

- Q1. When journal entry for forfeiture of shares is recorded in the Company's books, the Share Capital Account-
- (a) Will be debited by the issue price of the shares forfeited.
  - (b) Will be debited by the face value of the shares forfeited.
  - (c) Will be debited by the called up value of the shares forfeited.
  - (d) Will be credited by the issue price of the shares forfeited.
- Q2. Jindal and Company purchased a machine from High Life Machine Limited for ` 3,80,000. As per purchase agreement, ` 20,000 were paid in cash and balance by issue of shares of ` 100 each. Find the number of shares issued, if they are issued at par-
- (a) 3000 Shares
  - (b) 3500 Shares
  - (c) 3600 Shares
  - (d) 3200 Shares
- Q3. According to section „..... of the Partnership Act, 1932, the dissolution of partnership between all the partners of a firm is called the dissolution of the firm.
- (a) 36
  - (b) 37
  - (c) 38
  - (d) 39
- Q4. Murli, Naveen and Omprakash are partners sharing profits in the ratio of  $\frac{3}{8}$ ,  $\frac{1}{2}$  and  $\frac{1}{8}$ . Murli retires and surrenders  $\frac{2}{3}$ rd of his share in favour of Naveen and the remaining share in favour of Omprakash. The gaining ratio of the remaining partners is-
- (a) 3:1
  - (b) 2:1
  - (c) 2:3
  - (d) 3:4
- Q5. State which of the following combination of statements are true about the Company-
- (A) A company is an artificial person.
  - (B) Capital reserves are created from capital profits.
  - (C) Shareholders of a company are liable for the acts of the company.
  - (D) A company's shares are generally transferable.
- Choose the correct answer from the options given below:
- (a) (A), (B) and (D) only
  - (b) (A), (B) and (C) only
  - (c) (A), (B), (C) and (D)
  - (d) (B), (C) and (D) only
- Q6. Arrange Categories of Share Capital into correct order-
- (A) Subscribed Capital
  - (B) Authorised Capital
  - (C) Issued Capital
  - (D) Called up Capital
- Choose the correct answer from the options given below:
- (a) (B), (C), (A), (D)
  - (b) (B), (D), (A), (C)
  - (c) (B), (A), (D), (C)
  - (d) (C), (B), (D), (A)
- Q7. Mohit, Neeraj and Sohan are partners in a firm sharing profits in the ratio of 2 : 1 : 1. Neeraj retires and Mohit and Sohan decided that the capital of the new firm will be fixed at ` 120,000. The capital accounts of Mohit and Sohan show a credit balance of ` 82,000 and ` 41,000 respectively after making all the adjustments. Calculate the actual cash to be paid off or to be brought in by the continuing partners in total.-
- (a) ` 2000 brought in

- (b) ` 1000 paid off.  
(c) ` 3000 paid off.  
(d) ` 2500 brought in.
- Q8. Saloni and Srishti are partners in a firm. Their capital accounts as on April 01, 2019 showed a balance of ` 2,00,000 and ` 3,00,000 respectively. On July 01, 2019, Saloni introduced additional capital of ` 50,000 and Srishti, ` 60,000. On October 01, 2019 Saloni withdrew ` 30,000, and on January 01, 2020 Srishti withdrew ` 15,000 from their capitals. Interest is allowed @ 8% p.a. Calculate interest payable on capital to Saloni during the financial year 2019-2020.  
(a) ` 8,800  
(b) ` 17,800  
(c) ` 14,400  
(d) ` 20,800
- Q9. Which statement is not true about Capital Accounts of Partner-  
(a) Under the fixed capital method, the capitals of the partners shall remain fixed unless additional capital is introduced or a part of the capital is withdrawn as per the agreement among the partners.  
(b) Under the fluctuating capital method, two account, i.e. capital account and current account is maintained for each partner.  
(c) Under the fixed capital method, While the partners' capital accounts shall always appear on the liabilities side in the balance sheet, the partners' current account's balance shall be shown on the liabilities side, if they have credit balance and on the assets side, if they have debit balance.  
(d) Under the fluctuating capital method, only one account, i.e. capital account is maintained for each partner.
- Q10. A and B are partners in a firm sharing profits in the ratio 2:1. C is admitted into the firm with 1/4<sup>th</sup> share in profits and he brings ` 30,000 as his capital. If the capitals of A and B are to be adjusted in their profit sharing ratio then the capital of A will be-  
(a) ` 50,000  
(b) ` 60,000  
(c) ` 30,000  
(d) ` 40,000
- Q11. Rohit and Mohit are partners in a firm sharing profits in the ratio of 5:3. They admit Bijoy as a new partner for 1/7<sup>th</sup> share in the profits. The new profit sharing ratio will be 4:2:1. The sacrificing ratio of Rohit and Mohit is-  
(a) 2:5  
(b) 3:5  
(c) 4:5  
(d) 5:3
- Q12. Steps involved in various accounting aspects of retirement or death of a partner -  
(A) Settlement of the amounts due to retired/deceased partner  
(B) Ascertainment of new profit sharing ratio and gaining ratio  
(C) Adjustment of capital, if required  
(D) Revaluation of assets and liabilities  
Choose the correct answer from the options given below:  
(a) (B), (D), (C), (A)  
(b) (A), (C), (B), (D)  
(c) (B), (A), (D), (C)  
(d) (C), (B), (D), (A)
- Q13. Amitabh and Babul are partners sharing profits in the ratio of 3:2, with capitals of ` 50,000 and ` 30,000 respectively. Interest on capital is agreed @ 6% p.a. Babul is to be allowed an annual salary of ` 2,500. Manager is to be allowed commission ` 5,000. Amitabh has also given a Loan on April 01, 2019 of ` 50,000 to the firm without any agreement. During the year 2019-20, the profits earned is ` 22,250. Profit and Loss Appropriation account shows balance of the Profit and Loss A/c (Net profit before Babul's salary) amounted to-  
(a) ` 14500

- (b) ` 14250
- (c) ` 14750
- (d) ` 14350

Q14. The Profit on reissue of forfeited shares is transferred to:

- (a) General reserve
- (b) Capital redemption reserve
- (c) Capital reserve
- (d) Reserve capital

Q15. Unrecorded liabilities when paid are shown in:

- (a) Debit of Realisation Account
- (b) Debit of Bank Account
- (c) Credit of Realisation Account
- (d) Not shown anywhere

Q16. Match List-I with List-II

List-I	List-II
Method of Valuation of Goodwill	Formula
(A) Average profit method	(I) $\text{Goodwill} = \text{Super profit} \times \text{No. of years purchased}$
(B) Super Profit Method	(II) $\text{Goodwill} = \text{capitalized value of average profit} - \text{actual firm's capital.}$
(C) Capitalization of super profit method	(III) $\text{Goodwill} = \text{Average Profits} \times \text{No. of years purchased}$
(D) Capitalization of average profit method	(IV) $\text{Goodwill} = (\text{Super profit}/\text{Normal Rate of Return}) \times 100$

Choose the correct answer from the options given below:

- (a) (A) – (II), (B) – (I), (C) – (III), (D) – (IV)
- (b) (A) – (III), (B) – (I), (C) – (IV), (D) – (II)
- (c) (A) – (II), (B) – (I), (C) – (IV), (D) – (III)
- (d) (A) – (III), (B) – (IV), (C) – (I), (D) – (II)

Q17. Anshu and Nitu are partners sharing profits in the ratio of 3:2. They admitted Jyoti as a new partner for 3/10 share which she acquired 2/10 from Anshu and 1/10 from Nitu. The new profit sharing ratio of Anshu, Nitu and Jyoti.

- (a) 4:3:3
- (b) 4:3:5
- (c) 3:4:3
- (d) 2:7:3

Q18. A business has earned average profits of ` 1,00,000 during the last few years and the normal rate of return in a similar business is 10%. Ascertain the value of goodwill by capitalisation of average profits method, given that the value of net assets of the business is ` 8,20,000

- (a) ` 1,00,000
- (b) ` 2,20,000
- (c) ` 1,80,000
- (d) ` 1,50,000

Q19. On dissolution of the firm, partner's capital accounts are closed through:

- (a) Realisation Account
- (b) Drawings Account
- (c) Bank Account
- (d) Loan Account.

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- Q20. Money received in advance from shareholders before it is actually called-up by the directors is:
- Debited to calls in advance account
  - Credited to calls in advance account
  - Debited to calls account
  - Credited to calls account

- Q21. Match List-I with List-II

List-I	List-II
<b>Interest on Drawings</b>	<b>Time (Month)</b>
(A) When the amount is withdrawn at the beginning of each month.	(I) 6 months
(B) When the amount is withdrawn at the end of each month.	(II) 6.5 months.
(C) When the amount is withdrawn at the middle of each month.	(III) 5.5 months.
(D) When the amount is withdrawn at the end of each quarter.	(IV) 4.5 months.

Choose the correct answer from the options given below:

- (A) –(III), (B) – (II), (C) – (IV), (D) – (I)
- (A) –(II), (B) – (III), (C) – (IV), (D) – (I)
- (A) –(II), (B) – (III), (C) – (I), (D) – (IV)
- (A) –(III), (B) – (IV), (C) – (I), (D) – (II)

- Q22. Which combination of statements is true about partnership-
- Valid partnership can be formulated even without a written agreement between the partners.
  - Methods of settlement of disputes among the partners can't be part of the partnership deed.
  - If the deed is silent, interest at the rate of 6% p.a. would be charged on the drawings made by the partner.
  - Each partner carrying on the business is the principal as well as the agent for all the other partners.

Choose the correct answer from the options given below:

- (A) and (D) only
- (A), (B) and (D) only
- (C) and (D) only
- (C) and (B) only

- Q23. Select the factors affecting the value of goodwill-

- Nature of business.
- Efficiency of management.
- Location.
- Prices.

Choose the correct answer from the options given below:

- (A), (B) and (D) only
- (A), (B) and (C) only
- (A), (C) and (D) only
- (B), (C) and (D) only

- Q24. In case partner's capital is fixed, then where interest on drawings charged will be shown?

- Debit side of partner's capital account
- Credit side of partner's capital account
- Debit side of partner's current account
- Credit side of partner's current account

- Q25. Which combination of statements is true about dissolution-

- Dissolution of a partnership is different from dissolution of a firm.
- A partnership is dissolved when there is a death of a partner.
- A firm is dissolved when all partners give consent to it.

- (D). A firm is compulsorily dissolved when a partner decides to retire.  
Choose the correct answer from the options given below:
- (a) (A), (B) and (D) only
  - (b) (A), (B) and (C) only
  - (c) (B), (C) and (D) only
  - (d) (A), (C) and (D) only
- Q26. The Court may order a partnership firm to be dissolved in which of the following case?
- (a) When the business of the firm becomes illegal
  - (b) On the death of a partner
  - (c) When a partner becomes insane
  - (d) On the expiry of the term of the partnership
- Q27. On the death of an existing partner, in case the value of a Liability decreases then which account will be debited?
- (a) Deceased Partner Capital Account.
  - (b) Profit and Loss Adjustment Account.
  - (c) Realization Account.
  - (d) Liability Account.
- Q28. After transferring liabilities like creditors and bills payables in the Realisation Account, in the absence of any information regarding their payment, such liabilities are treated as:
- (a) Never paid
  - (b) Fully paid
  - (c) Partly paid
  - (d) Paid according to Capital contribution
- Q29. On dissolution of a firm, partner's loan account is transferred to:
- (a) Bank Account
  - (b) Realisation Account
  - (c) Partner's Capital Account
  - (d) Partner's Current Account
- Q30. A, B and C are partners in a firm sharing profits in the ratio of 3:2:1. D is admitted into the firm for 1/4th share in profits, which he gets 1/8th from A and 1/8th from B. The total capital of the firm is agreed upon as Rs. and D is to bring in cash equivalent to 1/4th of this amount as his capital. The capitals of other partners are also to be adjusted in the ratio of their respective shares in profits. The capitals of A, B and C after all adjustments, are ` 40,000, ` 35,000 and ` 30,000 respectively. Calculate the new capital of A
- (a) ` 45000
  - (b) ` 25000
  - (c) ` 35000
  - (d) ` 20000
- Q31. At the time of retirement of a partner, undistributed profits appearing in the balance sheet of the old firm is transferred to the capital account of:
- (a) Retired partner only
  - (b) Remaining partners in the new profit sharing ratio
  - (c) Old partners in old profit sharing ratio
  - (d) Old partners in the sacrificing ratio
- Q32. As a general rule, a company cannot ordinarily issue shares at \_\_\_\_\_ ?
- (a) Par
  - (b) Premium
  - (c) Discount
  - (d) Amount higher than its face value.

Q33. Match List-I with List-II

List-I	List-II
(A) Companies Limited by Shares	(I) A company which has only one person as a member.
(B) Companies Limited by Guarantee	(II) There is no limit on the liability of its members.
(C) Unlimited Companies	(III) The liability of its members is limited to the amount they undertake to contribute in the event of the company being wound up.
(D) One Person Company	(IV) The liability of its members is limited to the extent of the nominal value of shares held by them.

Choose the correct answer from the options given below:

- (a) (A) - (II), (B) - (I), (C) - (III), (D) - (IV)
- (b) (A) - (IV), (B) - (III), (C) - (II), (D) - (I)
- (c) (A) - (II), (B) - (I), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q34. Match List-I with List-II

List-I	List-II
(A) Gaining Ratio	(II) New Share - Old Share.
(B) Sacrificing Ratio	(II) Old Share - New Share.
(C) Admission of Partner	(III) Partner may be paid amount more than what has actually due to him for hidden goodwill share.
(D) Retirement of Partner	(IV) Partner may or may not bring his share of goodwill in cash.

Choose the correct answer from the options given

- (a) (A) - (I), (B) - (II), (C) - (III), (D) - (IV)
- (b) (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
- (c) (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
- (d) (A) - (III), (B) - (IV), (C) - (I), (D) - (II)

Q35. Dissolution of a firm cannot take place in which of the situation-

- (a) Dissolution by Death
- (b) Dissolution by Agreement
- (c) Dissolution by Court
- (d) Voluntarily by one partner

Q36. If partnership deed is silent on the profit sharing ratio; interest @ \_\_\_\_\_ per annum is allowed on loans advanced by partners-

- (a) 8%
- (b) 6%
- (c) 10%
- (d) 12%

Q37. Vijay and Sanjay are partners in a firm sharing profits and losses in the ratio of 3:2. They admitted Ajay into partnership with 1/4th share in profits. Ajay brings in ₹ 30,000 for capital and the requisite amount of premium in cash for goodwill. The goodwill of the firm is valued at ₹ 20,000. The new profit sharing ratio is 2:1:1. The sacrificing ratio of Vijay and Sanjay is:

- (a) 3:5
- (b) 2:3
- (c) 3:2
- (d) 2:5

- Q38. In the case of dissolution of a partnership firm, the accumulated profits and reserves are transferred to :
- Realization Account
  - Partners' Capital Accounts
  - Bank Account
  - Partner Loan Account
- Q39. The balance of the Share Forfeiture Account will be shown in the Balance Sheet of the Company, under the head of :
- Share Capital
  - Reserve and Surplus
  - Non-current Liabilities
  - Current Liabilities
- Q40. Debentures which are transferable by mere delivery are:
- Registered debentures
  - First debentures
  - Bearer debentures
  - Unsecured Debentures
- Q41. Contents of the Partnership Deed does not include
- Names and Addresses of all partners
  - Mode of auditor's appointment, if any
  - The date of commencement of partnership
  - Bank Details of Nominee
- Q42. Interest on calls in advance is provided at a rate not exceeding \_\_\_\_\_ as per "Table F":
- 12%
  - 6%
  - 10%
  - 8%
- Q43. Match List-I with List-II

List-I	List-II
(A) Redeemable Debentures	(I) The company does not give any undertaking for the repayment of money borrowed by issuing such debentures
(B) Convertible Debentures	(II) Which are payable on the expiry of the specific period either in lump sum or in installments during the life time of the company.
(C) Irredeemable Debentures	(III) Which are convertible into equity shares or in any other security either at the option of the company or the debenture holders.
(D) Unsecured Debentures	(IV) These do not have a specific charge on the assets of the company.

Choose the correct answer from the options given below:

- (A) - (II), (B) - (III), (C) - (I), (D) - (IV)
  - (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
  - (A) - (II), (B) - (I), (C) - (IV), (D) - (III)
  - (A) - (III), (B) - (IV), (C) - (I), (D) - (II)
- Q44. Which of the following is true about debentures-
- Debenture is a part of owned capital.
  - The payment of interest on debentures is a charge on the profits of the company.
  - The debentures cannot be issued at a discount of more than 10% of the face value.
  - Redeemable debentures are those debentures which are payable on the expiry of the specific period.

Choose the correct answer from the options given below:

- (a) (A) and (D) only
- (b) (B) and (C) only
- (c) (C) and (D) only
- (d) (B) and (D) only

Q45. Sunena, a shareholder holding 500 shares of ₹ 10 each, did not pay the allotment money of ₹ 4 per share (including a premium of ₹ 2) and the first and final call of ₹ 3. Her shares were forfeited after the first and final call. Choose the correct journal entry for forfeiture of the shares.

- (a) Share Capital A/c Dr. 5,000  
 Securities Premium A/c Dr. 1,000  
 To Share Allotment A/c 2,000  
 To Share first and final Call A/c 2,500  
 To Share Forfeiture A/c 1,500
- (b) Share Capital Reserve A/c Dr. 5,000  
 Securities Premium A/c Dr. 1,000  
 To Share Allotment A/c 4,000  
 To Share Forfeiture A/c 2,000
- (c) Share Capital A/c Dr. 5,000  
 Securities Premium A/c Dr. 1,000  
 To Share Allotment A/c 2,000  
 To Share Forfeiture A/c 4,000
- (d) Share capital A/c Dr. 5,000  
 Securities Premium A/c Dr. 1,000  
 To Share Allotment A/c 2,000  
 To Share first and final Call A/c 1,500  
 To Share Forfeiture A/c 2,500

**Analysis of Financial Statements**

Q46. Which of the following is not an operating activity-

- (a) Proceeds from long-term borrowings.
- (b) Cash revenue from operations
- (c) Cash receipt from trade receivables.
- (d) Employee benefits expenses paid.

Q47. The two basic measures of liquidity are:

- (a) Inventory turnover and current ratio
- (b) Current ratio and quick ratio
- (c) Gross profit margin and operating ratio
- (d) Current ratio and average collection period

Q48. The analysis of the actual movement of money inflow and outflow in an organisation is called-

- (a) Horizontal analysis
- (b) Trend Analysis
- (c) Cash flow Analysis
- (d) Vertical analysis

Q49. Which of the following is not the nature of financial statements-

- (a) The original cost or historical cost is the basis of recording transactions.
- (b) It cannot be expressed in monetary terms.
- (c) Certain accounting conventions are followed while preparing financial statements.
- (d) Financial statements are prepared on certain basic assumptions

Q50. Arrange the following Cash Flows from Operating Activities in sequence as per indirect method-

- (A) Income Tax Paid

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- (B) Net Profit/Loss before Tax and Extraordinary Items
- (C) Operating Profit before Working Capital changes
- (D) Effects of Extraordinary Items relating to operating activity.

Choose the correct answer from the options given below:

- (a) (B), (C), (D), (A)
- (b) (B), (C), (A), (D)
- (c) (B), (A), (D), (A)
- (d) (C), (B), (D), (A)

### Computerized Accounting Systems

- Q51. Provident Fund (PF) is calculated as a percentage of which component(s)?
- (a) Only Dearness Allowance
  - (b) Basic Pay + Dearness Pay (if applicable)
  - (c) Grade Pay + House Rent Allowance
  - (d) Transport Allowance only
- Q52. In Excel terminology, what is the area that contains the entire chart called?
- (a) Plot Area
  - (b) Data Area
  - (c) Chart Area
  - (d) Axis Area
- Q53. What does Dearness Allowance (DA) compensate for?
- (a) Housing expenses
  - (b) Fuel charges
  - (c) Erosion in purchasing power due to inflation
  - (d) Commuting cost
- Q54. In a chart, what do data points represent?
- (a) File Name
  - (b) Specific Values in Datasets
  - (c) Format Styles
  - (d) Chart Types
- Q55. Which formula can be used to prevent leading or trailing spaces in a data validation rule?
- (a) = TRIM(A1)=A1
  - (b) =LEN(A1)>10
  - (c) =ISNUMBER(A1)
  - (d) =WEEKDAY(A1)<>1
- 