

12th June 2023 (Shift 3)

- Q1.** Consider the following facts about valuation of Goodwill of a partnership firm.
- Goodwill valuation is done on change in profit sharing ratio among the existing partners.
 - Goodwill is valued on admission of a partner, to know the amount to be paid by him to compensate sacrificing partner(s).
 - Goodwill valuation is done on the retirement of a partner to know the amount to be paid to him as compensation for his sacrifice.
 - Goodwill valuation is done at the time of dissolution of a firm which involves sale of business as a going concern.
 - Goodwill valuation is done during the distribution of profits of the partnership firm.
- Choose the correct answer from the options given below:
- | | |
|-------------------|----------------------|
| (a) A, B & C only | (b) A, C, D & E only |
| (c) A, B & D only | (d) A, B, C & D only |
- Q2.** If the partner's capital accounts are fixed, where will you record drawings made by a partner out of his capital during the year.
- Debit side of Partner's Current A/c
 - Debit side of Partner's Capital A/c
 - Credit side of Partner's Capital A/c
 - Credit side of Partner's Current A/c
- Q3.** Select the correct statements from the following.
- Preference Share Capital is a part of Share Capital.
 - Preference Share Capital is a part of Non-Current Liability.
 - Preference Share Capital is a Current Liability
 - Preference Share-holders do not have voting right.
 - Preference Share Capital is repaid before the payment of Equity share-holders in case of winding up of the company.
- Choose the correct answer from the options given below:
- | | |
|---------------------|------------------|
| (a) A and D only | (b) B and C only |
| (c) A, D and E only | (d) C and D only |
- Q4.** "The alpha characters from left to right" in a worksheet is known as_____.
- Rows
 - Cell
 - Function
 - Column
- Q5.** If the consideration for issue of Debentures is less than the amount of debentures issued, then the difference is
- credited to Goodwill Account
 - credited to Capital Reserve Account
 - debited to Goodwill Account
 - debited to Capital Reserve Account
- Q6.** When Debentures are issued at par and are redeemable at a premium, the Loss on such an issue is debited to:
- Statement of Profit & Loss A/c
 - Loss on issue of Debentures A/c
 - Debentures Application & Allotment A/c
 - Profit on Issue of Debentures A/c
- Q7.** Arrange the following activities in correct order with reference to Cash Flow Statement:
- Income Tax Paid
 - Net profit before tax and extra ordinary items.
 - Sale of Non-current Investments
 - Operating profit before working capital changes
 - Redemption of Debentures
- Choose the correct answer from the options given below:
- | | |
|-------------------|-------------------|
| (a) B, A, D, C, E | (b) A, D, E, C, A |
| (c) B, D, A, C, E | (d) A, B, C, D, E |
- Q8.** Anita and Bindu are partner in firm sharing profits in the ratio of 3:2. they admitted Meria as a new partner for 1/4 share. the new profit-sharing ratio between Anita and Bindu will be 2:1. What will be their sacrificing ratio?
- | | |
|---------|---------|
| (a) 2:1 | (b) 3:2 |
| (c) 2:3 | (d) 1:2 |
- Q9.** Securities Premium cannot be used:
- to issue fully paid bonus shares
 - to write-off preliminary expenses of the company.
 - to pay premium on the redemption of preference shares or debentures of the company.
 - to pay dividend to the shareholders of the company
- Q10.** Under rule 10 of the companies (Miscellaneous) Rules 2014. what is the maximum number of partners a partnership firm can have?
- | | |
|---------|---------------|
| (a) 20 | (b) 50 |
| (c) 100 | (d) unlimited |
- Q11.** Arrange following in a sequence to determine the residue available for Equity Shareholders of a company.
- Profit after Interest before Tax and Dividend
 - Preference Dividend paid
 - Profit after Interest and Tax before Dividend
 - Tax paid
 - Profit after Interest, Tax and Dividend
- Choose the correct answer from the options given below:
- | | |
|-------------------|-------------------|
| (a) A, D, B, C, E | (b) A, D, C, E, B |
| (c) A, D, C, B, E | (d) A, D, B, C, E |

Q12. This tool of Analysis of financial statement indicates the relationship between different items of a financial statement with a common item by expressing each item as a percentage of that common item. Identify this analysis tool.

- (a) Comparative statement
- (b) Common Size statement
- (c) Ratio Analysis
- (d) Trend Analysis

Q13. Balance in "Call in Advance account" is shown as a separate item under the sub head _____ in company's Balance Sheet.

- (a) Short term borrowings
- (b) Trade payable
- (c) Other current liabilities
- (d) Short term provisions

Q14. Match List I with List II

LIST I		LIST II	
A.	Revenue from operation.	I.	Goodwill written off
B.	Finance Cost	II.	Sale of Services
C.	Amortization Expenses	III.	Profit on sale of Investment
D.	Other Income	IV.	Interest on Debentures

Choose the correct answer front the options given below:

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

Q15. Gross Profit Ratio of a company was 25%. If credit revenue from, operation was ₹20,00,000 and cash revenue from operation is 20% of total revenue. If indirect expense of the company was ₹50,000. Calculate Net Profit Ratio?

- (a) 33.32%
- (b) 25%
- (c) 27.55%
- (d) 23%

Q16. Where a new partner brings his share of capital and goodwill in cash. Identify the correct treatment from the following options:

- (a) New partner's capital and his premium, both will be distributed among the existing partners in existing profit-sharing ratio.
- (b) Only new partner's capital will be distributed among the existing partners in existing profit-sharing ratio.
- (c) Only new partners premium will be distributed among sacrificing partners in the sacrificing ratio.
- (d) Only new partner's premium will be distributed among gaining partner in their gaining ratio.

Q17. Book debts were ₹1,00,000 as given in the balance sheet as on 31st March, 2022. On 1st April, 2022 the

partners decided to share profits equally instead of distributing the profits in their capital ratio. On the date. bad debts for ₹40,000 were written off and a new provision for doubtful debt is to be maintained @5%. How will you treat their adjustment in revaluation account of the firm

- (a) revaluation account - debited by ₹45,000
- (b) revaluation account - credited by ₹45,000
- (c) revaluation account - debited by ₹43,000
- (d) revaluation account - credited by - ₹43,000

Q18. Match List I with List II

LIST I		LIST II	
A.	Procurement of loans	I.	Cash and Cash Equivalents
B.	Receipt from dividends	II.	Financing Activity'
C.	Payment to suppliers for goods	III.	Investing Activity
D.	Demand deposits with banks	IV.	Operating Activity

Choose the correct answer from the options given below:

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

Q19. In the absence of only information regarding the acquisition of share in profit of the retiring partner by the remaining partners, it is assumed that they will acquire his/her share in:

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

Q20. Which of the following will affect the Revaluation Gain or Loss at the time of reconstitution.

- A. Undervaluation of Building
- B. Overvaluation of Stock
- C. Valuation of Goodwill
- D. Reserve appearing in Books
- E. Unrecorded Assets

Choose the correct answer from the options given below:

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

Q21. A and B share profits in the ratio of 3:4. They admitted C for 1/5th share in future profits with a guarantee that his share of profits shall be at least ₹30,000.

In the above case, any deficiency to C will be borne by A and B in the ratio of:

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

- Q22.** The Debentures that are payable on the expiry of the specific period either in lumpsum or in instalments during life time of the company are called:
 (a) Secured Debentures
 (b) Redeemable Debentures
 (c) Perpetual Debentures
 (d) Specific Coupon Rate Debentures
- Q23.** Select the correct sequence from the following:
 A. Issued capital
 B. Subscribed but not fully paid-up capital
 C. Authorised capital
 D. Subscribed and fully paid-up capital
 E. Share forfeited Account
 Choose the correct answer from the options given below:
 (a) A, B, C, D, E (b) B, A, C, D, E
 (c) C, D, E, A, B (d) C, A, D, B, E
- Q24.** Identify that out of the following which facilitates a Not-for-Profit organisation in preparation of its financial statements at the end of an accounting period.
 (a) Receipt and Payment Account
 (b) Income and Expenditure Account
 (c) Balance Sheet
 (d) Trial Balance
- Q25.** Consider the following facts related to Revaluation Account, its adjustments and treatment of reserves.
 A. Revaluation profit is distributed in the capital ratio of the partners.
 B. Revaluation Account is considered as Nominal Account.
 C. When all debtors are good, existing provision for doubtful debt is not distributed and continued in future.
 D. Under-valuation of Inventories is adjusted on the credit side of Revaluation Ac.
 E. Excess amount of workmen compensation claim over workmen compensation reserve is transferred to debit side of Revaluation A/c.
 Choose the correct answer from the options given below:
 (a) A, D and E only (b) B and D only
 (c) B, D and E only (d) B, C and D only
- Q26.** Identify the ratio, that represent one of the activity ratios.
 (a) Interest Coverage Ratio
 (b) Quick Ratio
 (c) Inventory Turnover Ratio
 (d) Operating Ratio

- Q27.** Processing of accounting transactions through the use of hardware and software in order to produce accounting records and reports” is called _____.
 (a) Electronic accounting system
 (b) Computerized accounting system
 (c) Database management system
 (d) Information accounting system
- Q28.** In case of preparation of spreadsheet, when we apply the command of “Round down” in the value of -3.2469 as “= ROUND DOWN (-3.2469, 3)”. What will the outcome of using the above command?
 (a) -3.240 (b) -3.247
 (c) -3.246 (d) -3.200
- Q29.** Arrange the following items as per vertical form of Balance Sheet of a company
 A. Trade Receivable
 B. Current investment
 C. Cash and Cash equivalents
 D. Inventories
 E. Short term loans and advances
 Choose the correct answer from the options given below:
 (a) A, B, C, D, E (b) C, B, A, D, E
 (c) B, D, A, C, E (d) B, A, C, D, E
- Q30.** Deferred Tax Assets are the part of
 (a) Non-current liabilities (b) Non-current assets
 (c) Current liabilities (d) Current assets
- Q31.** M and N are partners sharing profit in the ratio of 3:1. They admit O as a new partner on 1st April, 2022. O brings ₹40,000 as his share of premium and the new profit-sharing ratio is 2:2:1. Identify the correct option related to treatment of Goodwill.
 (a) M's Capital A/c Dr. ----- ₹30,000
 Premium for Goodwill A/c Dr. ----- ₹40,000
 To N's Capital A/c ----- ₹70,000
 (b) M's Capital A/c Dr. ----- ₹40,000
 N's Capital A/c Dr. ----- ₹30,000
 To Premium for Goodwill A/c ----- ₹70,000
 (c) Premium for Goodwill A/c Dr ----- ₹70,000
 To M's Capital A/c----- ₹40,000
 To N's Capital A/c ----- ₹30,000
 (d) Premium for Goodwill A/c Dr----- ₹40,000
 N's Capital A/c Dr. ----- ₹30,000
 To M's Capital A/c ----- ₹70,000

Q32. Match List I with List II

LIST I		LIST II	
A.	Endowment fund	I.	Expenditure side of Income & Expenditure A/c
B.	Honorarium	II.	Income side of Income & Expenditure A/c
C.	Accrued Subscription	III.	Liability side of Balance Sheet
D.	Donation	IV.	Assets side of Balance Sheet

Choose the correct answer from the options given below:

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

Q33. Profit and Loss Suspense Account is debited at the time of death of partner _____

- (a) for the share of loss from the date of last Balance Sheet till the date of death of partner.
(b) for the share of profit from the date of last Balance Sheet till the date of death of partner
(c) for the share of loss from the date of death of partner till the closing of the year of death
(d) for the share of profit from the date of death of partner till the closing of the year of death

Q34. Match **List I** with **List II**

LIST I		LIST II	
A.	Liquidity Ratio	I.	Operating Ratio
B.	Solvency Ratio	II.	Working Capital Turnover Ratio
C.	Activity Ratio	III.	Quick Ratio
D.	Profitability Ratio	IV.	Interest Coverage Ratio

Choose the correct answer from the options given below:

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

Q35. Identify the account statement that a Not- for -Profit organisation is not required to prepare.

- (a) Trading and Profit & Loss Account
(b) Receipt and Payment Account
(c) Income and Expenditure Account
(d) Balance Sheet

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

LIST I		LIST II	
A.	Capital called only in the event of winding up of the company	I.	Nominal Capital
B.	Other name of Registered Capital	II.	Issued Capital
C.	Subscribed Capital is a part of which capital	III.	Capital Reserve
D.	A type of capital profit	IV.	Reserve Capital

Choose the correct answer from the options given below:

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

Q37. Identify the period, from the date of acquisition, for which an investment normally qualifies as cash equivalents.

- (a) Two months or less (b) Three months or less
(c) Four months or less (d) Six months or less

Q38. Out of the following identify which is not cash and cash equivalent.

- (a) Marketable securities
(b) Non-current investment
(c) Commercial paper
(d) Treasury Bill

Q39. In the context of a partnership firm, need for valuation of goodwill arises in the following circumstances.

- A. Change in the profit-sharing ratio among the existing partners.
B. Admission of new partner
C. Retirement of a partner
D. Amalgamation of partnership firms
E. When firm earns super profits.

Choose the correct answer from the options given below:

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

Q40. This key combination collapses the ribbon.

- (a) [ctrl] + [F1] (b) [ctrl] + [F3]
(c) [ctrl] + [F5] (d) [ctrl] + [F7]

Direction for [Q41 – Q45]

Sita, Rita and Meeta are partners sharing profits and losses equally. On 31st March, 2022, they decided to dissolve the business. On that date, the Capital Account Balance were Sita-₹1,00,000; Rita-₹80,000 and Meeta-₹60,000. Creditors for ₹30,000 and Reserve Fund for ₹30,000 were also lying in the books of the firm while on Assets side Sundry Assets were existing at ₹2,70,000. Sundry assets included patents for ₹20,000. The tangible assets were realised at 90% of the book value while creditors were settled at 110%. Realisation expenses were ₹10,000 paid by Sita. There was an unrecorded asset of ₹5,000 which was taken over by Meeta. Answer question on the basis of above information.

Q41. Identify the account/statement which is not required in case of Dissolution of partnership firm.

- (a) Realisation A/c
(b) Partner's Capital A/c
(c) Bank A/c
(d) Post-Dissolution Balance Sheet

Q42. Select the realisable value of Intangible Assets from the following.

- (a) ₹2,50,000 (b) ₹2,25,000
(c) Nil (d) ₹20,000

Q43. Calculate the loss/profit on realisation of assets and liabilities on the basis of preparation of Realisation A/C.

- (a) ₹ 48,000 - Profit on Realisation
(b) ₹ 33,000 Loss on Realisation
(c) ₹ 53,000 Loss on Realisation
(d) ₹ 18,000 Profit on Realisation

Q44. Calculate the balance of Bank A/C of the firm before dissolution?

- (a) ₹ 20,000 (b) ₹ 50,000
(c) ₹ 10,000 (d) ₹ 30,000

Q45. Identify the nature of Realisation A/c.

- (a) Real A/c (b) Nominal A/c
(c) Personal A/c (d) Representative Personal A/c

Accountancy Previous Year Paper

Direction for [Q46 - Q50]

High Light India Ltd. invited applications for 30,000 shares of ₹100 each at a premium of ₹20 per share payable as follows:

On. Application	₹40 (including ₹ 10 premium)
On Allotment	₹30 (including ₹ 10 premium)
On First Call	₹30
On Second and Final call	₹20

Applications were received for 40,000 shares and pro-rata allotment was made on the application for 35,000 shares. Excess application money was utilised towards allotment. Rohan to whom 600 shares were allotted failed to pay the allotment money and his shares were forfeited immediately after allotment.

Aman who applied for 1,050 shares failed to pay first call and his share were forfeited immediately after first call.

Second and final call was made. All the money due on second call have been received.

Of the shares forfeited, 1,000 shares were reissued as fully paid-up for ₹80 per share, which included the whole of Aman's shares.

Answer the question on the basis of the information given,

- Q46.** Which Account will be debited to record default on payment of any call?
 (a) Calls in Advance (b) Calls in Arrear
 (c) Forfeited Shares (d) Capital Reserve
- Q47.** Pro-rata allotment means_____.
 (a) Directors fully accept some applications and totally reject others.
 (b) Directors fully accept all applications.
 (c) Directors opt to make proportionate allotment to all applicants.
 (d) Directors opt to make proportionate allotment to half applicants
- Q48.** At time of forfeiture of Rohan's shares, Forfeited Shares A/c will be credited by_____.
 (a) ₹16,000 (b) ₹22,000
 (c) ₹14,000 (d) ₹28,000
- Q49.** Final call will be made due on _____ shares.
 (a) 35,000 (b) 30,000
 (c) 29,400 (d) 28,500
- Q50.** State the treatment of profit on the shares reissued.
 (a) Credit General Reserve by ₹26,667
 (b) Credit Capital Reserve by ₹28,666
 (c) Credit Forfeited shares by ₹26,667
 (d) Debit Capital Reserve by ₹18,333