

**CENTURY FOUNDATION MATRIC HR SEC SCHOOL
FULL PORTION**

SUB: ACCOUNTANCY**MARKS: 90****CLASS: XII D****TIME: 3 HRS****I CHOOSE THE CORRECT ANSWER****20 X 1 = 20**

01. 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
02. The amount of credit sales can be computed from
 (a) Total debtors account (b) Total creditors account
 (c) Bills receivable account (d) Bills payable account
03. 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
04. Which of the following should not be recorded in the income and expenditure account?
 (a) Sale of old newspapers (b) Loss on sale of asset
 (c) Honorarium paid to the secretary (d) Sale proceeds of furniture
05. 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
06. 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.
07. When the average profit is Rs 25,000 and the normal profit is Rs 15,000, super profit is
 (a) Rs 25,000 (b) Rs 5,000 (c) Rs 10,000 (d) Rs 15,000
08. Which of the following is true?
 (a) Super profit = Total profit / number of years
 (b) Super profit = Weighted profit / number of years
 (c) Super profit = Average profit – Normal profit
 (d) Super profit = Average profit × Years of purchase
09. Select the odd one out
 (a) Revaluation profit (b) Accumulated loss
 (c) Goodwill brought by new partner (d) Investment fluctuation fund
10. Revaluation A/c is a
 (a) Real A/c (b) Nominal A/c (c) Personal A/c (d) Impersonal A/c
11. A, B and C are partners sharing profits in the ratio of 4:2:3. B retires. The new profit sharing ratio between A and C will be
 (a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
12. 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
13. A preference share is one
 (i) Which carries preferential right with respect to payment of dividend at fixed rate
 (ii) Which carries preferential right with respect to repayment of capital on winding up
 (a) Only (i) is correct (c) Both (i) and (ii) are correct
 (b) Only (ii) is correct (d) Both (i) and (ii) are incorrect
14. Supreme Ltd. forfeited 100 shares of Rs 10 each for non-payment of final call of Rs 2 per share. All these shares were re-issued at Rs 8 per share. What amount will be transferred to capital reserve account?
 (a) Rs 700 (b) Rs 800 (c) Rs 900 (d) Rs 600
15. 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
16. Expenses for a business for the first year were Rs 80,000. In the second year, it was increased to Rs 88,000. What is the trend percentage in the second year?
a) 10 % b) 110 % c) 90 % d) 11%
17. Current ratio indicates
(a) Ability to meet short term obligations (b) Efficiency of management
(c) Profitability (d) Long term solvency
18. Current liabilities Rs 80,000; Current assets Rs 2,00,000 ; Inventory Rs 40,000 . Acid test ratio is
(a) 1:1 (b) 2.5:1 (c) 2:1 (d) 1:2
19. Which of the following options is used to view Trial Balance from Gateway of Tally?
(a) Gateway of Tally -> Reports -> Trial Balance
(b) Gateway of Tally -> Trial Balance
(c) Gateway of Tally -> Reports -> Display -> Trial Balance
(d) None of these
20. Accounting report prepared according to the requirements of the user is
(a) Routine accounting report (b) Special purpose report
(c) Trial balance (d) Balance sheet

**II ANSWER THE FOLLOWING ANY SEVEN
(QUESTION NUMBER 30 COMPULSORY)**

7 X 2 = 14

21. Following are the balances in the books of Thomas as on 31st March 2019.

Particulars	Rs	Particulars	Rs
Sundry creditors	6,00,000	Bills payable	1,20,000
Furniture	80,000	Cash in hand	20,000
Land and building	3,00,000	Bills receivable	60,000
Sundry Debtors	3,20,000	Stock	2,20,000

Prepare a statement of affairs as on 31st March 2019 and calculate capital as at that date.

22. What is legacy?
23. Ram and Shyam were partners. Ram withdrew Rs 18,000 at the beginning of each half year. Interest on drawings is chargeable @ 10% p.a. Calculate interest on the drawings for the year ending 31st December 2018 using average period.
24. What is normal rate of return?
25. Ananth and Suman are partners sharing profits and losses in the ratio of 3:2. They admit Saran for 1/5 share, which he acquires entirely from Ananth. Find out the new profit sharing ratio and sacrificing ratio.
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. Muthu Ltd. issued 50,000 equity shares of Rs 10 each payable as follows;
Rs 2 on application; Rs 4 on allotment; Rs 4 on first and final call.
All money were duly received except one shareholder holding 1,000 shares failed to pay the call money. Pass the necessary journal entries for calls by using calls in arrear account.
28. When is trend analysis preferred to other tools?
29. From the following details of a business concern calculate net profit ratio.
Sales 9,60,000 Cost of goods sold 5,50,000 Administration expenses 1,00,000
Office expenses Rs 45,000 Selling 15,000 Distribution expenses 10,000
30. Which type of goodwill cannot be recorded in the books of accounts. Write its features.

**III ANSWER THE FOLLOWING ANY SEVEN
(QUESTION NUMBER 40 COMPULSORY)**

7 X 3 = 21

31. State the procedure for calculating profit or loss through statement of affairs.
32. How will the following appear in the final accounts of Vedaranyam Sports club?

Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

33. State the differences between fixed capital method and fluctuating capital method.

34. From the following information, calculate the value of goodwill on the basis of 3 years purchase of average profits of last four years.

Year	Result	Amount
2015	Profit	5,000
2016	Profit	8,000
2017	Loss	3,000
2018	Profit	6,000

35. Write a short note on accounting treatment of goodwill.

36. Manju, Charu and Lavanya are partners in a firm sharing profits and losses in the ratio of 5:3:2. Their balance sheet as on 31st March, 2018. Manju retired from the partnership firm on 31.03.2018. on the liabilities side shows Manju, Charu and Lavanya capital 70,000 each and Profit and loss A/C shows 50,000. Revaluation profit Rs 15,000. Prepare capital accounts of partners after retirement.

37. Write a short note on (a) Authorised capital (b) Reserve capital

38. From the following particulars, calculate the trend percentages of Kumar Ltd.

Rs IN THOUSANDS			
PARTICULARS	2015-16	2016-17	2017-18
Revenue from operations	300	270	150
Other income	50	80	60
Expenses	250	200	125
Income tax %	40	40	40

39. State any four advantages of ratio analysis.

40. When revised values of assets and liabilities are not shown in the books?

IV ANSWER THE FOLLOWING

7 X 5 = 35

41. (A) Mary does not keep her books under double entry system. From the following details prepare trading and profit and loss account for the year ending 31st March, 2019 and a balance sheet as on that date.

Dr

Cash Book

Cr.

Particulars	Rs	Particulars	Rs
To Balance b/d	1,20,000	By Purchases	1,50,000
To Sales	3,60,000	By Creditors	2,50,000
To Debtors	3,40,000	By Wages	70,000
		By Sundry expenses	1,27,000
		By Balance c/d	2,23,000
	8,20,000		8,20,000

Other information:

Particulars	1.4.2018	31.3.2019
Stock of goods	1,10,000	1,80,000
Sundry Debtors	1,30,000	?
Sundry Creditors	1,60,000	90,000
Furniture and fittings	80,000	80,000

Additional information:

Rs

Credit purchases	1,80,000
Credit sales	2,90,000
Opening capital	2,80,000
Depreciate furniture and fittings by 10% p.a.	

OR

(B) From the following Receipts and Payment account of Yercaud Youth Association, prepare Income and expenditure account for the year ended 31st March, 2019 and the balance sheet as on that date.

Dr. Receipts and Payments Account for the year ended 31st March, 2019 Cr.

Receipts	Rs	Payments	Rs
To Balance b/d		By Salary	14,000
Cash in hand	9,600	By Office expenses	7,200
To Government grants for purchase of book	10,000	By Stationery purchased	1,800
To Subscription	24,800	By Books purchased	15,000
To Admission fees	2,000	By Newspaper purchased	2,100
To Prize fund receipts	6,000	By Prizes awarded	5,000
To Bank interest	1,500	By Balance c/d	
To Sale of newspapers	1,100	Cash in hand	9,900
	55,000		55,000

Additional information:

- Opening capital fund Rs 20,000.
- Stock of books on 1.4.2018 Rs 9,200.
- Subscription due but not received Rs 1,700.
- Stock of stationery on 1.4.2018 Rs 1,200 and stock of stationery on 31.3.2019, Rs 2,000

42. (A) Sibi and Manoj are partners in a firm. Sibi is to get a commission of 20% of net profit before charging any commission. Manoj is to get a commission of 20% on net profit after charging all commission. Net profit for the year ended 31st December 2018 before charging any commission was Rs 60,000. Find the commission of Sibi and Manoj. Also show the distribution of profit.

OR

(B) From the following details, calculate the value of goodwill at 2 years purchase of super profit:

- Total assets of a firm are Rs 5,00,000
- The liabilities of the firm are Rs 2,00,000
- Normal rate of return in this class of business is 12.5 %.
- Average profit of the firm is Rs 60,000.

43. (A) Sundar and Suresh are partners sharing profits in the ratio of 3:2. Their balance sheet as on 1st January, 2017 was as follows:

Liabilities	Rs	Rs	Assets	Rs
Capital accounts:			Buildings	40,000
Sundar	30,000		Furniture	13,000
Suresh	20,000	50,000	Stock	25,000
Creditors		50,000	Debtors	15,000
General reserve		10,000	Bills receivable	14,000
W.M.C.F		15,000	Bank	18,000
		1,25,000		1,25,000

They decided to admit Sugumar into partnership for 1/4 share in the profits on the following terms:

- Sugumar has to bring in Rs 30,000 as capital. His share of goodwill is valued at Rs 5,000. He could not bring cash towards goodwill.
- That the stock be valued at Rs 20,000.
- That the furniture be depreciated by Rs 2,000.
- That the value of building be depreciated by 20%.

Prepare necessary ledger accounts and the balance sheet after admission.

OR

(B) Gaja Ltd issued 40,000 equity shares of Rs 10 each to the public payable Rs 2 on application, Rs 5 on allotment and Rs 3 on first and final call. Applications were received for 50,000 shares. The Directors decided to allot 40,000 shares on pro rata basis and surplus of application money was utilised for allotment. Pass journal entries assuming that the amounts due were received.

44. (A) Saran, Arun and Karan are partners in a firm sharing profits and losses in the ratio of 4:3:3. Their balance sheet as on 31.12.2016 was as follows:

Liabilities	Rs	Rs	Assets	Rs	Rs
Capital accounts:			Buildings		60,000
Saran	60,000		Machinery		40,000
Arun	50,000		Investment		20,000
Karan	40,000	1,50,000	Stock		12,000

General reserve		15,000	Debtors	25,000	
			Less: Provision for bad debts	1000	24,000
Creditors		35,000	Cash at bank		44,000
		2,00,000			2,00,000

Karan retires on 1.1.2017 subject to the following conditions:

- (i) Goodwill of the firm is valued at Rs 21,000
- (ii) Machinery to be appreciated by 10%
- (iii) Building to be valued at Rs 80,000
- (iv) Provision for bad debts to be raised to Rs 2,000
- (v) Stock to be depreciated by Rs 2,000
- (vi) Final amount due to Karan is not paid immediately

Prepare the necessary ledger accounts and show the balance sheet of the firm after retirement.

OR

(B) Prepare common-size statement of financial position for the following particulars of Rani Ltd.

Particulars	31st March, 2016	31st March, 2017
I EQUITY AND LIABILITIES		
Shareholders' Fund	5,40,000	6,00,000
Non-current liabilities	2,70,000	2,50,000
Current liabilities	90,000	1,50,000
Total	9,00,000	10,00,000
II ASSETS		
Non-current assets	7,20,000	8,00,000
Current assets	1,80,000	2,00,000
Total	9,00,000	10,00,000

45. (A) Raju does not keep proper books of accounts. Following details are taken from his records.

Particulars	1.1.2018	31.12.2018
Cash at bank	80,000	90,000
Stock of goods	1,80,000	1,40,000
Debtors	90,000	2,00,000
Sundry creditors	1,30,000	1,95,000
Bank Loan	60,000	60,000
Bills payable	80,000	45,000
Plant and machinery	1,70,000	1,70,000

During the year he introduced further capital of Rs 50,000 and withdrew Rs 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 Balance Sheet of James Ltd. as on 31.03.2019 calculate

- (i) Debt-equity ratio
- (ii) Proprietary ratio
- (iii) Capital gearing ratio

Balance Sheet of James Ltd. as on 31.03.2019

Particulars	Amount
I EQUITY AND LIABILITIES	
1. Shareholders' funds	
(a) Share capital	
Equity share capital	2,50,000
6% Preference share capital	2,00,000
(b) Reserves and surplus	1,50,000
2. Non-current liabilities	
Long-term borrowings (8% Debentures)	3,00,000
3. Current liabilities	

Short-term borrowings from banks	2,00,000
Trade payables	1,00,000
Total	12,00,000
II ASSETS	
1. Non-current assets	
Fixed assets	8,00,000
2. Current assets	
(a) Inventories	1,20,000
(b) Trade receivables	2,65,000
(c) Cash and cash equivalents	10,000
(d) Other current assets	
Expenses paid in advance	5,000
Total	12,00,000

46. (A) State any five advantages of ratio analysis..

OR

(B) Write kinds of accounting vouchers. How to record major accounting vouchers.

47. (A) Dinesh and Sugumar entered into a partnership agreement on 1st January 2018, Dinesh contributing Rs 1,50,000 and Sugumar Rs 1,20,000 as capital. The agreement provided that:

- Profits 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: Rs 3,600 and Sugumar: Rs 2,200
- Dinesh to receive a salary of Rs 60,000 for the year, and
- Sugumar to receive a commission of Rs 80,000

During the year ended on 31st December 2018, the firm made a profit of Rs 2,20,000 before adjustment of interest, salary and commission. Prepare the Profit and loss appropriation account.

OR

(B) Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?

- Akash has contributed maximum capital. He demands interest on capital at 10% per annum.
- 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.
- Akash demands the profit to be shared in the capital ratio. But, others do not agree.
- Daniel demands salary at the rate of Rs 10,000 per month as he spends full time for the business.
- Loan advanced by Chandru to the firm is Rs 50,000. He demands interest on loan @ 12% pa.

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