

## Accountancy Previous Year Paper

Q1. The balance in the securities premium account can not be used ----- ?

- (a) To write-off the expenses of preliminary expenses of the company
- (b) To issue fully paid bonus shares
- (c) To pay off the purchase consideration.
- (d) To write off discount on issue of debentures.

Q2. Excess value of net assets over purchase consideration at the time of purchase of business is credited to

- (a) General reserve
- (b) Capital reserve
- (c) Vendors' account
- (d) Debenture redemption reserve

Q3. Arrange the following in correct sequence in the case of dissolution of a partnership.

- (A) Preparing a Bank account
- (B) Realizing assets and payments of liabilities.
- (C) Transferring of assets and liabilities in realization account.
- (D) Preparation of capital account of partners.

Choose the **correct** answer from the options given below:

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

Q4. Correct Journal entry for transferring interest on capital to Profit and Loss Appropriation Account is-

- (a) Profit and Loss Appropriation A/c Dr. To Interest on Capital A/c
- (b) Interest on Capital A/C Dr. To Partner's Capital/Current A/cs
- (c) Interest on Capital A/c Dr. To Profit and Loss Appropriation A/c
- (d) Partners Capital/Current A/c's Dr. To Interest on Capital A/c

Q5. According to section ..... of The Companies Act, 2013 'Debenture' includes debenture inventory, bonds and any other securities of a company whether constituting a charge on the assets of the company or not.

- (a) 2(3)
- (b) 3(2)
- (c) 30(2)
- (d) 2 (30)

Q6. Arrange in correct sequence at a time of admission of partner-

- (A) Adjustments of capital accounts.
- (B) Valuation of goodwill
- (C) Calculation of new profit sharing ratio and sacrificing ratio.

Choose the correct answer from the options given below:

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

Q7. 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 paid equally to all partners
- (d) Interest on capital is paid @ 6% p.a.

Q8. Which of the following is not the feature of fluctuating capital in partnership-

- (a) Under the fluctuating capital method, only one account, i.e. capital account is maintained for each partner
- (b) The partners' capital accounts will always show a credit balance, which shall remain the same (fixed) year after year unless there is any addition or withdrawal of capital.

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- (c) All the adjustments such as share of profit and loss, interest on capital, drawings, interest on drawings, salary or commission to partners, etc are recorded directly in the capital accounts of the partners.
- (d) In the absence of any instruction, the capital account should be prepared by this method.
- Q9. Balance of share forfeiture account is shown in the balance sheet under the item:
- (a) Current liabilities and provisions
  - (b) Reserves and surplus
  - (c) Share capital
  - (d) Unsecured Loan
- Q10. On dissolution of a firm, bank overdraft is transferred to:
- (a) Cash Account
  - (b) Bank Account
  - (c) Realisation Account
  - (d) Partner's Capital Account
- Q11. Which of the following is not a way of issuing debentures-
- (a) Issue of Debenture at Par
  - (b) Issue of Debenture at capital
  - (c) Issue of Debentures at premium
  - (d) Issue of Debentures at discount
- Q12. Arrange the various accounting aspects involved on retirement or death of a partner-
- (A) Ascertainment of share of profit or loss up to the date of retirement/death
  - (B) Ascertainment of new profit sharing ratio and gaining ratio
  - (C) Distribution of accumulated profits and losses
  - (D) Settlement of the amounts due to retired/deceased partner
- Choose the **correct** answer from the options given below:
- (a) (B), (C), (D), (A)
  - (b) (B), (C), (A), (D)
  - (c) (B), (A), (D), (C)
  - (d) (C), (B), (D), (A)
- Q3. Partner's current accounts are transferred to respective \_\_\_\_\_ partner's accounts.
- (a) Loan
  - (b) Capital
  - (c) Current
  - (d) Realisation
- Q14. Choose combination of statements that are true about dissolution-
- (A) Dissolution of partnership can not take place without intervention of the court.
  - (B) Court can order a firm to be dissolved when a partner becomes insane.
  - (C) A firm is compulsorily dissolved when a partner decide to retire.
  - (D) A partnership is dissolved when there is a death of a partner.
- Choose the **correct** answer from the options given below:
- (a) (B) and (D) only
  - (b) (A), (B) and (D) only
  - (c) (A) and (D) only
  - (d) (B), (C) and (D) only
- Q15. Das and Sinha are partners in a firm sharing profits in 4:1 ratio. They admitted Pal as a new partner for 1/4th share in the profits, which he acquired wholly from Das. The new profit sharing ratio of the partners is-
- (a) 11: 4: 5
  - (b) 11: 5: 4
  - (c) 9: 4: 5
  - (d) 7:3:5
- Q16. Select the pair which is true about debentures-

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- (A) Debenture is a part of owned capital.  
(B) The payment of interest on debentures is a charge on the profits of the company.  
(C) The debentures cannot be issued at a discount of more than 10% of the face value.  
(D) 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) (B) and (D) only  
(b) (A) and (D) only  
(c) (C) and (D) only  
(d) (A) and (B) only

Q17. Unrecorded Liabilities when paid are shown in:

- (a) Debit of Realisation Account  
(b) Debit of Bank Account  
(c) Credit of realisation Account  
(d) Credit of Bank Account

Q18. Unrecorded assets when taken over by a partner are shown on:

- (a) Debit of Realisation Account  
(b) Debit of Bank Account  
(c) Credit of Realisation Account  
(d) Credit of Bank Account

Q19. Which of the following is not included in the Contents of the Partnership Deed-

- (a) Names and Addresses of all partners  
(b) Profit and loss sharing ratio  
(c) Rate of interest on capital, loan, drawings, etc  
(d) The rights, duties and liabilities of each partner's spouse

Q20. Which of the following is NOT a method of valuation of goodwill?

- (a) Average profit method  
(b) Super profits method  
(c) Capitalisation method  
(d) Average super profit capitalization method

Q21. Lalit, Pankaj and Rahul are partners sharing profits in the ratio of 4: 3: 3. After all adjustments, on Lalit's retirement with respect to general reserve, goodwill and revaluation etc., the balances in their capital accounts stood at Rs. 70,000, Rs. 60,000 and Rs. 50,000 respectively. It was decided that the amount payable to Lalit will be brought by Pankaj and Rahul in such a way as to make their capitals proportionate to their profit sharing ratio. After Lalit's retirement, the new profit sharing ratio between Pankaj and Rahul is 1: 1. New Capital of the firm will be-

- (a) Rs. 1,80,000  
(b) Rs. 1,10,000  
(c) Rs. 90,000  
(d) Rs. 1,70,000

Q22. Under which Section & Act, the Central Government is empowered to prescribe a maximum number of partners in a firm, but the number of partners can not be more than 100?

- (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

Q23. The director of Poly Plastic Limited resolved that 200 equity shares of Rs. 100 each be forfeited for non-payment of the second and final call of Rs. 30 per share. Out of these, 150 shares were re-issued at Rs. 60 per share to Mohit. Profit on reissue of forfeited shares transferred to capital reserve. Amount credited to capital reserve account is-

- (a) Rs. 5400  
(b) Rs. 6000  
(c) Rs. 4500

(d) Rs. 9000

Q24. Which of the following statements results in the reconstitution of a partnership firm :-

- (A) Change in profit sharing ratio among partners.
- (B) Admission of a new partner.
- (C) Dissolution of a partnership firm.
- (D) Dissolution of a partnership.

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

Q25. Match **List-I** with **List-II**

List-I	List-II
(A) Interest on calls in arrears	(I) Preference Shares
(B) Interest on calls in advance	(II) OPC
(C) Sec.2(62) of The Companies Act, 2013 defines	(III) 12%
(D) Sec. 43 of The Companies Act, 2013 defines	(IV) 10%

Choose the **correct** answer from the options given below:

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

Q26. Gaining share of Continuing Partner =

- (a) Old share - New share
- (b) New share + old share
- (c) New share - Old share
- (d) Old Share + Sacrifice share

Q27. Which of the following statement is incorrect -

A private company is one which by its articles of association:

- (a) Restricts the right to transfer its shares
- (b) A private company must have at least 2 persons, except in case of one person company
- (c) Its paid up share capital is not more than Rs. 50 Lakhs
- (d) Limits the number of its members to 200 (excluding its employees)

Q28. 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

Q29. Choose the wrong statements about company-

- (A) A company is an artificial person.
- (B) The company's shares are generally transferable.
- (C) Shareholders of a company are liable for the acts of the company
- (D) Every member of a company is entitled to take part in its management.

Choose the **correct** answer from the options given below:

- (a) (B) and (D) only
- (b) (A), (B) and (D) only

- (c) (B), (C) and (D) only  
(d) (C) and (D) only

Q30. In which of the following situation compulsory dissolution of partnership can be done?

- (a) On the death of a partner  
(b) When a partner becomes insane.  
(c) When business of the firm becomes illegal.  
(d) When the business of the firm cannot be carried on except at a loss,

Q31. Gobind, Hari and Pratap are partners. On retirement of Gobind, the goodwill already appears in the Balance Sheet at Rs. 24,000. The goodwill will be written-off--

- (a) by debiting all partners' capital accounts in their old profit sharing ratio.  
(b) by debiting remaining partners' capital accounts in their new profit sharing ratio.  
(c) by debiting retiring partners' capital accounts from his share of goodwill  
(d) by debiting retiring partners' capital accounts in gaining ratio

Q32. Sameer and Yasmin are partners with capitals of Rs 15,00,000 and Rs 10,00,000 respectively. They agreed to share profits in the ratio of 3:2. The books are closed on March 31, every year. They admit Ravi on October 1, 2019 in the partnership, who bring Rs 12,00,000 as capital and Sameer also introduced additional capital Rs 3,00,000 on that date. Interest on partner's capital is provided @ 5% p.a. The amount of interest on the capital of Sameer for the year 2019-20 is-

- (a) 55,000  
(b) 82,500  
(c) 75,000  
(d) 50,000

Q33. Arrange the following in correct order for issue of shares-

- (A) Share forfeiture  
(B) Share Application  
(C) Share Allotment  
(D) Unpaid Call

Choose the **correct** answer from the options given below:

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

Q34. Dissolution by Court happens:

- (a) Death of a partner  
(b) With the consent of all partners  
(c) When a partner becomes insane  
(d) When the adjudication of a partner as an insolvent

Q35. Which combination of statements are false about partnership-

- (A) Interest on partner's loan is to be given @ 12% p.a., if the deed is silent about the rate.  
(B) If the deed is silent, interest at the rate of 6% p.a. would be charged on the drawings made by the partner.  
(C) Methods of settlement of dispute among the partners can't be part of the partnership deed.  
(D) 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) (A), (B) and (D) only  
(b) (A), (B) and (C) only  
(c) (A), (B), (C) and (D)  
(d) (B), (C) and (D) only

Q36. Cronik Limited issued 10,000 equity shares of Rs. 10 each payable as Rs. 2.50 on application, Rs. 3 on allotment, Rs. 2 on first call, and the balance of Rs. 2.50 on second and final call. All the shares were fully subscribed and paid except by a shareholder having 100 shares who could not pay for second and final call. Call in Arrears A/c will be debited with-

- (a) Rs. 300

- (b) Rs. 150
- (c) Rs. 200
- (d) Rs. 250

Q37. On the admission of a new partner increase in the value of assets is debited to:

- (a) Profit and Loss Adjustment account
- (b) Assets account
- (c) Revaluation Account
- (d) Old partner's capital account

Q38. Match **List-I** with **List-II**

List-I	List-II
(A) Compulsory Dissolution	(I) A partner persistently commits breach of partnership agreement.
(B) Happening of contingencies	(II) Death of a partner
(C) Dissolution by Court	(III) According to contract between the partners.
(D) Dissolution by agreement	(IV) Business becomes illegal

Choose the **correct** answer from the options given below:

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

Q39. 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:

- (a) Old partners in old profit sharing ratio
- (b) Old partners in new profit sharing ratio
- (c) All the partner in the new profit sharing ratio
- (d) New partner in old profit sharing ratio

Q40. X Limited Issued 10,000, 12% debentures of Rs. 100 each payable Rs. 40 on application and Rs. 60 on allotment. The public applied for 14,000 debentures. Applications for 9,000 debentures were accepted in full; applications for 2,000 debentures were allotted 1,000 debentures and the remaining applications, were rejected. All money was duly received. 12% Debenture Application A/c will be credited with -

- (a) Rs. 4,00,000
- (b) Rs. 5,60,000
- (c) Rs. 4,40,000
- (d) Rs. 6,00,000

Q41. Match **List-I** with **List-II**

List-I	List-II
(A) Separate Legal Entity	(I) A company being a legal person can enter into contracts and can enforce the contractual rights against others.
(B) Perpetual Succession	(II) It can hold and deal with any type of property. It can enter into contracts and even open a bank account in its own name.
(C) Common Seal	(III) The company being an artificial person created by law continues to exist irrespective of the changes in its membership.
(D) May Sue or be Sued:	(IV) The company being an artificial person, cannot sign its name by itself.

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Choose the **correct** answer from the options given below

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

Q42. Arrange the steps involved under the super profit method of calculating goodwill-

- (A) Calculate the normal profit on the firm's capital on the basis of the normal rate of return
- (B) Calculate the average profit
- (C) Calculate goodwill by multiplying the super profits by the given number of years' purchase
- (D) Calculate the super profits by deducting normal profit from the average profits

Choose the **correct** answer from the options given below:

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

Q43. In the case of a dissolution of a firm, accumulated losses are transferred to:

- (a) Realisation Account in Equal Ratio
- (b) Realisation Account in Profit Sharing Ratio
- (c) Capital Accounts in Equal Ratio
- (d) Capital Accounts in Profit Sharing Ratio

Q44. Calculate interest on drawing if Ram withdrew Rs. 3,000 per month at the beginning of each month for the whole year, if interest on drawing is charged @ 9% per annum.

- (a) Rs. 1455
- (b) Rs. 1745
- (c) Rs. 1485
- (d) Rs. 1755

Q45. When a new partner brings his share of goodwill in cash, the amount is credited to-

- (a) Premium for goodwill account
- (b) New partners capital account
- (c) Old partners capital account
- (d) Bank account

Q46. Arrange the following in correct sequence in preparation of the Balance sheet of a company.

- (A) Non-current Liabilities
- (B) Shareholder's Funds
- (C) Current Liabilities
- (D) Contingent liabilities

Choose the correct answer from the options given below:

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

Q47. Which of the following is not true about Comparative Statements:

- (a) These are the statements showing the profitability and financial position of a firm for different periods of time.
- (b) This analysis is also known as 'vertical analysis'.
- (c) Comparative figures indicate the trend and direction of financial position and operating results.
- (d) The financial data will be comparative only when same accounting principles are used in preparing these statements.

Q48. Which of following is not Cash Inflows from Investing Activities

- (a) Cash receipt from disposal of fixed assets including intangibles
- (b) Interest received in cash from loans and advances
- (c) Dividend received from investments in other enterprises.

(d) Cash proceeds from the sale of goods

Q49. The two basic measures of liquidity are:

- (a) Inventory turnover and current ratio
- (b) Liquid ratio, trade receivable
- (c) Current ratio and liquid ratio
- (d) Current ratio and average collection period

Q50. Match **List-I** with **List-II**

List-I	List-II
(A) Comparative statements	(I) Operating Activities
(B) Common Size Statement	(II) Horizontal Analysis
(C) Cash flow Analysis	(III) Debt Equity Ratio
(D) Ratio Analysis	(IV) Vertical Analysis

Choose the correct answer from the options given below:

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

Q51. \$C4 or C\$4 is an example of \_\_\_\_\_ reference.

- (a) Fixed
- (b) Mixed
- (c) Relative
- (d) Absolute

Q52. \_\_\_\_\_ is the function which adds the cells as per given specified criteria

- (a) WHATIF
- (b) IF
- (c) COUNTIF
- (d) SUMIF

Q53. \_\_\_\_\_ are numbered numerically from top to bottom while \_\_\_\_\_ are referred by alpha characters from left to right.

- (a) Columns, Rows
- (b) Cells, Rows
- (c) Rows, Columns
- (d) Rows, Cells

Q54. A cell reference identifies the location of a cell or group of cells in the spreadsheet also referred as a

- (a) Cell Location
- (b) Cell Address
- (c) Column Number
- (d) Row Number

Q55. By default cell reference is

- (a) Mixed
- (b) Relative
- (c) Absolute
- (d) Fixed

