

T. **FIRST MID TERM TEST - JULY - 2019**

THIRUNELVELI
DISTRICT.

STANDARD - XII

Accountancy

Time: 1.15 hours

Marks - 45

PART - A

10 × 1 = 10

I. (i) Answer all questions.

(ii) 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. Which of the following items relating to bills payable is transferred to total creditors account?
(a) Opening balance of Bills payable (b) Cash paid for Bills payable
(c) Closing balance of Bills payable (d) Bills payable accepted during the year
3. Balance of receipts and payments account indicates the
(a) Loss incurred during the period (b) Excess of income over expenditure of the period
(c) Total cash payments during the period (d) Cash and bank balance as on the date
4. Donations received for a specific purpose is
(a) Revenue receipt (b) Revenue expenditure
(c) Capital receipt (d) Capital expenditure
5. 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
6. Which of the following is the incorrect pair?
(a) Interest on drawing - 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
7. The average rate of return of similar concerns is considered as
(a) average profit (b) normal rate of return
(c) expected rate of return (d) none of these
8. 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
9. Which of the following goodwill can be recorded in the books of accounts.
(a) acquired goodwill (b) self generated goodwill
(c) both (a) and (b) (d) goodwill brought in by a partner
10. Match List I with List II and select the correct answer using the code given below.

List - I

List - II

- | | | |
|--------------------|---|------------------------|
| (i) Goodwill | - | 1. Current account |
| (ii) Honorarium | - | 2. Intangible assets |
| (iii) Legacy | - | 3. Revenue expenditure |
| (iv) Fixed capital | - | 4. Capital receipts |

Codes:

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

PART - B

4 × 2 = 8

II. Answer ANY FOUR questions. Q.No.16 is compulsory:

11. State the meaning of not for profit organisation.
12. What is meant by fixed capital method.
13. Calculate Total sales from the following information.
Debtors as on 1-1-2019 Rs.2,10,000. Cash received from debtors Rs.5,90,000. Return inwards Rs.15,000. Bad debts Rs.20,000. Debtors as on 31.12.2019 Rs.1,00,000. Cash sales Rs.1,35,000.
14. Compute the income from subscription for the year 2017. Subscription received during the year 2017 Rs. 55,000.

Particulars	1 - 1 - 2017	31 - 12 - 2017
Outstanding subscription	6,000	3,000
Subscription received in advance	7,500	10,000

15. The capital amount of Santhosh and Kumar on 1st January 2017 is Rs.75,000 and Rs.60,000 respectively. On 1st October 2017 Santhosh introduced an additional Capital of Rs. 15,000 and on 1st July 2017 Kumar withdraw Rs.10,000 for his personal use. Calculate interest on Capital at 4% p.a for the year ending 31st December 2017.
16. Calculate the amount of goodwill on the basis of 3 years. Purchase of 4 years average profit. 2015 Profit 10,000. 2016 Profit 12,000. 2017 Loss 7,000. 2018 Profit 13,000

PART - C

III. Answer ANY FOUR questions. Q.No.22 is compulsory:

4 × 3 = 12

17. Differentiate between statement of affairs and Balance sheet.
18. Explain any three factors determining the value of Goodwill.
19. Calculate bills payable accepted during the year.
Bills payable as on 1-1-2018 Rs.45,000. Amount paid for bills payable Rs.1,50,000. Bills payable dishonoured Rs.65,000. Bills payable as on 31-12-2018 Rs.35,000.
20. Ananth does not keep his books of accounts under double entry system. From the following details prepare statement of profit and loss.

Particulars	1 - 1 - 2017	31 - 12 - 2017
Cash in hand	80,000	90,000
Loan from bank	50,000	60,000
Debtors	90,000	2,00,000
Creditor	1,30,000	1,95,000
Stock	1,80,000	1,30,000
Bills payable	70,000	45,000
Land and building	1,50,000	1,50,000

He brings additional Capital of Rs.60,000 during the year and he withdraw Rs.2,500 per month. Find out Profit or Loss.

21. Babur and Akbar were partners sharing the profit and losses in the ratio of 3 : 2, their Capital is Rs.80,000 and Rs.50,000 respectively and the profit before interest on Capital for the year is Rs.7,000. 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% allowed as per the partnership deed
 - (iii) If the partnership deed allows interest on Capital @ 6% p.a
22. From the following receipts and payments accounts of Luca Pacioli Accounting Association prepare income and expenditure account for the year ended 31st March 2018. Receipts and Payments Accounts for the year ended 31st March 2018.

Receipts	Rs.	Payments	Rs.
Opening balance Cash in hand	16,000	Salary	24,000
Subscription	57,000	Rent	26,000
Legacy	48,000	Travelling expenses	4,500
Admission fees	10,000	Printing and Stationary	7,500
Sale of Old books (Book value 18,000)	20,000	Investments: Accounting books purchased	50,000 30,000
Interest received	7,000	Closing balance cash in hand	16,000
	1,58,000		1,58,000

PART - D

IV. Answer ALL the questions:

3 × 5 = 15

23. a) From the following Receipts and Payments account of Batli bai Commerce Association prepare income and expenditure account for the year ended 31st March 2018, and the balance sheet as on that date. Receipts and Payments Account for the year ended 31st March 2019.

Receipts	Rs.	Payments	Rs.
To Balance b/d Cash in hand	8,500	By Salary	14,000
To Life membership fees	10,000	By Office expenditure	7,000
To Subscription	24,800	By Books purchased	15,000
To Admission fees	2,000	By Stationary purchased	1,800
To Price Fund receipts	6,000	By News paper purchased	2,100
To Bank Interest	1,500	By Prize distributed	5,000
To Miscellaneous receipts	1,000	By Balance c/d Cash in hand	8,900
	53,800		53,800

Additional information:

- 1) Opening capital fund Rs.20,000. 2) Stock of Books (1-4-17) Rs.9,200. 3) The subscription still due but not received Rs.1,700. 4) Stock of stationary on 1-4-2017 Rs.1,200 and on 31-3-2018 Rs.2,000.

(OR)

- b) R.N. Carter does not keep his books under single entry system. From the following information prepare trading and profit and loss A/c and Balance sheet as on 31.12.2018.

Particulars	1 - 1 - 2017	31 - 12 - 2018
Cash in hand	25,000	33,000
Sundry debtors	70,000	1,00,000
Stock	45,000	22,000
Bills receivable	20,000	38,000
Loan from bank	40,000	40,000
Sundry creditors	25,000	21,000
Machinery	60,000	60,000

Additional information:

Cash sales Rs.20,000. Interest on bank loan 4,000. Cash purchases Rs.8,000. Wages Rs.6,000. Credit sales 1,80,000. Advertisement Rs.7,000. Credit purchases Rs.52,000. Drawings Rs.60,000. Commission received Rs.4,000. Salary Rs.23,000. Additional capital Rs.21,000.

- Adjustments: 1) Write off depreciation of 10% on machinery. 2) Create a reserve of 5% on debtors for doubtful debts.

24. a) From the following information prepare capital accounts of partners Bala and Mala when their capitals are fixed.

Particulars	Bala (Rs.)	Mala (Rs.)
Capital on 1-4-2018	80,000	60,000
Current account on 1-4-2018	25,000	15,000
Additional capital	18,000	16,000
Share of profit	35,000	25,000
Interest on capital	3,500	2,500
Drawings	10,000	6,000
Salary	-	18,000
Commission	12,000	-

(OR)

- b) From the following information of R.L. Gupta commercial enterprises calculate the value of goodwill on the basis of 2 years purchase of the average profits of 3 years.
- Profits for the year 2017, 2018 and 2019 were Rs.46,000, Rs.50,000 and 60,000 respectively
 - A non - recurring income of Rs.6,000 included in the profits of the year.
 - The closing stock of the year 2018 was over valued by Rs.10,000
25. a) Jain and Gupta entered into a partnership on 1st January 2019 with capitals of Rs.4,00,000 and Rs.3,00,000 respectively. As per deed Jain is to get salary of Rs.90,000 p.a. Gupta is to get 25% commission on profit after allowing salary commission to Jain and interest on capital 5% p.a but after charging such commission. Profit sharing ratio between the two partner is equal. The firm earned a profit of Rs.4,00,000 commission to Jain Rs.14,000. The firm closes its accounts on 31st December every year. Prepare profit and loss appropriation account. (OR)
- b) From the following receipts and payments account of Accountancy Students Association prepare income and expenditure account for the year ended 31st March 2018 and the balance sheet as on that date.

Receipts and Payments Accounts for the year ended 31st March 2018.

Dr	Receipts	Rs.	Payments	Rs. Cr
To Balance b/d			By Furniture	7,000
	Cash 6000			
	Bank <u>10000</u>	16,000		
To Subscription		5,000	By Books purchased	5,000
To Legacy		6,000	By Auditor's honorarium	1,000
To Collection for special class		3,000	By Special class expenses	2,000
			By Balance c/d	
			Cash in hand 3000	
			Cash at Bank <u>12000</u>	15,000
		30,000		30,000

Additional information:

- Stock of furniture on 1-4-2017 Rs.12,000
- Subscription due for the year 2017-18 Rs.600
- Stock of books on 31.3.2018 Rs.800
- Opening capital fund on 1st April 2017 was Rs.28,800

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