

12 - STD**QUARTERLY EXAM - 2024****MARKS: 90****ACCOUNTANCY****TIME : 3 hrs****PART - A****SALEM DISTRICT****I. Choose the correct answer with option.****(20 X 1 = 20)**

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. What is the amount of capital of the proprietor, if his assets are Rs. 85,000 and liabilities are Rs. 21,000?
 - a) Rs. 85,000
 - b) Rs. 1,06,000
 - c) Rs. 21,000
 - d) Rs. 64,000
3. Which of the following should not be recorded in the income and expenditure account?
 - a) Sale of old news papers
 - b) Loss on sale of asset
 - c) Honorarium paid to the secretary
 - d) Sale proceeds of furniture
4. Donations received for a specific purpose is
 - a) Revenue receipt
 - b) Capital receipt
 - c) Revenue expenditure
 - d) Capital expenditure
5. In the absence of an agreement among the partners, interest on capital is
 - a) Not allowed
 - b) Allowed at bank rate
 - c) Allowed @ 5% p.a
 - d) Allowed @ 6% p.a
6. 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 to partners
 - d) Interest on loan from partners is allowed at 6% per annum.
7. 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
8. The total capitalised value of a business is Rs.1,00,000; assets are Rs. 1,50,000 and liabilities are Rs. 80,000. The value of goodwill as per the capitalisation method will be
 - a) Rs. 40,000
 - b) Rs. 70,000
 - c) Rs. 1,00,000
 - d) Rs. 30,000
9. On revaluation, the increase in the value of assets leads to
 - a) Gain
 - b) Loss
 - c) Expense
 - d) None of these
10. 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

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PART - B

II. Answer any 7 Questions: Q.No. 30 is Compulsory

(7 X 2 = 14)

21. What is a statement of affairs?
22. Write a short note on life membership fees.
23. What is acquired goodwill?
24. What is the purpose of calculating gaining ratio?
25. From the following particulars, prepare bills receivable amount and compute the bills received from the debtors.

Particulars	Rs.
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 dishonored	30,000

26. How will the following appear in the final accounts of Marthandam Women Cultural Association?
- Rs.
- | | |
|--|--------|
| 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 |
27. 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 Rs. 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.
28. Anjali and Nithya are partners of a firm sharing profits and losses in the ratio of 5:3. They admit Pramila on 1.1.2018. On that date, their balance sheet showed accumulated loss of Rs. 40,000 on the asset side of the balance sheet. Give the journal entry to transfer the accumulated loss on admission.
29. From the following information, find out the value of goodwill by capitalisation method:
- (i) Average profit Rs. 20,000 ; (ii) Normal rate of return 10% ;
- (iii) Capital employed ` 1,50,000
30. Abdul Ltd. issues 50,000 equity shares of Rs. 10 each payable fully on application. Pass journal entries if shares are issued at a premium of Rs. 2 per share. Issue

PART - C

III. Answer any 7 Questions: Q.No. 40 is Compulsory

(7 X 3 = 21)

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

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Closing capital as on 31.3.2018 Rs. 80,000; Additional capital introduced during the year Rs. 30,000; Drawings during the year Rs.15,000; Loss for the year ending 31.3.2018 Rs.25,000; Find the Opening capital on 01.4.2017

32. How will the following appear in the final accounts of Karaikudi sports club for the year ending 31st March, 2019?

Particulars	Rs.
Tournament fund on 1st April 2018	90,000
Tournament fund investment on 1st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

33. Prakash and Supria were partners who share profits and losses in the ratio of 5:3. Balance in their capital account on 1st April, 2018 was Prakash Rs. 3,00,000 and Supria Rs. 2,00,000. On 1st July, 2018 Prakash introduced additional capital of Rs. 60,000. Supria introduced additional capital of Rs. 30,000 during the year. Calculate interest on capital at 6% p.a. for the year ending 31st March, 2019 and show the journal entries.
34. Kavin, Madhan and Ranjith are partners sharing profits and losses in the ratio of 4:3:3 respectively. Kavin retires from the firm on 31st December, 2018. On the date of retirement, his capital account shows a credit balance of Rs. 1,50,000. Pass journal entries if:
 (i) The amount due is paid off immediately. (ii) The amount due is not paid immediately.
 (iii) Rs. 1,00,000 is paid and the balance in future.
35. List out the adjustments made at the time of retirement of a partner in a partnership firm.
36. State the differences between preference shares and equity shares.
37. Vimala and Kamala are partners, sharing profits and losses in the ratio of 4:3. Vinitha enters into the partnership and she acquires 1/14 from Vimala and 1/14 from Kamala. Find out the new profit sharing ratio and sacrificing ratio.
38. Find out the value of goodwill at three years purchase of weighted average profit of last four years.

Year	Amount	Weights
2015	10,000	1
2016	12,000	2
2017	16,000	3
2018	18,000	4

39. Goutham Ltd. forfeited 500 equity shares of Rs. 10 each issued at par held by Ragav for nonpayment of the final call of Rs. 2 per share. The shares were forfeited and reissued to Madhan at Rs. 8 per share. Show the journal entries for forfeiture and reissue. QL12=ACC EM-4

40.

Varun and Daran are partners sharing profits and losses 5:4. They admit Dhamu into partnership. The new profit sharing ratio is agreed at 1:1:1. Dhamu's share of goodwill is valued at Rs. 15,000 of which he pays Rs.10,000 in cash. Pass necessary journal entries for adjustment of goodwill on the assumption that the fluctuating capital method is followed.

PART - D

IV. Answer all the Questions:

(7 X 5 = 35)

41. (a) 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	31.03.2018 Rs.	31.03.2019 Rs.
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 Rs. 60,000 for his personal use. He had introduced Rs. 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%.

[OR]

(b) Vinoth, Karthi and Pranav are partners sharing profits and losses in the ratio of 2:2:1. Pranav retires from partnership on 1st April 2018. The following adjustments are to be made.

- Increase the value of land and building by Rs. 18,000
- Reduce the value of machinery by Rs.15,000
- A provision would also be made for outstanding expenses for Rs. 8,000.

Give journal entries and prepare revaluation account.

42. (a) From the following receipts and payments account of Tenkasi Thiruvalluvar Manram, prepare income and expenditure account for the year ended 31st March, 2019.

Receipts	Rs.	Payments	Rs.
To Balance b/d		By Salaries	20,000
Cash in hand	14,000	By Rent	24,000
To Interest received	5,000	By Travelling expenses	2,000
To Subscription	55,000	By Printing and stationery	6,000
To Legacies	48,000	By Investments made	50,000
To Entrance fees	7,000	By Sports equipment purchased	33,000
To Sale of furniture	16,000	By Balance c/d	
(Book value: Rs. 17,000)		Cash in hand	10,000
	1,45,000		1,45,000

[OR]

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(b) Kavitha is a partner in a firm. She withdraws Rs. 2,500 p.m. regularly. Interest on drawings is charged @ 4% p.a. Calculate the interest on drawings using average period, if she draws

- (i) at the beginning of every month
- (ii) in the middle of every month
- (iii) at the end of every month

43. (a) From the information given below, prepare Receipts and Payments account of Kurunji Sports Club for the year ended 31st December, 2018.

Particulars	Rs.	Particulars	Rs.
Cash in hand (1.1.2018)	4,000	Paid for printing charges	2,500
Salaries paid	3,000	Lockers rent received	1,000
Life membership fees received	10,000	Tournament receipts	14,000
Subscription received	15,000	Tournament expenses	10,500
Rent received	2,000	Investments purchased	25,000

[OR]

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

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

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

(iii) Profit of 2017 is reduced by Rs. 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 Rs. 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.

44. (a) From the following particulars calculate total purchases.

Particulars	Rs.	Particulars	Rs.
Creditors on 1.1. 2018	30,000	Purchases returns	15,000
Bills payable on 1.1.2018	25,000	Cash purchases	2,25,000
Paid cash to creditors	1,20,000	Creditors on 31.12.2018	25,000
Paid for bills payable	30,000	Bills payable on 31.12.2018	20,000

[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	Rs.	Rs.	Assets	Rs.
Capital accounts:				
Rajan	30,000		Building	25,000
Selva	16,000		Furniture	1,000
General reserve		46,000	Stock	20,000
Creditors		4,000	Debtors	16,000
		37,500	Bills Receivable	3,000
			Cash at Bank	12,500
			Profit & Loss a/c	10,000
		87,500		87,500

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

- Ganesan brings Rs.10,000 as capital for $\frac{1}{5}$ share of profit.
- Stock and furniture is to be reduced by 10%, a reserve of 5% on debtors for doubtful debts is to be created.
- Appreciate buildings by 20%.

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

45. (a) Distinguish between sacrificing ratio and gaining ratio.

[OR]

(b) From the following particulars, show how the item 'subscription' will appear in the Income and Expenditure Account for the year ended 31-12-2018?

Subscription received in 2018 is Rs.50,000 which includes Rs.5,000 for 2017 and Rs.7,000 for 2019. Subscription outstanding for the year 2018 is Rs. 6,000. Subscription of Rs. 4,000 was received in advance for 2018 in the year 2017.

46. (a) Progress Ltd. issued 50,000 ordinary shares of Rs. 10 each, payable Rs. 2 on application, Rs. 4 on allotment, Rs. 2 on first call and Rs. 2 on final call. All the shares are subscribed and amount was duly received. Pass journal entries.

[OR]

(b) A partnership firm earned net profits during the last three years as follows:

2016 : Rs. 20,000; 2017 : Rs. 17,000 and 2018 : Rs. 23,000

The capital investment of the firm throughout the above mentioned period has been Rs. 80,000. Having regard to the risk involved, 15% is considered to be a fair return on capital employed in the business. Calculate the value of goodwill on the basis of 2 years purchase of super profit.

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47. (a) Antony and Ranjith started a business on 1st April 2018 with capitals of Rs. 4,00,000 and Rs. 3,00,000 respectively. According to the Partnership Deed, Antony is to get salary of Rs. 90,000 p.a, Ranjith is to get 25% commission on profit after allowing salary to Antony and interest on capital @ 5% p.a. but after charging such commission. Profit-sharing ratio between the two partners is 1:1. During the year, the firm earned a profit of Rs.3,65,000. Prepare profit and loss appropriation account. The firm closes its accounts on 31st March every year.

[OR]

(b) State any six factors determining goodwill.

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