



# Padalsalai's Telegram Groups!

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**VIVEKANANDA VIDYALAYA MATRIC HR SEC SCHOOL, PANNAIKADU PIRIVU****CLASS: 12****ONE MARK FULLPORTION TEST – 1****MARKS:100****NAME: \_\_\_\_\_****TIME: 1 Hrs****I Multiple choice questions:****60X1=60****1. Incomplete records are generally maintained by**

- (a) A company (b) Government (c) Small sized sole trader business (d) Multinational enterprises

**2. When capital in the beginning is Rs.10,000, drawings during the year is Rs. 6,000, profit made during the year is Rs.2,000 and the additional capital introduced is Rs. 3,000, find out the amount of capital at the end.**

- (a) Rs. 9,000 (b) Rs.11,000 (c) Rs.21,000 (d) Rs. 3,000

**3. The excess of assets over liabilities is**

- (a) Loss (b) Cash (c) Capital (d) Profit

**4. Which of the following items relating to bills payable is transferred to total creditors account?**

- (a) Opening balance of bills payable (b) Closing balance of bills payable  
(c) Bills payable accepted during the year (d) Cash paid for bills payable

**5. 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

**6. What is the amount of capital of the proprietor, if his assets are 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

**7. 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

**8.. 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

**9. Opening balance of debtors: Rs. 30,000, cash received: Rs. 1,00,000, credit sales: Rs.90,000; closing balance of debtors is**

- a). Rs. 30,000 (b) Rs.1,30,000 (c) Rs.40,000 (d) Rs. 20,000

**10. Which one of the following statements is not true in relation to incomplete records?**

- (a) It is an unscientific method of recording transactions (b) Records are maintained only for cash and personal accounts  
(c) It is suitable for all types of organizations (d) Tax authorities do not accept

**11. Receipts and payments account records receipts and payments of**

- (a) Revenue nature only (b) Capital nature only (c) Both revenue and capital nature (d) None of the above

**12. 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

**13. Income and expenditure account is a**

- (a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account

**14. There are 500 members in a club each paying Rs.100 as annual subscription. Subscription due but not received for the current year is Rs.200; Subscription received in advance is Rs. 300. Find out the amount of subscription to be shown in the income and expenditure account.**

- a). Rs.50,000 (b) Rs.50,200 (c) Rs.49,900 (d) Rs.49,800

**15. Income and Expenditure Account is prepared to find out**

- (a) Profit or loss (b) Cash and bank balance (c) Surplus or deficit (d) Financial position

**16. Subscription due but not received for the current year is**

- a) An asset (b) A liability (c) An expense (d) An item to be ignored

**17. Legacy is a**

- (a) Revenue expenditure (b) Capital expenditure (c) Revenue receipt (d) Capital receipt

**18. Receipts and payments account is a**

- (a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account

**19. 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

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20. Donations received for a specific purpose is  
 (a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure
21. 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
22. As per the Indian Partnership Act, 1932, the rate of interest allowed on loans advanced by partners is  
 (a) 8% per annum (b) 12% per annum (c) 5% per annum (d) 6% per annum
23. 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
24. 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.
25. 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
26. Profit after interest on drawings, interest on capital and remuneration is Rs. 10,500. Geetha, a partner, is entitled to receive Commission @ 5% on profits after charging such commission. Find out commission.  
 (a) Rs. 50 (b) Rs.150 (c) Rs.550 (d) Rs.500
27. Which of the following is shown in Profit and loss appropriation account?  
 (a) Office expenses (b) Salary of staff (c) Partners' salary (d) Interest on bank loan
28. In the absence of an agreement, partners are entitled to  
 (a) Salary (b) Commission (c) Interest on loan (d) Interest on capital
29. In the absence of an agreement among the partners, interest on capital is  
 (a) Not allowed (b) Allowed at bank rate (c) Allowed @ 5% per annum (d) Allowed @ 6% per annum
30. In the absence of a partnership deed, profits of the firm will be shared by the partners in  
 (a) Equal ratio (b) Capital ratio (c) Both (a) and (b) (d) None of these
31. 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
32. Which of the following statements is true?  
 (a) Goodwill is an intangible asset (b) Goodwill is a current asset  
 (c) Goodwill is a fictitious asset (d) Goodwill cannot be acquired
33. Identify the incorrect pair  
 (a) Goodwill under Average profit method - Average profit × Number of years of purchase  
 (b) Goodwill under Super profit method - Super profit × Number of years of purchase  
 (c) Goodwill under Annuity method - Average profit × Present value annuity factor  
 (d) Goodwill under Weighted average - Weighted average profit × Number of years of profit method purchase
34. Book profit of 2017 is Rs.35,000; non-recurring income included in the profit is Rs.1,000 and abnormal loss charged in the year 2017 was Rs. 2,000, then the adjusted profit is  
 (a)Rs. 36,000 (b) Rs. 35,000 (c) Rs.38,000 (d) Rs. 34,000
35. The total capitalized 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 capitalization method will be  
 (a) Rs. 40,000 (b) Rs. 70,000 (c) Rs.1,00,000 (d) Rs.30,000
36. 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
37. 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
38. Super profit is the difference between  
 (a) Capital employed and average profit (b) Assets and liabilities  
 (c) Average profit and normal profit (d) Current year's profit and average profit
39. The profit or loss on revaluation of assets and liabilities is transferred to the capital account of  
 (a) The old partners (b) The new partner  
 (c) All the partners (d) The Sacrificing partners

40. If the old profit sharing ratio is more than the new profit sharing ratio of a partner, the difference is called  
 (a) Capital ratio (b) Sacrificing ratio (c) Gaining ratio (d) None of these
41. Revaluation A/c is a  
 (a) Real A/c (b) Nominal A/c (c) Personal A/c (d) Impersonal A/c
42. 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
43. Select the odd one out  
 (a) Revaluation profit (b) Accumulated loss (c) Goodwill brought by new partner (d) Investment fluctuation fund
44. 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
45. 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
46. On revaluation, the increase in the value of assets leads to  
 (a) Gain (b) Loss (c) Expense (d) None of these
47. At the time of admission, the goodwill brought by the new partner may be credited to the capital accounts of  
 (a) all the partners (b) the old partners (c) the new partner (d) the sacrificing partners
48. Match List I with List II and select the correct answer using the codes given below:
- | List I                        | List II                        | Codes: | (i) | (ii) | (iii) | (iv) |
|-------------------------------|--------------------------------|--------|-----|------|-------|------|
| (i) Sacrificing ratio         | 1. Investment fluctuation fund | (a)    | 1   | 2    | 3     | 4    |
| (ii) Old profit sharing ratio | 2. Accumulated profit          | (b)    | 3   | 2    | 4     | 1    |
| (iii) Revaluation Account     | 3. Goodwill                    | (c)    | 4   | 3    | 2     | 1    |
| (iv) Capital Account          | 4. Unrecorded liability        | (d)    | 3   | 1    | 4     | 2    |
49. Accounting principles and accounting standards are not followed properly in  
 a). Double entry system b). Incomplete records c). Trial balance d). Admission of partner
50. It is reliable as it is prepared under  
 a). Double entry system b). Incomplete records c). Trial balance d). Admission of partner
51. Which account is a summary of cash and bank transactions of not for profit organisation prepared at the end of financial year  
 a). Receipt and Payment account b). Income and Expenditure c). Balance Sheet d). Trial Balance
52. The maximum number of partners is not specified in  
 a). Indian companies Act 2013 b). Indian Partnership act 1932 c). Both (a) and (b) d). None of these
53. Which one is the good name or reputation of the business which brings to the benefit of business  
 a). Tangible Asset b). Premises c). Goodwill d). Current Asset
54. It is the rate of which profit is earned by similar business entities in the industry under normal circumstances  
 a). Goodwill b). Normal Rate of return c). Capital Employed d). Normal Profit
55. Under this method goodwill is calculated by multiplying the super profit by a certain number of years purchase  
 a). Annuity method b). Capitalization Method c). Capitalization super profit method d). Purchase super profit method
56. Which type of goodwill is cannot be recorded in the book of accounts  
 a). Acquired goodwill b). Purchased Goodwill c). Self generated Goodwill d). None of these
57. Which method is used when profit show increasing or decreasing trend.  
 a). Super profit method b). Weighted Average Profit Method c). Simple average profit method d). Capitalization method
58. Which fund is created out of profit to adjust the reduction in the market value of the investments.  
 a). Investment fluctuation fund b). Reserve fund c). General reserve d). None of these
59. When new profit sharing ratio is not given but the share sacrificed by the old partners is given, new profit sharing ratio is calculated as  
 a). Old share – New Share b). Old share – Share sacrificed c). Old share x Share sacrificed d). None of these
60. Sacrificing ratio is the proportion of the profit which is sacrificed or forgone by the old partners in favor of  
 a). New Partner b). Old Partner c). New and Old Partner d). None of these
61. 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
62. On revaluation, the increase in liabilities leads to  
 (a) Gain (b) Loss (c) Profit (d) None of these

63. If the final amount due to a retiring partner is not paid immediately, it is transferred to  
 (a) Bank A/c (b) Retiring partner's capital A/c  
 (c) Retiring partner's loan A/c (d) Other partners' capital A/c
64. '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
65. A, B and C are partners sharing profits in the ratio of 2:2:1. On retirement of B, goodwill of the firm was valued as ₹ 30,000. Find the contribution of A and C to compensate B:  
 (a) ₹ 20,000 and ₹ 10,000 (b) ₹ 8,000 and ₹ 4,000 (c) ₹ 10,000 and ₹ 20,000 (d) ₹ 15,000 and ₹ 15,000
66. A, B and C are partners sharing profits in the ratio of 4:2:3. C retires. The new profit sharing ratio between A and B will be  
 (a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
67. X, Y and Z were 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 ₹ 36,000.  
 (a) ₹ 1,000 (b) ₹ 3,000 (c) ₹ 12,000 (d) ₹ 36,000
68. On retirement of a partner from a partnership firm, accumulated profits and losses are distributed to the partners in the  
 (a) New profit sharing ratio (b) Old profit sharing ratio (c) Gaining ratio (d) Sacrificing ratio
69. 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
70. A partner retires from the partnership firm on 30th June. He is liable for all the acts of the firm up to the  
 (a) End of the current accounting period (b) End of the previous accounting period  
 (c) Date of his retirement (d) Date of his final settlement
71. 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
72. Match the pair and identify the correct option
- |  |           |       |       |
|--|-----------|-------|-------|
| (I) Under subscription - (i) Amount prepaid for calls              | (2)       | (3)   | (4)   |
| (2) Over subscription - (ii) Subscription above the offered shares | (a) (i)   | (ii)  | (iii) |
| (3) Calls in arrear - (iii) Subscription below the offered shares  | (b) (iv)  | (iii) | (ii)  |
| (4) Calls in advance - (iv) Amount unpaid on calls                 | (c) (iii) | (ii)  | (iv)  |
|  | (d) (iii) | (iv)  | (i)   |
73. 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
74. After the forfeited shares are reissued, the balance in the forfeited shares account should be transferred to  
 (a) General reserve account (b) Capital reserve account (c) Securities premium account (d) Surplus account
75. 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
76. 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
77. Supreme Ltd. forfeited 100 shares of ₹ 10 each for non-payment of final call of ₹ 2 per share. All these shares were re-issued at ₹ 9 per share. What amount will be transferred to capital reserve account?  
 (a) ₹ 700 (b) ₹ 800 (c) ₹ 900 (d) ₹ 1,000
78. That part of share capital which can be called up only on the winding up of a company is called:  
 (a) Authorized capital (b) Called up capital (c) Capital reserve (d) Reserve capital
79. 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 (b) Only (ii) is correct (c) Both (i) and (ii) are correct (d) Both (i) and (ii) are incorrect
80. Which of the following statement is false?  
 (a) Issued capital can never be more than the authorized capital  
 (b) In case of under subscription, issued capital will be less than the subscribed capital  
 (c) Reserve capital can be called at the time of winding up  
 (d) Paid up capital is part of called up capital
81. 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
82. The financial statements do not exhibit  
 (a) Non-monetary data (b) Past data (c) Short term data (d) Long term data

83. Which of the following tools of financial statement analysis is suitable when data relating to several years are to be analyzed?

- a) Cash flow statement      b) Common size statement      c) Comparative statement      d) Trend analysis

84. 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

85. The term 'fund' refers to

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

86. A limited company's sales has increased from Rs. 1,25,000 to Rs. 1,50,000. How does this appear in comparative income statement?

- a) + 20 %      b) + 120 %      c) - 120 %      d) - 20 %

87. Expenses for a business for the first year were 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%

88. In a common-size balance sheet, if the percentage of non-current assets is 75, what would be the percentage of current assets?

- a) 175      b) 125      c) 25      d) 100

89. Which of the following statements is not true?

- a) Notes and schedules also form part of financial statements.  
b) The tools of financial statement analysis include common-size statement  
c) Trend analysis refers to the study of movement of figures for one year  
d) The common-size statements show the relationship of various items with some common base, expressed as percentage of the common base

90. 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 analyzing the financial statements.  
d) Interpretation of the analyzed data involves personal judgment.

91. Debt equity ratio is a measure of

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

92. Current assets excluding inventory and prepaid expenses is called

- (a) Reserves      (b) Tangible assets      (c) Funds      (d) Quick assets

93. Match List I with List II and select the correct answer using the codes given below:

- | List I                        | List II               |
|-------------------------------|-----------------------|
| (i) Current ratio             | 1. Liquidity          |
| (ii) Net profit ratio         | 2. Efficiency         |
| (iii) Debt-equity ratio       | 3. Long term solvency |
| (iv) Inventory turnover ratio | 4. Profitability      |

Codes:	(i)	(ii)	(iii)	(iv)
(a)	1	4	3	2
(b)	3	2	4	1
(c)	4	3	2	1
(d)	1	2	3	4

94. Current liabilities Rs. 40,000; Current assets Rs. 1,00,000 ; Inventory Rs. 20,000 . Quick ratio is

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

95. To test the liquidity of a concern, which of the following ratios are useful?

- (i) Quick ratio      (ii) Net profit ratio      (iii) Debt-equity ratio      (iv) Current ratio

Select the correct answer using the codes given below:

- (a) (i) and (ii)      (b) (i) and (iv)      (c) (ii) and (iii)      (d) (ii) and (iv)

96. Proportion of share holder's funds to total assets is called

- (a) Proprietary ratio      (b) Capital gearing ratio      (c) Debt equity ratio      (d) Current ratio

97. Current ratio indicates

- (a) Ability to meet short term obligations      (b) Efficiency of management  
(c) Profitability      (d) Long term solvency

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

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

99. 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

100. Cost of revenue from operations Rs. 3,00,000; Inventory in the beginning of the year Rs. 60,000; Inventory at the close of the year Rs. 40,000. Inventory turnover ratio is

- (a) 2 times      (b) 3 times      (c) 6 times      (d) 8 times

## ACCOUNTANCY ONE WORD PRACTICE

Q. NO	ANS	Q. NO	ANS	Q. NO	ANS	Q. NO	ANS	Q. NO	ANS
01		31		61		91			
02		32		62		92			
03		33		63		93			
04		34		64		94			
05		35		65		95			
06		36		66		96			
07		37		67		97			
08		38		68		98			
09		39		69		99			
10		40		70		100			
11		41		71					
12		42		72					
13		43		73					
14		44		74					
15		45		75					
16		46		76					
17		47		77					
18		48		78					
19		49		79					
20		50		80					
21		51		81					
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26		56		86					
27		57		87					
28		58		88					
29		59		89					
30		60		90					

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