

T

SECOND REVISION TEST, JANUARY - 2020

THIRUNELVELI
DISTRICT

STANDARD - XII

Time : 3.15 hrs

ACCOUNTANCY

Marks: 90

Part - I

i) Answer all the questions. ii) Choose the most appropriate answer from the given four alternatives and write the option code and the corresponding answer. 20×1=20

- 1) Which of the following items 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
- 2) 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
- 3) Receipts and payments account is a
a) Nominal A/c b) Real A/c
c) Personal A/c d) Representative personal Account
- 4) 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
- 5) 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
- 6) Profits 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
- 7) Revaluation A/c is
a) Real A/c b) Nominal A/c c) Personal A/c d) Impersonal A/c
- 8) Select the odd out
a) Revaluation profit b) Accumulated profit
c) good will brought by new partner d) investment fluctuation fund
- 9) A partner retired from the partnership firm on 28th July. He is liable for all the acts of the firm upto 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

- T
- 10) Which of the following statement is false?
- issued capital can never be more than authorised capital
 - In case of under subscription, issued capital will be less than the subscribed capital
 - Reserve capital can be called at the time of winding up
 - Paid up capital is part of called up capital
- 11) James and John are sharing profits and losses in the ratio of 5:3. They admit sunil as a partner giving him $\frac{1}{5}$ share of profits find out the sacrificing ratio
- 1:3
 - 3:1
 - 5:3
 - 3:5
- 12) A was a partnership firm. He died on 31st March 2019. The final amount due to him is Rs. 25,000. Which is not paid immediately. It will be transferred to
- A's Capital account
 - A's Current account
 - A's Executer account
 - A's Executor loan account
- 13) At the time of the forfeiture, share capital account is debited with
- face value
 - Nominal value
 - paid up amount
 - called up amount
- 14) Supreme Ltd, forfeited 100 shares of Rs.100 each for non-payment of final call of Rs. 2 per share. All these shares were re-issued at Rs.9 per share. What amount will be transferred to capital reserve account?
- Rs. 700
 - Rs. 800
 - Rs. 900
 - Rs. 1,000
- 15) Which of the following statement is not true?
- All the limitations of financial statements are applicable to financial statement analysis also
 - financial statement analysis is only the means and not an end
 - expert knowledge is not required in analysing the financial statement
 - interpretation of the analyses data involves personal judgements
- 16) Debt equity ratio is a measure of
- Short term solvency
 - long term solvency
 - profitability
 - efficiency
- 17) Proportion of share holder's funds to the total assets is called
- Proprietary ratio
 - Capital gearing ratio
 - Debt equity ratio
 - Current ratio
- 18) Where using tally, the function key F'11 is used for
- company features
 - accounting vouchers
 - company configuration
 - None of these
- 19) In tally, salary account comes under which of the following head?
- Direct incomes
 - Direct expenses
 - Indirect incomes
 - Indirect expenses
- 20) Which of the following is the incorrect pair?
- interest on drawings - Debited to capital account
 - Interest on capital - credited to capital account
 - Interest on loan-debited to capital account
 - Share of profit - credited to capital account

Part - II

Answer any 7 question. Q.No. 30 is compulsory:-

7×2=14

- 21) What is income and expenditure account?
 22) Write short note on securities premium account?
 23) Write short notes on accounting voucher?
 24) What is normal rate of return?
 25) From the following details. Calculate the capital as on 31st December 2019.

Particulars	Rs.
Capital as on 1st Jan 2018	1,00,000
goods withdrawn for personal use by the owner	30,000
Additional capital introduced during the year	15,000
Profit for the year	40,000

- 26) How will the following appear in the final accounts of Vedaranyan 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

- 27) Shankar is a partner in a partnership firm. As per the partnership deed, interest on drawing is charged at 6% per annum. During the year end 31st Dec 2018 he withdrew as follows:

Date	Rs.
February 1	2,000
May 1	10,000
July 1	4,000
October 1	6,000

Calculate the amount of interest on drawings by using product method.

- 28) A, B, C are partners sharing profits in the ratio of 3:5:7. 'C' retires and the share is purchased by A and B in the ratio of 3:1. find the new profit sharing ratio and gaining ratio.
 29) Complete the following journal entires by filling the missing information.

Date	Particulars	L.F	Dr Rs.	Cr Rs.
1.	_____ Dr. To share application A/c (Application money received @/per share)		10,00,000	
2.	Share application A/C Dr. To share capital A/c (Share application money for _____ shares transferred to _____)			10,00,000

- 30) Amar, Akbar and Antony were partners in a firm sharing profits and losses in the ratio of 4:3:2. On the date of retirement of Akbar the value of goodwill and undistributed profit shows Rs. 45,000 and 36,000 respectively.

Pass Journal entries for the above on the assumption that fluctuating Capital method is followed.

Part - III

Answer any 7 questions. Q.No. 40 is compulsory:-

7×3=21

- 31) State the difference between Receipts and Payments account and income and Expenditure account (any 3)
- 32) Explain any 3 factors determining good will
- 33) From the following details find out total sales made during the year.

Particulars	Rs.
Debtors on 1st January 2018	1,30,000
Cash received from debtors during the year	4,20,000
Sales returns	35,000
Bad debts	15,000
Debtors on 31st December 2018	2,00,000
Cash sales	4,20,000

- 34) How the following items will appear in the final account of a club for the year ended 31st March 2019.

Receipts	Rs.	Rs.	Payments	Rs.
To subscription				
Previous year	10,000			
Current year	50,000			
Subsequent year	5,000	65,000		

Adjustments:

- i) There are 200 members in the club each paying an annual subscriptions of Rs.400
- ii) Subscription still outstanding for the previous year Rs.2,000
- 35) Ramu and Somu are partners of a firm sharing profit and losses in the ratio of 5:3. They admit Gopu on 1.1.2018. On the date, their balance sheet showed general reserve Rs. 8,000 and accumulated loss of Rs.40,000 on the asset side of the balance sheet. Give the journal entries.
- 36) From the following particulars of Mari Ltd and Gani Ltd prepare a common size income statement for the year ended 31st March 2019.

Receipts	Mani Ltd	Gani Ltd
Revenue from operation	1,00,000	2,00,000
Other income	10,000	30,000
Expenses	70,000	1,20,000

- 37) From the given information calculate the inventory turnover ratio and inventory conversion period (in months) of Devi Ltd.

Particulars	Rs.
Revenue from operations	12,00,000
Inventory at the beginning of the year	1,70,000
Inventory at the end of the year	1,30,000
Purchases made during the year	6,90,000
Carriage inwards	20,000

- 38) Malathi and Shobana are partners sharing profits and losses in the ratio of 5:4. They admit Jayasri into partnership for 1/3 share of profit. Jayasri pays cash Rs.60,000 towards her share of goodwill. The new ratio is 3:2:1. Pass necessary journal entry for adjusting goodwill on the assumptions that the fixed capital method is followed.
- 39) Calculate quick ratio: Total current liabilities Rs.2,40,000; Total current assets Rs.4,50,000; Inventories Rs. 70,000; Prepaid expenses Rs. 20,000.

T

5

XII - Accountancy

- 40) From the following particulars, prepare comparative income statement of Dharani Ltd.

Particulars	2017-2018	2018-19
Revenue from operations	30,000	45,000
Other income	4,000	6,000
Expenses	10,000	15,000
Income tax	30%	30%

Part - IV

7×5=35

Answer all the questions:-

- 41) Kadayannallur recreation club gives you the following detail. Prepare income and expenditure account for the year ended 31st March 2019.

Particulars	Rs.	Particulars	Rs.
Opening cash balance	15,000	Salary of watchman	12,000
Opening bank balance	25,000	Club annual day expenses	15,000
Donation received	48,000	Lighting charges	16,500
Sales of equipment	26,000	Entertainment expenses	13,500
Refreshment charges	13,000	Billiards table purchased	5,000
Club annual day collection	18,000	Expenses of charity share	3,000
Construction of tennis court	7,000	Sales of investment	12,000
Receipts from charity share	4,000	Closing cash balance	12,000
Rent paid	1,000		

- 41) Rajan and Selva are partners sharing profits and losses in the ratio of 3:1. Their balance sheet as on 31st March 2017 is as under.

Liabilities	Rs.	Assets	Rs.
Capital accounts:		Building	25,000
Rajan 30,000		Furniture	1,000
Selva 16,000	46,000	Stock	20,000
General reserve	4,000	Debtors	16,000
Creditors	37,500	Bills receivable	3,000
		Cash at bank	12,000
		Profit & Loss A/c	10,000
	87,500		87,500

on 1.4.2017 they admit Ganesan as a new partner on the following arrangements:

- Ganesan brings Rs.10,000 as capital for 1/5 share of profit.
 - Stock and furniture is to be reduced by 10% a reserve of 5% on debtors for doubtful debts is to be created
 - Appreciate building by 20%
 - The revaluation profit is calculated as Rs.2,100 and capital account
- Prepare revaluation account, Partner is of new partner.
- 42) Barathi does not keep proper books of accounts. Following details are taken from his records.

Particulars	1.1.2019 Rs.	31.12.2019 Rs.
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

T

6 XII - Accountancy

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.

- 42) From the following information, prepare capital account of partner Ramu and Somu
b) when their capital are fixed.

Particulars	Ramu Rs.	Somu Rs.
Capital on 1st April, 2018	70,000	50,000
Current account on 1st April 2018 (cr)	25,000	15,000
Additional Capital introduced	18,000	16,000
Drawings during 2018-2019	10,000	6,000
Interest on drawings	500	300
Share of profit for 2018-2019	35,000	25,800
Interest on Capital	3,500	2,500
Salary	Nil	18,000
Commission	12,000	Nil

- 43) Manju, Charu and Lavanya are partners in a firm sharing profits and losses in the ratio 5:3:2. Their balance sheet as on 31st March 2018 is as follows:

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts:			Buildings	1,00,000
Manju	70,000		Furniture	80,000
Charu	70,000		Stock	60,000
Lavanya	<u>70,000</u>	2,10,000	Debtors	40,000
Sundry Creditors		40,000	Cash in hand	20,000
Profit and loss A/c		50,000		
		<u>3,00,000</u>		<u>3,00,000</u>

Manju retired from the partnership firm on 31.03.2018 subject to the following adjustments:-

- Stock to be depreciated by Rs. 10,000.
- Provision for doubtful debts to be created for Rs.3,000
- Buildings to be appreciated by Rs. 28,000
- Manju is not paid immediately.
- Revaluation profit is Rs.15,000

Prepare Capital accounts of partners after retirement.

- 43) Paradise Ltd., Purchased assets Rs.4,40,000 from Suguna Furniture Ltd., It issued equity shares of Rs.10 each fully paid in satisfaction of their claim. What entries will be made if such issue is: a) at par and b) at premium of 10%

- 44) Compute trend percentage for the following particulars of Boomi Ltd.

Particulars	in lakhs		
	Year 1	Year 2	Year 3
I. Equity and Liabilities			
1. Shareholder's fund			
a) Share capital			
b) Reserve and Surplus	200	254	212
2. Non-current liabilities	60	60	90
long-term borrowings			
3. Current liabilities	140	154	168
Trade payables			
Total	40	60	80
	<u>440</u>	<u>528</u>	<u>550</u>

II. Assets			
1. Non-current assets			
a) Fixed assets	200	236	206
b) Non-current investment	80	100	120
2. Current assets			
Inventories	120	132	144
Cash and Cash equivalents	40	60	80
Total	440	528	550

44) Following is the balance sheet of Lakshmi Ltd. as on 31st March 2019.

Particulars	Rs.
I. Equity and Liabilities	
1. Shareholder's funds	
Equity Share capital	4,00,000
2. Non-current liabilities	
long-term borrowings	2,00,000
3. Current liabilities	
a) Short-term borrowings	50,000
b) Trade payables	3,10,000
c) Other current liabilities expenses paybles	15,000
d) Short term provisions	25,000
Total	10,00,000
II. Assets	
1. Non-current assets	
a) Fixed assets	
Tangible assets	4,00,000
2. Current assets	
a) Inventories	1,60,000
b) Trade debtors	3,20,000
c) Cash and Cash equivalents	80,000
d) Other current assets prepaid expenses	40,000
Total	10,00,000

45) From the following statement of Profit and loss of Dericston Ltd. Calculate
i) Gross profit ratio ii) Net profit ratio

Statement of Profit and Loss

Particulars	Rs.
I. Revenue from operations	24,00,000
II. Other income:	
Income from investment	70,000
III. Total revenues (I+II)	24,70,000
IV. Expenses:	
Purchase of stock-in-trade	18,80,000
Changes in inventories	(-) 80,000
Employee benefits expenses	2,90,000
Other expenses	1,10,000
Provision for tax	30,000
Total expenses	22,30,000
V. Profit for the year	2,40,000

T

8 XII - Accountancy

- 45) Viswanath furniture Ltd. invited applications for 20,000 shares of Rs.10 each at a premium of Rs.2 per share payable.

Rs. 2 on application

Rs. 5 (including premium) on allotment

Rs. 5 on first and final call

There was over subscription and applications were received for 30,000 shares and the excess applications were rejected by the directors. All the money due were received. Pass the journal entries.

- 46) Janani, Janaki and Jamuna are partners sharing profit and losses in the ratio of 3:3:1 respectively. Janaki died on 31st December 2017. Final amount due to her showed a credit balance of Rs.1,40,000. Pass journal entries if,

a) The amount due is paid off immediately

b) The amount due is not paid immediately

c) Rs. 75,000 is paid and the balance in future.

- 46) The following particulars are available in respect of the business carried on by a partnership firm:

i) Profits earned: 2016: Rs.25,000, 2017: Rs. 23,000, 2018: Rs. 26,000

ii) Profits of 2016 includes a non-recurring income of 2,500

iii) Profit of 2017 is reduced by Rs. 3,500 due to stock destroyed by fire.

iv) The stock was not insured. But, it is decided to insure the stock in future. The insurance premium is estimated to be Rs.250 per annum.

You are required to calculate the value of goodwill of the firm on the basis of 2 years purchase of average. Profits of the last three years.

- 47) Chandru, Vishal and Ramanan are partners in a firm sharing profits and losses equally their balance sheet as on 31st March 2018 is as follows:

Liabilities	Rs.	Assets	Rs.
Capital accounts:		Furniture	60,000
Chandru 60,000		Machinery	1,20,000
Vishal 70,000		Sundry debtors	33,000
Ramanan 70,000	2,00,000	less: Provision for doubtful debts	3,000
Bills payable	80,000	Bills receivable	50,000
		Cash at bank	20,000
	2,80,000		2,80,000

Ramanan retired on 31st March 2019 subject to the following conditions:-

i) Machinery is valued at Rs. 1,50,000

ii) Value of furniture bought down by Rs.10,000

iii) Provision for doubtful debts should be increased to Rs.5,000

iv) Investment of Rs.30,000 not recorded in the book is to be recorded now.

Pass necessary journal entries and prepare revaluation account.

- 47) Kavitha is a partner in a firm. She withdraws Rs.2,500 p.m regularly. Interest on drawings is charged @ 4% p.a. Calculate the interest on drawings using average period, if she draws

i) at the beginning of every month

ii) in the middle of every month

iii) at the end of every month.
