

12

Register No.

Quarterly Examination - 2023
ACCOUNTANCY

Time : 3.00 Hrs.

Marks : 90

PART - A

20 x 1 = 20

Answer all the questions. (Choose the correct answer)

1. The excess of assets over liabilities is a) loss b) cash c) capital d) profit
2. Opening balance of debtors ₹30,000, cash received ₹1,00,000, credit sales ₹90,000 ; closing balance of debtors is a) ₹30,000 b) ₹1,30,000 c) ₹40,000 d) ₹20,000
3. 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 the date
4. There are 500 members in a club each paying ₹100 as annual subscription. Subscription due but not received for the current year is ₹200 ; Subscription received in advance is ₹300. Find out the amount of subscription to be shown in the income and expenditure account. a) ₹50,000 b) ₹50,200 c) ₹49,900 d) ₹49,800
5. 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
6. Profit after interest on drawings, interest on capital and remuneration is ₹10,500. Geetha, a partner, is entitled to received commission @ 5% on profits after charging such commission. Find out commission. a) ₹50 b) ₹150 c) ₹550 d) ₹500
7. 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
8. When the average profit is ₹25,000 and the normal profit is ₹15,000, super profit is a) ₹25,000 b) ₹5,000 c) ₹10,000 d) ₹15,000
9. 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
10. Select the odd one out a) Revaluation profit b) Accumulated loss c) Goodwill brought by new partner d) Investment fluctuation fund
11. On revaluation, the increase in liabilities leads to a) gain b) loss c) profit d) none of these
12. 'A' was a partner in a partnership firm. He died on 31st March 2019. The final amount due to him is ₹25,000 which is not paid immediately. It will be transferred to a) A's capital account b) A's current account c) A's Executor account d) A's Executor loan account
13. A, B and C are partners sharing profits in the ratio of 4 : 4 : 3. C retires. The new profit sharing ratio between A and B will be a) 4 : 3 b) 3 : 4 c) 2 : 1 d) 1 : 1
14. X, Y and Z were partners sharing profits and losses equally. X died on 1st April 2019. Find out the share of X in the profit of 2019 based on the profit of 2018 which showed ₹30,000. a) ₹1,000 b) ₹3,000 c) ₹2,500 d) ₹30,000
15. Balaji and Kamalesh are partners sharing profits and losses in the ratio of 2 : 1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamalesh and Yogesh is agreed to 3 : 1 : 1. Find the sacrificing ratio between Balaji and Kamalesh. a) 1 : 3 b) 3 : 1 c) 2 : 1 d) 1 : 2
16. The total capitalised value of a business is ₹2,00,000 ; assets are ₹2,50,000 and liabilities are ₹1,80,000. The value of goodwill as per the capitalisation method will be a) ₹2,00,000 b) ₹70,000 c) ₹1,30,000 d) ₹30,000
17. Goodwill based on capitalisation of average profit method is ₹2,00,000 then Good will based on capitalisation of super profit method is.....a) ₹1,00,000 b) ₹50,000 c) ₹2,00,000 d) ₹20,000
18. In the absence of a partnership deed, profits of the firm will be shared by the partners in a) Equal ratio b) capital ratio c) both (a) and (b) d) None of these
19. Income and expenditure account is a a) Nominal A/c b) Real A/c c) Personal A/c d) Representative personal account
20. What is the amount of capital of the proprietor, if his assets are ₹85,000 and liabilities are ₹21,000? a) ₹85,000 b) ₹1,06,000 c) ₹21,000 d) ₹64,000

PART - B

II. Answer any 7 questions. (Question No.30 is compulsory)

7 x 2 = 14

21. What is a statement of affairs?
22. Give four examples for capital receipts of not-for-profit organisation.
23. What is a partnership deed?
24. What is super profit?
25. State whether the following will be debited or credited in the revaluation account. - a) Depreciation on assets b) Unrecorded liability c) Provision for outstanding expenses d) Appreciation of assets
26. What is the journal entry to be passed to transfer the amount due to the deceased partner to the executor of the deceased partner?
27. 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.

28. Mathew is a partner who withdrew 20,000 during the year 2018. Interest on drawings is charged at 10% per annum. Calculate interest on drawings on 31st December 2018.
29. Raja, Roja and Pooja are partners sharing profits in the ratio of 4 : 5 : 3. Roja retires from the firm. Calculate the new profit sharing ratio and gaining ratio.
30. From the following details calculate the printing and stationery to be debited to Income and Expenditure Account for the year ending 31st March, 2018 and also show how it will appear in the Balance Sheet as on 31st March, 2018.
Amount paid for stationery during 2017-2018 ₹1,500
Stock of stationery on 1st April, 2017 ₹300
Stock of stationery on 31st March, 2018 ₹200

PART - C

III. Answer any 7 questions (Question No.40 is compulsory)

7 x 3 = 21

31. From the following details, calculate the missing figure.
- | | | | |
|---|--|---|----------|
| Closing capital as on 31.3.2019 | | ₹ | 1,90,000 |
| Additional capital introduced during the year | | | 50,000 |
| Drawings during the year | | | 30,000 |
| Opening capital on 1.4.2018 | | | ? |
| Loss for the year ending 31.3.2019 | | | 40,000 |
32. 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 |
33. What is income and expenditure account?
34. State the difference between fixed capital method and fluctuating capital method (any 3)
35. Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?
i) Akash has contributed maximum capital. He demands interest on capital at 10% per annum.
ii) 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.
iii) Akash demands the profit to be shared in the capital ratio. But, others do not agree
36. From the following information relating to Sridevi enterprises, calculate the value of goodwill on the basis of 4 years purchase of the average profits of 3 years.
a) Profits for the years ending 31st December 2016, 2017 and 2018 were ₹1,75,000, ₹1,50,000 and ₹2,00,000 respectively.
b) A non-recurring income of ₹45,000 is included in the profits of the year 2016.
c) The closing stock of the year 2017 was overvalued by ₹30,000.
37. What are the adjustments required at the time of admission of a partner?
38. Distinguish between sacrificing ratio and gaining ratio.
39. Janani, Janaki and Jamuna are partners sharing profits and losses in the ratio of 3 : 3 : 1 respectively. Janaki died on 31st December, 2017. Final amount due to her showed a credit balance of ₹1,40,000. Pass journal entries if,
a) The amount due is paid off immediately.
b) The amount due is not paid immediately.
c) ₹75,000 is paid and the balance in future.
40. How the following items will appear in the final accounts of a club for the year ending 31st March 2019?

Receipts and Payments Account for the year ended 31st March 2019

Dr.				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.				

PART - D

7 x 5 = 35

IV. Answer all the questions.

41. a) David does not keep proper books of accounts. Following details are given from his records.
- | | | |
|-------------------|----------|-----------|
| Particulars | 1.4.2018 | 31.3.2019 |
| Cash | ₹ 43,000 | ₹ 29,000 |
| Stock of goods | 1,20,000 | 1,30,000 |
| Sundry debtors | 84,000 | 1,10,000 |
| Sundry creditors | 1,05,000 | 1,02,000 |
| Loan | 25,000 | 20,000 |
| Business premises | 2,50,000 | 2,50,000 |

Furniture 33,000 45,000
 During the year he introduced further capital of ₹ 45,000 and withdrew ₹ 2,500 per month from the business for his personal use.
 Prepare statement of profit or loss with the above information.

(OR)

b) 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.

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

42. a) State the difference between double entry system and incomplete records.

(OR)

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

43. a) From the information given below, prepare Receipts and Payments account of Madurai Mother Theresa Mahalir Mandram for the year ended 31st December, 2018.

Particulars	₹	Particulars	₹
Cash balance as on 1.1.2018	2,000	Fire insurance premium paid	1,500
Bank balance as on 1.1.2018	3,000	Subscription received	8,500
Sale of old newspapers	500	Furniture purchased	6,000
Stationery purchased	6,000	Purchase of newspapers	700
Audit fees paid	2,000	Depreciation on furniture	900
Entrance fees received	3,000	Cash balance as on 31.12.2018	2,500
Sundry charges	6,000	Conveyance paid	1,000
Scholarships given	2,000	Sale of furniture	4,000
Interest on investments	2,000		

(OR)

b) From the following Receipts and Payments Account of Friends Football club, for the year ending 31st March, 2017, prepare Income and Expenditure Account for the year ending 31st March, 2017 and the Balance sheet as on that date.

In the books of Friends Football Club

Dr.	Receipts and Payments Account for the year ended 31st March, 2017		Cr.	
	₹	₹	₹	₹
Receipts			Payments	
To Balance b/d			By Furniture	7,000
Cash	1,000		By Sports materials purchased	800
Bank	10,000		By Special dinner expenses	1,500
		11,000	By Electricity charges	900
To Subscription		5,000	By Balance c/d	
To Legacies		6,000	Cash in hand	1,800
To Collection for special dinner		2,000	Cash at bank	12,000
		24,000		13,800
				24,000

Additional information :

i) The club had furniture of ₹12,000 on 1st April 2016. Ignore depreciation on furniture.

ii) Subscription outstanding for 2016 - 2017 ₹ 600.

iii) Stock of sports materials on 31.03.2017 ₹ 100.

iv) Capital fund as on 1st April 2016 was ₹ 23,000.

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

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

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Commission

b) Anbu is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 12% p.a. During the year ended 31st December 2018 he drew as follows:

Date	₹
March 1	6,000
June 1	4,000
September 1	5,000
December 1	2,000

Calculate the amount of interest on drawings by using product method.

45. a) The following particulars are available in respect of the business carried on by a partnership firm :

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) From the following information, compute the value of goodwill as per annuity method :

a) Capital employed : ₹50,000 b) Normal rate of return 10% c) Profits of the years 2016, 2017 and 2018 were ₹13,000, ₹15,000 and ₹17,000 respectively. d) The present value of annuity of ₹1 for 3 years at 10% is ₹2.4868.

46. a) Sriram and Raj are partners sharing profits and losses in the ratio of 2 : 1. Nelson joins as a partner on 1st April 2017. The following adjustments are to be made : i) Increase the value of stock by ₹5,000. ii) Bring into record investment of ₹7,000 which had not been recorded in the books of the firm. iii) Reduce the value of office equipment by ₹10,000. iv) A provision would also be made for outstanding wages for ₹9,500. Give journal entries and prepare revaluation account. (OR)

b) Rajan and Selva are partners sharing profits and losses in the ratio of 3 : 1. Their balance sheet as on 31st March 2017 is as under.

Liabilities		₹	₹	Assets		₹
Capital accounts				Building		25,000
Rajan		30,000		Furniture		1,000
Selva		16,000	46,000	Stock		20,000
General reserve				Debtors		16,000
Creditors			4,000	Bills receivable		3,000
			37,500	Cash at bank		12,500
				Profit and loss account		10,000
						87,500
			87,500			

On 1.4.2017, they admit Ganesan as a new partner on the following arrangements :

i) Ganesan brings ₹ 10,000 as capital for 1/5 share of profit.

ii) Stock and furniture is to be reduced by 10%, a reserve of 5% on debtors for doubtful debts is to be created.

iii) Appreciate buildings by 20%

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

47. 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 :				Bulldings		80,000
Mani		50,000		Stock		20,000
Rama		50,000		Furniture,		70,000
Devan		50,000		Debtors		20,000
Sundry creditors			1,50,000	Cash in hand		10,000
Profit and loss A/c			20,000			
			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. (OR)

b) Rani, Jaya and Rathi are partners sharing profits and losses in the ratio of 2 : 2 : 1. On 31.3.2018, Rathi retired from the partnership.

Find out the share of profit of Rathi for the year 2018 till the date of retirement. a) Profit is to be distributed on the basis of the year 2018 : 2015 : ₹ 10,000 ; 2016 : ₹ 18,000 and 2017 : ₹ 32,000

b) Profit is to be distributed on the basis of the previous year's profit. partners capitals are fluctuating.

Find out the share of profit of Rathi for the year 2018 till the date of retirement if partners capitals are fluctuating.

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