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Time : 3.00 hrs.

### Quarterly Examination - 2024 ACCOUNTANCY

Reg. No.

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Max. Marks : 90

## PART - A

20 x 1 = 20

Answer all the questions. Choose the best answer

- Closing statement of affairs is usually prepared to find out.....  
a) the 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
- The amount of credit purchases can be computed from  
a) Total debtors account b) Total creditors account c) Bills receivable account d) Bills payable account
- What is the amount of capital of the proprietor if his assets are ₹ 85000 and liabilities are ₹ 21000  
a) ₹ 85000 b) ₹ 106000 c) ₹ 21000 d) ₹ 64000
- Income and expenditure account is a.....  
a) Nominal account b) Real account c) Personal account d) Representative personal account
- Legacy is a.....  
a) revenue expenditure b) capital expenditure c) revenue receipt d) capital receipt
- 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) ₹ 50000 b) ₹ 15200 c) ₹ 49900 d) ₹ 49800
- Limited liability partnership (LLP) is formed as per the provisions of The Limited Liability partnership Act.....  
a) 1932 b) 2008 c) 1956 d) 2013
- Which of the following is shown in profit and loss appropriation account  
a) office expenses b) salary to staff c) partners salary d) interest on loan
- In the absence of an agreement partners are entitled to.....  
a) salary b) commission c) interest on loan d) interest on capital
- Which of the following is not shown in profit and loss appropriation account.  
a) commission to partners b) interest on loan c) partners salary d) interest on capital
- When the average profit is ₹ 250000 and the normal profit is ₹ 150000 super profit is.....  
a) ₹ 250000 b) ₹ 50000 c) ₹ 100000 d) ₹ 150000
- .....methods are there to value goodwill  
a) 2 b) 3 c) 4 d) 5
- Select the odd one out.  
a) Revaluation profit b) accumulated loss c) Goodwill brought by new partner d) Investment fluctuation fund
- Balaji and Kamalesh and 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 out the sacrificing ratio between Balaji and Kamalesh.  
a) 1 : 3 b) 3 : 1 c) 2 : 1 d) 1 : 2
- On revaluation, the increase in the value of liability lead to.....  
a) gain b) loss c) expense d) none of these
- At the time of admission, the goodwill brought by a new partner may be credited to the capital account of.....  
a) all the partners b) the old partners c) the new partners d) the sacrificing partners
- On retirement of a partner from a partnership firm, accumulated profit and losses are distributed to a partners in the...  
a) new P & L ratio b) old P & L ratio c) gaining ratio d) sacrificing ratio
- At the time of retirement of a partners, determination of gaining ratio is required.....  
a) the transfer revaluation profit b) to distribute accumulated profit and losses d) to adjust goodwill d) none of these
- X, Y and Z are 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 ₹ 36000.

a) ₹1000 b) ₹3000 c) ₹12000 d) ₹36000

20. Profit and loss suspense account is a.....account.

a) Permanent account b) temporary account c) real account d) personal account.

**PART - B**

**Answer any 7 questions. Question No.30 is compulsory.**

**7 x 2 = 14**

21. What is a statement of affairs?

22. What is legacy?

23. Define partnership.

24. What is meant by revaluation of assets and liabilities?

25. What is gaining ratio?

26. From the following calculate missing figure?

Capital as on 01.04.2017 ₹50000, Capital as on 31.03.2018 ₹55000, Additional capital introduced ₹6000, Profit for the year ₹3000 Drawings during the year?

27. How will the following shown in the final account of Koval Cultural Club on 31.03.2021.

Stock of stationery on 01.04.2020 ₹3000 Stock of stationery on 31.03.2021 ₹2000

Stationery purchased during the year ₹15000,

28. Balan, Chandru's capital as on 01.01.2023 was ₹30000 and ₹20000 respectively. On 01.04.2023 Balan introduced additional capital of ₹5000 and Chandru introduced additional capital of ₹2500 during the year. Calculate interest on capital @ 6% p.a. for the year ended 31.12.2023.

29. The following are the profits of a firm in the last five years : 2019 - ₹20000, 2020 - ₹22000, 2021 - ₹24000, 2022 - ₹26000 and 2023 - ₹28000. Calculate the value of goodwill at 2 years purchase of average profits of five years.

30. What is the formula for compute annuity factor?

**PART - C**

**Answer any 7 question. Question No.40 is compulsory.**

**7 x 3 = 21**

31. State any three differences between double entry system and incomplete records.

32. How annual subscription is dealt within the final accounts of not-for-profit organisation?

33. State any three features of partnership.

34. What are the methods of calculating goodwill under average profit method?

35. What are the adjustments required at the time of admission of a partner?

36. From the following particulars calculate total purchases. Creditors on 01.04.2023 ₹7500 Returns outward ₹1500 creditors on 31.03.2024 ₹5000 Cash purchases ₹32000 Cash paid to creditors ₹37000 Bills payable accepted during the year ₹1200.

37. Arasi, Bharathi and Chandra are partners. Arasi withdrew ₹8000 p.m. during the years, Bharathi withdrew ₹15000 every end of the quarter during the year and Chandra withdrew ₹20000 every middle of half-year during the year. Calculate interest on drawing at the rate of 8% p.a.

38. From the following information calculate the value of goodwill based on 3 years purchase of super profit capital employed ₹300000, normal rate of return 15% and average profit of the business ₹63000.

39. Gopu and Han are partners sharing profits in the ratio of 5 : 3. They decided to admit Indra into partnership on 01.01.2024 and their new ratio is 5 : 3 : 2. On the date of admission their balance sheet showed General Reserve of ₹8000, Workmen compensation fund of ₹12000 and credit balance of profit and loss account ₹40000. Give necessary Journal entries to transfer the above items on admission.

40. Ramu, Somu, Gopu are partners sharing profits in the ratio of 3 : 5 : 7. Gopu retires and the share is purchased by Ramu and Somu in the ratio of 3 : 1. Find the new profit sharing ratio and gaining ratio.

**PART - D**

**Answer all the questions.**

**7 x 5 = 35**

41. a) What are the differences between statement of affairs and Balance sheet? (OR)

b) From the following Receipts and Payments a/c of Trichy Recreation Club. Prepare Income and Expenditure a/c for the year ended 31.03.2018.

Receipts	₹	Payments	₹
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To Balance b/d cash	11000	By Furniture purchased	10000
To Dividend received	27600	By Rent	2800
To Sale of old newspaper	3000	By Secretary's honorarium	15000
To Member's subscription	31000	By General expenses	4350
To Locker rent	8000	By Printing and Stationery	45000
To Interest on Investments	1250	By Auditing fees	5000
To Sale of furniture	5000	By Postage	1700
(Book value ₹4400)		By Balance c/d	
		Cash in hand	3000
	<hr/>		<hr/>
	86850		86850
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42. a) State the differences between Receipts and Payments Account and Income and Expenditure Account. (OR)  
b) From the following information prepare Capital a/c and Current a/c of partners Nathan and Palani.

Particulars	Nathan (₹)	Palani (₹)
Capitals on 01.01.2021	200000	160000
Current a/c on 01.01.2021(Cr)	10000	6000
Additional capital on 01.06.2021	20000	40000
Drawings during 2021	40000	26000
Interest on drawings	1000	600
Share of profits for 2021	20000	16000
Interest on capital	12600	10800
Salary	18000	-
Commission	-	2400
Interest on loan	3500	4500

43. a) State any ten contents of a partnership deed. (OR)  
b) From the following, compute the value of goodwill as per annuity method.
- Capital employed ₹500000
  - Normal rate of return 10%
  - Profits of the years 2018, 2019 and 2020 were ₹130000, ₹150000 and ₹170000 respectively.
  - The Present value of annuity of Real for 3 years at 10% is ₹2.5885.
44. a) What are the factors determining the value of goodwill of a partnership firm? (OR)  
b) Mani and Nalan are partners sharing profits in the ratio of 2 : 1. They admit Owen into partnership on 01.04.2023. The following adjustments are to be made :
- Increase the value of stock by ₹15000.
  - Bring into record investments of ₹21000 which had not recorded in the books.
  - Reduce the value of machinery by ₹30000.
  - A provision to be made for outstanding salary for ₹28500.
- Give journal entries and prepare revaluation account.
45. a) What are the journal entries to be passed on revaluation of Assets and Liabilities? (OR)  
b) Ram, Selvam and Thangam are partners in a firm sharing profits in the ratio of 4 : 3 : 3. This balance sheet as on 31.03.2023 as follows :

Liabilities	₹	Assets	₹
Sundry Creditors	20000	Buildings	80000
General reserve	30000	Machinery	70000
Capital accounts :		Debtors	20000
Ram	50000	Stock	20000
Selvam	50000	Cash at bank	10000
Thangam	50000		

150000

200000

200000

Thangam retired from business on 01.04.2023 subject to the following conditions :

- Stock to be reduced by ₹5000.
- Create provision for Bad and doubtful debts for ₹1000.
- Increase the value of building by ₹16000.
- Thangam's account not settled immediately.

Prepare revaluation account and capital account of the reconstituted partnership firm.

46. a) Distinguish between sacrificing ratio and gaining ratio. (OR)  
b) Ravi keeps his books under single entry system. Following details are given from his records :

Particulars	01.04.2021	31.03.2022
Cash	43000	29000
Stock of goods	120000	130000
Sundry debtors	84000	110000
Sundry creditors	105000	102000
Loan	25000	20000
Business Premises	250000	250000
Furniture	33000	45000

During the year he introduced further capital of ₹45000 and withdrew ₹2500 per month from business for personal use. Write off for Bad debt ₹2000. Prepare statement of oprofit / loss with the above information.

47. a) Dinesh and Sugumar entered into a partnership agreement on 01.01.2018, Dinesh contributing ₹150000 and Sugumar ₹120000 as capital. The agreement provided that :
- Profit and losses to be shared in the ratio 2 : 1 as between Dinesh and Sugumar.
  - Partners to be entitled to interest on capital @ 4% p.a.
  - Interest on drawings to be charged Dinesh ₹3600 and Sugumar ₹2200.
  - Dinesh to receive a salary of ₹6000 for the year.
  - Sugumar to receive a commission of ₹80000. During the year ended on 31.12.2018, the firm made a profit of 220000 before adjustments of interest, salary and commission.

Prepare the profit and loss appropriation account.

(OR)

- b) From the following particulars of Poompuhar Literary Association, Prepare Receipts and Payments account for the year ended 31.03.2019.

Particulars	₹	Particulars	₹
Cash as on 01.04.2018	5000	Subscription received	20000
Bank overdraft on 01.04.18	4000	Repairs and renewals	2500
Printing & Stationery	1500	Conveyance paid	2750
Interest paid	3250	Books purchased	10000
Sales of investments	1000	Insurance premium paid	4000
Purchase of refreshment	1500	Sundry receipts	750
Outstanding salary	2000	Government grants received	6000
Endowment fund receipts	2000	Depreciation on Building	2000
Lighting charges	1300	Sale of refreshments	1500
Cash at Bank 31.03.19	2000		