



Standard 12
ACCOUNTANCY

Time: 3.00 Hours

Marks: 90

Part - I

I. Answer all the questions**20x1=20**

- 1) The excess of assets over liabilities is
a) Loss b) cash c) capital d) profit
- 2) Income and expenditure account is a
a) Nominal A/C b) Real A/C
c) Personal A/C d) Representative personal A/C
- 3) There are ₹500 members in a club each paying ₹100 as annual subscription due but not received for the annual year ₹200; subscription received in advance is ₹300. Find out the amount of subscription to be shown in the income and expenditure account
a) ₹50,000 b) ₹50,200 c) ₹49,900 d) ₹49,800
- 4) Under fixed capital method, partner's salary, commission and Interest on capital will be credited in
a) Drawings account b) Capital Account
c) Current Account d) Loan Account
- 5) Super profit is the difference between
a) Capital employed and average profit
b) Assets and liabilities
c) Average profit and normal profit
d) current years profit and average profit
- 6) Identify the incorrect pair
a) Good will under average profit methods – Average profit × No of years of purchase
b) Good will under super profit method – super profit × No of years of purchase
c) Good will under Annuity method – Average profit × present value Annuity factor
d) Good will under weighted average profit method – weighed average profit × No of years of purchase
- 7) On revaluation the increase in the value of assets leads to
a) Gain b) Loss c) Expense d) None of these
- 8) Which of the following statements is not true in relation to admission of a partner?
a) Generally mutual rights of the partners change
b) The profits and Losses of the previous years are distributed to the old partners
c) The firm is reconstituted under a new agreement
d) The existing agreement does not come to an end
- 9) If the final amount due to 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 partner's capital A/C
- 10) On the retirement of a partner increase in the value of assets is recorded in
a) Revaluation A/C b) cash A/C
c) old partner's capital A/C d) None of the above
- 11) That 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
- 12) If a share of ₹10 on which ₹8 has been paid up is forfeited minimum reissue price is
a) ₹10 pershare b) ₹8 pershare c) ₹5 per share d) ₹2 per share
- 13) When shares are issued for purchase of assets, the amount should be credited to
a) Vendor's A/C b) Sundry assets A/C
c) Share capital A/C d) Bank A/C
- 14) The financial statements do not exhibit
a) Non-monetary data b) Past data
c) Short - term data d) Long term data

- 15) Expenses for a business for the first year were ₹80,000. In the second year, it was increased to ₹88,000. What is the trend percentage in the second year?
a) 10% b) 110% c) 90% d) 11%
- 16) Current assets excluding inventory and prepaid expenses is called
a) Reserves b) Tangible assets c) Funds d) Quick assets
- 17) To test the liquidity of a concern, which of the following ratios are useful?
i) Quick ratio ii) Net profit ratio iii) Debt-equity ratio iv) current ratio
Select the correct answer using the codes given below.
a) (i) and (ii) b) (i) and (iv) c) (ii) and (iii) d) (ii) and (iv)
- 18) Proportion of share holder's funds to total assets is called
a) Proprietary ratio b) capital gearing ratio c) Debt equity ratio d) current ratio
- 19) Ideal current ratio is
a) 1 : 1 b) 1 : 2 c) 2 : 1 d) 3 : 1
- 20) Contra voucher is used for
a) Master entry b) Withdrawal of cash from bank for office use
c) Reports d) Credit purchase of assets

Part - II**II. Answer any 7 questions. Q.No. 30 is compulsory.****7x2=14**

- 21) What is a statement of affairs?
22) Show how the following items appear in the income and expenditure amount of Sirkazhi singers association?

	₹
Stock of stationery on 1.4.2018	2,600
Purchase of stationery during the year	6,500
Stock of stationery on 31.3.2019	2,200

- 23) What is a partnership deed?
24) Compute average profit from the following informaton
2016: ₹16,000; 2017: ₹20,000; 2018: ₹18,000
25) What is sacrificing ratio?
26) What is meant by retirement of a partner?
27) Write a short note on securities permium account
28) When is trend analysis preferred to other tools?
29) Calculate gross profit ratio from the following Revenue from operations ₹1,25,000, cost of revenue from operations ₹1,05,000 and purchases ₹90,000
30) From the following particulars ascertain profit or loss

Particulars	₹
Capital as on 1st January 2018	2,20,000
Capital as on 31st December 2018	1,80,000
Additional capital introduced during the year	40,000
Drawings made during the year	50,000

Part - III**III. Answer any 7 questions. Q.No. 40 is compulsory.****7x3=21**

- 31) Differentiate between statment of affairs and balance sheet
32) Compute capital fund of Karur social club as on 31.03.2018

Particulars as on 31.03.2018	₹
Furniture	25000
Buildings	20,000
Subscription received in advance for 2018-2019	2,500
Subscription outstanding for 2017-2018	5,000
Loan borrowed	5,000
Investments	10,000
Cash in hand	2,000
Cash at bank	3,000

- 33) State the differences between fixed capital method and fluctuating capital method.
- 34) From the following information, find out the value of goodwill by capitalisation method.
- Average profit = ₹60,000
 - Normal rate of return = 10%
 - Capital employed = ₹4,50,000
- 35) Rani and Vani are partners sharing profit and losses in the ratio of 5:3. In the view of veni admission, they decided
- To increase the value of building by ₹80,000
 - To bring into record investments at ₹20,000, which have not so far been brought into amount
 - To decrease the value of machinery by ₹28,000 and furniture by ₹24,000
 - To write off sundry creditors by ₹32,000
- Pass journal entries and prepare revaluation account
- 36) Kavitha, Kumudha and Lalitha are partners sharing profits and losses in the ratio of 5 : 3 : 3 respectively. Kumudha retires from the firm on 31st December 2018. On the date of retirement, her capital account shows a credit balance of ₹2,00,000 pass journal entries if:
- The amount due is paid off immediately by cheque
 - The amount due is not paid immediately
 - 70,000 is paid immediately by cheque
- 37) State the difference between preference shares and equity shares
- 38) From the following particulars, calculate the trend percentages of supriya Ltd

Particulars**₹ in thousands****2015-16****2016-17****2017-18**

Revenue from operations	400	500	600
Other income	100	150	200
Expenses	200	290	350

- 39) Mention the commonly used voucher type in Tally.ERP9
- 40) Following is the balance sheet of Lakshmi Ltd as on 31st March, 2019

Particulars**₹****I. EQUITY AND LIABILITIES**

1. Shareholder's funds Equity share capital	4,00,000
2. Non-Current liabilities Long term borrowings	2,00,000
3. Current liabilities	
a) Short - term borrowings	50,000
b) Trade Payables	3,10,000
c) Other current liabilities Expenses payable	15,000
d) Short-term provisions	25,000
Total	10,00,000

II. ASSETS

1. Non-current assets	
a) Fixed assets	
Tangible assets	4,00,000
2. Current assets	
a) Inventories	1,60,000
b) Trade debtors	3,20,000
c) Cash and Cash equivalents	80,000
d) Other current assets prepaid expenses	40,000
Total	10,00,000

Calculate

- i) Current ratio ii) Quick ratio

Part - IV**IV. Answer all the questions.****7x5=35**

- 41) a) State the difference between double entry system and incomplete records
(OR)
- b) Ananth does not keep his books under double entry system. Find the profit or loss made by him for the year ending 31st March, 2019.

Particulars	31.3.2018 ₹	31.3.2019 ₹
Cash at Bank	5,000(Dr)	60,000(Cr)
Cash in hand	3,000	4,500
Stock of goods	35,000	45,000
Sundry Debtors	1,00,000	90,000
Plant and Machinery	80,000	80,000
Land and Buildings	1,40,000	1,40,000
Sundry creditors	1,70,000	1,30,000

Ananth had withdrawn 60,000 for his personal use. He had introduced 17,000 as capital for expansion of his business. Create a provision of 5% on debtors. Plant and machinery is to be depreciated at 10%

- 42) a) Chennai Literary club gives you the following details. Prepare Receipts and payments amount for the year ended 31st March, 2019.

Particulars	₹	Particulars	₹
Opening cash balance	7,500	Salary of watchman	6,000
Opening bank balance	12,500	Club annual day expenses	7,500
Donations received	24,000	Lighting charges	8,250
Sale of old equipment	13,000	Entertainment expenses	6,750
Refreshment charges	6,500	Billiards table purchased	2,500
Club annual day collections	9,000	Expenses of charity show	1,500
Construction of tennis court	3,500	Sale of investments	6,000
Receipts from charity show	2,000	Closing cash balance	6,000
Rent paid	500		

(OR)

- b) From the following Receipts and payment account and from the information given below of Ramanathapuram sports club, prepare Income and Expenditure account for the year ended 31st December, 2018 and the balance sheet as on that date.

Dr. Receipts and payments Account for the year ended 31st December, 2018 Cr.

Receipts	₹		₹	Payments	₹	₹
To Balance b/d	5,000			By Rent		11,000
Cash in hand	10,000	15,000		By Entertainment expenses		11,200
To Subscription				By Furniture		10,000
2017	12,000			By Sports materials purchased		13,000
2018	33,000			By Match expenses		12,000
2019	16,000	61,000		By Investments made		28,000
To Entrance fees		6,000		By Balance c/d		
To General donations		7,000				
To Sale of old sports materials		1,000		Cash in hand	1,300	
To Miscellaneous receipts			500	Cash at bank	4,000	5,300
		<u>90,500</u>				<u>90,500</u>

Additional information:

- Capital fund as on 1st January 2018, ₹30,000
 - Opening stock of sports material ₹3,000 and closing stock of sports materials ₹5,000
- 43) a) Santhosh is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 6% per annum During the year ended 31st December, 2018 he withdrew as follows

Date	₹
February 1	2,000
May 1	10,000
July 1	4,000
October 1	6,000

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

(OR)

- b) Durai and Velan entered into a partnership agreement on 1st April 2018, Durai contributing ₹25,000 and Velan ₹30,000 as capital. The agreement provided that

- Profits and losses to be shared in the ratio 2:3 as between Durai and Velan
- Partners to be entitled to interest on Capital @ 5% p.a
- Interest on drawings to be charged Durai: ₹300 Velan: ₹450
- Durai to receive a salary of ₹5,000 for the year, and
- Velan to receive a commission of ₹2,000

During the year, the firm made a profit of ₹20,000 before adjustment of interest, salary and commission prepare the profit and loss appropriation account

- 44) a) What is goodwill? From the following information relating to a partnership firm find out the value of its goodwill
- Goodwill based on 3 years purchase of average profits of the last 4 years.
 - Profits of the years 2015, 2016, 2017 and 2018 are ₹10,000, ₹12,500, ₹12,000 and ₹11,500 respectively
 - The business was looked after by a partner and his fair remuneration amounts to ₹1,500 per year. This amount was not considered in the calculation of the above profits.

(OR)

- b) Calculate the value of goodwill at 5 years purchase of super profit from the following information

a) Capital employed: ₹1,20,000

b) Normal rate of profit: 20%

c) Net profit for 5 years:

2014: ₹30,000; 2015: ₹32,000; 2016: ₹35,000; 2017: ₹37,000 and 2018: ₹40,000.

d) Fair remuneration to the partners ₹2,800 per annum

- 45) a) Ram and Ramesh are partners, sharing profits and losses in the ratio of 5 : 3 the firm's balance sheet as on 31st December, 2017 was as follows:

Liabilities		₹	₹	Assets		₹	₹
Capital accounts:				Building			34,000
Ram		48,000		Furniture			6,000
Ramesh		<u>40,000</u>	88,000	Investment			20,000
Creditors			37,000	Debtors		40,000	
Outstanding wages			8,000	Less: Provision			
				for bad debts		3,000	37,000
				Bills receivable			12,000
				Stock			16,000
				Bank			<u>8,000</u>
							1,33,000
			<u>1,33,000</u>				

On 31st December, 2017 Suresh was admitted into the partnership for $\frac{1}{4}$ share of profit with ₹12,000 as capital subject to the following adjustments.

- Furniture is to be revalued at ₹5,000 and building is to be revalued at ₹50,000
 - Provision for doubtful debts is to be increased to ₹5,500
 - An unrecorded investment of ₹6,000 is to be brought into account
 - An unrecorded liability ₹2,500 has to be recorded now
- Pass journal entries and prepare Revaluation Account and Capital account of partners after admission.

b) Distinguish between sacrificing ratio and gaining ratio

- (OR)**

- 31
- st
- March 2016 31
- st
- March 2017

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3

50,000

- 60,000

- 60.000

4.20.000

1.50.000

- 75,000

- 1.50.000

45.000

3,00,000

4.20.000

- ii) Net profit ratio

- iv) Operating profit ratio

₹

- 40,000

- 400

- 40,000

- 34,000

(-) 2,000

600

4,800

37,400

- 3,000

200 200 100 200 100 200