

Accountancy Previous Year Paper

Q1. Ram and Laxman started business on 1st Jan 2020 with a capital of Rs 1,20,000 and Rs 80,000 respectively. Ram Introduced Rs. 50,000 to the firm on 1st July 2020 as additional capital. If the rate of interest is 15% p.a. Assuming that accounts are closed as per calender year then the Interest payable to Ram on Capital would be:

- (a) Rs. 12,700
- (b) Rs. 18,000
- (c) Rs. 25,500
- (d) Rs. 21,750

Q2. Choose the correct statement if a partnership deed does not exist.

- (a) Interest on Capital are allowed.
- (b) Interest on partner drawing is charged.
- (c) Remuneration or salary is given to partners.
- (d) Partners shall share the profit and losses equally.

Q3. Which of the following company, by its articles, restricts the right to transfer its shares?

- (a) A non Private company
- (b) Public Company
- (c) Private Company
- (d) Subsidiary Company

Q4. In the event of the death of a partner, the ratio in which the continuing partners acquire the share from the deceased partner is called

- (a) Gaining Ratio
- (b) New Profit sharing Ratio
- (c) Capital ratio
- (d) Sacrificing Ratio

Q5. K, N and P are partners sharing profits and losses in the ratio of 4:3:2. N retires and the goodwill is valued at Rs 72,000. K and P decided to share future profits and losses in the ratio of 5:3. Find which of the following is not correct?

- (a) K capital A/c is debited with Rs13,000
- (b) N Capital A/c is debited with Rs 24,000
- (c) N Capital A/c is credited with Rs 24,000
- (d) P Capital A/c is debited with Rs 11,000

Q6. Which of the following is incorrect about the minimum subscription:

Minimum subscription is the minimum amount that, in the opinion of directors, must be raised to meet the needs of business operations of the company relating to:

- (a) preliminary expenses payable by the company and any commission payable in connection with the issue of shares
- (b) working capital
- (c) personal needs of shareholders
- (d) any other expenditure required for the usual conduct of business operations.

Q7. Dissolution of a firm takes place on the happening of certain contingencies in the following cases:

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

Q8. Which of the following is not a feature of a company?

- (a) Separate legal entity
- (b) Common seal
- (c) Limited Liability
- (d) Unlimited Liability

Accountancy Previous Year Paper

Q9. Which accounting standard is applicable for recognizing intangible assets?

- (a) AS-32
- (b) AS-25
- (c) AS-26
- (d) AS- 01

Q10. As per Table F, the rate of interest provided on calls in advance can't exceedp.a?

- (a) 10%
- (b) 12%
- (c) 9%
- (d) 6%

Q11. When a firm is dissolved with the consent of all the partners, it is called:

- (a) Compulsory Dissolution
- (b) Dissolution by Notice
- (c) Dissolution by Court
- (d) Dissolution by Agreement

Q12. Match **List-I** with **List-II**

List-I	List-II
(A) Admission of a New Partner	(I) Realisation Account
(B) Retirement of a Partner	(II) Sacrificing ratio
(C) Dissolution of Partnership	(III) Executors Account
(D) Death of A Partner	(IV) Gaining Ratio

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

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

Q13. G, H and P are partners. On retirement of G, 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.

Q14. Which of the following statement is incorrect?

- (a) Valid partnership can be formulated even without a written agreement between the partners.
- (b) Each partner will share profit in same proportion as other in case partnership deed is not there.
- (c) Maximum number of partners as prescribed by Central Government can be 50
- (d) The method of settlement of dispute among the partner cannot be part of the partnership deed.

Q15. A new partner can be admitted:

- (a) By the consent of the majority of partners.
- (b) By draw of lot
- (c) By the consent of all partners.
- (d) At the desire of any one partner.

Q16. Which statements are correct about capital reserve-

- (A) It is necessary to create capital reserves out of capital profits, if any.
- (B) It cannot be used to issue bonus shares.
- (C) It can be used to write off capital losses or to issue bonus shares any time during the lifetime of the company.
- (D) It is not shown on the company balance sheet.

Accountancy Previous Year Paper

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

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

Q17. When realisation expenses are paid by the firm on behalf of a partner, which among the following will be debited:

- (a) Realisation Account
- (b) Partner's Capital Account
- (c) Partner's Loan Account
- (d) Expense Account

Q18. Which of the following factors affects the value of goodwill?

- (A) Location of Business
- (B) Partners Performance
- (C) Nature of Business
- (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), (C) and (D) only
- (d) (B), (C) and (D) only

Q19. If, at the time of admission of a new partner, profit and loss account appears in the books, it will be transferred to:

- (a) All the partners
- (b) New partner only
- (c) Old Partners Capital account
- (d) Old and new Partners

Q20. All adjustments in respect of partner's salary, partner's commission, interest on capital, interest on drawings, etc. are made through:

- (a) Profit and Loss Account
- (b) Profit and Loss Appropriation Account
- (c) Partners' Capital Accounts
- (d) Revaluation Account

Q21. A and B are partners sharing profits equally with capitals of Rs 45,000 each. They admitted C as a new partner for 1/3rd share in the profit. C bring Rs 60,000 as his capital. Find the goodwill of the firm.

- (a) Rs 1,80,000
- (b) Rs 1,50,000
- (c) Rs 90,000
- (d) Rs 30,000

Q22. Yadu, Madhu and Vidu are partners, sharing profit and losses in the ratio of 2:2:1. Their fixed capitals on April 01, 2018 were:

Yadu Rs. 5,00,000, Madhu Rs. 4,00,000 and Vidu is 3,50,000.

As per the partnership deed, partners are entitled to interest on capital @ 5% p.a. and Yadu has to be paid a salary of Rs. 2000 per month. The net loss of the firm as per profit and loss account for the year ending March 31, 2019, amounted to Rs. 75,000. On the basis of the profit and loss appropriation account, Partners' distribution of loss would be:

- (a) Yadu Rs. 30,000 Madhu Rs. 30,000 Vidu Rs. 15,000
- (b) Yadu Rs. 25,000 Madhu Rs. 25,000 Vidu Rs. 25,000
- (c) Yadu Rs. 39,600 Madhu Rs. 39,600 Vidu Rs. 19,800
- (d) Yadu Rs. 35,000 Madhu Rs. 25,000 Vidu Rs. 15,000

Q23. What does 'E' stand for in ESOP?

- (a) Employee
- (b) Enterprise

Accountancy Previous Year Paper

- (c) Environment
(d) Electronic

Q24. A and B share profits in the ratio of 3: 2. C was admitted as a partner who gets $\frac{1}{5}$ share. New profit sharing ratio, if C acquires $\frac{3}{20}$ from A and $\frac{1}{20}$ from B, would be:

- (a) 9: 7: 4
(b) 8: 8: 4
(c) 6: 10: 4
(d) 10: 6: 4

Q25. The Central Government has prescribed the maximum number of partners in a firm to be

- (a) 100
(b) 50
(c) 20
(d) 10

Q26. The ratio in which the old partners agree to give their share of profit in favor of the incoming partner is called:

- (a) New Profit Sharing Ratio
(b) Gaining Ratio
(c) Sacrificing Ratio
(d) Old Ratio

Q27. Gupta Ltd. issued 1,000 equity shares of Rs. 100 each as fully paid-up, to the vendor, in consideration of the purchase of plant and machinery worth Rs. 1,00,000. Which of the following entry will be recorded in the company's journal for it?

- (a) Vendor A/c Dr. 100000 To Bank A/c 100000
(b) Bank A/c Dr. 100000 To Vendor A/c 100000
(c) Share Capital A/c Dr. 100000 To Vendor A/c 100000
(d) Vendor A/c Dr. 100000 To Share Capital A/c 100000

Q28. Which company doesn't restricts the right to transfer its shares?

- (a) Non-Profit Making Company
(b) A Private Company
(c) A Public Company
(d) Both Private and Public Company

Q29. In the absence of any information regarding the acquisition of share in profits of the retiring/deceased partner by the remaining partners, it is assumed that they will acquire his/her share in.....:-

- (a) Old Profit Sharing Ratio
(b) New Profit Sharing Ratio
(c) Equal Ratio
(d) Gaining Ratio

Q30. One of the partner took-over furniture at the time of dissolution of the firm, which account will be debited:

- (a) Realisation Account
(b) Partner's Current Account
(c) Partner's Loan Account
(d) Partner's Capital Account

Q31. In case of the dissolution of a firm, the firm ceases to conduct business and has to settle its accounts. Losses, including deficiencies of capital, shall be paid in the following manner and order:

- (A) Out of capital of partners.
(B) By the partners individually in their profit sharing ratio.
(C) Profits.

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

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

(d) (C), (B), (A)

Q32. At the time of retirement of a partner, undistributed profits appearing in the balance sheet of the old firm is transferred to the capital account of:

- (a) Newly admitted partner only
- (b) Old partners in old profit sharing ratio
- (c) All the partners, except new in the new profit sharing ratio
- (d) Old partners in the sacrificing ratio

Q33. In the case of the Dissolution of partnership firm, which accounts are opened:

- (A) Realization Account
- (B) Revaluation Account
- (C) Partners Capital Account
- (D) Bank Account

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) (A), (C) and (D) only

Q34. In which order, the share capital of the Company is shown on the balance sheet:

- (A) Authorized Capital
- (B) Subscribed and fully paid up Capital
- (C) Issued Capital
- (D) Subscribed but not fully paid up

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), (D), (A)

Q35. The assets of the firm, including any sum contributed by the partners to make up deficiencies of capital, shall be utilized in which sequence? Arrange the following in proper sequence

- (A) In paying the debts of the firm to the third parties
- (B) In paying each partner proportionately what is due to him/her from the firm for advances as distinguished from capital (i.e. partner's loan)
- (C) In paying to each partner proportionately what is due to him on account of capital
- (D) The 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), (D), (A)
- (b) (A), (B), (D), (C)
- (c) (B), (A), (D), (C)
- (d) (A), (B), (C), (D)

Q36. When the date of drawing is not specified, interest on drawings is calculated for

- (a) One full year.
- (b) 6.5 month.
- (c) 5.5 months.
- (d) 6 months.

Q37. M and N are partners in a firm and agree that an interest @ 12% per annum should be charged on drawings. M draws Rs. 20,000 per month at the beginning of each month. The amount of interest to be charged from M is:

- (a) Rs. 14,400
- (b) Rs. 13,200
- (c) Rs. 15,600
- (d) Rs. 15,200

Accountancy Previous Year Paper

Q38. Interest on calls-in-arrears is charged according to "Table F" at the rate ofp.a.?

- (a) 6%
- (b) 8%
- (c) 10%
- (d) 12%

Q39. Which of the following will be credited for the excess amount received along with allotment money from the shareholders?

- (a) Calls in Arrears Account
- (b) Calls in Advance Account
- (c) Share Call Account
- (d) Share Capital Account

Q40. In the event of retirement of partner, following deduction has to be made from his/her share.:

- (a) Debit balance of his current account (if any)
- (b) Credit balance of his capital account
- (c) Credit balance of his current account (if any)
- (d) His/Her share of goodwill

Q41. Partner's current accounts are transferred to the respective partners' _____ at the time of dissolution of a partnership.

- (a) Capital account
- (b) Loan account
- (c) Drawings account
- (d) No transfer of current accounts

Q42. 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

Q43. Which of the following indicates the other name of 'Nominal Capital'?

- (a) Subscribed Capital
- (b) Called Up Capital
- (c) Registered Capital
- (d) Issued Capital

Q44. The reserve fund at the time of admission of a new partner is transferred to -

- (a) Revaluation account
- (b) Capital Reserve account
- (c) All Partners Capital account
- (d) Old Partners Capital account

Q45. *R, S* and *K* are partners sharing profits in the ratio 8: 6: 4. On the retirement of *R*, the new profit sharing ratio between *S* and *K* was decided to be 5:3. The Gaining Ratio is -

- (a) 5:3
- (b) 21: 11
- (c) 4: 3
- (d) 11: 19

Q46. While preparing financial statements on certain basic assumptions such as going concern, money measurement, and realization etc, they are known as:

- (a) Postulates
- (b) Conventions
- (c) Judgements
- (d) Facts

Q47. Which of the following are the objectives of Ratio Analysis?

- (A) To know the areas of the business which need more attention.

Accountancy Previous Year Paper

(B) To provide a deeper analysis of the profitability, liquidity, solvency and efficiency levels in the business.

(C) To know about the potential areas which can be improved with the effort in the desired direction.

(D) To provide information derived from financial statements useful for making projections and estimates for the future.

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

Q48. Given the following information:

Particulars	Amount (Rs.)
Revenue from Operations	3,40,000
Cost of Revenue from Operations	1,20,000
Selling expenses	80,000
Administrative Expenses	40,000

Calculate Operating ratio.

- (a) 50.97 times
- (b) 50.79%
- (c) 70.95 times
- (d) 70.59%

Q49. If the net profits made during the year are Rs. 50,000 and the bills receivables have decreased by Rs. 10,000 during the year, then the cash flow from operating activities will be equal to:

- (a) Rs. 60,000
- (b) Rs. 40,000
- (c) Rs. 45,000
- (d) Rs. 65,000

Q50. Analysis simply means _____ data.

- (a) Interpreting
- (b) Modifying
- (c) Simplifying
- (d) Explaining

Q51. Sequential codes are applied primarily to source documents such as?

- (a) Dealer
- (b) Cheque
- (c) Sales Journals
- (d) Review

Q52. Match **List-I** with **List-II**:

List-I	List-II
Movement	Keystroke (Press key)
(A) One cell down	(I) Left arrow key
(B) One cell up	(II) Right arrow key or Tab key
(C) One cell left	(III) Down arrow key or Enter key
(D) One cell right	(IV) Up arrow key

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

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

Q53. The following elements are important for salary computation and its payment:

- (A) Grade Pay (GP)
- (B) Dearness Allowance (DA)
- (C) Transport Allowance (TRA)
- (D) Goods and Service Tax (GST)

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

Q54. Following are the steps related to preparation of charts, arrange them in a correct sequence.

- (A) Save a chart.
- (B) Create a basic chart using the pattern from the panel available on top of the worksheet in Chart groups' option.
- (C) Change the layout or style of chart
- (D) Enter data on a worksheet with proper column and row titles.

Choose the correct answer from the options given below:

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

Q55. Which combination is true in respect of using a graph/chart?

- (A) Quicker and easier to create a chart immediately to see the possible relationship of variables to one another, rather than paging through raw data.
- (B) Provide information in as little time as possible.
- (C) Graphs do not have the ability to take large amounts of information and make them into exhibitions that are easily used to persuade
- (D) A graph may be either a single line graph or a multi-line graph.

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

