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GRADE: XII

TEST NO.6

MARKS: 50

I CHOOSE THE CORRECT ANSWER

35 X 1 = 35

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. Credit purchase is obtained from
 - (a) Bills receivable account
 - (b) Total creditors account
 - (c) Total debtors account
 - (d) Bills payable account
3. 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
4. Receipts and payments account is a
 - (a) Nominal A/c
 - (b) Real A/c
 - (c) Personal A/c
 - (d) Representative personal account
5. Income and Expenditure account is based on
 - (a) Cash accounting
 - (b) Government accounting
 - (c) Management accounting
 - (d) Accrual accounting
6. Donations received for a specific purpose is
 - (a) Revenue receipt
 - (b) Capital receipt
 - (c) Revenue expenditure
 - (d) Capital expenditure
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. 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
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. 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
11. 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
12. 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
13. Which of the following statements is not true in relation to admission of a partner
 - (a) Generally mutual rights of the partners change
 - (b) The profits and losses of the previous years are distributed to the old partners
 - (c) The firm is reconstituted under a new agreement
 - (d) The existing agreement does not come to an end
14. James and Kamal are sharing profits and losses in the ratio of 5:3. They admit Sunil as a partner giving him 1/5 share of profits. Find out the sacrificing ratio.
 - (a) 1:3
 - (b) 3:1
 - (c) 5:3
 - (d) 3:5
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. 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. 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
27. Balance sheet provides information about the financial position of a business concern
 (a) Over a period of time (b) As on a particular date
 (c) For a period of time (d) For the accounting period
28. The financial statements do not exhibit
 (a) Non-monetary data (b) Past data (c) Short term data (d) Long term data
29. Salary account comes under which of the following head?
 (a) Direct Incomes (b) Direct Expenses (c) Indirect Incomes (d) Indirect Expenses
30. 25,000 withdrawn from bank for office use. In which voucher type, this transaction will be recorded
 (a) Contra Voucher (b) Receipt Voucher (c) Payment Voucher (d) Sales Voucher
31. Credit purchase is obtained from
 a) Bills receivable account b) Bills payable account
 c) Total debtors account d) Total creditors account
32. _____ are the amounts received by not-for-profit organisations as a gift.
 a) Legacy b) Donations c) Subscriptions d) Entrance fee
33. _____ is a document which contains details of transactions.
 a) Voucher b) Receipt c) Report d) Statement
34. _____ are used for recording both cash and credit purchases of goods.
 a) purchase voucher b) Sales voucher c) journal voucher d) contra voucher
35. _____ The capital of a company is divided into small units of
 a) current amount b) fixed amount c) capital amount d) none of these

II ANSWER THE FOLLOWING

3 X 5 = 15

36. Bring out the limitations of ratio analysis.
 37. State any six factors determining goodwill.
 38. How is operating profit ascertained?

"There is no substitute for hard work."

ALL THE BEST

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