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## COMMON SECOND REVISION TEST - 2020

### STANDARD - XII

Time : 3.00 hrs

ACCOUNTANCY

Marks: 90

- I. Answer all the questions. ii) Choose the most suitable answer from the given four alternatives and write the option code and the corresponding answer. 20 x 1 = 20
- Which one of the following statements is not true in relation to incomplete records?
    - It is an unscientific method of recording transactions
    - Records are maintained only for cash and personal accounts
    - It is suitable for all types of organisations
    - Tax authorities do not accept
  - What is the amount of liability of the properties of his assets are ` 100000 and capital are ` 75000
    - ` 25000
    - ` 175000
    - ` 100000
    - ` 75000
  - Honorarium is a
    - capital expenditure
    - capital receipt
    - revenue expenditure
    - revenue receipt
  - Subscription due but not received for the current year is
    - An asset
    - a liability
    - an expense
    - an item to be ignored
  - Fluctuating capital A/c is credited by
    - Interest on partner's capital
    - Partner's share of profit
    - Partner's salary
    - all the above
  - In the absence of an agreement, partners are entitled to receive.
    - Interest on loan
    - Interest on capital
    - salary
    - commission
  - Which of the following statement is true?
    - Goodwill is an intangible asset
    - Good will is a current asset
    - Goodwill is a fictitious asset
    - Goodwill cannot be acquired
  - Capital employed ` 600000, average profit = ` 105000 normal rate of return = 15%, value of goodwill under capitalisation method will be
    - 100000
    - 90000
    - 110000
    - none
  - Revaluation A/c is a
    - Real A/c
    - Nominal A/c
    - Personal A/c
    - Impersonal A/c
  - Pick the odd one out from the following
    - Revaluation profit
    - Accumulated profit
    - Goodwill brought by new partner
    - Investment fluctuation fund
  - On revaluation, the increase in liability leads to
    - Gain
    - Loss
    - Profit
    - None of these
  - A, B and C are partners sharing profit in the ratio of 3 : 2 : 1 C retires. The new profit sharing ratio between A and B will be
    - 2 : 1
    - 3 : 1
    - 3 : 2
    - 2 : 3
  - Equity shareholder's
    - do not enjoy any preferential rights
    - get fluctuating rate of dividend depends upon the profits earned by the company
    - only (i) (ii) correct
    - only (ii) is correct
    - both (i) and (ii) are correct
    - both (i) and (ii) are not correct
  - When shares are issued for purchase of assets, the amount should be credited to
    - vendor's A/c
    - Sundry assets A/c
    - Share capital A/c
    - Bank A/c

15. The term "fund" refers to  
 a) Current liabilities                      b) working capital  
 c) fixed assets                              d) non-current assets
16. A limited company's sales has increased from ₹ 200000 to ₹ 250000. How does this appear in comparative income statement?  
 a) +25%                      b) +20%                      c) -25%                      d) +125%
17. Match List I with List II and select the correct answer using the codes given below
- | List I                  |  | List II                 |  |
|-------------------------|--|-------------------------|--|
| i) Quick ratio          |  | - 1) liquidity          |  |
| ii) Proprietary ratio   |  | - 2) Long term solvency |  |
| iii) Gross profit ratio |  | - 3) Profitability      |  |
| iv) Current ratio       |  | - 4) Acid test          |  |
- Codes:
- |    | i | ii | iii | iv |
|----|---|----|-----|----|
| a) | 2 | 3  | 4   | 1  |
| b) | 4 | 2  | 3   | 1  |
| c) | 3 | 2  | 1   | 4  |
| d) | 1 | 2  | 3   | 4  |
18. Debt equity ratio is a measure of  
 a) short term solvency                      b) Long term solvency  
 c) profitability                              d) Efficiency
19. Contra voucher is used for  
 a) Master entry    b) withdrawal of cash from bank for office use  
 c) Reports                      d) credit purchase of assets
20. Salary account comes under which of the following head?  
 a) Direct incomes                              b) Direct expenses  
 c) Indirect incomes                              d) Indirect expenses
- II. Answer any seven questions in which question number 30 is compulsory. 7 x 2 = 14**
21. What is receipts and payments account?
22. Priyar and Facha are partners, Priya draws ₹ 4000 at the end of each quarter. Interest on drawings is chargeable at 6% p.a. Calculate interest on drawings for the year ended 31st December 2018 using average period.
23. Why is profit and loss appropriation account prepared?
24. The following are the profit of a firm in the  
 2014: ₹ 4000; 2015: ₹ 3000; 2016: ₹ 5000; 2017: ₹ 4500; 2018: ₹ 3500  
 Calculate the value of goodwill at 3 years purchase of average profit of five years.
25. Anbu and Raju are partners sharing profit in the ratio at 3:2. Akshai is admitted as a partner. The new profit sharing ratio among Anbu, Raju and Akshai is 5:3:2. Find out the sacrificing ratio.
26. What is the purpose of calculating gaining ratio?
27. Why are the shares forfeited?
28. From the following information of Akshaya Ltd, Calculate fixed assets turnover ratio.  
 i) Revenue from operations during the year were ₹ 6000000  
 ii) Fixed assets at the end of the year was ₹ 600000

29. From the following particulars of Kumar Ltd. prepare a common-size income statement for the year ended 31st March 2018.

Particular	2017-2018
Revenue from operations	500000
Other income	20000
Expenses	300000

30. Find out the following transactions:

- i) Journal entries      ii) Identification of voucher type      iii) Group  
 a) Sheeba commenced a transport business with capital of ₹ 5,00,000  
 b) An account was opened with state Bank of India and deposited ₹ 300000

**III. Answer any seven questions in which question number 40 is compulsory. 7 x 3 = 21**

31. On 1st April 2018 Chitra started her business with a capital of ₹ 120000. She did not maintain proper book of accounts. Following particular are available from her books as on 31.3.2019

Particulars	
Bank overdraft	50000
Debtors	180000
Bills receivable	70000
Computer	30000
Machinery	300000
Stock	160000
Creditors	90000
Bills payable	240000
Cash in hand	60000

During the year she withdrew ₹ 2500 per month from the business for her personal use. Prepare statement of profit or loss with the above information. She introduced further capital of ₹ 20000 during the year.

32. Explain any three differences between sacrificing ratio and gaining ratio.  
 33. How will the following appear in the final accounts of Veeraranyam sports club?

Opening stock of bats and balls	3000
Purchase of bats and balls	17000
Sale of old bats and balls	2000
Closing stock of bats and balls	4000

34. Ram and Lekshman contribute ₹ 60000 and ₹ 40000 respectively as capital. Their respective share of profit is 2:1 and the profit before interest on capital for the year is ₹ 5000. Compute the amount of interest on capital in each of the following situations:  
 i) If the partnership deed is silent as to the interest on capital.  
 ii) If interest on capital @4% is allowed as per the partnership deed.  
 iii) If the partnership deed allows interest on capital @6% per annum.
35. Rajesh and Ramesh are partners sharing profits in the ratio of 3:2. They admit Rajan into partnership for 1/4 share of profit. Rajan pays cash ₹ 3000 towards her share of goodwill. The new ratio is 3:2:2. Pass necessary journal entry on the assumption that the fixed capital system is followed.
36. Kavitha, Kumudha and Lalitha are partners sharing profits and losses in the ratio of 5:3:3 respectively. Kumudha retires from the firm on 31st December 2018. On the date of retirement, her capital account shows a credit balance of ₹ 2,00,000. Pass journal entries if:

- i) The amount due is paid off immediately by cheque.  
 ii) The amount due is not paid immediately. iii) ₹ 70000 is paid immediately by cheque.
37. Maruthu Ltd forfeited 150 equity shares of ₹ 10 each for nonpayment of final call of ₹ 4 per share. Of these 100 shares were reissued @ ₹ 9 per share. Pass journal entries for forfeiture, Reissue and capital reserve.
38. Calculate Liquidity Ratios from the following information
- | Particulars               |        |
|---------------------------|--------|
| Total current assets      | 300000 |
| Total current liabilities | 100000 |
| Inventories               | 75000  |
| Prepaid expenses          | 25000  |
39. What are the steps involved in designing accounting reports?
40. The average net profits of the firm expected in the future is ₹ 27000. The average capital employed in the business is ₹ 150,000. The rate of interest expected from the capital invested in the business is 10%. The remuneration of the partners is ₹ 4000 p.a. The firm calculated the value of goodwill on the basis of two years purchase of super profit is ₹ 20000.
- i) Is the calculated value of goodwill correct?  
 ii) If not, calculate the value of goodwill.

**IV. Answer all the questions:**

**7 x 5 = 35**

41. a) On 1st April 2017, Ganesh started his business with a capital of ₹ 222000. He did not maintain proper book of accounts. From the details given below prepare trading and profit and loss account and balancesheet as on 31st March 2018.

Total sales	300000
Total purchase	150000
Wages	30000
General expenses	20000
Advertising	4000
Carriage outwards	7000
Salaries	10000
Closing stock	60000
Closing cash	140000
Closing debtors	50000
Drawings	61000
Closing creditors	20000
Closing bills receivable	70000

**(OR)**

- b) From the following information, prepare capital accounts of partners Mannan and Sevagan, when their capitals are fluctuating.

Particulars	Mannan	Sevagan
Capital on 1st January 2018 (Cr)	200000	175000
Drawings during the year 2018	40000	35000
Interest on drawings	1000	500
Share of profit for 2018	21000	16500
Interest on capital	12000	10500
Salary	18000	nil
Commission	nil	2500

42. a) Following is the receipts and payments account of Madurai Recreation club for the year ended 31st March 2019.

Receipts		Payments	
To Balance b/d	10000	By furniture	10000
Cash in hand		By stationary	1000
To subscriptions		By Investment	5000
2018-2019	12500	By postage	500
2019-2020	500	By Electric charges	1500
To proceeds from entertainment	15000	By Unkeep of ground	5000
To sundry receipts	1000	By balance C/d cash in hand	16000
	39000		39000

Additional Informations:

- i) There are 450 members each paying annual subscription of ₹ 30.  
 ii) Capital fund as on 1st April 2018 was ₹ 10,000.  
 Prepare income and expenditure account for the year ended 31st March 2019 and the balance sheet as on that date. (OR)
- b) 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 ₹ 60000. Find the commission of Sibi and Manoj. Also show the distribution of profit.
43. a) Rajesh and Ramesh are partners sharing profits in the ratio of 3:2. Raman is admitted as a new partner and the new profit sharing ratio is decided as 5:3:2. The following revaluations are made. Pass journal entries and prepare revaluation account.
- i) The value of building is increased by ₹ 15000  
 ii) Provision for doubtful debts is made for ₹ 1500  
 iii) Provision would also be made for outstanding wages for ₹ 3500. (OR)
- b) Jaya, Valli and Malar are partners sharing profit and losses equally. On 31.3.2019, Malar retired from the partnership firm. Profits of the preceding years is as follows: 2016: ₹ 5000, 2017: ₹ 10000 and 2018: ₹ 30000.  
 Find out the share of profit of Malar for the year 2019 till the date of retirement if  
 i) Profit is to be distributed on the basis of the previous year's profit.  
 ii) Profit is to be distributed on the basis of the average profit of the past 3 years.  
 Also pass necessary journal entries by assuming that partner's capitals are fluctuating.
44. a) Vetri and Ranjit are partners, sharing profits in the ratio of 3:2. Their balance sheet as on 31st December 2017 is as under

Liabilities		Assets	
Capital		Furniture	25000
Vetri	30000	Stock	20000
Ranjit	20000	Debtors	10000
Workman compensation fund	50000	Cash in hand	35000
		Profit and loss A/c (Loss)	10000
	100000		10000

On 1.1.2018, they admit Suriya into their firm as a partner on the following arrangements.

- i) Suriya brings ₹ 20000 as capital for 1/4 share of profits.  
 ii) Debtors to be revalued at ₹ 8000  
 iii) Furniture to be revalued at ₹ 35000  
 iv) There is an outstanding wages of ₹ 3000 not yet recorded.  
 Prepare revaluation account and partners's capital account. (OR)

- b) Rajan Ltd. purchased machinery of ₹ 600000 from Jegan Traders. It issued equity shares of ₹ 10 each fully paid in satisfaction of their claim. What entries will be made if such issue is made i) at par and ii) at a premium of 50%

45. a) From the following particulars, prepare comparative income statement Mani Co-Ltd.

Particulars	2015-16	2016 - 17
Revenue from operations	400000	500000
Operating expenses	200000	180000
Income Tax (% of the profit before tax)	20	50

(OR)

- b) From the following information calculate trend percentage for Mullai Ltd.

Particulars	in laksh		
	2015-16	2016-17	2017-18
Revenue from operations	100	120	160
Other income	20	24	20
Expenses	20	14	40
Income tax	30%	30%	30%

46. a) Sampath company issued 25000 shares at ₹ 10 per share payable ₹ 3 on application, ₹ 4 on allotment, ₹ 3 on first and final call. The public subscribed for 24000 shares and received the money duly. Pass necessary journal entries. (OR)

- b) From the following information, compute the value of goodwill as per annuity method:

i) Capital employed : ₹ 100000

ii) Normal rate of return : 10%

iii) Profits of the year 2016, 2017 and 2018 were ₹ 25000, ₹ 35000 and ₹ 30000 respectively.

iv) The present value of annuity of ₹ 1 for 3 years at 10% is ₹ 2.4868.

47. a) From the following trading activities of Naveen Ltd. calculate.

i) Gross profit ratio ii) Operating cost ratio.

Statement of profit and loss

Particulars	
I. Revenue from operations	20000
II. Other income :	
Income from investments	200
III. Total revenue (I+II)	20200
IV. Expenses	
Purchases of stock in trade	17000
Changes inventories	(-) 1000
Finance costs	300
Other expenses (administration and selling)	2400
Total expenses	18700
V. Profit before tax (III-IV)	1500

(OR)

- b) From the following information relating to Anand enterprises, calculate the value of goodwill on the basis of 2 years purchase of the average profits of 3 years.

i) Profits for the year ending 31st December.

2016, 2017 and 2018 were ₹ 46000, ₹ 44000 and ₹ 40000 respectively.

ii) A non-recurring income of ₹ 7000 is included in the profits of the year 2016.

iii) The closing stock of the year 2017 was overvalued by ₹ 4000.