

**SECOND YEAR HIGHER SECONDARY FIRST TERMINAL
EXAMINATION, AUGUST 2023
Part-III**

ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS

Maximum: 80 Scores

Time: 2.30 hrs

I. Answer any four questions from 1 to 5. Each carries one score (4 x 1=4)

1. Partner's interest on loan is debited to ----- A/c.
a. Profit and Loss A/c. b. Profit and Loss Appropriation A/c. c. Partners capital A/c. d. Profit and Loss Adjustment A/c.
2. In the absence of any agreement, partners will share Profits or losses in..... ratio.
a) Equally b) Old ratio c) Gaining d) New ratio.
3. Identify the agreement of partnership.
a. Articles of Association. b. Memorandum of Association. c. Partnership Deed. c. None of these.
4. Sacrificing ratio=
a. Old share of profit- New share of profit. b. New share of profit- Old share of profit. c. Old share of profit + New share of profit. d. New share of profit + Old share of profit.
5. Sheeja, and Sreela are partners sharing profits in the ratio of 3:2. They admitted Sreeja as a new partner for 1/5 share in the future profits of the firm. Calculate new profit sharing ratio of Sheeja, Sreela and Sreeja.
a. 12:8:5. b. 12: 5:8. c. 5:8:12. d. 8:12:5.

II. Answer all questions from 6 to 7. Each carries two score (2 x 2= 4)

6. Explain Goodwill.
7. Explain Partnership.

III. Answer any two questions from 8 to 10. Each carries 3 score (2 x 3= 6)

8. Binu and Kasi are partners in a firm. Their capital accounts as on 1.1.2022 showed a balance of Rs. 1,00,000 and Rs. 2,00,000 respectively. On June 1st .2022. Binu introduced additional capital of Rs. 75,000 and Kasi Rs. 50,000 . On October 1st Binu withdraw Rs.25,000. And on November 1, Kasi withdraw Rs. 10,000 from their capitals. Interest is allowed @ 6 % p.a. Calculate interest payable on capital to both the partners .Books of accouts are closed on December 21. 2022.
9. State any three relevant provisions applicable to accounting in the absence of a partnership deed.
10. Anil and Prasad are partners in a firm sharing profits in the ratio of 3:2. They admit Suresh as a new partner. Anil surrenders 1/4 of her share and Prasad 1/3 of her share in favour of Suresh. Calculate new profit sharing ratio of Anil ,Prasad and Suresh.

IV. Answer all questions from 11 to 12. Each carries 4 scores (2 x 4= 8)

11. The profits of the firm for the five years are as follows.

Year	Profits
2017-18	50,000

2018-19	40,000
2019-20	15,000
2021-22	25,000
2022-23	20,000

Calculate the value of goodwill on the basis of three years' purchase of weighted average profits based on weights 1,2,3,4 and 5 respectively.

12. What are the differences between fixed capital and fluctuating capital method (any 4 points)

V. Answer all questions from 13 to 14. Each carries 5 scores (2 x 5= 10)

13. List out the various modes of reconstitution of a partnership firm.

14. Briefly explain the factors affecting the valuation of goodwill.

VI. Answer any one question from 15 and 16. Carries 8 scores (1X8 =8)

15. Anoop and Sanoop are partners with capital of Rs. 10,00,000 and Rs. 15,00,000 respectively. They agree to share profits in the ratio of 4:5. Show how the following transactions will be recorded in the capital accounts of the partners in case of fluctuating capital method and fixed capital method. The books are closed on December 31, every year.

Particulars	Anoop	Sanoop
Additional capital contributed on July 2022	2,00,000	2,50,000
Interest on capital	6%	6%
Drawings	20000	15000
Interest on drawings	2000	1500
Salary	25000	
Commission	2000	2500
Share in loss for the year 2022	75,000	60000

16. Ajith, Shivi, and Renjith are partners in a firm with capitals of ₹ 80,000, ₹ 60,000 and ₹ 40,000 as on 1st April 2021 with a profit sharing ratio of 4:3:2. Ajith is to be paid a salary of ₹ 2,000 per month and Shivi a Commission of ₹ 2500. Interest on partners capital are allowed at 5%p.a. The drawings for the year were Ajith ₹ 6,000, Shivi ₹ 5,000 and Renjith ₹ 4,000. Interest on drawings of ₹ 500 was charged on Ajith's drawings, ₹ 500 on Shivi's drawings and ₹ 100 on Renjith's drawings. The net profit as per Profit and Loss Account for the year ending March 31, 2022 was ₹ 60000. Prepare the Profit and Loss Appropriation Account to show the distribution of profit among the partners.

PART .B

Answer any 4 questions from 17 to 21. Each carries 1 score. (4 x1 =4)

17. Complete the series

Debentures : Interest

Equity shares: ?----

18. The liability of the members of the company is -----

a. Limited. b. Unlimited. c. Optional d. None of these.

19. When a company issues shares above the face value. It is called-----

a. Issue of shares at par b. Issue of shares at premium. C, Issue of shares discount. d None of these.

20. Identify the debentures that do not carry a specific rate of interest.

a. Zero Coupon Rate Debentures. b. Irredeemable Debentures. c. Redeemable Debentures. d. Convertible Debentures.

21. Discount on issue of debentures is shown under the ----- head in the Balance sheet as per revised schedule VI

a. Reserve and Surplus. b. Long term borrowings. c. Current Asset. d. Non-current assets.

VIII. Answer all questions from 22 to 23. Each carries 2 scores.

22. Explain forfeiture of shares.

23. Explain One Person Company (OPC)

X. Answer any 2 questions from 24 to 26. Each carries 3 scores.

24. Explain

a. Right issue and

b. Surrender of shares.

25. Explain any three features of a company.

26. Explain the meaning of debentures.

XI. Answer all questions from 27 to 28. Each carries 4 scores.

27. Describe the purpose for which a company can use the amount of securities premium.

28. Narayanan and associates issued 10,000, 12% debentures of Rs. 100 each at a discount of 5% payable as follows:

On application Rs. 40

On allotment Rs. 55

Show the journal entries including those for cash, assuming that all the instalments were duly collected. Also show the relevant portion of the balance sheet.

X. Answer all questions from 29 to 30. Each carries 5 scores.

29. What are the differences between shares and debentures? Any 5 points.

30. Explain the important steps in the procedure for issue of shares

XII. Answer any one question from 31 to 32. Carries 8 scores.

Seema & Co. invited application for 15,000 shares of ` 100 each payable as follows :

On Application ` 30

On Allotment ` 30

On 1st call ` 20

On 2nd call 20

Applications were received for 20,000 shares and excess application money refunded. Sasi, who applied for 750 shares failed to pay first call and second. His shares were forfeited. These shares were re-issued to Hari at `70 per share. Give journal entries.

32. Give Journal entries of the following:

a. Issue of 10,000, 8% debentures of Rs. 100 each at par and redeemable at par.

b. Issue of 10,000, 8% debentures of Rs. 100 each at premium of 5% but redeemable at par.

c. Issue of 10,000, 8% debentures of Rs. 100 each at discount of 5% repayable at par.

d. Issue of 10,000, 8% debentures of Rs. 100 each at par but repayable at a premium of 5%.

e. Issue of 10,000, 8% debentures of Rs. 100 each at discount of 5% but redeemable at premium of 5%.

f. Issue of Rs. 10,000, 8% debentures of Rs. 100 each at premium of 5% and redeemable at premium of 5%.