

COMMON QUARTERLY EXAM, SEP. 2019

Std. XII

ACCOUNTANCY - KEY ANSWERS

Marks: 90

PART - I (20 x 1 = 20)

Qn. No.	Option	Answer	Qn. No.	Option	Answer
1	B	Statement of assets and liabilities	11	C	Super profit = Average profit – Normal profit
2	A	Total Debtors account	12	A	Goodwill is an intangible asset
3	C	Capital	13	D	the sacrificing partners
4	D	Capital receipt	14	B	3 2 4 1
5	A	50,000	15	C	Goodwill brought by new partner
6	C	Surplus or Deficit	16	C	Retiring partner's loan A/c
7	C	Interest on loan – Debited to capital account	17	B	Rs 8,000 and Rs 4,000
8	C	Partner's salary	18	D	Reserve capital
9	A	Equal ratio	19	A	Subscription – Revenue receipts
10	C	Rs 10,000	20	B	4 3 1 2

PART - II

Qn. 30 is compulsory.

(7 x 2 = 14)

Q.No	Answers
21	<ul style="list-style-type: none"> • A statement of affairs is a statement showing the balances of assets and liabilities on a particular date. • It is prepared to find out the capital of a business unit on a particular date. • This statement resembles a balance sheet.
22	Debited – a, b, c; Credited – d
23	Life membership fees, Legacies, Specific donations, Special funds.
24	According to Indian Partnership Act, 1932, partnership is defined as, “the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all”.
25	<ul style="list-style-type: none"> • When there is a change in the profit sharing ratio • When a new partner is admitted into a firm • When an existing partner retires from the firm or when a partner dies • When a partnership firm is dissolved

Statement of profit or loss for the year ended 31 st March, 2017																										
Particulars	₹																									
26	Closing capital (as on 31.3.2017) 3,50,000 Add: Drawings during the year 40,000 <hr/> 3,90,000 Less: Additional capital introduced during the year 70,000 Adjusted closing capital 3,20,000 Less: Opening capital (as on 1.4.2016) 2,00,000 Profit made during the year 1,20,000																									
27	Income and expenditure account: Bats and balls consumed = 17,000 + 3,000 – 4,000 = ` 16,000 (Dr.) Sale of old sports materials = ` 2,000 (Cr.) Balance Sheet: Assets side : Stock of bats and balls: ` 4,000																									
28	Interest on drawings = Total amount of drawings × Rate of interest × $\frac{\text{Average period}}{12}$ $= ₹ 10,000 \times \frac{4}{100} \times \frac{9}{12} = ₹ 300$																									
29	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Bank A/c (10,000 x10)</td> <td style="width: 10%; text-align: right;">Dr.</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">1,00,000</td> <td style="width: 10%;"></td> </tr> <tr> <td style="padding-left: 20px;">To Equity share application A/c (Application money received)</td> <td></td> <td></td> <td></td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td colspan="5"><hr/></td> </tr> <tr> <td>Equity share application A/c</td> <td style="text-align: right;">Dr.</td> <td></td> <td style="text-align: right;">1,00,000</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">To Equity share capital A/c (Application money transferred to share capital)</td> <td></td> <td></td> <td></td> <td style="text-align: right;">1,00,000</td> </tr> </table>	Bank A/c (10,000 x10)	Dr.		1,00,000		To Equity share application A/c (Application money received)				1,00,000	<hr/>					Equity share application A/c	Dr.		1,00,000		To Equity share capital A/c (Application money transferred to share capital)				1,00,000
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30	General Reserve A/c Dr. 42,000 To Arul's capital A/c (42,000 x 4/7) 24,000 To Anitha's capital A/c (42,000 x 3/7) 18,000 (General Reserve transferred to old partners' capital account in the old profit sharing ratio)																									

Section – III

Qn . No. 40 is compulsory.

7 x 3 = 21

31.	Credit sales: Rs 2,80,000	
32.	1. Name of the firm and nature and place of business 2. Date of commencement and duration of business 3. Names and addresses of all partners 4. Capital contributed by each partner 5. Profit sharing ratio 6. Amount of drawings allowed to each	11. Maintenance of accounts and audit procedures 12. Procedure for admission of a new partner 13. Procedure for retirement of a partner and settlement of dues to the retired partner 14. Method of valuation of goodwill and

	partner 7. Rate of interest to be allowed on capital 8. Rate of interest on drawings of partners 9. Rate of interest on loans provided by partners 10. Amount of salary to be allowed to any partner.	valuation of assets and liabilities at the time of admission or retirement or death of a partner. 15. Appointment of executors in case of death of a partner and settlement of dues to the legal heirs. 16. Settlement of accounts on dissolution of the firm.																																
33.	Income and Expenditure A/c: Subscription: ₹ 80,000 Balance Sheet: Assets: Subscription outstanding: ₹ 32,000 (30,000 + 2,000); Liabilities: Subscription received in advance: ₹ 5,000																																	
34.	Balance Sheet: Liabilities: Tournament fund: ₹ 49,000 (90,000 + 9,000 + 10,000 – 60,000) Assets: Tournament fund investment: ₹ 90,000																																	
35.	Interest on drawings of Kavitha: (i) Beginning = $2,500 \times 12 \times 4\% \times \frac{13}{24} = ₹ 650$ (ii) Middle = $2,500 \times 12 \times 4\% \times \frac{12}{24} = ₹ 600$ (iii) End = $2,500 \times 12 \times 4\% \times \frac{11}{24} = ₹ 550$																																	
36.	Goodwill = $16,000 / 4 = 4,000 * 3 = ₹ 12,000$																																	
37.	Journal entries: Revaluation A/c Dr. 23,000 To Machinery 15,000 To o/s exps 8,000 Land & building A/c Dr. 18,000 To Revaluation A/c 18,000	Vinoth's cap. A/c Dr. 2,000 Karthi's cap. A/c Dr. 2,000 Pranav's cap. A/c Dr. 1,000 To Revaluation A/c 5,000																																
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38.	(i) No interest on capital is allowed (ii) Since there is sufficient profit, interest on capital will be provided. Ahamad: ₹ 2,400; Basheer: ₹ 1,600; (iii) Since the profit is insufficient, interest on capital will not be provided. Profit of ₹ 5,000 will be distributed to the partners in their capital ratio of 3:2.																																	

39.	Equity share capital A/c (200 × 10)	Dr.		2,000		
	To Equity share final call A/c (200 × 3)				600	
	To Forfeited shares A/c (200 × 7)				1,400	
(100 shares forfeited)						
	Bank A/c (200 × 6)	Dr.		1,200		
	Forfeited shares A/c (200 × 4)	Dr.		800		
	To Share capital A/c (200 × 10)				2,000	
(Forfeited shares reissued)						
	Forfeited shares A/c (1,400-800)	Dr.		600		
	To Capital reserve A/c				600	
(Gain on reissue of forfeited shares transferred to capital reserve account)						
40.	March 1	6,000	10		60,000	
	June 1	4,000	7		28,000	
	September 1	5,000	4		20,000	
	December 1	2,000	1		2,000	
	Sum of product					1,10,000
	Interest on drawings = Sum of product x Rate of interest × $\frac{1}{12}$					
= 1,10,000 × $\frac{12}{100}$ × $\frac{1}{12}$ = ₹ 1,100						

Part – IV

7 x 5 = 35

41.	Closing Capital = 88,000	
A	Closing capital as on 31.03.2018	88,000
	Add: Drawings during the year	15,000
		1,03,000
	Less: Additional capital introduced during the year	20,000
	Adjusted closing capital	83,000
	Less: Opening capital as on 01.04.2017	75,000
	Profit made during the year ending 31.03.2018	8,000
41.	Revaluation Profit: ` 12,000;	
B	Capital accounts:	
	Amal `91,000(Cr.), Vimal `65,000(Cr.), Nirmal `30,000(Cr.)	

42. A	B/R received: ` 2,05,000; Credit sales: ` 9,85,000; Total sales: ` 13,00,000																																																											
42. B	$\text{Average profit} = \frac{27,000 + 31,000 + 32,000}{3}$ $= \frac{90,000}{3} = ₹ 30,000$ <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">Particulars</th> <th style="width: 20%;">₹</th> </tr> </thead> <tbody> <tr> <td>Average profit before adjusting insurance premium payable in future</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Less: Insurance premium payable in future</td> <td style="text-align: right;">5,600</td> </tr> <tr> <td>Average profit</td> <td style="text-align: right;">24,400</td> </tr> </tbody> </table> <p>Goodwill = Average profit × Number of years of purchase = 24,400 × 2 = ₹ 48,800</p>						Particulars	₹	Average profit before adjusting insurance premium payable in future	30,000	Less: Insurance premium payable in future	5,600	Average profit	24,400																																														
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44. B	P&L App. A/c :- Share of profit: Dinesh: ₹ 50,000; Sugumar: ₹ 25,000																																																																																							
45. A	(i) No interest on capital is payable to any partner (ii) No interest is chargeable on drawings made by the partner (iii) Profits should be distributed equally (iv) No remuneration is payable to any partner (v) Interest on loan is payable at 6% per annum																																																																																							
45. B	B/P accepted: ₹ 25,000; Credit purchases: ₹ 1,55,000; Total purchases: ₹ 3,80,000																																																																																							
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Closing capital as on 31.3.2019	4,42,000																																																																																							
Add: Drawings during the year (2,500 x 12)	30,000																																																																																							
	4,72,000																																																																																							
Less: Additional capital introduced during the year	45,000																																																																																							
Adjusted closing capital	4,27,000																																																																																							
Less: Opening capital as on 1.4.2018	4,00,000																																																																																							
Profit made during the year ending 31.3.2019	27,000																																																																																							

47.	Share Application = 45,000					
A	Share Allotment = 27,000					
	First and Final Call = 18,000					
47.						
B						
	Receipts	₹	₹	Payments	₹	₹
	To Balance b/d:			By Interest paid		5,000
	Cash	10,000		By Telephone expenses		7,000
	Bank	15,000	25,000	By Upkeep of grounds		22,500
	To Life membership fees		5,500	By Bats and balls purchased		13,000
	To Tournament fund receipts		15,000	By Tournament expenses		12,500
	To Subscriptions received			By Balance c/d		
	2016 – 2017	4,500		Cash	5,000	
	2017 – 2018	65,000		Bank (Bal. fig)	55,000	60,000
	2018 – 2019	5,000	74,500			
			1,20,000			1,20,000

Prepared By

Muhammad Ebrahim Shameem, B.Com., CA – Inter

9489892786.