

AIRPORT SENIOR SECONDARY SCHOOL  
TERMINAL EXAMINATION-I 2023-2024

Class: XII B

ACCOUNTANCY

Marks:80

Time:3 hrs.

-----  
General instructions:

This question paper is divided into two parts-Part A and part B.

This question paper contains 34 questions.

All questions are compulsory  
-----

PART A

[Accounting for Partnership firms]

1. Increase and decrease in the value of assets and liabilities are recorded through
  - a. Profit and Loss Account
  - b. Profit and Loss Appropriation Account
  - c. Partners' capital Accounts
  - d. Revaluation Account
2. Accumulated profits or losses are transferred to the Capital Accounts of old partners in
  - a. New profit sharing ratio
  - b. Old profit sharing ratio
  - c. Sacrificing ratio
  - d. none of these
3. State the rights of a newly admitted partner of a partnership firm.
4. Excess of Average profit over Normal profit is-----
5. Which of the following will not be shown in the Profit and Loss Appropriation A/c
  - a. Partner's salary
  - b. partner's commission
  - c. Interest on partner's loan
  - d. interest on capital
6. Mohit and Rohit were partners in a firm with capitals of Rs. 80,000 and Rs. 40,000 respectively. The firm earned a profit of Rs. 30,000 during the year. Mohit's share in the profit will be
  - a. Rs. 20,000
  - b. Rs. 10,000
  - c. Rs. 18,000
  - d. Rs. 15,000
7. If equal amount is withdrawn in the beginning of each month for personal use, period for which interest is charged will be
  - a. 7 months
  - b. 6 months
  - c. 6.5 months
  - d. 5 months
8. Assertion [A]: Change in profit-sharing ratio is not a reconstitution

of partnership

Reason [R] : Winding-up of the firm is reconstitution of business

In the context of the above two statements, which of the following is correct?

- a. Both Assertion [A] and Reason [R] are correct but [R] is not the correct explanation of Assertion [A]
  - b. Both Assertion [A] and Reason [R] are correct and Reason[R]is the correct explanation of Assertion [A]
  - c. Only Assertion [A] is correct
  - d. Both Assertion [A] and Reason [R] are incorrect
9. A firm has an unrecorded investment of Rs. 10,000. Journal entry to record the unrecorded investment at the time of change in profit sharing Ratio will be:
- a. 

Revaluation A/c	Dr.	Rs. 10,000	
To unrecorded investment A/c			Rs. 10,000
  - b. 

Unrecorded investment A/c	Dr.	Rs. 10,000	
To Revaluation A/c			Rs. 10,000
  - c. 

Partner's Capital A/c	Dr.	Rs. 10,000	
To unrecorded investment A/c			Rs. 10,000
  - d. None of the above
10. Current Accounts of partners are maintained if
- a. Capitals are fixed
  - b. Capitals are fluctuating
  - c. Capitals are fixed and fluctuating
  - d. it is decided by the partners
11. Goodwill is -----
- a. a Fictitious Asset
  - b. a Current Asset
  - c. An Intangible Asset
  - d. None of these
12. in the absence of Partnership Deed:
- a. Interest will not be charged on partner's drawings
  - b. Interest will be charged at 5% p.a. on partner's drawings
  - c. Interest will be charged at 6% p.a. on partner's drawings
  - d. interest will be charged at 12% p.a. on partner's drawings
13. Where will you record interest on drawings:
- a. Debit side of Profit and Loss Appropriation A/c
  - b. Credit side of Profit and Loss Appropriation A/c

- c. Credit side of Profit and Loss Account
- d. Debit side of Capital/ Current A/c only

Read the following passage and answer question number 14 and 15 and 16  
Keshav, Krishna and Murari were in partnership sharing profits in the ratio of 3:2:1. Their Fixed capitals were Rs. 12,00,000, Rs. 10,00,000 and Rs. 8,00,000 respectively. It was agreed that interest on capital will be allowed at 10% p.a. Partners were entitled to salaries as follows:

Keshav Rs. 5,000 per month and Krishna Rs. 3,000 per quarter.

Profit of the firm for the yearended 31st March 2022 was Rs. 6,72,000

14. Amount credited to the partners' capital Accounts on account of interest on capital was:
- a. Keshav Rs. 10,000 ; Krishna Rs.12,000 ; Murari Rs.800
  - b. Keshav Rs. 1,20,000; Krishna Rs. 1,00,000; Murari Rs. 80,000
  - c. Keshav Rs. 1,200; Krishna Rs. 1,000; Murari Rs. 8,000
  - d. Keshav Rs. Rs. 1,000 Krishna Rs. 100; Murari- Nil
15. Amount of salary credited to Partners' capital Accounts on account of salary was:
- a. Keshav Rs. 60,000 Krishna Rs. 12,000
  - b. Keshav Rs. 5,000 Krishna Rs. 3,000
  - c. Keshav Rs. 20,000 Krishna Rs. 36,000
  - d. Keshav Rs. 12,000 Krishna Rs. 15,000
16. Amount of profit will be transferred to
- a. Partners' Capital a/c
  - b. Partners' Drawings Account
  - c. Partners' Current Account
  - d. none of the above

[16x1=16]

17. X and Y are partners sharing profits and losses equally. With effect from 1<sup>st</sup> April 2023, they agree to share profits in the ratio of 4:3. Calculate partner's gain or sacrifice due to the change in ratio.
18. A and B are equal partners. Their capitals are Rs. 40,000 and Rs. 80,000 respectively. After the accounts for the year had been prepared, it was noticed that interest @5% p.a. as provided in the Partnership Deed was not credited to their Capital Accounts before distribution of profits. Pass necessary adjustment entry.
19. P, Q and R shared profits and losses in the ratio of 3;2:1 respectively. With effect from 1<sup>st</sup> April 2023, they agreed to share profits equally. The goodwill

- of the firm was valued at Rs. 18,000. Pass necessary Journal entry.
20. Total capital of the firm of A, B and C is Rs. 1,00,000 and the Normal rate of return is 15%. The profits for the last three years were Rs. 30,000, Rs. 36,000 and Rs. 42,000. Goodwill is to be valued at 2 years' purchase of The super profit. Calculate the value of the Good will of the firm.  
[4x3=12]
21. Mohan and Babu contributed Rs. 20,000 and Rs.10,000 respectively towards capital. They decide to allow interest on capital at 6%p.a. Their respective share of profits is 2:3 and profit for the year is Rs. 1,500. Show distribution of profit.
22. X and Y are partners in a firm sharing profits in the ratio of 3:2. On 1<sup>st</sup> April, 2023, they decided to change their profit sharing ratio as 2:3. On this date, there was a balance of Rs. 1,50,000 in General Reserve and a debit balance of Rs. 20,000 in the Profit and Loss Account of the firm. Pass necessary journal entries regarding adjustment accumulated profit or losses .  
[2x4=8]
23. Mohit and Sobhit are partners sharing profits in the ratio of 3:2. Rohit was admitted for 1/6<sup>th</sup> share of profit with a minimum guaranteed profit of Rs. 10,000. At the close of the first financial year, the firm earned profit of Rs. 54,000. Prepare Appropriation Account to show the share of profits of the partners.
24. Pass journal entries to record the following transactions for revaluation of Assets and liabilities and sharing profits:
- Value of stock increased by Rs. 6,000
  - Value of Furniture decreased by Rs. 3,000
  - The value of plant and machinery [Cost price Rs. 12,000] reduced by 10%
  - Value of creditors reduced by 2,500
  - Revaluation Profit Rs. 6,000 divided among the partners A,B and C .  
Their profit sharing Ratio is 3:2:1
25. P, Q and R are partners in a firm. Their capital accounts on 1<sup>st</sup> April, stood at Rs. 2,00,000, Rs. 1,20,000 and Rs.1,60,000 respectively.  
As per the provisions of their partnership deed:
- Interest on capital was to be allowed @ 5% p.a.
  - Interest on drawings to be charged are :  
P-Rs. 300                      Q- Rs.300                      R- Rs.900

c. Profit and losses were to be shared in the ratio 5:4:1

The net profit of Rs. 72,000 for the year ended 31<sup>st</sup> march 2020, was divided equally among the partners without providing for the terms of the deed.

26. Calculate interest on drawings of Mr. Ganesh @ 8% p.a. for the year ended 31<sup>st</sup> March,2021, in each of the following alternative cases:
- a. If he withdrew Rs. 5,000 in the beginning of each quarter
  - b. if he withdrew Rs. 6,000 at the end of every month
  - c. if he withdrew Rs. 10,000 during the middle of each month

[4x6=24]

## PART B

### [Analysis of Financial Statements]

27. Which of the following is not a sub-head of Current Assets?
- a. Cash and Cash equivalents
  - b. Trademarks
  - c. Short-term loans and advances
  - d. Inventories
28. If operating cycle of a company cannot be identified, it is assumed to be :
- a. 18 months
  - b. 10 months
  - c. 12 months
  - d. 15 months
29. What is the ideal current Ratio?
30. As per Companies Act, the Balance Sheet of a company is required to be presented in-----
- a. Horizontal Form
  - b. Vertical Form
  - c. Either horizontal or vertical
  - d. neither of the above

[4x1=4]

31. From the following data calculate Current Ratio

Cash and cash equivalents	Rs. 75,000
Inventories	Rs. 15,000
Prepaid expenses	Rs. 10,000
Bills Payable	Rs. 20,000
Creditors	Rs. 20,000

32. Under which major head and sub-head will the following items be presented in the Balance Sheet of a company as per Schedule III, Part I of the Companies Act, 2013?

Motor Car	General Reserve	Cash	Debenture
Loose tools	Creditors	Patent	share capital

33. Explain any four limitations of Financial Statement Analysis
34. From the following Statement of Profit and Loss of Star Ltd. for the Years ended 31 st March 2018 and 2017 prepare a Comparative Statement of Profit and loss:

Particulars	31-3-2018 Rs.	31-3-2017 Rs
Revenue from operations	20,00,000	16,00,000
Employee benefit expenses	10,00,000	8,00,000
Other expenses	1,00,000	2,00,000
Tax	50%	50%

[4x4=16]

-----