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SECOND MID TERM TEST  
ACCOUNTANCY

(29.11.21)

12 STD

Time: 1:30 hrs

MARKS: 45

PART - I

I. Chose the correct Answer:

10 x 10 = 10

1. That part of share capital which can be called up only on the winding up of a company is called:

- (a) Authorised capital (b) Called up capital  
(c) Capital reserve (d) Reserve capital

2. 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

3. If a share of ₹ 10 on which ₹ 8 has been paid up is forfeited. Minimum reissue price is

- (a) ₹ 10 per share (b) ₹ 8 per share  
(c) ₹ 5 per share (d) ₹ 2 per share

4. The financial statements do not exhibit

- a) Non-monetary data b) Past data c) Short term data d) Long term data

5. The term 'fund' refers to

- a) Current liabilities b) Working capital c) Fixed assets d) Non-current assets

6. Expenses for a business for the first year were ₹ 90,000. In the second year, it was increased to ₹ 99,000. What is the trend percentage in the second year?

- a) 10% b) 110% c) 90% d) 11%

7. The mathematical expression that provides a measure of the relationship between two figures is called

- (a) Conclusion (b) Ratio (c) Model (d) Decision

8. Debt equity ratio is a measure of

- (a) Short term solvency (b) Long term solvency (c) Profitability (d) Efficiency

9. Which one of the following is not correctly matched?

- (a) Liquid ratio - Proportion  
(b) Gross profit ratio - Percentage  
(c) Fixed assets turnover ratio - Percentage  
(d) Debt-equity ratio - Proportion

10. Current liabilities Rs. 40,000; Current assets Rs. 1,00,000; Inventory Rs. 20,000.

Quick ratio is

- (a) 1:1 (b) 2.5:11 (c) 2:1 (d) 1:2

PART - II

II. Answer any 4 questions. Question No 16 is compulsory

4 x 2 = 8

11. What is meant by calls in arrear?

12. What are financial statements?

13. What is working capital?

14. What is meant by accounting ratios?

15. Calculate gross profit ratio from the following:

Revenue from operations ₹ 2,50,000, Cost of revenue from operations ₹ 2,10,000 and Purchases ₹ 1,80,000.

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16. Sara Company issues 10,000 equity shares of ₹ 10 each payable fully on application.  
Pass journal entries if the shares are issued at par.

## PART - III

III. Answer any 4 questions, Question No 22 is compulsory

4x3=12

17. What is meant by calls in arrear?  
18. State any three advantages of ratio analysis.  
19. Nivetha Ltd. forfeited 1,000 equity shares of ₹ 10 each for nonpayment of call of ₹ 4 per share. Of these 800 shares were reissued @ ₹ 7 per share. Pass journal entries for forfeiture and reissue.  
20. Calculate quick ratio of Constructions Ltd from the information given below.

Particulars	₹
Total current liabilities	1,00,000
Total current assets	2,50,000
Inventories	50,000
Prepaid expenses	15,000

21. Prepare common-size balance sheet of Maria Ltd. as on 31st March, 2018.

Particulars	31st March 2018 In Rs
<b>I EQUITY AND LIABILITIES</b>	
Shareholders funds	4,00,000
Non-current liabilities	3,20,000
Current liabilities	80,000
<b>Total</b>	<b>8,00,000</b>
<b>II ASSETS</b>	
Non-current assets	6,00,000
Current assets	2,00,000
<b>Total</b>	<b>8,00,000</b>

22. From the following particulars, prepare comparative income statement of Arul Ltd.

Particulars	2015-16	2016-17
	₹	₹
Revenue from operations	50,000	60,000
Other income	10,000	30,000
Expenses	40,000	50,000

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## PART - IV

III. Answer all the questions,

3x 5 = 15

23. Bharath Ltd. Issued 1,00,000 equity shares of ₹ 10 each to the public at par. The details of the amount payable on the shares are as follows:

On application ₹ 5 per share

On allotment ₹ 3 per share

On first and final call ₹ 2 per share

Application money was received for 1,20,000 shares. Excess application money was refunded immediately. Pass journal entries to record the above.

(OR)

Calculate (i) Inventory turnover ratio (ii) Trade receivable turnover ratio (iii) Trade payable turnover ratio and (iv) Fixed assets turnover ratio from the following information obtained from Delphi Ltd.

Particulars	As on 31st	As on 31st March,
	March, 2018 ₹	2019 ₹
Inventory	1,40,000	1,00,000
Trade receivables	80,000	60,000
Trade payables	40,000	50,000
Fixed assets	5,50,000	5,00,000

Additional information:

(i) Revenue from operations for the year ₹ 10,50,000

(ii) Purchases for the year ₹ 4,50,000

(iii) Cost of revenue from operations ₹ 6,00,000.

Assume that sales and purchases are for credit.

24. State the differences between preference shares and equity shares.

(OR)

From the following particulars, prepare comparative statement of financial position of Muthu Ltd.

Particulars	31st March, 2017	31st March, 2018
<b>I EQUITY AND LIABILITIES</b>		
Shareholders' Fund	4,00,000	4,40,000
Non-current liabilities	1,50,000	1,65,000
Current liabilities	75,000	82,500
<b>Total</b>	<b>6,25,000</b>	<b>6,87,500</b>
<b>II ASSETS</b>		
Non-current assets	5,00,000	6,00,000
Current assets	1,25,000	87,500
<b>Total</b>	<b>6,25,000</b>	<b>6,87,500</b>

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25. From the following particulars, calculate the trend percentages of Anu Ltd.

Particulars	₹ in thousands		
	Year 1	Year 2	Year 3
<b>I EQUITY AND LIABILITIES</b>			
Shareholders' Fund	500	550	600
Non-current liabilities	200	250	240
Current liabilities	100	80	120
Total	800	880	960
<b>II ASSETS</b>			
Non-current assets	600	720	780
Current assets	200	160	180
Total	800	880	960

(OR)

From the following trading activities of Naveen Ltd. calculate (i) Gross profit ratio (ii) Net profit ratio (iii) Operating cost ratio (iv) Operating profit ratio

Statement of Profit and loss

Particulars	₹
I. Revenue from operations	20,000
II. Other income:	
Income from investments	200
III. Total revenues (I,II)	20,200
IV. Expenses:	
Purchases of stock-in-trade	17,000
Changes in inventories	-1,000
Finance costs	300
Other expenses (administration and selling)	2,400
Total expenses	18,700
V. Profit before tax (III - IV)	1,500