

Accountancy Previous Year Paper

Q1. Which of the following debentures do not have a specific charge on the assets of the company.

- (a) Redeemable
- (b) Unsecured
- (c) Specific coupon rate
- (d) Zero coupon rate

Q2. Which statements are true about partnership:

- (A) Each partner carrying on the business is the principal as well as the agent for all the other partners.
- (B) Valid partnership can be formulated even without a written agreement between the partners.
- (C) Interest on partner's loan is to be given @ 12% p.a., if the deed is silent about the rate
- (D) The maximum number of partners can be 50.

Choose the correct answer from the options given below:

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

Q3. On the Death of a Partner, which account is debited for his/her share of profit for the intervening period, i.e., the period from date of the last balance sheet till the date of the partner's death:

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

Q4. On the admission of a new partner, an increase in the value of assets is debited to:

- (a) Profit and loss adjustment account
- (b) Assets account
- (c) Old Partners Capital Account
- (d) All partners Capital account

Q5. L and M are partners sharing profits in the ratio 3:2. N is admitted as a partner for $\frac{1}{5}$ th of the share which is acquired from L. Goodwill of the firm is valued at Rs. 40,000 on N's admission. N will have to pay for Goodwill:

- (a) Rs. 4000 to both L and M
- (b) Rs. 8000 to L
- (c) Rs. 8000 to M
- (d) Rs. 8000 to both L and M

Q6. Match List-I with List-II

List - I	List - II
(A) Liquidity Ratio	(I) Inventory Turnover ratio
(B) Solvency Ratio	(II) Quick Ratio
(C) Activity (or Turnover) Ratio	(III) Price earning ratio
(D) Profitability Ratio	(IV) Total asset to debt ratio

Choose the correct answer from the options given below:

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

Q7. On the dissolution of a firm, creditor's are transferred to:

- (a) Cash Account
- (b) Bank Account
- (c) Realisation Account

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(d) Partners Capital Account

Q8. Using MS Excel, we can create a basic chart by the following steps.

- (A) On clicking of Start symbol we will get Programs option
- (B) Click on Insert tab to get tools for chart
- (C) On the screen of the computer mouse click on Start Icon
- (D) On selecting MS Excel 2007 program it will provide a blank workbook with a Ribbon displayed at the top.

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), (A), (D), (B)

Q9. The assets of the firm, including any sum contributed by the partners to make deficiencies of capital, shall be applied first for paying _____

- (a) Each partner proportionately for any made to firm.
- (b) Debts of the firm to the third parties
- (c) Paying partners proportionately for their capital balances.
- (d) Partners in their profit sharing ratio.

Q10. Which of the following indicate the situation of compulsory dissolution.

- (a) When a partner becomes insane.
- (b) On the death of a partner
- (c) When the business of the firm becomes illegal.
- (d) When a partner becomes permanently incapable of performing his duties as a partner

Q11. Which section of the Company's Act defines/describes Equity and Preference Shares?

- (a) Section 40
- (b) Section 41
- (c) Section 42
- (d) Section 43

Q12. Excess value of net assets over purchase consideration at the time of purchase of business is credited to

- (a) Statement of profit and loss
- (b) Capital reserve account
- (c) Vendor's account
- (d) General reserve account

Q13. X Co. Ltd. purchased assets worth Rs. 28,80,000. It issued debentures of Rs. 100 each at a discount of 4 % in full satisfaction of the purchase consideration. The number of debentures issued to vendors is:

- (a) 30000
- (b) 28 800
- (c) 32,000
- (d) 28,000

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

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

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Q15. According to Section _____ of the partnership Act 1932, the dissolution of partnership between all the partners of a firm is called the dissolution of the firm.

- (a) 36
- (b) 37
- (c) 38
- (d) 39

Q16. Arrange steps for the issue of shares-

- (A) Allotment of shares
- (B) Issue of Prospectus
- (C) Share first call
- (D) Receipt of Applications

Choose the correct answer from the options given below:

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

Q17. Match List-I with List-II

List-I	List - II
(A) Cash from Operating Activities	(I) Dividends paid on equity and preference capital.
(B) Cash from Financing Activities	(II) Cash receipts from sale of goods and the rendering of services
(C) Cash from Investing Activities	(III) Bank balance
(D) Cash and cash equivalents	(IV) Cash receipt from disposal of fixed assets including intangibles.

Choose the correct answer from the options given below:

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

Q18. Arrange the following under the heading Equities and Liabilities in balance sheet of a company.

- (A) Non-current liabilities
- (B) Current liabilities
- (C) Shareholders fund
- (D) Share application money pending allotment

Choose the correct answer from the options given below:

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

Q19. If, Total assets = Rs. 3,00,000

Non-current liabilities = Rs. 80,000

Shareholders fund = Rs. 2,00,000

Non-current assets:

Fixed assets = Rs. 1,60,000

Non-current investments = Rs. 1,00,000.

Then, Current Ratio is:

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

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Q20. Order of mathematical operations in solving data in electronic spreadsheet

- (A) * Multiplication
- (B) + Addition
- (C) () Brackets
- (D) / Division

Choose the correct answer from the options given below:

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

Q21. When realization expenses are paid by the firm on behalf of a partner, such expenses are debited to:

- (a) Realisation Account
- (b) Partners capital account
- (c) Partners Loan account
- (d) Bank Account

Q22. Which of the following statements are correct?

- (A) A company is an artificial person.
- (B) Company s shares are generally transferable.
- (C) Paid up capital can exceed called up capital.
- (D) The part of capital which is called up only on winding up is called reserve 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. The old Profit Sharing ratio among M, N and P are 2:2:1. The New profit sharing ratio after N retirement is 3:2. The gaining ratio between M and P will be:

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

Q24. Which statements are wrong about debentures?

- (A) Debenture is a part of owned capital.
- (B) The debentures cannot be issued at a discount of more than 10% of the face value.
- (C) Debentures cannot be converted into shares.
- (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) (A), (B) and (D) only
- (b) (A), (B) and (C) only
- (c) (A), (B), (C) and (D)
- (d) (B) (C) and (D) only

Q25. X, Y and Z are partners in a firm. If M is admitted as a new partner, what would be its implication?

- (a) Old firm would be dissolved
- (b) Old firm and old partnership would be dissolved
- (c) Old partnership would be reconstituted
- (d) Nothing is affected.

Q26. Debentures are convertible into which of the following?

- (a) Debts

- (b) Reserves
- (c) Shares
- (d) Non-performing assets

Q27. A and N are partners, sharing profits in the ratio 2:1. A's son Ashu was admitted for 1/4th share. half of which was gifted by A to her son. The remaining contributed by N. The goodwill of the Firm is valued at 40,000. How much amount will be credited to the old partner's capital account for goodwill?

- (a) Rs. 2,500 each
- (b) Rs. 5,000 each
- (c) Rs. 20,000, each
- (d) Rs. 10,000 each

Q28. R and S are partners in a firm sharing profits in the ratio of 5:3. They admitted B as a new partner for 1/7th share in the profit. The new profit sharing ratio will be 4:2:1. The sacrificing ratio of R and S is:

- (a) 3:4
- (b) 1:1
- (c) 3:5
- (d) 4:5

Q29. Which statements are true-

- (A) The financial statements of a business enterprise include cash flow statement.
- (B) Comparative statements are the form of horizontal analysis.
- (C) Ratio analysis help business in identifying the problem areas.
- (D) Financial analysis is used only by the creditors.

Choose the correct answer from the options given below.

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

Q30. In the absence of any information regarding the acquisition of shares in profit of the retiring/deceased partner by the remaining partners, it is assumed that they will acquire his share in:

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

Q31. Match List-I with List-II

List-I	List-II
(A) Comparative Statements	(I) These are the statements which indicate the relationship of different items of a financial statement with a common item by expressing each item as a percentage of that common item.
(B) Common Size Statements:	(II) It is a technique of studying the operational results and financial position over a series of years.
(C) Trend Analysis	(III) It describes the significant relationship which exists between various items of a balance sheet and a statement of profit and loss of a firm.
(D) Ratio Analysis	(IV) These are the statements showing the profitability and financial position of a firm for different periods of time in a comparative form to give an idea about the position of two or more periods.

Choose the correct answer from the options given below:

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

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

Q32. Match List-I with List-II

List-I	List-II
(A) Authorised Capital	(I) Capital which is actually issued to the public for subscription including the shares allotted to vendors and the signatories to the company's memorandum.
(B) Issued Capital	(II) It is that part of the subscribed capital which has been called up on the shares, i.e., what the company has asked the shareholders to pay.
(C) Subscribed Capital	(III) The amount of share capital which a company is authorised to issue by its Memorandum of Association.
(D) Called up Capital	(IV) It is that part of the issued capital which has been actually subscribed by the public.

Choose the correct answer from the options given below:

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

Q33. Nominal share capital is-

- (a) that part of authorised share capital which is issued by the company.
 (b) that amount of capital which is actually applied for by the prospective shareholders.
 (c) the maximum amount of share capital which a company is authorized to issue.
 (d) the amount actually paid by the shareholders.

Q34. When a new partner brings his share of goodwill in cash, the amount is credited to:

- (a) Premium for goodwill account
 (b) Capital account of new partner
 (c) Cash/Bank account
 (d) Capital account of old partners

Q35. Steps involved in accounting treatment at the time of death of a partner -

- (A) Preparation of deceased partner's capital account
 (B) Ascertainment of new profit sharing ratio and gaining ratio
 (C) Preparation of revaluation account, if required
 (D) Settlement by making payment to deceased partner's executor.

Choose the correct answer from the options given below:

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

Q36. Match List-I with List-II

List-I	List-II
(A) Admission of a partner	(I) Executor Accounts
(B) Retirement of a partner	(II) Sacrificing Ratio
(C) Death of a partner	(III) Realisation Account
(D) Dissolution of a partnership	(IV) Gaining Ratio

Choose the correct answer from the options given below.

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

Q37. Which of the following is not the characteristics of company-

- (a) Separate legal entity
- (b) Common Seal
- (c) Unlimited liability
- (d) perpetual succession

Q38. Which statements are true about the dissolution of a partnership-

- (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 compulsorily dissolved when a partner decide to retire.
- (D) Dissolution of partnership can not take place without intervention of the court.

Choose the correct answer from the options given below:

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

Q39. Shares can be forfeited:

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

Q40. Current liabilities does not include:

- (a) Short term borrowing
- (b) Trade payables
- (c) Short term provision
- (d) Deferred tax liabilities

Comprehension:

[41 - 45] Read the information carefully and answer the questions

A partner withdrew money during the year ending March 31, 2020 from his capital account, for his personal use.

The amounts withdrawn were : Rs. 12,000 on June 01, 2019, Rs. 8,000; on August 31, 2019, Rs. 3,000; on September 30, 2019, Rs. 7,000, on November 30, 2019, and Ps. 6,000 on January 31, 2020.

Calculate interest on drawings, if the rate of interest is 9 percent annum.

Q41. Calculate Interest on drawings for the amount of Rs. 7000 withdrawn on November 30, 2019

- (a) 700
- (b) 630
- (c) 210
- (d) 315

Q42. Calculate Interest on drawings for the amount of Rs. 3000 drawn on September 30, 2019

- (a) 135
- (b) 300
- (c) 270
- (d) 90

Q43. The total amount of interest on drawings will be:

- (a) 1595
- (b) 1755
- (c) 2000
- (d) 1355

Q44. Calculate interest on drawings for the amount Rs. 6000 on January 31, 2019.

- (a) 90
- (b) 180
- (c) 54
- (d) 120

Q45. Calculate Interest on drawings for the amount Rs. 12000 on June 1, 2019.

- (a) 1200
- (b) 900
- (c) 1080
- (d) 800

Comprehension:

[46 - 50] Read the information carefully and answer the given questions

Particulars	Amount (Rs.)
Inventories	50,000
Trade Receivables	50,000
Advance Tax	4,000
Cash and Cash Equivalents	30,000
Trade Payables	1,00,000
Bank overdraft	4,000

Q46. Amount of Total current liabilities are:

- (a) Rs. 1,00,000
- (b) Rs. 4,000
- (c) Rs. 1,04,000
- (d) Rs. 1,08,000

Q47. Quick Ratio of the firm is:

- (a) 1:1
- (b) 0.84:1
- (c) 0.77:1
- (d) 0.8:1

Q48. Quick Assets of the firm are:

- (a) Rs. 1,34,000
- (b) Rs. 84,000
- (c) Rs. 80,000
- (d) Rs. 30,000

Q49. Current Ratio of the firm is:

- (a) 2:1
- (b) 1:1
- (c) 1.5:1
- (d) 1.29:1

Q50. Amount of Total Current Assets are:

- (a) Rs. 1,00,000
- (b) Rs. 1,30,000
- (c) Rs. 1,34,000
- (d) Rs. 1,38,000