries assuming that the amounts due were received. Unit-7

44. (a) The following particulars are available in respect of the business carried on by a partnership firm. Unit-4

(i) Profits earned : 2016 - ₹25,000, 2017 : ₹23,000 and 2018: ₹26,000.

(ii) Profit of 2016 includes a non-recurring income of ₹ 2,500.

(iii) Profit of 2017 is reduced by ₹3,500 due to stock destroyed by fire.

(iv) The stock was not insured. But, it is decided to insure the stock in future. The insurance premium is estimated to be ₹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) Prepare common-size income statement for the following particulars of Sam Ltd.
- Unit-8**

Particulars	2015-16 ₹	2016-17 ₹
Revenue from operations	4,00,000	5,00,000
Other income	80,000	50,000
Expenses	2,40,000	2,50,000
Income Tax	30%	30%

45. (a) Compute income from subscription for the year 2018 from the following particulars in relation to a club.

Particulars	1.1.2018 ₹	31.12.2018 ₹
Outstanding subscription	3,000	5,000
Subscription received in advance	4,000	7,000
Subscription received during the year 2018		₹45,000

Show how these items will appear in final accounts of a club.

Unit-2

OR

- (b) Following is the balance sheet of Lakshmi Ltd. as on 31.3.2019.

Particulars	₹
I. Equity and Liabilities :	
1. Share holder's funds	
Equity share capital	4,00,000
2. Non-current Liabilities	
Long term borrowing	2,00,000
3. Current Liabilities:	
(a) Short term borrowings	50,000
(b) Trade payables	3,10,000
(c) Other current Liabilities	
Expenses payable	15,000
(d) Short term provisions	25,000
Total	10,00,000
II. Assets :	
1. Non current Assets	
(a) Fixed assets	
Tangible assets	4,00,000
2. Current Assets :	
(a) Inventories	1,60,000
(b) Trade debtors	3,20,000

(c) Cash and Cash equivalents	80,000
(d) Other current assets Prepaid expenses	40,000
Total	10,00,000

Calculate : (i) Current ratio (ii) Quick ratio

Unit-9

46. (a) John, James and Raja are partners in a firm sharing profits and losses equally. Their balance sheet as on 31st March 2019 is as follows.

Liabilities	₹	₹	Assets	₹	₹
Capital accounts			Office equipment		70,000
John	80,000		Machinery		1,40,000
James	60,000		Sundry Debtors	52,000	
Raja	1,00,000	2,40,000	Less: Provision for doubtful debts	2,000	50,000
Sundry creditors		1,20,000	Stock		60,000
			Cash at Bank		40,000
		3,60,000			3,60,000

Raja retired on 31-3-2019 subject to the following conditions :

- Machinery to be valued at ₹1,30,000
- Value of office equipment to be brought down by ₹2,000
- Provision for doubtful debts should be increased to ₹3,000
- Investment of ₹25,000 not recorded in the books is to be recorded now.

Pass necessary journal entries and prepare revaluation account

Unit-6

OR

- (b) From the following particulars, prepare comparative statement of financial position of Muthu Ltd.

Unit-8

Particulars	31 st March 2017 ₹	31 st March 2018 ₹
I. Equity and Liabilities		
Share holder's fund	4,00,000	4,40,000
Non-current liabilities	1,50,000	1,65,000
Current liabilities	75,000	82,500
Total	6,25,000	6,87,500
II. Assets		
Non-current Assets	5,00,000	6,00,000
Current Assets	1,25,000	87,500
Total	6,25,000	6,87,500

47. (a) From the following trading activities of Rama Ltd. calculate :

Unit-9

- (i) Gross profit ratio (ii) Net profit ratio
(iii) Operating cost ratio. (iv) Operating profit ratio

Statement of Profit and Loss

Particulars	₹
I. Revenue from Operations	2,00,000
II. Other income	
Income from investments	2,000
III. Total revenues [I+II]	2,02,000
IV. Expenses:	
Purchase of stock-in-trade	1,05,000
Changes in inventories	15,000
Finance costs	12,000
Other expenses (Administration and selling)	30,000
Total expenses	1,62,000
V. Profit before tax (III-IV)	40,000

OR

(b) Explain any five applications of computerised accounting system.

Unit-10

