

Accountancy Previous Year Paper

Q1. Sindhu, Neha and Priya are partners, sharing profits in the ratio of 5:3:2. Calculate the new profit sharing ratio and gaining ratio if Neha retires:

- (a) New profit sharing Ratio of Sindhu and Priya = 1: 2
Gaining Ratio of Sindhu and Priya = 3: 2
(b) New profit sharing Ratio of Sindhu and Priya = 3: 2
Gaining Ratio of Sindhu and Priya = 5: 2
(c) New profit sharing Ratio of Sindhu and Priya = 5: 2
Gaining Ratio of Sindhu and Priya = 5: 2
(d) New profit sharing Ratio of Sindhu and Priya = 7: 2
Gaining Ratio of Sindhu and Priya = 4: 3

Q2. Neha contributed Rs. 30,000 and Saloni Rs. 90,000 as capital. What will be Saloni's share in profits if the partnership agreement is silent?

- (a) One third of total profit.
(b) One fourth of total profit.
(c) Half of total profit.
(d) Two third of total profit.

Q3. An annual report is issued by a company to its -----.

- (a) Shareholders
(b) Auditors
(c) Directors
(d) Management

Q4. As per Section 48 of the Partnership Act 1932, which of the following will be utilized for payment of losses, including deficiencies of capital:

- (A) Out of Profits
(B) Out of capital of Partners
(C) By partners individually in their profit sharing ratio
(D) Creditors Assets

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

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

Q5. 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)

Q6. The profits of firm for the five years are as follows:

Year	Profit (Rs.)
2012 – 13	20,000
2013 – 14	24,000
2014 – 15	20,000
2015 – 16	20,000
2016 – 17	16,000

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Calculate the value of goodwill on the basis of three years' purchase of average profits.

- (a) Rs. 20,000
- (b) Rs. 40,000
- (c) Rs. 60,000
- (d) Rs. 70,000

Q7. Rs 50,000 were received in advance for second and final call along with first call. The second and final call was due after two months from the first call. Table F provides for interest on calls in advance at the rate not exceeding per annum and interest on calls in advance amounted to Rs

- (a) 9%, Rs 750
- (b) 10%, Rs 833
- (c) 11%, Rs 917
- (d) 12%, Rs 1000

Q8. Sahil, a share holder, failed to pay the money for second and final call of Rs. 20 on 1,000 shares issued to him at Rs. 120 (face value of Rs. 100 per share). His shares were forfeited after the second and final call. Which is correct about share forfeiture-

- (a) Share Forfeiture A/c will be credited with 1,00,000
- (b) Share Forfeiture A/c will be debited with 1,00,000
- (c) Share Forfeiture A/c will be credited with 80,000
- (d) Share Forfeiture A/c will be debited with 80,000

Q9. Realisation account doesn't show-

- (a) Bank Loan Mortgage
- (b) Bills Payable
- (c) Furniture and Fittings
- (d) Partners' Loan

Q10. Match **List-I** with **List-II**

List-I	List-II
(A) Restricts the right to transfer its shares	(I) OPC
(B) A company which is a subsidiary of a public company	(II) Private Company
(C) A company which has only one person as a member	(III) Perpetual Succession
(D) Members may come and go but the company continues	(IV) Public Company

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

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

Q11. Match **List-I** with **List-II**

List-I	List-II
(A) Debenture of Rs 100 issued at Rs 110.	(I) Debenture as collateral security.
(B) Debenture of Rs 100 issued at Rs 100 .	(II) Debenture issued at Premium
(C) Debenture of Rs 100 issued at Rs 90 .	(III) Debenture issued at par.
(D) Debenture issued to the lender in addition to some other assets already pledged.	(IV) Debenture issued at Discount.

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

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

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Q12. In the case of dissolution of firm, accumulated losses are transferred to:

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

Q13. The Profit on reissue of forfeited shares is transferred to-

- (a) general reserve
- (b) capital redemption reserve
- (c) capital reserve
- (d) reserve capital

Q4. Identify the false statement with regard to a company:

- (a) A company is an artificial person.
- (b) Company's shares are generally transferable.
- (c) Every member of a company is entitled to take part in its management.
- (d) The director of a company is always a shareholder.

Q5. Which among the following is NOT true?

- (a) Valid partnership can be formulated even without a written agreement between the partners.
- (b) Each partner carrying on the business is the principal as well as the agent for all the other partners.
- (c) Mere co-ownership of a property can amount to partnership.
- (d) Persons who have entered into partnership with one another are individually called 'partners' and collectively called 'firm'.

Q16. (a) *A* and *B* are partners in a firm sharing profits in the ratio of 3: 2. They admitted *M* as a new partner for $\frac{1}{4}$ share. The new profit sharing ratio between *A* and *B* will be 2: 1. Calculate their sacrificing ratio.

- (a) 2: 3
- (b) 3:2
- (c) 1: 2
- (d) 2: 1

Q17. 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

Q18. 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

Q19. A correct journal entry for Transfer of the balance of Profit and Loss Account (a credit balance) to Profit and Loss Appropriation Account: is-

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

Q20. Which of the following statements are true:

- (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 decide to retire.

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

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

Q21. John Ibrahim, a partner in Ancient Tours and Travels withdrew money during the year ending March 31, 2020 from his capital account, for his personal use. He withdrew Rs. 3,000 per month at the beginning of the month. Calculate interest on drawings that should be charged from John Ibrahim, if the rate of interest charged on drawing is 9% per annum.

- (a) Rs. 1485
- (b) Rs. 1755
- (c) Rs. 1795
- (d) Rs. 1685

Q22. Which of the following ratios is considered as the solvency ratio?

- (a) Stock turnover ratio
- (b) Debtor turnover ratio
- (c) Debt-equity ratio
- (d) Current ratio

Q23. Which of the following statements are correct about partnership-

- (A) Each partner carrying on the business is the principal as well as the agent for all the other partners
- (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) If the partnership deed is silent about the profit sharing ratio, the profits and losses of the firm are to be shared equally by partners
- (D) Interest on partner's loan is to be given @ 12% p.a., if the deed is silent about the rate

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

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

Q24. Match **List-I** with **List-II**

List-I	List-II
(A) Unregistered Debentures	(I) Perpetual Debentures
(B) Unsecured Debentures	(II) Naked Debentures
(C) Secured Debentures	(III) Bearer Debentures
(D) Irredeemable Debentures	(IV) Mortgage Debentures

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

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

Q25. When debentures are issued at par and are redeemable at a premium, the loss on such issue is debited to:

- (a) Statement of profit and loss.
- (b) Debentures applications and allotment account.
- (c) Loss on issue of debentures account
- (d) Debenture Redemption Reserve

Q26. Arrange the Following Steps to Calculate Goodwill under the Super Profits Method-

- (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 the super profits by deducting normal profit from the average profits
- (D) Calculate goodwill by multiplying the super profits by the given number of years' purchase

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

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

Q27. 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 per 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 in the current accounts.
- (c) Under this method, two capital accounts are maintained for each partner.
- (d) The partners' current account may show a debit or a credit balance.

Q28. Arrange the following in correct sequence for application of assets in the Settlement of Accounts in Case Of Dissolution of a Partnership firm -

- (A) The balance should be applied to repay loans made by the partners to the firm.
- (B) The assets of the firm should be used in paying the debts of the firm to third parties.
- (C) The balance assets may be used for paying partners proportionately on account of capital.
- (D) The asset's residue, if any, shall be divided among the partners in their profit sharing ratio.

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

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

Q29. Which of the following is not always an essential feature of partnership?

- (a) Sharing of profits and losses
- (b) Relationship of mutual agency among the partners.
- (c) Liability of partners is always unlimited.
- (d) Agreement to carry lawful business

Q30. R, S and K are partners sharing profits in the ratio 4:3:2. R retires; S and K decided to share profits in future in the ratio of 5:3. Calculate the Gaining Ratio.

- (a) 11: 21
- (b) 21: 11
- (c) 11: 12
- (d) 12: 11

Q31. The company has to get minimum subscription within how many days?

- (a) 100
- (b) 120
- (c) 140
- (d) 160

Q32. Balance of share forfeiture account is shown in the balance sheet under the sub-head-

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

Q33. Rohan, Bharti and Leela are partners. On the retirement of Rohan, 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 the retiring partners' current account from his share of goodwill.

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Q34. Blue Prints Ltd., purchased building worth Rs. 1,50,000, machinery worth Rs. 1,40,000 and furniture worth Rs. 10,000 from XYZ Co., and took over its liabilities of Rs. 20,000 for a purchase consideration of Rs. 3,15,000. Blue Prints Ltd., paid the purchase consideration by issuing 12% debentures of Rs. 100 each at a premium of 5%. Number of debentures issued are-

- (a) 1,000
- (b) 3,000
- (c) 2,000
- (d) 1,500

Q35. Partners' current accounts are transferred to respective Partners' _____ Accounts.

- (a) Capital
- (b) Realisation
- (c) Current
- (d) Bank

Q36. Match **List-I** with **List-II**

List-I	List-II
(A) Redeemable Debentures	(I) the debentures which can be transferred by way of delivery and the company does not keep any record of the debentures
(B) Convertible Debentures	(II) these debentures are issued with a specified rate of interest
(C) Specific Coupon Rate Debentures	(III) which are convertible into equity shares or in any other security either at the option of the company or the debentureholders
(D) Bearer Debentures	(IV) which are payable on the expiry of the specific period either in lump sum or in Instalments during the life time of the company.

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

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

Q37. 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

Q38. 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

Q39. Das and Sinha are partners in a firm sharing profits in 4:1 ratio. They admitted Pal as a new partner for 1/4 th 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

Q40. The clauses of a partnership deed can be altered with the consent of _____

- (a) Government Authority
- (b) Registrar of Firms

- (c) All the partners
- (d) State Government

Q41. Which of the following is not a constituents of the credit policy of a business firm?

- (a) Credit standard
- (b) Collection period
- (c) Credit terms
- (d) Collection policy

Q42. 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 Rs. 50,000. The net profit of the firm for the year ending March 31, 2015, was Rs. 1,60,000. Calculate the amount of profit Vijay will get:

- (a) Rs. 60,333
- (b) Rs. 73,333
- (c) Rs. 50,300
- (d) Rs. 80,333

Q43. 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

Q44. Match **List-I** with **List-II**

List-I	List-II
(A) Calls in Arrears	(I) Sometimes shareholders pay a part or the whole of the amount of the calls not yet made.
(B) Calls in Advance	(II) When any shareholder fails to pay the amount due on allotment or on any of the calls
(C) Over Subscription	(III) When number of shares applied for is less than the number for which applications have been invited for subscription
(D) Under Subscription	(IV) When applications for more shares of a company are received than the number offered to the public for subscription

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

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

Q45. When a firm is dissolved, the Balance of Investment Account and Balance of Investment Fluctuation Fund Account, shown by Firm's Balance Sheet are transferred into and into respectively:-

- (a) Debit Side of Realisation Account, Credit side of Realisation Account
- (b) Credit Side of Realisation Account, Dedit side of Realisation Account
- (c) Credit Side of Realisation Account, Debit side of Realisation Account
- (d) Credit Side of Realisation Account, Credit side of Realisation Account

Q46. Revenue from operations = 4,00,000 Average Inventory = 55,000 Gross Profit Ratio = 10%. Calculate inventory turnover ratio-

- (a) 5.65 Times

- (b) 4.95 Times
- (c) 6.55 Times
- (d) 5.15 Times

Q47. Which of the following is not an operating activity?

- (a) Cash revenue from operations.
- (b) Cash receipt from trade receivables
- (c) Selling and distribution expenses paid.
- (d) Proceeds from sale of old machinery.

Q48. The _____ ratios are primarily measures of return-

- (a) Liquidity
- (b) Activity
- (c) Debt
- (d) Profitability

Q49. Arrange the following steps to prepare the Comparative Statements-

- (A) List out absolute figures in rupees relating to two points of time
- (B) Prepare the format
- (C) Find out the change in absolute figures by subtracting the first year from the second year and indicate the change as increase or decrease.
- (D) Calculate the percentage change

Choose the correct answer from the options given below:

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

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

List-I	List-II
(A) Dissolution of firm by agreement	(I) When a partner becomes insane
(B) Compulsory dissolution of firm	(II) With the consent of all partners
(C) Dissolution of firm by notice	(III) When business of a firm becomes illegal
(D) Dissolution of firm by Court	(IV) At the request of any one partner

Choose the correct answer from the options given below:

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

Q51. _____ sub system deals with payment of wages and salary to employees.

- (a) Fixed Assets Accounting
- (b) Purchase and Accounts Payable
- (c) Pay Roll Accounting
- (d) Inventory

Q52. Which of the following is not the advantage of Computerised Accounting System (CAS):

- (a) Timely generation of reports and information in desired format.
- (b) Ensures effective control over the system.
- (c) Efficient record keeping.
- (d) Generation of non-programmed reports.

Q53. _____ ensures security of data even if it lands in wrong hands, because the receiver of data will not be able to decode and interpret it.

- (a) Password
- (b) Encryption
- (c) Grouping
- (d) Classification

Q54. This sub system deals with the recording of different items purchased and issued specifying the price, quantity and date.

- (a) Sales and Accounts Receivable Sub System
- (b) Purchase and Accounts Payable Sub System
- (c) Inventory Sub System
- (d) Expense Sub System

Q55. This subsystem deals with the preparation of Profit and Loss accounts, Balance Sheet and Cash Flow statements for reporting purposes.

- (a) Expense Accounting Sub System
- (b) Tax Accounting Sub System
- (c) Final Accounts Sub System
- (d) Costing Sub System

