



**SECOND YEAR HIGHER SECONDARY  
SECOND TERMINAL EXAMINATION, DECEMBER-2023**

Part - III

**ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS**

Maximum : 80 Scores

Time : 2½ Hours

Cool-off time : 15 Minutes

**General Instructions to Candidates :**

- There is a 'Cool-off time' of 15 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

**വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :**

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൃത്യങ്ങൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നല്കിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

**PART – A**  
**(ACCOUNTANCY)**

**(40 Scores)**

**Answer any 4 questions from 1 to 5. Each carries 1 score.**

**(4 × 1 = 4)**

1. Interest on capital is debited to :  
(a) Partners' capital A/c                      (b) Partners' current A/c  
(c) Profit & Loss appropriation A/c      (d) Drawings A/c
  
2. In the absence of partnership deed, no partner is entitled to :  
(a) Interest on capital                      (b) Salary  
(c) Commission                              (d) All of these
  
3. What are super profits ?  
(a) Actual profits – Normal profits      (b) Normal profits – Actual profits  
(c) Actual profits + Normal profits      (d) None of the above
  
4. Gaining ratio is used to distribute \_\_\_\_\_ at the time of retirement of a partner.  
(a) Revaluation profit                      (b) Goodwill  
(c) Profit & Loss account balance      (d) None of the above
  
5. A, B, C and D are partners sharing profits in the ratio of 4 : 3 : 2 : 1. Find out the new ratio if B and C retire from the firm.

**Answer all questions from 6 to 8. Each carries 2 scores.**

**(3 × 2 = 6)**

6. In which ratio the following will be shared by old partners at the time of admission of a partner ?  
(a) Goodwill premium brought in by new partner.  
(b) Profit on revaluation of assets.
  
7. Amal is admitted as a new partner in a firm. He contributes cash ₹ 60,000, Stock ₹ 20,000 and Furniture ₹ 10,000 towards his capital. Write the journal entry.
  
8. The capital account of Jisha, a partner showed a credit balance of ₹ 65,000 on 1<sup>st</sup> April, 2022. Calculate interest on capital payable to Jisha @ 10% p.a. on 31<sup>st</sup> December, 2022.

**Answer any 4 questions from 9 to 13. Each carries 3 scores.**

**(4 × 3 = 12)**

9. A, B and C are partners sharing profits in the ratio of 4 : 3 : 2. B retires and his share was taken up by A and C in the ratio of 3 : 2. Find out the new ratio.
10. Write any three difference between fixed capital method and fluctuating capital method.
11. The capital employed in a firm was ₹ 3,00,000 and the expected rate of return is 10%. The profits earned by the firm for the last three years were ₹ 45,000, ₹ 35,000 and ₹ 55,000 respectively. Find the value of goodwill taking 2 years purchase of super profits.
12. Anil and Amal are partners sharing profits in the ratio of 5 : 4. They admit Akhil as a new partner and the new ratio is agreed at 3 : 2 : 1. At this time, there was a debit balance of ₹ 63,000 in the profit and loss account.
- (a) In which ratio the above balance was distributed among the partners ?
- (b) Pass journal entry.
13. Find interest on drawings @ 5% p.a. for the year 2022.
- (a) A partner withdrew ₹ 6,000 during the year 2022.
- (b) A partner withdrew ₹ 2,000 regularly in the first day of every month.

**Answer all the questions from 14 to 15. Each carries 5 scores.**

**(2 × 5 = 10)**

14. Journalise the following revaluations made at the time of admission of partner.
- (a) Value of Machinery enhanced by ₹ 5,000.
- (b) Creditors of ₹ 1,000 is not a liability.
- (c) Unrecorded investments ₹ 2,000, to be taken into account.
- (d) Value of stock reduced by ₹ 1,200.
- (e) Loss on revaluation ₹ 5,000 shared by partners A and B equally.

15. Basheer, a partner in a firm with  $\frac{1}{5}$  share in the profits, died on 31<sup>st</sup> May, 2023. Calculate the amount payable to his legal representatives having regard to the following facts :
- (1) Capital account balance as on 31<sup>st</sup> December, 2022 stood at ₹ 60,000.
  - (2) Capital carries interest @ 10% p.a.
  - (3) Share of profit to the date of death on the basis of average profits ₹ 15,000.
  - (4) Share of goodwill amounted to ₹ 9,000.
  - (5) Drawings during the period are ₹ 4,000, interest on drawings ₹ 100.

Answer any 1 question from 16 to 17, which carries 8 scores.

(1 × 8 = 8)

16. Anju and Nandu are equal partners in a firm. Their balance sheet as on 31<sup>st</sup> December, 2022 was as follows :

Liabilities		Amount (₹)	Assets	Amount (₹)
Creditors		20,000	Cash	11,000
Reserve		12,000	Bank	12,000
Capitals :			Debtors	14,000
Anju	40,000		Stock	20,000
Nandu	<u>35,000</u>	75,000	Fixed assets	50,000
		<u>1,07,000</u>		<u>1,07,000</u>

Ammu was admitted on the following terms :

- Ammu will bring ₹ 30,000 for capital and ₹ 8,000 for goodwill for a third share in the profits.
- Fixed assets revalued at ₹ 58,000.
- Provision for doubtful debts be created @ 5% on debtors.
- Stock reduced by ₹ 1,300.

Prepare Revaluation account, Partners' capital accounts and New Balance Sheet.

17. The Balance Sheet of A, B and C who share profits in the ratio of 3 : 2 : 1 was given below :

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		12,000	Cash	6,000	
Reserve		18,000	Debtors	11,000	
Capitals :			Stock	8,000	
A	25,000		Furniture	10,000	
B	20,000		Land & Buildings	60,000	
C	<u>20,000</u>	65,000			
		<b>95,000</b>		<b>95,000</b>	

C retires on the following terms :

- (1) Land & Buildings to be increased by 20%.
- (2) The value of stock reduced by ₹ 1,000.
- (3) Creditors of ₹ 2,000 is not a liability.
- (4) Goodwill of the firm to be valued at ₹ 48,000.

Prepare Revaluation account, Partners' capital accounts and New Balance Sheet.

### PART – B

#### (ANALYSIS OF FINANCIAL STATEMENTS)

(40 Scores)

Answer any 4 questions from 18 to 22. Each carries 1 score.

(4 × 1 = 4)

18. Maximum permitted capital of the company is known as :
- Authorised capital
  - Issued capital
  - Subscribed capital
  - Paid-up capital
19. Debenture holders are :
- Owners of the company
  - Vendors of the company
  - Creditors of the company
  - None of the above
20. Which of the following is not a part of the financial statement of a company ?
- Profit and Loss A/c
  - Balance Sheet
  - Ledger Account
  - Cash Flow Statement

27. Journalise the following :

- (1) 1000, 12% Debentures of ₹ 100 issued at par, redeemable at par.
- (2) 1000, 12% Debentures of ₹ 100 issued at par, redeemable at a premium of 10%.

28. Kef Ltd. purchased a machinery worth ₹ 90,000. Half of the amount was paid in cash and the remaining half by the issue of 12% Debentures of ₹ 100 each at a discount of 10%. Pass journal entries.

29. List out any three tools of analysis of financial statements.

30. Classify the following ratios under suitable headings :

- (a) Gross profit ratio
- (b) Debt equity ratio
- (c) Quick ratio

**Answer questions 31 and 32. Each carries 5 scores.**

**(2 × 5 = 10)**

31. Write the objectives of Financial Statements.

32. Prepare a common size Balance Sheet of Ammu Ltd. as at March 31<sup>st</sup>, 2022 and March 31<sup>st</sup>, 2023.

Particulars	31-03-2022	31-03-2023
	₹	₹
<b>I. Equity &amp; Liabilities</b>		
Share Capital	2,20,000	3,00,000
Reserves & Surplus	50,000	60,000
Current Liabilities	30,000	40,000
<b>Total :</b>	<b>3,00,000</b>	<b>4,00,000</b>
<b>II. Assets</b>		
Fixed assets	2,50,000	3,00,000
Current assets	50,000	1,00,000
<b>Total :</b>	<b>3,00,000</b>	<b>4,00,000</b>

**Answer any 1 question from 33 to 34, which carries 8 scores.**

**(1 × 8 = 8)**

33. Krishna Ltd. issued 20000 shares of ₹ 10 each at 10% discount. The amount is payable as follows :

On application – ₹ 3

On allotment – ₹ 4

On first & final call – ₹ 2

Call money on 300 shares not received. These shares were forfeited. Give journal entries.

34. From the data calculate :

- (i) Gross Profit Ratio
- (ii) Net Profit Ratio
- (iii) Inventory Turnover Ratio
- (iv) Debt Equity Ratio

Revenue from operations ₹ 3,00,000

Cost of revenue from operations ₹ 2,50,000

Share Capital ₹ 2,50,000

Reserves ₹ 50,000

Long-term debts ₹ 1,50,000

Net profit ₹ 30,000

Average Inventory ₹ 25,000

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