

- Q1. J and K are partners sharing profits and losses in the ratio of 3:1. Their capitals at the end of the financial year 2024-2025 were ₹ 1,50,000 and ₹ 75,000 respectively. During the year 2024-2025, J's drawings were ₹ 20,000 and the drawings of K were ₹ 5,000, which had been duly debited to partner's capital accounts. Profit before charging interest on capital for the year was ₹ 16,000. The same had also been credited in their profit sharing ratio. K had brought additional capital of ₹ 16,000 on October 1, 2024. Calculate interest on capital @ 12% p.a. for the year 2024-2025 for J.
- (a) ₹ 3,960
 (b) ₹ 7200
 (c) ₹ 8,160
 (d) ₹ 18,960
- Q2. Which Journal Entry will be recorded for realization of unrecorded asset at the time of dissolution of a Partnership Firm,
- (a) Bank Account Debit & Unrecorded Asset Account Credit.
 (b) Realisation Account Debit & Bank Account Credit.
 (c) Unrecorded Asset Account Debit & Bank Account Credit.
 (d) Bank Account Debit & Realization Account Credit.
- Q3. Under which condition, dissolution of a Partnership Firm by Court may take place:-
- (a) When all partners dies.
 (b) When the business of the firm is less profitable.
 (c) If tenure of Partnership mentioned in Partnership Deed is extended.
 (d) When a partner becomes insane.
- Q4. A, B and C are partners in a firm. If C retires/dies, his capital account is credited with:
- (a) His share of goodwill
 (b) Goodwill of the firm
 (c) Share of goodwill of A
 (d) Share of goodwill of B
- Q5. Identify the steps involved in calculating goodwill under the capitalization of super profits method:
- (A) Calculate capital of the firm, which is equal to total assets (excluding goodwill and fictitious assets) minus outside liabilities
 (B) Multiply the super profits by the required rate of return multiplier
 (C) Calculate normal profits on capital employed
 (D) Calculate super profits by deducting normal profits from average profits
 (E) Calculate average profit for past years
- Choose the **correct** answer from the options given below:
- (a) (A), (B), (C), (D), (E)
 (b) (A), (C), (E), (D), (B)
 (c) (B), (A), (D), (C), (E)
 (d) (C), (B), (D), (A), (E)
- Q6. Vijay and Manohar share profits and losses in the ratio of 2:1. They admit Prakash as a partner with 1/4 share in profits with a guarantee that his share of profit will be at least ₹ 50,000. The net profit of the firm for the year ending March 31, 2015, was ₹ 1,60,000. Calculate the amount of profit Vijay will get:
- (a) ₹ 60,333
 (b) ₹ 73,333
 (c) ₹ 50,300
 (d) ₹ 80,333
- Q7. Identify the true statement in respect of a partnership Firm-
- (a) Rent paid to a partner is a charge and interest on loan from the partner is an appropriation for the firm.
 (b) Rent paid to partner and Interest on loan from the partner, both are charges for the firm.
 (c) Rent paid to a partner is an appropriation and interest on loan from the partner is a charge for the firm.
 (d) Rent paid to partner and Interest on loan from the partner, both are appropriation for the firm.
- Q8. Which of the following statements are correct in respect of goodwill?

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- (A) the present value of a firm's anticipated excess earnings
 (B) the capitalised value attached to the differential profit capacity of a business".
 (C) goodwill exists only when the firm earns super profits
 (D) Any firm that earns normal profits or is incurring losses also has goodwill.
 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

- Q9. Romesh took over Investments at `8,100 which is 10% less then its book value. The book value of the investment was ...
 (a) ` 8,910.
 (b) ` 9,200.
 (c) ` 9,000.
 (d) ` 8,940.

- Q10. In case, deceased partner's share of profit is calculated during the intervening period, the following Journal Entry will be passed :-

- (a)

Remaining Partners' Capital A/c	Dr.
To Profit and Loss Suspense A/c	
- (b)

Old Partners' Capital A/c	Dr.
To Profit and Loss Suspense A/c	
- (c)

Deceased Partner's Capital A/c	Dr.
To Profit and Loss Suspense A/c	
- (d)

Profit and Loss Suspense A/c	Dr.
To Deceased Partner's Capital A/c	

- Q11. Match List-I with List-II

List-I	List-II
(A) Bank (fresh capital introduced)	(I) Debit side of Partner's Current Account
(B) Interest on drawings	(II) Debit side of Partner's Capital Account
(C) Bank (permanent withdrawal of capital)	(III) Credit side of Partner's Current Account
(D) Commission	(IV) Credit side of Partner's Capital Account

Choose the correct answer from the options given below:

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

- Q12. On the happening of certain contingencies, Subject to contract between the partners, a firm is dissolved,
 (A) if constituted for a fixed term, by the expiry of that term.
 (B) if constituted to carry out one or more ventures, by the completion thereof.
 (C) by the death of a partner
 (D) by the adjudication of a partner as an insolvent
 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

Q13. Shares can be forfeited:

- (a) For failure to attend meetings
- (b) For failure to repay the loan to the bank
- (c) For which shares are pledged as a security
- (d) For non-payment of call money

Q14. Identify the sequence of journal entries with regard to transfer of shares application money and allotment of shares:

- (A) Share Allotment A/c Dr.
 To Share Capital A/c
- (B) Share Application A/c Dr.
 To Share Capital A/c
- (C) Bank A/c Dr.
 To Share Allotment A/c
- (D) Share Application A/C Dr.
 To Bank A/C

Choose the correct answer from the options given below:

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

Q15. Under which sub-head in the balance sheet does the balance of share forfeiture account appear?

- (a) Share capital
- (b) Reserves and surpluses
- (c) Unsecured loans
- (d) Current liabilities and provisions

Q16. Identify the steps involved in the accounting treatment in the case of dissolution of firm:

- (A) Capital accounts of partners are prepared and their final settlement is done.
- (B) The balance of realisation account (profit or loss on realization) is transferred to partners' capital accounts in the profit sharing ratio.
- (C) All assets and all external liabilities are transferred to realisation account.
- (D) Realisation account is prepared.
- (E) Bank account is prepared.

Choose the correct answer from the options given below:

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

Q17. In the case of dissolution of a partnership firm, unrecorded liabilities when paid are shown in:

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

Q18. The order to be followed in preparation of realization account is.

- (A) Realization of the assets.
- (B) Transfer assets and liabilities to realization account.
- (C) Ascertainment of profit or loss on realization.
- (D) Payment of liabilities.

Choose the correct answer from the options given below.

- (a) (A), (B), (C), (D)
 - (b) (A), (B), (D), (C)
 - (c) (B), (A), (D), (C)
 - (d) (C), (B), (D), (A)
- Q19. Under which method is the valued at agreed number of 'years' purchase of the average profits of the past few years?
- (a) Average Profits Method
 - (b) Super Profits Method
 - (c) Capitalisation Method
 - (d) Value-addition Method
- Q20. Which Act empowers the Central Government to prescribe a maximum number of partners in a partnership firm:-
- (a) The Companies Act 2014
 - (b) The Partnership Act 2013
 - (c) The Companies Act 2013
 - (d) The Partnership Act 1932
- Q21. _____ is the value of the reputation of a firm in respect of the profits expected in future over and above the normal profits.
- (a) Goodwill
 - (b) Patent
 - (c) Copyright
 - (d) Capital
- Q22. In which of the following ways does dissolution of a firm take place?
- (A) Dissolution by agreement
 - (B) Compulsory dissolution
 - (C) On the happening of certain contingencies
 - (D) Dissolution by notice
- Choose the correct answer from the options given below.
- (a) (A), (C) and (D) only
 - (b) (A), (B) and (D) only
 - (c) (A), (B), (C) and (D)
 - (d) (B), (C) and (D) only
- Q23. Under the fixed capital method, the capital of the partners shall remain fixed unless additional capital is introduced or a part of the capital is withdrawn as the agreement between the partners. Which among the following is NOT the feature of the fixed capital method?
- (a) The partners' capital accounts will always show a credit balance.
 - (b) All adjustments for drawings, salary, interest on capital, etc., are posted (transferred) in the capital accounts.
 - (c) Under this method, two accounts are maintained for each partner.
 - (d) The partners' current account, on the other hand, may show a debit or a credit balance.
- Q24. The profit or loss on revaluation of assets and liabilities are distributed in
- (a) New ratio.
 - (b) Old ratio.
 - (c) Gaining ratio.
 - (d) Sacrificing ratio.
- Q25. Identify the true statement in respect of the Fixed Capital Method for a Partnership Firm :-
- (a) The Balance of Partners' Capital Account will be positive/credit.
 - (b) The Balance of Partners' Capital Account may be negative / Debit or may be nil/zero.
 - (c) The Balance of Partners' Capital Account may be negative / Debit or may be positive/Credit.
 - (d) The Balance of Partners' Capital Account will never be positive/Credit.

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- Q26. K, N and P are partners sharing profits and losses in the ratio of 4 : 3 : 2. N retires and the is valued at Rs. 72,000. K and P decided to share future profits and losses in the ratio of 5 : 3. Identify the correct journal entry in this scenario.
- (a) K's Capital A/c Dr. 13,000
P's Capital A/c Dr. 11,000
 To N's Capital A/c 24,000
- (b) K's Capital A/c Dr. 12,000
P's Capital A/c Dr. 10,000
 To N's Capital A/c 22,000
- (c) K's Capital A/c Dr. 14,000
P's Capital A/c Dr. 12,000
 To N's Capital A/c 26,000
- (d) K's Capital A/c Dr. 15,000
P's Capital A/c Dr. 13,000
 To N's Capital A/c 28,000

Q27. What are the main factors affecting the value of goodwill?

- (A) Nature of business
(B) Location
(C) Efficiency of management
(D) Market situation

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

Q28. A company purchase its own shares of ` 5,00,000 from the market. What this process is called ?

- (a) Re-issue of Shares
(b) Buy-back of Shares
(c) Bonus Issue of Shares
(d) Forfeiture of Shares.

Q29. The profit for the five years of a firm are as follows:

Year	Profit (`)
2013	4,00,000
2014	3,98,000
2015	4,50,000
2016	4,45,000
2017	5,00,000

Calculate goodwill of the firm on the basis of 4 years purchase of 5 years average profits.

- (a) ` 16,20,500
(b) ` 17,54,400
(c) ` 18,24,800
(d) ` 15,12,900

Q30. On the basis of the number of members, companies can be divided into:

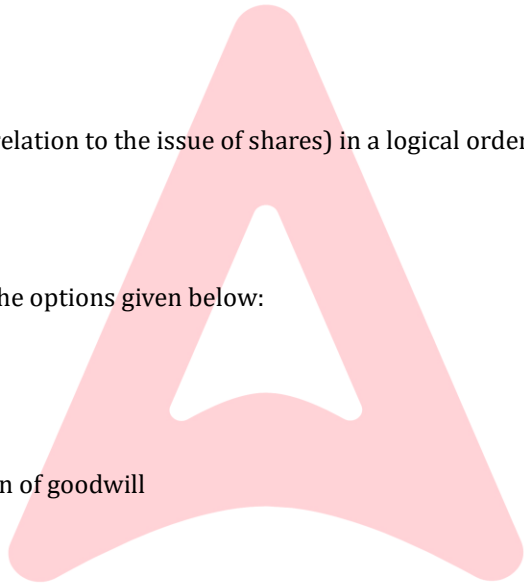
- (A) Unlimited Company
(B) Public Company
(C) Private Company
(D) One Person Company (OPC)

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

- Q31. The ratio in which the continuing partners have acquired the share from the retiring/deceased partner is called:
- (a) New profit sharing ratio
 - (b) Gaining ratio
 - (c) Sacrificing ratio
 - (d) Old profit sharing ratio
- Q32. The Profit and Loss Appropriation Account is merely an extension of the Profit and Loss Account of the firm, Which, among the following, is not shown in the Profit and Loss Appropriation Account?
- (a) All adjustments in respect of partner's salary.
 - (b) All adjustments in respect of payment to Vendor.
 - (c) All adjustments in respect of interest on capital
 - (d) All adjustments in respect of interest on drawings
- Q33. When a company issues shares at a premium, the company can collect Securities Premium along with the :-
- (a) Allotment Money
 - (b) Call Money
 - (c) Application Money
 - (d) Any of these
- Q34. Arrange the following events (in relation to the issue of shares) in a logical order.
- (A) Transfer to capital reserve.
 - (B) Forfeiture of share.
 - (C) Calls in arrears.
 - (D) Re issue of share.
- Choose the correct answer from the options given below:
- (a) (A), (B), (C), (D)
 - (b) (A), (B), (D), (C)
 - (c) (B), (A), (D), (C)
 - (d) (C), (B), (D), (A)
- Q35. Which is not a method of valuation of goodwill
- (a) Capitalization Method
 - (b) Adjusted Profit Method
 - (c) Super Profit Method
 - (d) Average Profit Method
- Q36. Match List-I with List-II



List-I (Events)	List-II (Result.)
(A) Termination of business.	(I) Not possible in the dissolution of partnership.
(b) Continuation of business	(II) Not possible in the dissolution of a firm.
(C) Intervention of court.	(III) Dissolution of firm
(D) Continuation of books of accounts.	(IV) Dissolution of partnership.

- Choose the correct answer from the options given below:
- (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)

- Q37. In the Journal Entry of forfeiture of shares issued at a premium, the Share Capital Account is :-
 (a) Debited with the called up amount (including premium)
 (b) Debited with the face value amount (including premium)
 (c) Debited with the face value amount (excluding premium)
 (d) Debited with the called up amount (excluding premium)
- Q38. At the time of admission of a new partner, for getting right to share the assets of the partnership firm, the new partner atleast will bring :-
 (a) Amount of his loan.
 (b) Amount of his capital and amount of his Premium for Goodwill.
 (c) Amount of his Premium of Goodwill.
 (d) Amount of his capital.
- Q39. At the time of dissolution of a Firm, the Loan from a Partner Account should be
 (a) Paid out separately
 (b) Transferred into Realization Account
 (c) Transferred into Partners' Capital Account
 (d) Transferred into Partners' Current Account
- Q40. Which of the following statements relates to Fixed Capital Method?
 (A) The capitals of the partners shall remain fixed unless additional capital is introduced or capital is withdrawn.
 (B) All items like share of profit or loss, interest on capital, drawings, interest on drawings, etc. are recorded in Partner's Current Account.
 (C) The partners' capital accounts will always show a debit balance.
 (D) The partners' current account may show a debit or a credit balance.
 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
- Q41. Anubha looked after the dissolution work for remuneration of ` 8,500 and agreed to bear dissolution expenses upto ` 6,000. Actual expenses paid by her were ` 7,600. In this case.
 (A) Realisation A/c is debited by ` 10,100.
 (B) Anubha's Capital A/c is credited by ` 9,600.
 (C) Realisation A/c is debited by ` 13,600.
 (D) Anubha's Capital is credited by ` 10100.
 Choose the correct answer from the options given below:
 (a) (A) and (D) only
 (b) (B) and (D) only
 (c) (A), (B), (C) and (D)
 (d) (C) and (D) only
- Q42. Identify the steps involved in calculating goodwill under the capitalized value of profits method:
 (A) Capitalize the average profits on the basis of the normal rate of return to ascertain the capitalized value of average profits
 (B) Ascertain the average profits based on the past few years' performance
 (C) Compute the value of goodwill by deducting net assets from the capitalized value of average profits
 (D) Ascertain the actual firm's capital (net assets) by deducting outside liabilities from the total assets (excluding goodwill and fictitious assets)
 Choose the correct answer from the options given below:
 (a) (A), (B), (C), (D)
 (b) (A), (D), (C), (B)
 (c) (B), (A), (D), (C)
 (d) (C), (B), (D), (A)

- Q43. Which of the following statements are correct in relation to the issue of share capital for public subscription?
- (A) The application money should be at least 5% of the face value of the share.
 (B) Calls are to be made as per the provisions of the articles of association.
 (C) Where there is no articles of association of its own, the provisions of Table A will apply.
 (D) Calls need not be made on a uniform basis on all shares within the same class.
 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
- Q44. Issue of ` 1,00,000, 9% debentures of ` 100 each at discount of 15% but redeemable at premium of 5%. the amount debited to loss on issue of debenture account is.
- (a) ` 20,000.
 (b) ` 15,000.
 (c) ` 19,000.
 (d) ` 12,000.
- Q45. When a new partner is admitted, the undistributed profits that appear in the balance sheet of the old firm are transferred to the capital account of:
- (a) Old partners in new profit sharing ratio
 (b) Old partners in old profit sharing ratio
 (c) All the partners in the new profit sharing ratio
 (d) All the partners in the old profit sharing ratio
- Q46. ABC Ltd. has given you the following information:
- | | |
|--|--------|
| Machinery as on April 01, 2024 | 50,000 |
| Machinery as on March 31, 2025 | 60,000 |
| Accumulated Depreciation on April 01, 2024 | 25,000 |
| Accumulated Depreciation on March 31, 2025 | 15,000 |
- During the year, a Machine costing ` 25,000 with Accumulated Depreciation of ` 15,000 was sold for ` 13,000. Calculate cash flow from Investing Activities on the basis of the above information.
- (a) ` 22,000 Outflow
 (b) ` 22,000 Inflow
 (c) ` 21,000 Outflow
 (d) ` 21,000 Inflow
- Q47. The current ratio of a firm is 2:1 and quick ratio is 1:1. If liabilities are ` 1,00,000 then find the value of working capital.
- (a) ` 3,00,000
 (b) ` 2,00,000
 (c) ` 1,00,000
 (d) ` 50,000
- Q48. Which of the following is NOT a feature of financial statements?
- (a) To provide information about the earning capacity of the business
 (b) To provide information about cash flows
 (c) To judge effectiveness of management
 (d) Not disclosing accounting policies
- Q49. The balance sheet provides information about the financial position of an enterprise:
- (a) At a point in time
 (b) Over a period of time
 (c) For a future time
 (d) For a few years

Q50. Calculate 'Liquid Ratio' from the following information:

Current liabilities	` 50,000
Current assets	` 80,000
Inventories	` 20,000
Advance tax	` 5,000
Prepaid expenses	` 5,000

- (a) 0.5:1
- (b) 0.2:1
- (c) 1:1
- (d) 0.8:1

Computerized Accounting Systems

Q51. The LOOKUP function has two syntax forms:

- (a) Vector and Array
- (b) AND and OR
- (c) TRUE and FALSE
- (d) IF and BLANK

Q52. _____ is the number 0 or 1 and indicates when payments are due.

- (a) Type
- (b) Nper
- (b) Fv
- (d) Pv

Q53. _____ is the total number of payment periods in an annuity in financial function.

- (a) pmt
- (b) ppmt
- (c) nper
- (d) rate

Q54. Which of the following is not a mathematical function:

- (a) RoundUp
- (b) Count
- (c) OR
- (d) Sum IF

Q55. What is the expanded form of the accounting equation when incorporating revenues and expenses?

- (a) Assets = Capital + Liabilities - Income
- (b) Assets = Liabilities + Capital + (Revenues - Expenses)
- (c) Assets = Capital - Expenses + Income
- (d) Assets = Revenues - Liabilities - Capital