

COMMON QUARTERLY EXAMINATION - SEPTEMBER 2019

Standard - 12

Reg. No.

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Time Allowed: 2.30 Hours **PART-III - ACCOUNTANCY** Maximum Marks: 90

- Instructions:** 1. Check the question paper for fairness of printing. If there is any lack of fairness, inform the Hall Supervisor immediately.
2. Use Blue or Black ink to write and underline and pencil to draw diagram.

PART - I

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

- 1) 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
- 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) The excess of assets over liabilities is
 - a) Loss
 - b) Cash
 - c) Capital
 - d) Profit
- 4) Legacy is a
 - a) Revenue expenditure
 - b) Capital expenditure
 - c) Revenue receipt
 - d) Capital receipt
- 5) 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
- 6) 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
- 7) 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
- 8) Which of the following is shown in profit and loss appropriation account?
 - a) Office expenses
 - b) Salary of staff
 - c) Partner's salary
 - d) Interest on bank loan
- 9) 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
- 10) 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

- 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) 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
- 13) 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
- 14) Match List I with List II and select the correct answer using the codes given below:

S.No.	List I	S.No.	List II
i)	Sacrificing Ratio	1.	Investment Fluctuation Fund
ii)	Old profit sharing Ratio	2.	Accumulated Profit
iii)	Revaluation Account	3.	Goodwill
iv)	Capital Account	4.	Unrecorded Liability

Codes:

- | | (i) | (ii) | (iii) | (iv) | (i) | (ii) | (iii) | (iv) | |
|----|-----|------|-------|------|-----|------|-------|------|---|
| a) | 1 | 2 | 3 | 4 | b) | 3 | 2 | 4 | 1 |
| c) | 4 | 3 | 2 | 1 | d) | 3 | 1 | 4 | 2 |
- 15) Select the odd one out:
 a) Revaluation profit
 b) Accumulated loss
 c) Goodwill brought by new partner
 d) Investment fluctuation fund
- 16) 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
- 17) A, B and C are partners sharing profits and losses in the ratio of 2:2:1. On retirement of B, goodwill of the firm was valued as Rs. 30,000. Find the contribution A and C to compensate B
 a) Rs. 20,000 and Rs. 10,000
 b) Rs. 8,000 and Rs. 4,000
 c) Rs. 10,000 and Rs. 20,000
 d) Rs. 15,000 and Rs. 15,000
- 18) The 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
- 19) From the following which is one correctly matched:
 a) Subscription - Revenue receipts
 b) Special fund - Revenue expenditure
 c) Purchase of sports equipment - Capital receipts
 d) Honorarium - Capital expenditure
- Handwritten calculation:*

$$\frac{6000}{3} \times \frac{2}{3} = 12000$$

- 20) Match List I with List II and select the correct answer using the codes given below:

S.No.	List I	S.No.	List II
i)	Remuneration to partners	1	Section 13 (c)
ii)	Profit sharing ratio	2	Section 13 (d)
iii)	Interest on capital	3	Section 13 (b)
iv)	Interest on loan	4	Section 13 (a)

Codes:

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

PART - II

Answer any seven questions in which question no. 30 is compulsory.

7 × 2 = 14

- 21) What is Statement of Affairs?
- 22) 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
- 23) Give four examples for capital receipts of non-for-profit organization.
- 24) Define partnership.
- 25) State any two circumstances under which goodwill of a partnership firm is valued.
- 26) **From the following particulars ascertain profit or loss:**

Capital at the beginning of the year (1st April, 2016) Rs. 2,00,000
 Capital at the end of the year (31st March, 2017) Rs. 3,50,000
 Additional capital introduced during the year Rs. 70,000
 Drawings during the year Rs. 40,000
- 27) How will the following appear in the final accounts of Vedaranyam Sports Club?

Particulars	Rs.
Opening stock of bats and balls	3,000
Purchases 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
- 28) Vennila and Eswari are partners. Vennila draws Rs. 5,000 at the beginning of each half year. Interest on drawings is chargeable at 4% p.a. Calculate interest on drawings for the year ending 31st December 2018 using average period.
- 29) Latha Company issues 10,000 equity shares of Rs. 10 each payable fully on application. Pass journal entries.
- 30) Arul and Anitha are partners sharing profits and losses in the ratio of 4:3. On 31.3.2018, Ajay was admitted as a partner. On the date of admission, the book of the firm showed a general reserve of Rs. 42,000. Pass the journal entry to distribute the General Reserve.

PART - III

Answer any seven questions in which question no. 40 is compulsory.

7×3=21

- 31) Find out credit sales from the following information.

Particulars	Rs.
Debtors on 1st April, 2018	1,00,000
Cash received from debtors	2,30,000
Discount allowed	5,000
Returns inward	25,000
Debtors on 31st March 2019	1,20,000

- 32) State any six contents of a partnership deed.
 33) How the following items will appear in the final accounts of a club for the year ending 31st March 2019?

Receipts and Payments Account for the year ended 31st March 2019

Dr				Cr
Receipts	Rs.	Rs.	Payments	Rs.
To Subscription:				
2017-2018	10,000			
2018-2019	50,000			
2019-2020	5,000	65,000		

There are 200 members in the club each paying an annual subscription of Rs. 400 per annum. Subscription still outstanding for the year 2017-2018 is Rs. 2,000.

- 34) How will the following appear in the final accounts of Karaikudi sports club for the ending 31st March, 2019.

Particulars	Rs.
Tournament fund on 1st April 2018	90,000
Tournament fund investment on 1st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

- 35) 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.

- 36) From the following information, calculate the value of goodwill on the basis of 3 years purchase of average profits of last four years.

Year	Result	Amount (Rs.)
2015	Profit	5,000
2016	Profit	8,000
2017	Loss	3,000
2018	Profit	6,000

- 37) Vinoth, Karthi and Pranav are partners sharing profits and losses in the ratio of 2:2:1. Pranav retires from partnership on 1st April 2018. The following adjustments are to be made.

- i) Increase the value of land and building by Rs. 18,000.
 ii) Reduce the value of machinery by Rs. 15,000.
 iii) A provision would also be made for outstanding expenses for Rs. 8,000.
 Give journal entries and prepare Revaluation account.
- 38) Ahamad and Basheer contribute Rs. 60,000 and Rs. 40,000 respectively as capital. Their respective share of profit is 2:1 and the profit before interest on capital for the year is Rs. 5,000. 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 @ 4% is allowed as per the partnership deed.
 iii) if the partnership deed allows interest on capital @ 6% per annum.
- 39) Anu Company forfeited 200 equity shares of Rs. 10 each issued at par held by Thiyagu for non-payment of the final call of Rs. 3 per share. The shares were reissued to Laxman at Rs. 6 per share. Show the journal entries for forfeiture and reissue.
- 40) Anbu is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 12% p.a. During the year ended 31st December 2018 he drew as follows:

Date	Rs.
March 1	6,000
June 1	4,000
September 1	5,000
December 1	2,000

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

PART - IV

Note: Answer all the questions.

7×5=35

- 41) a) On 1st April 2017, Ganesh started his business with a capital of Rs. 75,000. He did not maintain proper book of accounts. Following particulars are available from his books as on 31.03.2018.

Particulars	Rs.	Particulars	Rs.
Cash	5,000	Debtors	16,000
Stock of goods	18,000	Creditors	9,000
Bills of receivable	7,000	Cash at bank	24,000
Furniture	3,000	Bills payable	6,000
Land & Buildings	30,000		

During the year he withdrew Rs. 15,000 for his personal use. He introduced further capital of Rs. 20,000 during the year. Calculate his profit or loss.

(OR)

- b) Amal and Vimal are partners in a firm sharing profits and losses in the ratio of 7:5. Their Balance sheet as on 31st March, 2019 is as follows.

Liabilities	Rs.	Assets	Rs.
Capital accounts:		Land	80,000
Amal : 70,000		Furniture	20,000
Vimal : <u>50,000</u>	1,20,000	Stock	25,000
Sundry creditors	30,000	Debtors	30,000
Profit and Loss a/c	<u>24,000</u>	Bank	<u>19,000</u>
	<u>1,74,000</u>		<u>1,74,000</u>

Nirmal is admitted as a new partner on 1-4-2019 by introducing a capital of Rs. 30,000 for 1/3 share in the future profit subject to the following adjustments:

- Stock to be depreciated by Rs. 5,000.
- Provision for doubtful debts to be created for Rs. 3,000.
- Land to be appreciated by Rs. 20,000.

Prepare Revaluation account and Capital account of partners after admission.

- 42) a) From the following particulars, calculate total sales.

Particulars	Rs.	Particulars	Rs.
Debtors on 1st April 2018	2,50,000	Bills receivable dishonoured	15,000
Bills receivable on 1st April 2018	60,000	Returns Inward	50,000
Cash received from debtors	7,25,000	Bills receivable on 31st March, 2019	90,000
Cash received for bills receivable	1,60,000	Sundry debtors on 31st March, 2019	2,40,000
Bad debts	30,000	Cash sales	3,15,000

(OR)

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

- Profits earned: 2016: Rs. 30,000; 2017: Rs. 29,000 and 2018: Rs. 32,000.
- Profit of 2016 includes a non-recurring income of Rs. 3,000.
- Profit of 2017 is reduced by Rs. 2,000 due to stock destroyed by fire.
- The stock is not insured. But, it is decided to insure the stock in future.

The insurance premium is estimated at Rs. 5,600 per annum.

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

- 43) a) From the following particulars of Trichy Educational Society, prepare Receipts and Payments account for the year ended 31st December, 2018.

Particulars	Rs.	Particulars	Rs.
Opening cash balance (1.1.2018)	20,000	Locker rent received	12,000
Investments made	80,000	Sale of Furniture	5,000
Honorarium paid	3,000	General expenses	7,000
Donation received	80,000	Postage	1,000
Audit fees paid	2,000	Subscription received	10,000

(OR)

- b) Goutham Ltd. forfeited 500 equity shares of Rs. 10 each issued at par held by Ragav for non-payment of the final call of Rs. 2 per share. The shares were forfeited and reissued to Madhan at Rs. 8 per share. Show the journal entries for forfeiture and reissue.

- 44) a) 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. balance)	2,00,000	1,75,000
Drawings during 2018	40,000	35,000
Interest on drawings	1,000	500
Share of profit for 2018	21,000	16,500
Interest on capital	12,000	10,500
Salary	18,000	--
Commission	--	2,500

(OR)

b) Dinesh and Sugumar entered into a partnership agreement on 1st January 2018. Dinesh contributing Rs. 1,50,000 and Sugumar Rs. 1,20,000 as capital. The agreement provided that:

- Profits and losses to be shared in the ratio 2:1 as between Dinesh and Sugumar.
- Partners to be entitled to interest on capital @ 4% p.a.
- Interest on drawings to be charged Dinesh: Rs. 3,600 and Sugumar: Rs. 2,200.
- Dinesh to receive a salary of Rs. 60,000 for the year, and
- Sugumar to receive a commission of Rs. 80,000.

During the year ended on 31st December 2018, 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) Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?

- Akash has contributed maximum capital. He demands interest on capital at 10% per annum.
- Bala has withdrawn Rs. 3,000 per month. Other partners ask Bala to pay interest on drawings @ 8% per annum to the firm. But, Bala did not agree to it.
- Akash demands the profit to be shared in the capital ratio. But, others do not agree.
- Daniel demands salary at the rate of Rs. 10,000 per month as he spends full time for the business.
- Loan advanced by Chandru to the firm is Rs. 50,000. He demands interest on loan @ 12% per annum.

(OR)

b) From the following particulars calculate total purchase.

Particulars	Rs.	Particulars	Rs.
Sundry creditors on 1 st Jan, 18	30,000	Purchase returns	15,000
Bills payable on 1st Jan, 18	25,000	Cash purchases	2,25,000
Paid cash to creditors	1,20,000	Creditors on 31 st Dec, 18	25,000
Paid for bills payable	30,000	Bills payable on 31 st Dec, 18	20,000

46) 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, 2019 is as follows.

Liabilities	Rs.	Assets	Rs.
Capital accounts:		Building	80,000
Mani : 50,000		Stock	20,000
Rama : 50,000		Furniture	70,000
Devan : <u>50,000</u>	1,50,000	Debtors	20,000
Sundry creditors	20,000	Cash in hand	10,000
Profit and Loss a/c	<u>30,000</u>		
	<u>2,00,000</u>		<u>2,00,000</u>

Mani retired from the partnership firm on 31.3.2019 subject to the following adjustments.

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

Prepare Revaluation account and Capital account of partners after retirement.

(OR)

- b) David does not keep proper books of accounts. Following details are given from his records.

Particulars	1-4-2018	31-3-2019
Cash	43,000	29,000
Stock of goods	1,20,000	1,30,000
Sundry debtors	84,000	1,10,000
Sundry creditors	1,05,000	1,02,000
Loan	25,000	20,000
Business premises	2,50,000	2,50,000
Furniture 33,000	45,000	

During the year he introduced further capital of Rs. 45,000 and withdrew Rs. 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information.

- 47) a) Joy Company issued 10,000 equity shares at Rs. 10 per share payable Rs. 5 on application, Rs. 3 on allotment and Rs. 2 on first and final call. The public subscribed for 9,000 shares. The directors allotted all the 9,000 shares and duly received the money. Pass the necessary journal entries.

(OR)

- b) From the following particulars of Chennai Sports Club, prepare Receipts and Payments account for the year ended 31st March, 2018.

Particulars	Rs.	Particulars	Rs.
Opening cash balance as on (1-4-2017)	10,000	Subscriptions received 2016-2017	4,500
Opening bank balance as on (1-4-2017)	15,000	2017-2018	65,000
Interest paid	5,000	2018-2019	5,000
Telephone expenses	7,000	Tournament expenses	12,500
Upkeep of grounds	22,500	Tournament fund receipts	15,000
Life membership fees received	5,500	Closing balance of cash (31-3-2018)	5,000
Bats and Balls purchased	13,000		

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