

Q1. All assets (except cash/bank and fictitious assets) are transferred to the \_\_\_\_\_ side of \_\_\_\_\_ Account.  
 (a) Debit/Capital  
 (b) Credit/Capital  
 (c) Realization/Capital  
 (d) Debit/Realization

Q2. The important methods of valuation of goodwill are as follows:  
 (A) Average Profits Method  
 (B) Normal Profits Method  
 (C) Super Profits Method  
 (D) Capitalization Method

Choose the correct answer from the options given below:

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

Q3. Match **List-I** with **List-II**

List - I	List - II
Type of Debenture	Explanation
(A) Secured Debentures	(I) These debentures do not have a specific charge on the assets of the company.
(B) Irredeemable	(II) These debentures are those which are payable on the expiry of the specific period either in lump sum or in installments during the lifetime of the company.
(C) Unsecured Debentures	(III) It refers to those debentures where a charge is created on the assets of the company for the purpose of payment in case of default.
(D) Redeemable Debentures	(IV) These debentures are repayable on the winding-up of a company or on the expiry of a long period.

Choose the correct answer from the options given below:

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

Q4. A partnership deed usually doesn't contain the following details:

- (a) Name and address of all the partners
- (b) Profit and Loss Sharing Ratio
- (c) Mode of auditor's appointment
- (d) The date of dissolving the partnership firm

Q5. On the dissolution of a firm, the Creditors are transferred to .....

- (a) Realization Account
- (b) Bank Account
- (c) Cash Account
- (d) Partner's capital Account

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- Q6. Unrecorded liabilities when paid are shown in:
- (a) Debit of Realisation Account
  - (b) Debit of Bank Account
  - (c) Credit of Realisation Account
  - (d) Debit of Revaluation Account
- Q7. Keshav, Nirmal and Pankaj are partners sharing profits and losses in the ratio of 4 : 3 : 2. Nirmal retires and the goodwill is valued at ` 72,000. Keshav and Pankaj decided to share future profits and losses in the ratio of 5 : 3. Gaining Ratio of Keshav and Pankaj is:
- (a) 13/24:11/24
  - (b) 7/12.:5/12
  - (c) 11/24:13/24
  - (d) 5/12:7/12
- Q8. A business has earned average profits of ` 1,00,000 during the last few years and the normal rate of return for a similar business is 10%. Ascertain the value of goodwill by capitalization of average profits method, given that the value of net assets of the business is ` 8,20,000
- (a) ` 1,75,000
  - (b) ` 1,80,000
  - (c) ` 1,90,000
  - (d) ` 1,85,000
- Q9. Which combination of statements is true about dissolution-
- (A). Dissolution of a partnership is different from dissolution of a firm.
  - (B). A partnership is dissolved when there is a death of a partner.
  - (C). 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) (B) and (D) only
- Q10. The books of a business showed that the firm's capital employed on December 31, 2015, is ` 5,00,000 and the profits for the last five years were: 2011-` 40,000; 2012-` 50,000; 2013-` 55,000; 2014-` 70,000 and 2015-` 85,000. Find out the normal profits of the business, given that the normal rate of return is 10%.
- (a) ` 70,000
  - (b) ` 35,000
  - (c) ` 50,000
  - (d) ` 60,000
- Q11. A company has issued 10% Debentures of Face Value of ` 5,00,000 as Collateral Security against ` 6,00,000, 12% Bank Loan. What amount of total interest will be paid by company for the whole year:-
- (a) ` 1,22,000
  - (b) ` 50,000
  - (c) ` 72,000
  - (d) No interest will be paid.
- Q12. Select the TRUE statement related to the issue/re-issue of equity shares.
- (a) Equity Shares cannot be issued at Discount.
  - (b) Equity Shares can be re-issued at Discount.
  - (c) Equity Shares cannot be re-issued at premium.
  - (d) Equity Shares cannot be re-issued at premium
- Q13. Which account is debited for Realisation expenses paid?
- (a) Realisation Account

- (b) Bank Account
- (c) Revaluation Account
- (d) Realisation expense Account

Q14. In which order, the following types of share capital are shown in the balance sheet of a company?

- (A) Subscribed Capital
- (B) Called up Capital
- (C) Issued Capital
- (D) Authorized Capital

Choose the correct answer from the options given below:

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

Q15. Arrange the following steps for calculating Goodwill under Capitalisation of Average Profits Method in correct sequence-

- (A) Ascertain the actual firm's capital (net assets) by deducting outside liabilities from the total assets.
- (B) Compute the value of goodwill by deducting net assets from the capitalised value of average profits.
- (C) Ascertain the average profits based on the past few years' performance.
- (D) Capitalize the average profits on the basis of the normal rate of return to ascertain the capitalised value of average profits.

Choose the correct answer from the options given below:

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

Q16. Anupam and Abhishek are partners. Their capital accounts showed balances of ` 1,50,000 and ` 2,00,000 respectively on April 01, 2019. Show the interest on capital for the year ending march 31, 2020 allowed, If the partnership deed provides for interest on capital @ 8% p.a. and the firm earned a profit of ` 14,000 during the year:

- (a) 20,000
- (b) 28,000
- (c) 26,000
- (d) 14,000

Q17. Under which Section & Act, the Central Government is empowered to prescribe a maximum number of partners in a partnership firm?

- (a) Section 464 of the Companies Act 1932
- (b) Section 464 of the Companies Act 2013
- (c) Section 4 of the Companies Act 2013
- (d) Section 4 of the Companies Act 1932

Q18. The maximum amount of discount on the re-issue of forfeited shares will be:-

- (a) The amount already called up at the time of forfeiture.
- (b) The amount of calls in arrear at the time of forfeiture.
- (c) The amount of calls in advance at the time of forfeiture.
- (d) The amount already received at the time of forfeiture.

Q19. A, B and C are partners in a firm. If D is admitted as a new partner then:

- (a) Old Firm is Dissolved
- (b) Old Partnership firm is Dissolved
- (c) The Old Firm and Old Partnership are both Dissolved
- (d) Old Partnership is Reconstituted

Q20. If there are some accumulated losses in the form of a debit balance of profit and loss account appearing in the balance sheet of the firm. It should be transferred to:



- Q27. When realisation expenses are paid by the firm on behalf of a partner, which account will be debited:
- (a) Realisation Account
  - (b) Partner's Capital Account
  - (c) Partner's Loan Account
  - (d) Revaluation Account
- Q28. Perpetual Debentures are also known as :-
- (a) Non-Convertible Debentures
  - (b) Unsecured Debentures
  - (c) Registered Debentures
  - (d) Irredeemable Debentures
- Q29. Arrange the important steps in the correct sequence in the procedure of share issue:
- (A) Receipt of Applications
  - (B) Allotment of Shares
  - (C) Listing of Shares on the Stock Exchange
  - (D) Issue of Prospectus
- Choose the correct answer from the options given below:
- (a) (A), (B), (C), (D)
  - (b) (A), (B), (D), (C)
  - (c) (D), (A), (B), (C)
  - (d) (C), (B), (D), (A)
- Q30. On the admission of a new partner, an increase in the value of assets is debited to:
- (a) Profit and Loss Adjustment account
  - (b) Assets account
  - (c) Old partner's capital account
  - (d) New Partner Capital Account
- Q31. Which among the following is not the feature of a fixed capital method by which the capital accounts of partners can be maintained?
- (a) Under this method, two separate accounts are maintained for each partner, viz., 'capital account' and 'current account'.
  - (b) Drawings, salary, interest on capital, etc. are posted (transferred) in the current accounts and not in the capital accounts.
  - (c) The capital account shows debit balance.
  - (d) The capital account balance remains unchanged unless there is an addition to or withdrawal of capital.
- Q32. A partnership firm is dissolved compulsorily in the following cases:
- (A) when all the partners or all but except one partner, become insolvent, rendering them incompetent to sign a contract;
  - (B) When the business of the firm becomes illegal
  - (C) Change in existing profit sharing ratio among partners
  - (D) When some event has taken place which makes it unlawful for the partners to carry on the business of the firm in partnership, e.g., when a partner who is a citizen of a country becomes an alien enemy because of the declaration of war with his country and India.
- 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
- Q33. Which of the following is not a features of partnership-
- (a) In order to form partnership, there should be at least two persons coming together for a common goal.
  - (b) Partnership is the result of an agreement between two or more persons to do business and share its profits and losses.
  - (c) The agreement should be to carry on some business.
  - (d) The business of partnership concern may be carried on by all the partners but any one of them can't act for all.

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- Q34. If the partnership deed is silent on interest on capital, then:
- (a) No interest on capital is payable
  - (b) Interest on capital is only paid to partner contributing more capital.
  - (c) Interest on capital is paid equally to all partners
  - (d) Interest on capital is paid @ 6% p.a.
- Q35. Jain and Co. purchased a machine from Young Life Machine Limited for ₹ 3,80,000. As per the purchase agreement, ₹ 20,000 were paid in cash and balance by issue of shares of ₹ 100 each. How many shares are issued if the shares are issued at 20% premium.
- (a) 3600
  - (b) 3200
  - (c) 3000
  - (d) 3800
- Q36. The following are the features of a Company:
- (A) Separate Legal Entity
  - (B) Unlimited Liability
  - (C) Perpetual Succession
  - (D) Common Seal
- Choose the correct answer from the options given below:
- (a) (A), (B) and (D) only
  - (b) (A), (C) and (D) only
  - (c) (A), (B), (C) and (D)
  - (d) (B), (C) and (D) only
- Q37. Aashish withdrew ₹ 10,000 per month from the firm for his personal use during the year ending March 31, 2017. What will be the amount of interest if the amount is withdrawn at the beginning of each month and rate of interest on drawings is 8% per annum?
- (a) ₹ 4800
  - (b) ₹ 5 000
  - (c) ₹ 5 200
  - (d) ₹ 4,200
- Q38. Which statements among the following are CORRECT?
- (A) A public company's shares are generally transferable.
  - (B) Share application account is a personal account.
  - (C) The director of a company may be a shareholder.
  - (D) Paid up capital can exceed called up capital.
- Choose the correct answer from the options given below:
- (a) (A), (B) and (C) only
  - (b) (A), (B) and (D) only
  - (c) (A), (B), (C) and (D)
  - (d) (A), (C) and (D) only
- Q39. Shares can be forfeited:
- (a) for non-payment of call money
  - (b) for failure to attend meetings
  - (c) for failure to repay the loan to the bank
  - (d) for which shares are pledged as a security
- Q40. What is the nominal share capital?
- (a) The amount actually paid by the shareholders
  - (b) The maximum amount of share capital which a company is authorised to issue.
  - (c) The amount of capital which is actually applied for by the prospective shareholders.
  - (d) That part of the authorized capital which is issued by the company.

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- Q41. Which of the following is the feature of fluctuating capital-
- Under this method, two separate accounts are maintained for each partner, viz, 'capital account' and 'current account.'
  - Each partner has one account, i.e. capital account under this method
  - Each partner has one account, i.e. current account under this method
  - The capital account balance remain unchanged unless there is addition or withdrawal of capital.
- Q42. Rohit and Mohit are partners in a firm sharing profits in the ratio of 5:3. They admitted Bijoy as a new partner for  $\frac{1}{7}$ <sup>th</sup> share in the profit. The new profit sharing ratio will be 4:2:1. What will be the sacrificing ratio of Rohit and Mohit?
- 3:5
  - 2;5
  - 3:6
  - 4:7
- Q43. At the time of admission of a partner, undistributed profits appearing in the balance sheet of the old firm is transferred to the capital account of:
- old partners in old profit sharing ratio
  - all the partner in the new profit sharing ratio
  - old partners in new profit sharing ratio
  - old partner in the sacrificing ratio
- Q44. Mohan and Shyam are partners in a firm. Which statement among the below can be claimed valid if the Partnership Agreement is silent regarding the same.
- Mohan is an active partner. He wants a salary of ` 10,000 per year.
  - Shyam had advanced a loan to the firm. He claims interest of @ 10% per annum.
  - Mohan contributed ` 20,000 and Shyam ` 50,000 as capital. Mohan wants an equal share in profits.
  - Shyam wants interest on capital to be credited @ 6% per annum.
- Q45. Discount allowed on re-issue of forfeited shares, will be :-
- Debited to the Discount on issue of Share Account'
  - Credited to the 'Share Forfeiture Account'
  - Credited to the 'Discount on issue of Share Account'
  - Debited to the 'Share Forfeiture Account'
- Q46. Which among the following is NOT TRUE about the financial statement ?
- The financial statements of a business enterprise include cash flow statement
  - Common size statements and financial ratios are the two tools employed in vertical analysis.
  - Comparative statements are in the form of horizontal analysis.
  - Financial analysis is used only by the creditors.
- Q47. . Match List-I with List-II

List-I	List-II
(A). Liquidity Ratio	(I). Receivable Turnover Ratio
(B). Solvency Ratio	(II). Quick Ratio
(C). Activity (or Turnover) Ratio	(III). Earning Per Share Ratio
(D). Profitability Ratio	(IV). Debt to Equity Ratio

Choose the correct answer from the options given below:

- (A) - (III), (B) - (IV), (C) - (I), (D) - (II)
  - (A) - (I), (B) - (II), (C) - (IV), (D) - (III)
  - (A) - (I), (B) - (III), (C) - (II), (D) - (IV)
  - (A) - (II), (B) - (IV), (C) - (I), (D) - (III)
- Q48. If the net profits earned during the year is Rs. 50,000 and the amount of debtors at the beginning and the end of the year is Rs.10,000 and Rs.20,000 respectively, then the cash from operating activities will be equal to:
- ` 60,000
  - ` 50,000

- (c) ` 40,000  
(d) ` 20,000

Q49. The net profits made during the year are Rs. 50,000. Machine purchased during the year was for Rs40,000 and non current investment sold were for Rs 1,00,00. Then during the year the cash flow from Investing activities will be equal to:

- (a) ` 60,000  
(b) ` 50,000  
(c) ` 1,40,000  
(d) ` 1,50,000

Q50. Calculate the Current Ratio from the following information:

Particulars	(Rs.)
Inventories	50,000
Trade receivables	50,000
Advance tax	4,000
Cash and cash equivalent	30,000
Trade payables	1,00,000
Short-term borrowings (bank overdraft)	4,000

- (a) 1.24 : 1  
(b) 1.33 : 1  
(c) 1.29 : 1  
(d) 1.19 : 1

### Section : Computerized Accounting Systems

Q51. A \_\_\_\_ is a range of cells that shows the results of substituting different values in one or more formulas.

- (a) Data Validation  
(b) Data Table  
(c) Cell Address  
(d) Cell Area

Q52. Doughnut charts:

- (A) Contains More than one data series  
(B) Comparable with Pie Chart  
(C) Comparable with bar graph  
(D) Comparable with Line Chart

Choose the correct answer from the options given below.

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

Q53. What is the maximum number of columns that a data validation form in Excel can display?

- (a) 10  
(b) 20  
(c) 32  
(d) 50

Q54. \_\_\_\_ feature allows us to create a cross tabulation summary of data in which heading can subsequently moved to give different views of the data.

- (a) Pivot Table  
(b) Data Table  
(c) Data Cells  
(d) Print Area

- Q55. What happens when you select "Warning" style in the Error Alert tab?
- (a) It stops invalid data from being entered
  - (b) It displays a warning but allows invalid data entry
  - (c) It ignores invalid data entry silently
  - (d) It deletes the invalid data entered

