

## Accountancy Previous Year Paper

Q1. Opening capital balances of partners will be calculated by using which of the following formula :-

- (a) Closing Capital - Addition to the Capital + Withdrawal of Capital - interest on Capital + Drawings + interest on drawings + Share of Loss + Share of Profit
- (b) Closing Capital - Addition to the Capital + Withdrawal of Capital - interest on Capital + Drawings + interest on drawings - Share of Loss - Share of Profit
- (c) Closing Capital - Addition to the Capital + Withdrawal of Capital - interest on Capital + Drawings + interest on drawings + Share of Loss - Share of Profit
- (d) Closing Capital - Addition to the Capital + Withdrawal of Capital + interest on Capital + Drawings + interest on drawings + Share of Loss - Share of Profit

Q2. A share having a face value of Rs.12, on which Rs. 10 is called-up and Rs. 8 is paid, is forfeited. State the amount with which the Share Capital account will be debited

- (a) 12
- (b) 10
- (c) 8
- (d) 4

Q3. In case there is no information regarding the acquisition of a share in profit of the retiring/deceased partner by the remaining partners, the assumption is that they will acquire his/her share in the:

- (a) Old profit sharing ratio
- (b) New profit sharing ratio
- (c) Equal ratio
- (d) Gaining ratio

Q4. Which of the following statements truly makes the distinction between Dissolution of Partnership and Dissolution of Firm:

- (A) In dissolution of partnership, business is not terminated, while in dissolution of firm business is terminated.
- (B) The Court intervenes in dissolution of Partnership because a partnership is not dissolved by mutual agreement. A firm can not be dissolved by court order.
- (C) Economic relationships between partners continue in a changed form in dissolution of partnership. Economic relationships between the partners come to an end at the dissolution of the Firm.
- (D) Dissolution of Partnership doesn't require permanent closure of books, while in Dissolution of firm books are closed.

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

Q5. Which of the following is NOT a feature of partnership?

- (a) Two or more persons
- (b) Disagreement
- (c) Mutual agency
- (d) Sharing of profit

Q6. Match **List-I** with **List-II**

List-1	List-II
(Book/Theory proposed/Characteristic, etc.)	(Author/Thinker/Name of Theory, etc.)
(A) Authorised Capital	(I) Only available to creditors at the time of winding up of a company
(B) Issued Capital	(II) The amount of capital that a company can raise in its life-time
(C) Subscribed Capital	(III) Capital that is issued to the public for subscription
(D) Reserve Capital	(IV) May be equal to or less than issued capital

Choose the correct answer from the options given below:

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

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

Q7. Which of the following statements about debentures is FALSE?

- (A) Debenture is a part of owned capital.
- (B) Debentures cannot be converted into shares.
- (C) Redeemable debentures are those debentures, which are payable on the expiry of the specific period.
- (D) Debentures cannot be issued at a premium.

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

Q8. ABC Industries Ltd, issued 2,000, 10% Debentures of Rs. 100 each, at a premium of Rs. 10 per debenture payable as follows: On application Rs. 50 On allotment Rs. 60 The debentures were fully subscribed, and all money was duly received. The amount of long-term borrowings on the balance sheet will be

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

Q9. According to 'Table F', interest on calls-in-arrears is charged at:

- (a) 11%
- (b) 8%
- (c) 6%
- (d) 10%

Q10. When the deceased partner's share in the estimated loss is calculated for a period from the date of the latest Balance Sheet to the date of death of the partner, then:

- (a) Profit and Loss Suspense Account will be debited and the Old Partner's Capital Account will be credited.
- (b) Profit and Loss Suspense Account will be debited and the Gaining Partner's Capital Account will be credited.
- (c) Profit and Loss Suspense Account will be debited and Deceased Partner's Capital Account will be credited.
- (d) Profit and Loss Suspense Account will be credited and Deceased Partner's Capital Account will be debited.

Q11. Identify the steps of the procedure of share issue:

- (A) Allotment of Shares
- (B) Receipt of Applications
- (C) Issue of Prospectus
- (D) Share Call

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

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

Q12. The amount of Securities Premium can be used only for the following purposes:

- (A) To write off preliminary expenses.
- (B) To make partly paid shares as fully paid up.
- (C) To issue fully paid bonus shares.
- (D) Purchase of its own shares.

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

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

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Q13. By virtue of which section of the Indian Partnership Act 1932, partnership is defined as the 'relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all'.

- (a) Section 1
- (b) Section 4
- (c) Section 2
- (d) Section 3

Q14. On retirement or death of a partner, the remaining partners who have gained due to change in the profit sharing ratio should compensate the:

- (a) Remaining partners (who have sacrificed) as well as retiring partners
- (b) Remaining partners only (who have sacrificed)
- (c) Retiring partners only
- (d) None of the partners

Q15. *A, B* and *C* are partners sharing profits in the ratio of 3: 2: 1. *A* retires and his share is taken up by *B* and *C* in the ratio of 3:2. Calculate the new profit sharing ratio.

- (a) 21: 10
- (b) 19: 11
- (c) 18: 12
- (d) 15: 12

Q16. Match **List-I** with **List-II**

List-I	List-II
<b>Expenses incurred to earn the income</b>	<b>Explanation</b>
(A). Purchase of Stock-in-trade	(I). Expenses towards interest charges during the year on the borrowings
(B). Employees benefit expenses	(II). Diminution in the value of fixed assets
(C). Finance cost	(III). Purchases of goods for the purpose of trading
(D). Depreciation	(IV). Expenses incurred on employees towards salary, wages, leave encashment, staff welfare, etc

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

Q17. Which of the following characteristics is highlighted in the statement: "He can bind other partners by his acts and also is bound by the acts of other partners with regard to the business of the firm."

- (a) Agreement between Partners
- (b) Liability of Partners
- (c) Sharing of Profit
- (d) Mutual Agency

Q18. When a new partner is admitted, the increase in the value of the assets is debited to which account?

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

Q19. In case of dissolution of partnership firm, any liability assumed/paid by a partner is shown on ..... ?

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

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Q20. Dissolution of a firm takes place on the happening of certain contingencies. Choose them from the following:

- (A) By the death of a partner
- (B) By the adjudication of a partner as an insolvent
- (C) When the business of the firm becomes illegal
- (D) If constituted for a fixed term, by the expiry of that term

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

Q21. The accumulated profits and reserves are transferred to:

- (a) Bank Account
- (b) Partners' Capital Accounts
- (c) Realisation Account
- (d) Partners' Loan Accounts

Q22. Which of the following statements about share capital is TRUE?

- (A) A company's shares are generally transferable.
- (B) Share application account is a personal account.
- (C) The part of capital which is called up only on winding up of a company is called reserve capital.
- (D) Paid up capital can exceed called up capital.

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

Q23. Arrange the following in the correct sequence:

- (A) Called-up capital
- (B) Subscribed capital
- (C) Issued capital
- (D) Paid-up capital

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

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

Q24. Equity shareholders are..... of the company:

- (a) Owners
- (b) Creditors
- (c) Customers
- (d) Debtors

Q25. Sumit, a partner in Tours and Travels withdrew money during the year ending March 31, 2020 from his capital account, for his personal use. Calculate interest on drawings at simple rate of interest of 10 percent per annum and If an amount of Rs. 4,000 per month was withdrawn by sumit at the end of each month.

- (a) 2100
- (b) 2020
- (c) 2200
- (d) 2050

Q26. *P*, *Q* and *R* are partners in a firm. If *S* is admitted as a new partner then:

- (a) The old firm and old partnership are dissolved
- (b) The old firm is dissolved
- (c) The old partnership is reconstituted

(d) The old partnership firm is dissolved

Q27. Match **List-I** with **List-II**

List-I	List-II
<b>Revaluation of assets and reassessment of liabilities at the time of admission of a new partner</b>	<b>Journal Entry</b>
(A) For increase in the value of an asset	(I) Revaluation A/c Dr. To Asset A/c
(B) For reduction in the amount of a liability	(II) Revaluation A/c Dr. To Liability A/c
(C) For reduction in the value of an asset	(III) Asset A/c Dr. To Revaluation A/c
(D) For appreciation in the amount of a liability	(IV) Liability A/c Dr. To Revaluation A/c

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)

Q28. While issuing shares, the application money should be atleast \_\_\_\_\_ of face value.

- (a) 20%  
 (b) 15%  
 (c) 5%  
 (d) 10%

Q29. Arjun and Vaibhav are partners sharing profits in the ratio of 3: 2. They admitted Rahul as a new partner for 1/5 share in the future profits of the firm. The new partner acquired his share from the old partners in the old ratio. Calculate the new profit sharing ratio of Arjun, Vaibhav and Rahul.

- (a) 12: 8: 5  
 (b) 12: 7: 6  
 (c) 12: 11: 10  
 (d) 11: 10: 8

Q30. Which of the following item is not shown in the Profit and Loss Appropriation Account?

- (a) Partner's Salary  
 (b) Interest on Drawings  
 (c) Interest on Capital  
 (d) Depreciation

Q31. Choose the correct statement in respect of the Fixed Capital Method for a Partnership Firm :-

- (a) Closing Balance of Partners' Current Account will never be a zero.  
 (b) Closing Balance of Partners' Capital Account may be a debit or may be a credit.  
 (c) Closing Balance of Partners' Capital Account will always be a credit.  
 (d) Closing Balance of Partners' Current Account will never be a credit.

Q32. The period of how many month/months must elapse between two calls.

- (a) 2 months  
 (b) 1 month  
 (c) 3 months  
 (d) 6 months

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Q33. Ram, Karan and Shyam are partners. On retirement of Ram, the goodwill already appears in the Balance Sheet at Rs. 32,000. The goodwill will be written-off:

- (a) By debiting the capital accounts of Ram, Karan and Shyam in their old profit sharing ratio
- (b) By debiting the capital accounts of Karan and Shyam in their new profit sharing ratio
- (c) By debiting the capital account of Ram from his share of goodwill
- (d) By debiting the capital accounts of Karan and Shyam in their old profit sharing ratio

Q34. According to Sec 2 (62) of Companies Act, 2013, the maximum amount of paidup share capital of an OPC is:

- (a) 50 Lakhs
- (b) 2 Crore
- (c) 10 lakhs
- (d) 1 crore

Q35. A debenture which is transferable merely by delivery is:

- (a) First debenture
- (b) Registered debenture
- (c) Bearer debenture
- (d) Mortgage debenture

Q36. If the partnership deed is silent, at what rate, the interest would be charged on the drawings made by the partner:

- (a) 0%
- (b) 8%
- (c) 12%
- (d) 5%

Q37. Match **List-I** with **List-II**

List-I	List-II
Type of Debenture	Meaning
(A) Redeemable Debenture	(I) Payable on the expiry of the specific period either in lump sum or in installments during the lifetime of the company.
(B) Perpetual Debenture	(II) Company does not give any undertaking for the repayment of money borrowed by issuing such debentures.
(C) Specific Coupon Rate Debenture	(III) Issued with a specified rate of interest, which is called the coupon rate.
(D) Bearer Debenture	(IV) Can be transferred by way of delivery and the company does not keep any record of the debenture.

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)

Q38. The balance of the share forfeiture account is shown in the balance sheet under:

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

Q39. All assets except cash/bank and fictitious assets are transferred to the Debit side of the \_\_\_\_\_ Account.

- (a) Realisation Account

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- (b) Capital Account
- (c) Revaluation Account
- (d) Current Account

Q40. A, B and C are partners in a firm. On retirement/death of C, his capital account will be credited with:

- (a) His share of goodwill
- (b) Share of goodwill of A
- (c) Share of goodwill of B
- (d) Goodwill of the firm

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

List-I	List-II
(A) Calls in advance	(I) The maximum number of members is 200.
(B) Calls in arrears	(II) 12 %
(C) Private company	(III) 10 %
(D) Public company	(IV) No limit on the maximum number of members..

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

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

Q42. In the absence of any information, it is assumed that the remaining partners acquire the share of profit of the retiring/deceased partner in:

- (a) New Profit Sharing Ratio
- (b) Old Profit Sharing Ratio
- (c) Equal Ratio
- (d) Capital sharing ratio

Q43. A minimum of \_\_\_\_\_ days' notice is to be given to the shareholders to pay the amount of any call :-

- (a) 30
- (b) 20
- (c) 15
- (d) 14

Q44. The Partnership Deed usually contains the following details:

- (A) Amount of capital to be contributed by each partner
- (B) The accounting period of the firm
- (C) Profit and loss sharing ratio
- (D) The rights, duties and liabilities of each partner

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

Q45. Match **List-I** with **List-II**

List-I	List-II
<b>Allotment of Shares</b>	<b>Journal Entry</b>
(A) For Transfer of Application Money	(I) Share Application A/c Dr. To Bank A/c
(B) For Money Refunded on Rejected Application	(II) Bank A/c Dr. To Share Allotment A/c
(C) For Amount Due on Allotment	(III) Share Application A/c Dr.

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	To Share Capital A/c
(D) For Receipt of Allotment Money	(IV) Share Allotment A/c Dr. To Share Capital A/c

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

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

Q46. Which among the following are the commonly used tools for financial analysis?

- (A) Horizontal analysis
- (B) Vertical analysis
- (C) Ratio analysis
- (D) Trend analysis

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

Q47. A trader carries an average inventory of Rs. 60,000. His inventory turnover ratio is 12 times. If he sells goods at a profit of 20% on revenue from operations, find out the gross profit.

- (a) 80,000
- (b) 2,80,000
- (c) 1,80,000
- (d) 60,000

Q48. Disclosure of shares (specifying the number of shares held) in a company is required for each shareholder holding \_\_\_\_\_ shares.

- (a) More than 10%
- (b) More than 5%
- (c) More than 15%
- (d) More than 20%

Q49. Cash advances and loans made by financial enterprises are usually classified as \_\_\_\_\_ activity.

- (a) Financing Activity
- (b) Operating Activity
- (c) Investing Activity
- (d) Promotional Activity

Q50. Arrange the following outcomes in the correct order for calculating profit and loss in the common-size statement

- (A) Net Profit
- (B) Non-Operating Income
- (C) Revenue from Operations
- (D) Profit after tax

Choose the correct answer from the options given below:

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

Q51. In accounting, a transaction consists of data elements which includes:

- (A) Name of Account
- (B) Accounting Code
- (C) Date of Transaction
- (D) Amount

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

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

Q52. The term \_\_\_\_\_ means "a system of letter or figure with arbitrary meaning for brevity and for machine processing of information".

- (a) Data
- (b) Array
- (c) Range
- (d) Code

Q53. Which of the following is not considered a component of Computerized Accounting System?

- (a) People
- (b) Procedure
- (c) Process
- (d) Data

Q54. What type of coding uses abbreviations or letters to represent specific information like "SJ" for Sales Journal?

- (A) Sequential Code
- (B) Block Code
- (C) Mnemonic Code
- (D) Numerical Code

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

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

Q55. Every accounting software ensures the following:

- (A) Password Security
- (B) Data Audit
- (C) Data Leakage
- (D) Data Vault
- (a) (A), (B) and (D) only
- (b) (A) and (B) only
- (c) (A), (B), (C) and (D)
- (d) (B), (C) and (D) only

