

TrbTnpSC.com's Public Exam – Model Question Paper

XII STANDARD - ACCOUNTANCY

Time Allowed: 2.30 hr

Maximum Marks: 90

SECTION I

Note (a) Answer all the Questions

(b) Choose the most Suitable answer the given four alternatives and write the option code and the corresponding answer.

1. Match List I with List II and select the correct answer Using the codes given below.

List 1	List II
A) Diminishing balance method	1. Original cost of the asset and amount of invest on Investment
B) Straight ling method	2. Comparing the Value of Asset at the end of the year thir valve in the beginning of the year
C) Annuity method	3. On original cost of the asset
D) Revaluation method	4. On the book value of the asset

Codes:

A	B	c	d
A) 1	2	3	4
B) 4	3	2	1
C) 4	3	1	2
D) 4	1	2	3

2. Match List I with List II and select the correct Using the codes given below.

List 1	List II
A) Final A/c	1) Asset side
B) Sundry debtors	2) Intangible Asset
C) Good Will	3) Bad debt
D) Prepaid Insurance	4) Trial balance

Codes:

A	B	c	d
A) 1	2	3	4
B) 2	3	1	4
C) 4	3	2	1
D) 3	2	1	4

3. Which one the following is not correctly matched

- A) Last step in accounting cycle - Final A/c
- B) Trail Balance items Appear - One place
- C) Adjustment items Appears - Two Places
- D) Balance sheet find out - Trial Balance

4) Pick the odd one out from the following

- A. Good will
- B. Land
- C. Software
- D. Trade marks

5) The Ratios contains the balances of

- A) Only Liquidity and solvency Ratios
- B) Only profitability ratios
- C) Only Turnover Ratios
- D) All Accounts.

6) Which one of the following is not a characteristics of a company Accounts.

- A) Sources of Finance
- B) Limited Liability
- C) No Separate Legal entity
- D) Common Seal

7) Consider the following statement.

Assertion (A) : Single entry actually refers to Incomplete double entry system or the defective double entry system.

Reason (R) : It is not based dual aspect concept.

- A) Both (A) and (R) are true and (R) is the correct Explanation of (A)
- B) Both (A) and (R) are true and (R) is not the correct Explanation of (A)
- C) (A) is true, but (R) is false
- D) (A) is false but (R) is true.

8) Point out the wrong statement in the following statement.

- A) Interest on capital calculated on closing capital
- B) Interest on Capital added with opening capital
- C) Interest on Capital Debited P & C A/c.
- D) Interest on Capital Credited capital A/c.

9. State the order in which accounting system is followed.

- i) Application
- ii) Share First and Final call
- iii) prospectus
- iv) Share allotment

Choose the correct order using the codes given below.

- A) (i) (ii) (iii) (iv)
- B) (iv) (iii) (ii) (i)
- C) (iv) (ii) (iii) (i)
- D) (iii) (i) (iv) (ii)

10. Which of the following is not correct.

- A) Indian Partnership Act-1932
- B) Interest on partners Loan-6%
- C) Partners sharing P&C – equal Ratio
- D) Mutual & Implied Agency – Essence of Partnership

11. Which of the following is correct.

- A) Calls in arrears -6%
- B) Calls in advance – 6%
- C) Share discount - 5%
- D) Share application (SEBI) – 90%

12. Which one of the following is not a methods calculating depreciation.

- A. Fixed installment method
- B. Sinking fund method
- C. Revaluation method
- D. Logical method.

13. The relationship of an item to another expressed in simple mathematical form is known as Ratio.

- A. Spicer and peg
- B. Kennedy and millan
- C. ICMA
- D. Longman's

14. Credit sales is obtained from

- A. Bills receivable Account
- B. Bills payable Account
- C. Total Book debts Account
- D. Sundry Creditors Account

15. A, B, and C are sharing profits in the ratio of 4/10, 4/10, 2/10, C retired from business and his share was purchased equally by A and B then new profit sharing Ratio shall be.

- A) A-1/2 & B-1/2
- B) A-6/10 & B-4/10
- C) A-4/10 & B 6/10
- D) A-2/6 & B-3/6

16. X and Y are partners sharing the profits and Losses in the ratio of 2:3 with capitals of Rs.1,20,000 and Rs.60,000 respectively. Profit for the year are Rs.9000. If the partnership deed is silent as to interest on capital. Show how profit is shared among X and Y.

- A) Profit : X-Rs.6000; Y-Rs.3000
- B) Profit: X-Rs.3600; Y-Rs.5400
- C) Profit: X-Rs.3000; Y-Rs.6000
- D) Profit: X-Rs.5400; Y-Rs.3600

17. When X and Y sharing profits and losses in the ratio of 3:2 they admit Z as a partner giving him 1/3 share of profits. This will be given by X and Y

- A) Equally
- B) In the Ratio of their capitals
- C) In the Ratio of their profits
- D) Gaining Ratio.

18. Capital Reserve represent _____ Profit?

- a) Capital
- b) Liability
- c) Revenue
- d) Asset

19. According to companies Act 2000, a Company limited by share can Issue _____ kinds of shares.

- a) 1
- b) 2
- c) 3
- d) 4

20. All the items given in the adjustment will appear at in the final accounts.

- a) 3
- b) 2
- c) 4
- d) 1

SECTION – II**[7X2=14]****Note: Answer any seven Questions in which question no 21 is compulsory.**

21. If the fixed amount is withdrawn in the beginning of every month calculate Average period.
22. Amount withdrawn by the owner for his personal use is called as drawings what is interest on drawings.
23. Single entry system is a system of book – keeping in which as a rule only records of cash and personal Accounts are maintained It is always. Incomplete double entry varying with circumstances. State any two limitations of single entry system.
24. All assets whose benefit is derived for a long period of time. Usually more than one year period are called as fixed asset. These called as depreciation. Define depreciation.
25. Expressing the attendance of 40 students present in a class of 80 students taken as number of times.
26. Anadan and Balaraman are partners in a firm with capitals of Rs.70,000 and Rs.50,000 respectively. They decided to admit Chandran into the firm with a capital of Rs.40,000, Give Journal entry for capital bought in by Chandran.
27. Sumathi and Sundari are partners of a firm sharing P&L in the ratio of 4:3. Their Balance sheet shows Rs.14,000 as P&L A/c in the liabilities side pass entry.
28. Ravi, Ramu and Raman are partners sharing P&L in the ratio of 3:3:2 Ravi wanted to retire on 1st June 2005, the firm's books showed a general reserve of Rs.40,000. Pass entry.
29. A, B and C sharing profits in the ratio of 5:3:2 C retires. Find out the new Profit sharing ratio.
30. Sridhar Ltd, issued Rs.20,000 shares of Rs.100 cash at discount of 10% Give Journal entry.

SECTION – III

[7X3=21]

Note: Answer any seven Questions in which question no 31 is compulsory.

31. Profit and Loss Account for the year ended 31st March, 2004

Particulars	Rs.	Particulars	Rs.
To Bad debts A/c	5,000		
To Provision for Bad and doubtful debts A/c	4,000		
To Provision for discount on debtors	1,520		

Balance Sheet as on 31st March, 2004

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
			Sundry Debtors	85,000	
			Less: Bad debts	<u>5,000</u>	
				80,000	
			Less: Provision for bad and doubtful debts	<u>4,000</u>	
				76,000	
			Less: Provision for discount on debtors	<u>1,520</u>	74,480

Pass adjusting entry

32. Calculate the Sundry debtors at the end.

	Rs.
Opening Sundry Debtors	40,000
Total sales	1,60,000
Cash sales	20,000
Cash received from Sundry Debtors	78,000
Returns Inward	5,000

33. Robert & Co. purchased a Machinery on 1st April 2002 for Rs.75,000. After having used it for three years it was sold for Rs.35,000. Depreciation is to be provided every year at the rate of 10% per annum on Diminishing balance method. Accounts are closed on 31st March every year. Find out the profit or loss on sale of machinery.

34. Calculate Stock turnover ratio

	Rs.
Opening Stock	15,000
Closing Stock	25,000
Purchases	60,000

35. Prepare cash budget for the month of March from the following information

a) Estimated cash balance on 1st March Rs.8,775

b) Credit sales :

January Rs.70,000
February Rs.80,000
March Rs.85,000

Period of credit allowed to customers is one month

c) Credit purchases

January Rs. 40,000
February Rs.60,000
March Rs.50,000

Period of credit allowed by suppliers is two months

d) Purchase of plant Rs. 35,000

e) Wages to be paid in March Rs. 10,000

36. X and Y are partners in a firm, sharing profits and losses equally. X is entitled to a salary of Rs.5,000 p.m. Y is entitled to a commission of 10% of Net profit after charging such commission. Net profit was Rs.1,48,000. Show the Profit and loss appropriation account.

37. Nila earns Rs.50,000 profit in her business while Nivedita earns Rs.40,000 profit. Whose business is more profitable? Nila has made a sale of Rs.4,00,000 and Nivedita Rs.3,00,000.

38. S and T are partners sharing profits in the ratio of 3:2. They admit U as new partner. which he acquires $\frac{1}{5}$ th of S's share and $\frac{2}{5}$ of T's share. Calculate
a) New ratio and b) Sacrificing ratio.

39. Raman and Laxmanan were partners sharing profit and losses in the ratio of 4:3. In view of Velan's admission, they decided to revalue their assets and liabilities as indicated below:

- (a) To increase the value of buildings by Rs. 60,000.
 - (b) Provision for doubtful debts to be decreased by Rs.800.
 - (c) To decrease machinery by Rs.16,000, furniture by Rs.4,000 and stock by Rs. 12,000.
 - (d) A provision for outstanding liabilities was to be created for Rs.800
- Show the Revaluation Account.

40. Nanda Ltd. issued 10000 shares of Rs.10 each to the public at discount of 10% payable as follows:

on application Rs.2.50;
on allotment Rs.3.00;
on first & final call Rs.3.50.

All money due were received except from one shareholder Mr.Udhay, to whom 100 shares are allotted failed to pay the final call money. The directors forfeited shares after giving due notice. Pass journal entry for forfeiture.

SECTION – IV**[7X5=35]****Note: Answer all the Questions**

41.

A) The following balances have been extracted from the trial balance of Mr.Ashok as on 31.3.2002.

Trial Balance of Mr.Ashok as on 31st March, 2002

Particulars	Debit Rs.	Credit Rs.
Debtors	2,01,200	
Bad debts	9,400	
Provision for bad & doubtful debts		24,000
Provision for Discount on debtors		1,200
Discount allowed	18,600	

Adjustments:

1. Write off additional bad debts Rs.4,800
 2. Create Provision of 10% for bad & doubtful debts on debtors.
 3. Create Provision of 2% for discount on debtors.
- Show how these items will appear in the Profit and Loss Account and Balance Sheet

B) The following are the balances extracted from the books of Mrs. Sundari as on 31st March 2006

Trial balance as on 31.3.2006

Debit Balance	RS	Credit balance	RS
Furniture	30,000	Capital	2,00,000
cash in hand	8,000	Commission	14,000
Opening stock	1,00,000	Sales	6,00,000
Purchases	3,40,000	Creditors	1,00,000
Investment @10%	20,000	Interest received	1,500
Drawings	60,000		
Salaries	72,000		
Insurance	12,000		
Rent	26,000		
Debtors	1,80,000		
Advertising	40,000		
General expenses	27,500		
	9,15,500		9,15,500

Adjustment:

1. Closing stock was valued at Rs 80,000
2. Provide for accrued interest on Investment Rs 500
3. Commission received in advance Rs 4,000
4. Depreciation furniture by 10%

42.

A) Mohan maintain books on single entry. He gives you the following information

Particulars	Jan1,2006 Rs	Dec31.2007 Rs
Cash in hand	2,000	3,000
Cash at bank	1,000	2,000
Stock	16,000	18,000
Furniture	3,000	5,000
Sundry debtors	21,000	30,000
Creditors	5,000	7,000

He has taken Rs 4,000 from the business to meet his personal expenses. depreciate furniture by 10% per annum calculate the profit Or Loss for the year 2006

B) Find out total purchases and total sales from the following details by preparing necessary accounts:

Opening Sundry debtors 1,00,000
 Opening Sundry creditors 65,000
 Cash received from Sundry debtors 5,90,000
 Discount received 3,000
 Cash paid to Sundry creditors 40,000
 Discount allowed 5,000
 Returns outward 10,000
 Returns inward 6,000
 Closing Sundry debtors 70,000
 Closing Sundry creditors 50,000
 Cash sales 50,000
 Cash purchases 25,000

43.

A) On 1st October 2000, a company purchased a plant for Rs.6,00,000. They spent Rs.40,000 on its erection. The firm writes off depreciation at the rate of 20% on Reducing Balance Method. The books are closed on 31st March every year. Prepare Plant account and Depreciation account for three years.

B) From the following, you are required to calculate liquidity ratios.

Debtors 5,000 Creditors 4,000
 Cash in hand 4,000 Bills payable 3,000
 Cash at Bank 6,000 Outstanding expenses 250
 Short Term Investments 2,000 Bills receivable 3,000
 Prepaid expenses 1,000 Closing stock 8,000

44.

A) From the following details calculate

1. Gross Profit Ratio
2. Net Profit Ratio
3. Stock Turnover Ratio
4. Debtors Turnover Ratio

	Rs.
Sales	1,50,000
Cost of Goods Sold	1,20,000
Opening Stock	29,000
Closing Stock	31,000
Debtors	15,000
Administration Expenses	15,000

B) Prepare a cash budget for the month of August and September 2004 from the following Information

Month	Cash sales Rs	Credit Sales Rs	Credit Purchases Rs	wages Rs	Selling expenses Rs
June	75,000	1,87,000	1,24,800	12,000	8,600
July	60,000	1,92,000	1,83,600	14,000	4,800
August	50,000	1,94,000	1,46,000	11,000	6,600
September	45,000	1,26,000	1,73,400	10,000	7,500

Additional information:

1. Suppliers allowed two months credit
2. Customers were given one month credit
3. Wages are payable in the same month and delay in payment of selling expenses Was one month
4. Commission receivable Rs 11,000 in August
5. Estimated cash balance as on 1st August Rs 9,100

45.

A) Amuthan and Raman are partners in a firm showing Profits and Losses in the ratio 3:2. Their capitals on 1.4.2003 were Rs.1,60,000 and Rs.1,20,000 respectively. The Net Profit of the firm for the year ended 31st March 2004 before making adjustments for the above items was Rs.60,000. Drawings of the partners during the year were, Amuthan Rs.12,000 and Raman Rs.8,000. Their Partnership Deed provided for the following:

1. Interest on Capital at 5% p.a.
2. Interest on Drawings at 6% p.a.
3. Amuthan and Raman to get a salary of Rs.10,000 each per annum.
4. Amuthan to get a commission of 10% on the Net Profit before charging such commission.

Show the Profit and Loss Appropriation Account and Capital Accounts of the partners.

B) From the following information, calculate the value of goodwill at three years' purchase of super profit.

- i) Average Capital employed in the business Rs.6,00,000.
- ii) Net trading profits of the firm for the past three years were Rs.1,07,600, Rs.90,700 and Rs.1,12,500.
- iii) Rate of interest expected from capital having to the risk involved is 12%.
- iv) Fair remuneration to the partners for their service Rs.12,000 p.a.

46.

A) Kalavathi and Malathi are two partners sharing profits in the ratio of 4:3. Leelavathi is admitted for 1/3rd share of profits. Goodwill of the firm is to be valued at 2 years' purchase of 3 years' profits which have been Rs.44,000 Rs. 56,000, Rs. 68,000. Give journal entries if:

- (a) There is no goodwill in the books of the firm.
- (b) The goodwill account appears at Rs. 28,000
- (c) The goodwill already existing in the books is Rs. 1,68,000

B) (i). O, P and Q were partners of a firm sharing profit and losses in the ratio of 7:5:3. In view of 'P' s' retirement, they valued their goodwill at Rs.45,000 and decided to raise the goodwill account which did not exist before. Pass entry.

(ii). A, B and C were partners of a firm sharing profit and losses in the ratio of 5:3:2. Goodwill account stood in their books at Rs.36,000. 'C' wanted to retire and in view of that the partners decided to update the value of goodwill to Rs.50,000. Pass entry.

(iii). G, P and S were partners of a firm sharing profit and losses in the ratio of 3:2:1. In view of G's retirement, goodwill was valued at two year's purchase of the average profits of last three years which were Rs.16,000, Rs.30,000 and Rs.26,000. Pass entry

47.

A) Tirupur Textiles Company invited applications for 10,000 equity shares of Rs.100 each at a discount of Rs.10 per share (allowed at the time of allotment).

The amount was payable as follows:

- On Application Rs. 30
- On Allotment Rs. 30
- On First and Final Call Rs. 30

The public applied for 9,000 shares and these were allotted. All money due was collected with the exception of first and final call on 400 shares. Subsequently, these shares were forfeited. 200 of these shares were re-issued as fully paid for a payment of Rs.80 per share.

Journalise the above transactions in the books of the Company.

B) Basha Ltd. invited applications for 30,000 equity shares of Rs.50 each at a discount of 10%. The amount was payable as under:

On application Rs. 25

On Allotment Rs. 10 (with discount adjustment)

On Call Rs. 10

The public applied for 30,000 shares and these were allotted. All money was duly received with the exception of call money on 400 shares. These shares were forfeited. Out of these, 300 shares were re-issued as fully paid up @ Rs.35 per share. Pass necessary journal entries.

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