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ACCOUNTANCY**GRADE: XII****TEST NO.5****MARKS: 50****I CHOOSE THE CORRECT ANSWER**

35 X 1 = 35

1. Opening statement of affairs is usually prepared to find out the
 - (a) Capital in the beginning of the year
 - (b) Capital at the end of the year
 - (c) Profit made during the year
 - (d) Loss occurred during the year
2. Which of the following items relating to bills payable is transferred to total creditors account?
 - (a) Opening balance of bills payable
 - (b) Closing balance of bills payable
 - (c) Bills payable accepted during the year
 - (d) Cash paid for bills payable
3. Which one of the following statements is not true in relation to incomplete records?
 - (a) It is an unscientific method of recording transactions
 - (b) Records are maintained only for cash and personal accounts
 - (c) It is suitable for all types of organisations
 - (d) Tax authorities do not accept
4. 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
5. Income and Expenditure Account is prepared to find out
 - (a) Profit or loss
 - (b) Cash and bank balance
 - (c) Surplus or deficit
 - (d) Financial position
6. 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
7. When fixed capital method is adopted by a partnership firm, which of the following items will appear in capital account?
 - (a) Additional capital introduced
 - (b) Interest on capital
 - (c) Interest on drawings
 - (d) Share of profit
8. 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
9. Pick the odd one out
 - (a) Partners share profits and losses equally
 - (b) Interest on partners' capital is allowed at 7% per annum
 - (c) No salary or remuneration is allowed
 - (d) Interest on loan from partners is allowed at 6% per annum.
10. The average rate of return of similar concerns is considered as
 - (a) Average profit
 - (b) Normal rate of return
 - (c) Expected rate of return
 - (d) None of these
11. Identify the incorrect pair
 - (a) Goodwill under Average profit method - Average profit \times Number of years of purchase
 - (b) Goodwill under Super profit method - Super profit \times Number of years of purchase
 - (c) Goodwill under Annuity method - Average profit \times Present value annuity factor
 - (d) Goodwill under Weighted average - Weighted average profit \times Number of years of profit method purchase
12. Book profit of 2017 is 35,000; non-recurring income included in the profit is 1,000 and abnormal loss charged in the year 2017 was 2,000, then the adjusted profit is
 - (a) 36,000
 - (b) 35,000
 - (c) 38,000
 - (d) 34,000
13. The profit or loss on revaluation of assets and liabilities is transferred to the capital account of
 - (a) The old partners
 - (b) The new partner
 - (c) All the partners
 - (d) The Sacrificing partners

14. At the time of admission, the goodwill brought by the new partner may be credited to the capital accounts of
 (a) all the partners (b) the old partners (c) the new partner (d) the sacrificing partners
15. Match List I with List II and select the correct answer using the codes given below:
- | List I | | | | List II |
|--------|--------------------------|--|--|----------------------------------|
| (i) | Sacrificing ratio | | | - 1. Investment fluctuation fund |
| (ii) | Old profit sharing ratio | | | - 2. Accumulated profit |
| (iii) | Revaluation Account | | | -3. Goodwill |
| (iv) | Capital Account | | | - 4. Unrecorded liability |
- Codes: (i) (ii) (iii) (iv)
- | | | | | |
|-----|---|---|---|---|
| (a) | 1 | 2 | 3 | 4 |
| (b) | 3 | 2 | 4 | 1 |
| (c) | 4 | 3 | 2 | 1 |
| (d) | 3 | 1 | 4 | 2 |
16. On retirement of a partner, general reserve is transferred to the
 (a) Capital account of all the partners (b) Revaluation account
 (c) Capital account of the continuing partners (d) Memorandum revaluation account
17. At the time of retirement of a partner, determination of gaining ratio is required
 (a) To transfer revaluation profit or loss (b) To distribute accumulated profits and losses
 (c) To adjust goodwill (d) None of these
18. '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
19. At the time of forfeiture, share capital account is debited with
 (a) Face value (b) Nominal value (c) Paid up amount (d) Called up amount
20. The amount received over and above the par value is credited to
 (a) Securities premium account (b) Calls in advance account
 (c) Share capital account (d) Forfeited shares account
21. When shares are issued for purchase of assets, the amount should be credited to
 (a) Vendor's A/c (b) Sundry assets A/c (c) Share capital A/c (d) Bank A/c
22. Which of the following tools of financial statement analysis is suitable when data relating to several years are to be analysed?
 a) Cash flow statement b) Common size statement c) Comparative statement d) Trend analysis
23. Which of the following is not a tool of financial statement analysis?
 a) Trend analysis b) Common size statement c) Comparative statement d) Standard costing
24. 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.
25. Current assets excluding inventory and prepaid expenses is called
 (a) Reserves (b) Tangible assets (c) Funds (d) Quick assets
26. Cost of revenue from operations 3,00,000; Inventory in the beginning of the year 60,000; Inventory at the close of the year 40,000. Inventory turnover ratio is
 (a) 2 times (b) 3 times (c) 6 times (d) 8 times
27. Proportion of share holder's funds to total assets is called
 (a) Proprietary ratio (b) Capital gearing ratio (c) Debt equity ratio (d) Current ratio
28. Which submenu displays groups, ledgers and voucher types in Tally?
 (a) Inventory vouchers (b) Accounting vouchers (c) Company Info (d) Account Info
29. Contra voucher is used for
 (a) Master entry (b) Withdrawal of cash from bank for office use
 (c) Reports (d) Credit purchase of assets
30. Salary account comes under which of the following head?
 (a) Direct Incomes (b) Direct Expenses (c) Indirect Incomes (d) Indirect Expenses

31. Third installment called
(a) application money (b) allotment money
(c) first call money (d) final call money
32. Bank overdraft is an example of _____ liability.
(a) Current (b) Liquid (c) Short tem (d) Long term
33. Company Restore option is available in
(a) Configuration (b) Company features (c) Company information (d) Both a and b
34. All solvency ratios are expressed in terms of
(a) Proportion (b) Percentage (c) Times (d) Money
35. _____ refers to the excess of current assets over current liabilities.
(a) Income (b) Profit and loss account (c) Balance sheet (d) Working capital

II ANSWER THE FOLLOWING

3 X 5 = 15

36. State the difference between fixed capital method and fluctuating capital method
37. Distinguish between sacrificing ratio and gaining ratio.
38. State the difference between double entry system and incomplete records.

"There is no substitute for hard work."
ALL THE BEST