



# K V MATRIC. HR. SEC. SCHOOL

CREATIVITY \* PROSPERITY\* ACHIEVEMENT

KURUMBAPALAYAM, COIMBATORE – 641 10 7.

12 STD

ACCOUNTANCY

MODEL QUARTERLY EXAMINATIONS 1

TIMES: 3.00Hrs.

MARKS: 90

INSTRUCTIONS: USE BLUE INK TO WRITE AND PENCIL TO DRAW DIAGRAMS.

## PART – A

I. ANSWER ALL THE QUESTIONS.

(20X1=20)

CHOOSE THE MOST APPROPRIATE ANSWER FROM THE GIVEN FOUR ALTERNATIVES AND WRITE THE OPTION CODE AND THE CORRESPONDING ANSWER:

INSTRUCTIONS: USE BLUE INK TO WRITE AND PENCIL TO DRAW DIAGRAMS.

- 1) The excess of assets over liabilities is \_\_\_\_\_  
(a) Loss (b) Cash (c) Capital (d) Profit
- 2) 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 organisations (d) Tax authorities do not accept
- 3) 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
- 4) 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
- 5) Legacy is a \_\_\_\_  
(a) Revenue expenditure (b) Capital expenditure  
(c) Revenue receipt (d) Capital receipt
- 6) 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
- 7) 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
- 8) 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

- 9) 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
- 10) 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
- 11) 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
- 12) 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
- 13) 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 partner
- 14) 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 partner
- 15) Which of the following statements is not true in relation to admission of a part \_\_\_\_
- (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
- 16) Balaji and Kamallesh are partners sharing profits and losses in the ratio of 2:1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamallesh and Yogesh is agreed to 3:1:1. Find the sacrificing ratio between Balaji and Kamallesh.
- (a) 1:3                      (b) 3:1                      (c) 2:1                      (d) 1:2
- 17) On revaluation, the increase in liabilities leads to \_\_\_\_
- (a) Gain                      (b) Loss                      (c) Profit                      (d) None of these
- 18) 'A' was a partner in 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) A's capital account                      (b) A's current account

(c) A's Executor account

(d) A's Executor loan account

19) 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

20) 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 Rs 36,000.

(a) Rs. 1,000

(b) Rs. 3,000

(c) Rs. 12,000

(d) Rs. 36,000

### PART - B

7 x 2 = 14

#### II. ANSWER ANY 7 QUESTIONS. QUESTION NO. 30 IS COMPULSORY:

2) State the accounts generally maintained by small sized sole trader when double entry accounting system is not followed

22) What is gaining ratio?

23) What is the journal entry to be passed for providing interest on capital to a partner?

24) What is acquired goodwill?

25) From the following particulars, prepare bills receivable amount and compute the bills received from the debtors.

| Particulars                                   | Rs.      |
|---|----------|
| Bills receivable at the beginning of the year | 1,40,000 |
| Bills receivable at the end of the year       | 2,00,000 |
| Cash received for bills receivable            | 3,90,000 |
| Bills receivable dishonoured                  | 30,000   |

26) Give four examples for revenue receipts of not-for-profit organisation.

27) Chennai tennis club had Match fund showing credit balance of Rs.24,000 on 1st April, 2021. Receipt to the fund during the year was Rs 26 000. Match expenses incurred during the year was Rs.33,000. How these items will appear in the final accounts of the club for the year ended 31st March, 2022?

28) The capital account of Arivazhagan and Srinivasan on 1st January 2021 showed a balance of Rs.15,000 and Rs 10 000 respectively. On 1st July 2021, Arivazhagan introduced an additional capital of Rs.5,000 and on 1st September 2021 Srinivasan introduced an additional capital of Rs.10,000. Calculate interest on capital at 6% p.a. for the year ending 31st December 2021.

29) Kavitha and Radha are partners of a firm sharing profits and losses in the ratio of 4:3. They admit Deepa on 01.01.2021. On that date, their balance sheet showed debit balance of profit and loss account being accumulated loss of Rs. 70,000 on the asset side of the balance sheet. Give the journal entry to transfer the accumulated loss on admission.

30) State whether the following will be debited or credited in the revaluation account.

(a) Depreciation on assets

(b) Unrecorded liability

(c) Provision for outstanding expenses

(d) Appreciation of assets

## PART - C

7 × 3 = 21

### III ANSWER ANY 7 QUESTIONS. QUESTION NO 40 IS COMPULSORY

31) From the following details, calculate the missing figure

|   | Rs.      |
|---|----------|
| Capital as on 31.03.2022                      | 1,90,000 |
| Additional capital introduced during the year | 50,000   |
| Drawings during the year                      | 30,000   |
| capital on 01.04.2021                         | ?        |
| Loss for the year ending 31.03.2022           | 40,000   |

32) On 1st April 2021 Subha started her business with a capital of Rs.1,20,000. She did not maintain proper book of accounts. Following particulars are available from her books as on 31.03.2022.

| Particulars        | Rs.      | Particulars    | Rs.      |
|--------------------|----------|----------------|----------|
| Bank overdraft     | 50,000   | Stock-in-trade | 1,60,000 |
| Debtors            | 1,80,000 | Creditors      | 90,000   |
| Bills receivable   | 70,000   | Bills payable  | 2,40,000 |
| Computer Machinery | 30,000   | Cash in hand   | 60,000   |

During the year she withdrew Rs 30,000 for her personal use. She introduced further capital of Rs.40,000 during the year Calculate her profit or loss.

33) List out the adjustments made at the time of retirement of a partner in a partnership firm

34) How the following items are dealt with in the final accounts of not for-profit organisation?

- a) Sale of sports materials
- b) Life membership fees
- c) Tournament fund

35) How will the following appear in the final accounts of Vedaranyam Sports club?

|  | Rs.    |
|--|--------|
| 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  |

36) A and B contribute Rs.4,00,000 and Rs.2,00,000 respectively as capital. Their respective share of profit is 3:2 and the profit before interest on capital for the year is Rs.27,000. 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 @ 3% is allowed as per the partnership deed
- (iii) if the partnership deed allows interest on capital @ 5% p.a.

37) Dhanam is a partner in a firm. He withdraws Rs.1,000 p.m. regularly. Interest on drawings is charged @ 5% p.a. Calculate the interest on drawings using average period, if he draws

- (i) at the beginning of every month
- (ii) in the middle of every month
- (iii) at the end of every month

38) Find out the value of goodwill at three years purchase of weighted average profit of last four year.

| Year | Profit<br>Rs. | Weight |
|------|---------------|--------|
| 2019 | 10,000        | 1      |
| 2020 | 12,000        | 2      |
| 2021 | 16 000        | 3      |
| 2022 | 18,000        | 4      |

Purchase of super profit method.

39) Sathish and Sudhan are partners in a firm sharing profits and losses in the ratio of 4:3.

On 1st April 2021, they admitted Sasi as a partner. On the date of Sasi's admission, goodwill appeared in the books of the firm at Rs.35,000. By assuming fluctuating capital account, pass the necessary journal entry if the partners decide to

(i) write off the entire amount of existing goodwill

(ii) write off Rs.21,000 of the existing goodwill

40) How is the value of goodwill calculated under the capitalisation method?

### PART - D

7 x 5 = 35

#### IV. ANSWER ALL THE QUESTIONS.

41) a) State the differences between double entry system and incomplete records.

(OR)

b) Selvam does not keep his books under double entry system. From the following information prepare trading and Profit and loss A/c and Balance Sheet as on 31 12-2018

| Particulars      | 01-01-2021<br>Rs. | 31-12-2021<br>Rs. |
|------------------|-------------------|-------------------|
| Machinery        | 60,000            | 60,000            |
| Cash at bank     | 25,000            | 33,000            |
| Sundry debtors   | 70,000            | 1,00,000          |
| Stock            | 45,000            | 22,000            |
| Bills receivable | 20,000            | 38,000            |
| Bank loan        | 45,000            | 45,000            |
| Sundry creditors | 25,000            | 21,000            |

| Particulars    | Rs.    | Particulars           | Rs.      |
|----------------|--------|-----------------------|----------|
| Cash sales     | 20,000 | Credit sales          | 1,80,000 |
| Cash purchases | 8,000  | Credit purchases      | 52,000   |
| Wages          | 6,000  | Salaries              | 23,500   |
| Advertisement  | 7,000  | Interest on bank loan | 4,500    |
| Drawings       | 60,000 | Additional capital    | 21,000   |

Adjustments:

Write off depreciation of 10% on machinery

42) a) From the following details you are required to calculate credit sales and credit purchases by preparing total debtors account, total creditors account, bills receivable account and bills payable account.

| Particulars                        | Opening<br>Rs. | Closing<br>Rs. |
|------------------------------------|----------------|----------------|
| Debtors                            | 60,000         | 55,000         |
| Bills receivable                   | 5,000          | 1,000          |
| Creditors                          | 25,000         | 28,000         |
| Bills payable                      | 2,000          | 3,000          |
| <b><u>OTHER INFORMATION</u></b>    |                |                |
| Cash received from debtors         |                | 1,30,000       |
| Discount allowed to customers      |                | 5,500          |
| Cash paid to creditors             |                | 70,000         |
| Discount allowed by suppliers      |                | 3,500          |
| Payments against bill payable      |                | 7,000          |
| Cash received for bills receivable |                | 14,000         |
| Bills receivable dishonoured       |                | 1,200          |
| Bad debts                          |                | 3,500          |

(OR)

b) From the following Receipts and Payments Account of Friends Football club, for the year ending 31st March, 2022, prepare Income and Expenditure Account for the year ending 31st March, 2022 and the Balance sheet as on that date.

In the books of Friends Football Club

Dr. Receipts and Payments Account for the year ended 31st March, 2022 Cr.

| Receipts                            | Rs.    | Rs.    | Payments                         | Rs.    | Rs.    |
|-------------------------------------|--------|--------|----------------------------------|--------|--------|
| o Balance b/d                       |        |        | By Furniture                     |        | 7,000  |
| Cash                                | 1,000  |        | By Sports materials<br>purchased |        | 800    |
| Bank                                | 10,000 | 11,000 | By Special dinner expenses       |        | 1,500  |
| To Subscriptions                    |        | 5,000  | By Electricity charges           |        | 900    |
| To Legacies                         |        | 6,000  | By Balance c/d                   |        |        |
| To Collection for<br>special dinner |        | 2,000  | Cash in hand                     | 1,800  |        |
|                                     |        |        | Cash at bank                     | 12,000 | 13,800 |
|                                     |        | 24,000 |                                  |        | 24,000 |

**Additional information:**

(i) The club had furniture of Rs.12,000 on 1st April 2021. Ignore depreciation on furniture.

(ii) Subscription outstanding for 2021-2022 Rs. 600.

(iii) Stock of sports materials on 31.03.2022 Rs.100.

(iv) Capital fund as on 1st April 2021 was Rs. 23,000.

- 43) a) The following particulars are available in respect of the business carried on by a Partnership firm:
- (i) Profits earned: 2020: Rs.25,000; 2021: Rs.23,000 and 2022: Rs.26,000.
  - (ii) Profit of 2020 includes a non-recurring income of Rs.2,500.
  - (iii) Profit of 2021 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.

(OR)

- b) Sriram and Raj are partners sharing profits and losses in the ratio of 2:1. Nesa joins as a partner on 1st April 2017. The following adjustments are to be made:
- (i) Increase the value of stock by Rs.5 000
  - (ii) Bring into record investment of Rs.7,000 which had not been recorded in the books of the firm.
  - (iii) Reduce the value of office equipment by Rs.10,000
  - (iv) A provision would also be made for outstanding wages for Rs.9,500.
- Give journal entries and prepare revaluation account.

- 44) a) Bragathish and Naresh are partners who maintain their capital accounts under fixed capital method. From the following particulars prepare capital accounts of partners.

| Particulars                                   | Bragathish Rs. | Naresh Rs.  |
|---|----------------|-------------|
| Capital on 1st April 2022                     | 4,00,000       | 6,00,000    |
| Current account on 1 <sup>st</sup> April 2022 | 20,000(Cr.)    | 15,000(Dr.) |
| Additional capital introduced during the year | 50,000         | Nil         |
| Drawings made during the year                 | 45,000         | 60,000      |
| Interest on drawings                          | 2,000          | 3,000       |
| Share of profit for the year                  | 80,000         | 1,20,000    |
| Interest on capital                           | 20,000         | 30,000      |
| Commission                                    | 17,000         | Nil         |
| Salary  | Nil            | 38,000      |

(OR)

- b) Dinesh and Sugumar entered into a partnership agreement on 1st January 2021, Dinesh contributing Rs.1,50,000 and Sugumar Rs.1,20,000 as capital. The agreement provided that:
- (a) Profits and losses to be shared in the ratio 2:1 as between Dinesh and Sugumar.
  - (b) Partners to be entitled to interest on capital @ 4% p.a.
  - (c) Interest on drawings to be charged Dinesh: Rs.3,600 and Sugumar: Rs.2,200
  - (d) Dinesh to receive a salary of Rs.60,000 for the year, and
  - (e) Sugumar to receive a commission of Rs.80,000.
- During the year ended on 31st December 2021, the firm made a profit of Rs.2,20,000 before adjustment of interest, salary and commission.
- Prepare the Profit and loss appropriation account.

- 45) a) Mani, Rama and Devan are partners in a firm sharing profits and losses in the ratio of 4:3:3. Their balance sheet as on 31st March, 2022 is as follows:

| Liabilities         | Rs.    | Rs.      | Asset        | Rs.      |
|---------------------|--------|----------|--------------|----------|
| Capital accounts:   |        |          | Buildings    | 80,000   |
| Mani                | 50,000 |          | Stock        | 20,000   |
| Rama                | 50,000 |          | Furniture    | 70,000   |
| Devan               | 50,000 | 1,50,000 | Debtors Cash | 20,000   |
| Sundry creditors    |        | 20,000   | in hand      | 10,000   |
| Profit and loss A/c |        | 30,000   |              |          |
|                     |        | 2,00,000 |              | 2,00,000 |

Mani retired from the partnership firm on 31.03.2022 subject to the following adjustments:

- Stock to be depreciated by Rs. 5,000
- Provision for doubtful debts to be created for Rs. 1,000.
- Buildings to be appreciated by Rs. 16,000
- The final amount due to Mani is not paid immediately

Prepare revaluation account and capital account of partners after retirement.

(OR)

- b) Vijayan, Sudhan and Suman are partners who share profits and losses in their capital ratio. Their balance sheet as on 31.12.2022 is as follows

Balance Sheet as on 31.12.2022

| Liabilities       | Rs.    | Rs.      | Asset           | Rs.      |
|-------------------|--------|----------|-----------------|----------|
| Capital accounts: |        |          | Building Stock  | 80,000   |
| Vijayan           | 70,000 |          | Debtors Cash at | 45,000   |
| Sudhan            | 50,000 |          | bank Cash in    | 25,000   |
| Suman             | 20,000 | 1,50,000 | hand            | 20,000   |
| General reserve   |        | 18,000   |                 | 15,000   |
| creditors         |        | 17,000   |                 |          |
|                   |        | 1,85,000 |                 | 1,85,000 |

Suman died on 31.3.2022. On the death of Suman, the following adjustments are made:

- Building is to be valued at Rs. 1,00,000
- Stock to be depreciated by Rs. 5,000
- Goodwill of the firm is valued at Rs. 36,000

Share of profit from the closing of the last financial year to the date of death on the basis of the average of the three completed years'

profit before death. Profit for 2020, 2021 and 2022 were Rs. 40,000, Rs. 50,000 and Rs. 30,000 respectively.

Prepare the necessary ledger accounts and the balance sheet immediately after the death of Suman.

- 46) a) From the following particulars of Poompohar Literary Association, prepare Receipts and Payments account for the year ended 31st March, 2022.

| Particulars                         | Rs.   | Particulars            | Rs.    |
|-------------------------------------|-------|------------------------|--------|
| Opening cash in hand as on 1.4.2021 | 5,000 | Subscriptions received | 20,000 |
| Bank overdraft as on 1.4.2021       | 4,000 | Repairs and renewals   | 2,500  |
| Printing and stationery             | 1,500 | Conveyance paid        | 2,750  |



| Particulars              | Rs.   | Particulars                | Rs.    |
|--------------------------|-------|----------------------------|--------|
| Interest paid            | 3,250 | Books purchased            | 10,000 |
| Sale of investments      | 1,000 | Insurance premium paid     | 4,000  |
| Purchase of refreshments | 1,500 | Sundry receipts            | 750    |
| Outstanding salary       | 2,000 | Government grants received | 6,000  |
| Endowment fund receipts  | 2,000 | Sale of refreshments       | 1,500  |
| Lighting charges         | 1,300 | Depreciation on buildings  | 2,000  |
|                          |       | Cash at bank on 31.03.2022 | 2,000  |

(OR)

b) From the following Receipts and Payment account of Yercaud Youth Association, prepare Income and expenditure account for the year ended 31st March, 2022 and the balance sheet as on that date.

Dr. Receipts and Payments Account for the year ended 31st March, 2022 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 books | 10,000 | By Books purchased      | 15,000 |
| To Subscription                            | 24,800 | By Stationery purchased | 1,800  |
| 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:**

- (i) Opening capital fund Rs.20,000.
- (ii) Stock of books on 1.4.2018 Rs.9,200.
- (iii) Subscription due but not received Rs1,700.
- (iv) Stock of stationery on 1.4.2018 Rs.1,200 and stock of stationery on 31.03.2022, Rs.2,000

- 47) a) A, B, C and D are partners in a firm. There is no partnership deed. How will you deal with the following?
- (i) A has contributed maximum capital. He demands interest on capital at 12% per annum.
  - (ii) B has withdrawn Rs.1,000 per month. Other partners ask B to pay interest on drawings @ 10% per annum to the firm. But, B does not agree to it.
  - (iii) Loan advanced by C to the firm is Rs10 000 He demands interest on loan @ 9% per annum. A and B do not agree with this
  - (iv) D demands salary at the rate of Rs.5,000 per month as he spends full time for the business. B and C do not agree with this.
  - (v) A demands the profit to be shared in the capital ratio. But, B, C and D do not agree.

(OR)

b) Seenu and Siva are partners sharing profits and losses in the ratio of 5:3. In the view of Kowsalya admission, they decided

- (a) To increase the value of building by Rs.40,000.
  - (b) To bring into record investments at Rs.10,000, which have not so far been brought into account.
  - (c) To decrease the value of machinery by Rs.14,000 and furniture by Rs.12,000.
  - (d) To write off sundry creditors by Rs.16,000.
- Pass journal entries and prepare revaluation account.

\*\*\*\*\*

**Character is repeated habits, and repeated habits alone can reform character.**

\*\*\*\*\*

**Prepared by:**

K.PUSHPARASUM.Com., M.Phil, B.Ed.,  
P G T IN COMMERCE & ACADEMIC COORDINATOR,  
K V MATRIC. HR. SEC.SCHOOL, KURUMBAPALAYAM,  
COIMBATORE - 641 107.  
Mob. No. : 93857- 63859.

\*\*\*\*\*