



I NOTE : Answer all questions.

20*1=20

1. Incomplete records are generally maintained by
 - (a) A company
 - (b) Government
 - (c) Small sized sole trader business
 - (d) Multinational enterprises
2. What is the amount of capital of the proprietor, if his assets are Rs. 85,000 and liabilities are Rs. 21,000?
 - (a) Rs. 85,000
 - (b) Rs. 1,06,000
 - (c) Rs. 21,000
 - (d) Rs. 64,000
3. Income and expenditure account is a
 - (a) Nominal A/c
 - (b) Real A/c
 - (c) Personal A/c
 - (d) Representative personal account
4. Donations received for a specific purpose is
 - (a) Revenue receipt
 - (b) Capital receipt
 - (c) Revenue expenditure
 - (d) Capital expenditure
5. Which of the following is shown in Profit and loss appropriation account?
 - (a) Office expenses
 - (b) Salary of staff
 - (c) Partners' salary
 - (d) Interest on bank loan
6. Profit after interest on drawings, interest on capital and remuneration is Rs. 10,500. Geetha, a partner, is entitled to receive commission @ 5% on profits after charging such commission. Find out commission.
 - (a) Rs. 50
 - (b) Rs. 150
 - (c) Rs. 550
 - (d) Rs. 500
7. Which of the following statements is true?
 - (a) Goodwill is an intangible asset
 - (b) Goodwill is a current asset
 - (c) Goodwill is a fictitious asset
 - (d) Goodwill cannot be acquired
8. Which of the following is true?
 - (a) Super profit = Total profit / number of years
 - (b) Super profit = Weighted profit / number of years
 - (c) Super profit = Average profit - Normal profit
 - (d) Super profit = Average profit × Years of purchase
9. At the time of admission, the goodwill brought by the new partner may be credited to the capital accounts of
 - (a) all the partners
 - (b) the old partners
 - (c) the new partner
 - (d) the sacrificing partners
10. Balaji and Kamalesh are partners sharing profits and losses in the ratio of 2:1. They admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamalesh and Yogesh is agreed to 3:1:1. Find the sacrificing ratio between Balaji and Kamalesh.
 - (a) 1:3
 - (b) 3:1
 - (c) 2:1
 - (d) 1:2

11. If the final amount due to a retiring partner is not paid immediately, it is transferred to
- (a) Bank A/c (b) Retiring partner's capital A/c
(c) Retiring partner's loan A/c (d) Other partners' capital A/c
12. A, B and C are partners sharing profits in the ratio of 4:2:3. C retires. The new profit sharing ratio between A and B will be
- (a) 4:3 (b) 3:4 (c) 2:1 (d) 1:2
13. That part of share capital which can be called up only on the winding up of a company is called:
- (a) Authorised capital (b) Called up capital
(c) Capital reserve (d) Reserve capital
14. When shares are issued for purchase of assets, the amount should be credited to
- (a) Vendor's A/c (b) Sundry assets A/c
(c) Share capital A/c (d) Bank A/c
15. Balance sheet provides information about the financial position of a business concern
- a) Over a period of time b) As on a particular date
c) For a period of time d) For the accounting period
16. The term 'fund' refers to
- a) Current liabilities b) Working capital
c) Fixed assets d) Non-current assets
17. The mathematical expression that provides a measure of the relationship between two figures is called
- (a) Conclusion (b) Ratio (c) Model (d) Decision
18. To test the liquidity of a concern, which of the following ratios are useful?
- (i) Quick ratio (ii) Net profit ratio (iii) Debt-equity ratio (iv) Current ratio
- Select the correct answer using the codes given below:
- (a) (i) and (ii) (b) (i) and (iv) (c) (ii) and (iii) (d) (ii) and (iv)
19. Accounting report prepared according to the requirements of the user is
- a) Routine accounting report (b) Special purpose report
(c) Trial balance (d) Balance sheet
20. In which voucher type credit purchase of furniture is recorded in Tally
- (a) Receipt voucher (b) Journal voucher
(c) Purchase voucher (d) Payment voucher

II NOTE : Answer any seven questions .question No .30 is compulsory.

21. What is legacy?
22. What is a partnership deed?
23. Why are the shares forfeited?
24. List the tools of financial statement analysis

7*2=14

25. State any five accounting reports?
26. From the following information, calculate the value of goodwill on the basis of 3 years purchase of average profits of last four years.

Year	Result	Amount Rs.
2015	Profit	5,000
2016	Profit	8,000
2017	Loss	3,000
2018	Profit	6,000

27. Hari and Saleem are partners sharing profits and losses in the ratio of 5:3. They admit Joel for 1/8 share, which he acquires entirely from Hari. Find out the new profit sharing ratio and sacrificing ratio.
28. From the following information of Ashika Ltd., calculate fixed assets turnover ratio:
 (i) Revenue from operations during the year were Rs. 60,00,000,
 (ii) Fixed assets at the end of the year was Rs. 6,00,000.
29. Compute capital fund of Salem Sports Club as on 1.4.2019.

Particulars	Rs.	Particulars	Rs.
Sports equipment	30,000	Prize fund	10,000
Computer	25,000	Prize fund investments	10,000
Subscription outstanding for 2018-19	5,000	Cash in hand	7,000
Subscription received in advance for 2019-20	8,000	Cash at bank	21,000

30. From the following particulars ascertain profit or loss:

Particulars	Rs.
Capital at the beginning of the year (1 st April, 2016)	2,20,000
Capital at the end of the year (31 st March, 2017)	1,80,000
Additional capital introduced during the year	40,000
Drawings during the year	50,000

- III NOTE : Answer any seven questions .question No .40 is compulsory. 7*3=21**
31. Differentiate between statement of affairs and balance sheet.(any 3)
32. List out the adjustments made at the time of retirement of a partner in a partnership firm.
33. Explain the objectives of ratio analysis.
34. Sam and Jose are partners in a firm sharing profits and losses in the ratio of 3:2. On 1st April 2018, they admitted Joel as a partner. On the date of Joel's admission, goodwill appeared in the books of the firm at Rs. 30,000. By assuming fluctuating capital method, pass the necessary journal entry if the partners decide to
 (a) write off the entire amount of existing goodwill.
 (b) write off Rs. 20,000 of the existing goodwill.

35. How will the following appear in the final accounts of Vedaranyam Sports club?

	Rs.
Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

36. Santhosh is a partner in a partnership firm. As per the partnership deed, interest on drawings is charged at 6% per annum. During the year ended 31st December, 2018 he withdrew as follows

Date	Rs.
February 1	2,000
May 1	10,000
July 1	4,000
October 1	6,000

Calculate the amount of interest on drawings by using product method.

37. Kavin, Madhan and Ranjith are partners sharing profits and losses in the ratio of 4:3:3 respectively. Kavin retires from the firm on 31st December, 2018. On the date of retirement, his capital account shows a credit balance of Rs. 1,50,000. Pass journal entries if:

- (a) The amount due is paid off immediately.
- (b) The amount due is not paid immediately.
- (c) Rs. 1,00,000 is paid and the balance in future.

38. Muthu Ltd. issued 50,000 equity shares of Rs. 10 each payable as follows; Rs.2 on application; Rs. 4 on allotment; Rs. 4 on first and final call. All money were duly received except one shareholder holding 1,000 shares failed to pay the call money. Pass the necessary journal entries for calls by using calls in arrear account.

39. From the given information calculate the inventory turnover ratio and inventory conversion period (in months) of Sania Ltd.

Particulars	Rs.
Revenue from operations	1,90,000
Inventory at the beginning of the year	40,000
Inventory at the end of the year	20,000
Purchases made during the year	90,000
Carriage inwards	10,000

40. Mention the commonly used voucher types in Tally.ERP 9.

IV NOTE : Answer all questions .

7*5=35

41. a) David does not keep proper books of accounts. Following details are given from his records.

Particulars	1.4.2018	31.3.2019
Cash	43,000	29,000
Stock of goods	1,20,000	1,30,000
Sundry debtors	84,000	1,10,000
Sundry creditors	1,05,000	1,02,000
Loan	25,000	20,000
Business premises	2,50,000	2,50,000
Furniture	33,000	45,000

During the year he introduced further capital of Rs. 45,000 and withdrew Rs. 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information. **(OR)**

- b. Calculate operating profit ratio under the following cases.

Case 1: Revenue from operations Rs. 8,00,000, Operating profit ¹ 2,00,000.

Case 2: Revenue from operations Rs. 20,00,000, Operating cost ¹ 14,00,000.

Case 3: Revenue from operations Rs. 10,00,000, Gross profit 25% on revenue from operations, Operating expenses Rs. 1,00,000

42. a) From the following particulars of Poompuhar Literary Association, prepare Receipts and Payments account for the year ended 31st March, 2019.

Particulars	Rs.	Particulars	Rs.
Opening cash in hand as on 1.4.2018	5,000	Subscriptions received	20,000
Bank overdraft as on 1.4.2018	4,000	Repairs and renewals	2,500
Printing and stationery	1,500	Conveyance paid	2,750
Interest paid	3,250	Books purchased	10,000
Sale of investments	1,000	Insurance premium paid	4,000
Purchase of refreshments	1,500	Sundry receipts	750
Outstanding salary	2,000	Government grants received	6,000
Endowment fund receipts	2,000	Sale of refreshments	1,500
Lighting charges	1,300	Depreciation on buildings	2,000
		Cash at bank on 31.03.2019	2,000

(OR) b) From the following particulars calculate total purchases.

Particulars	Rs.	Particulars	Rs.
Sundry creditors on 1 st January, 2018	30,000	Purchases returns	15,000
Bills payable on 1 st January, 2018	25,000	Cash purchases	2,25,000
Paid cash to creditors	1,20,000	Creditors on 31 st December, 2018	25,000
Paid for bills payable	30,000	Bills payable on 31 st December, 2018	20,000

43. a) Akash, Bala, Chandru and Daniel are partners in a firm. There is no partnership deed. How will you deal with the following?
- Akash has contributed maximum capital. He demands interest on capital at 10% per annum.
 - Bala has withdrawn Rs. 3,000 per month. Other partners ask Bala to pay interest on drawings @ 8% per annum to the firm. But, Bala did not agree to it.
 - Akash demands the profit to be shared in the capital ratio. But, others do not agree.
 - Daniel demands salary at the rate of Rs. 10,000 per month as he spends full time for the business.
 - Loan advanced by Chandru to the firm is Rs. 50,000. He demands interest on loan @ 12% per annum. **(OR)**

b) Saranya Ltd. issued 20,000 equity shares of Rs. 10 each to the public at par. The details of the amount payable on the shares are as follows:

On application Rs. 3 per share

On allotment Rs. 4 per share On first and final call Rs. 3 per share Application money was received on 30,000 shares. Excess application money was refunded immediately. Pass journal entries to record the above.

44. a) From the following receipts and payments account of Tenkasi Thiruvalluvar Manram, prepare income and expenditure account for the year ended 31st March, 2019.

Receipts	Rs.	Payments	Rs.
To Balance b/d		By Salaries	20,000
Cash in hand	14,000	By Rent	24,000
To Interest received	5,000	By Travelling expenses	2,000
To Subscription	55,000	By Printing and stationery	6,000
To Legacies	48,000	By Investments made	50,000
To Entrance fees	7,000	By Sports equipment purchased	33,000
To Sale of furniture	16,000	By Balance c/d	10,000
(Book value: ₹ 17,000)		Cash in hand	1,45,000
	1,45,000		

(OR) b) From the following information relating to Sridevi enterprises, calculate the value of goodwill on the basis of 4 years purchase of the average profits of 3 years.

a) Profits for the years ending 31st December 2016, 2017 and 2018 were Rs. 1,75,000, Rs. 1,50,000 and Rs. 2,00,000 respectively.

b) A non-recurring income of Rs. 45,000 is included in the profits of the year 2016.

c) The closing stock of the year 2017 was overvalued by Rs. 30,000

45. a) Dinesh and Sugumar entered into a partnership agreement on 1st January 2018, Dinesh contributing Rs. 1,50,000 and Sugumar Rs. 1,20,000 as capital. The agreement provided that:

a. Profits and losses to be shared in the ratio 2:1 as between Dinesh and Sugumar.

b. Partners to be entitled to interest on capital @ 4% p.a.

c. Interest on drawings to be charged Dinesh: Rs. 3,600 and Sugumar: Rs. 2,200

d. Dinesh to receive a salary of Rs. 60,000 for the year, and

e. Sugumar to receive a commission of Rs. 80,000

During the year ended on 31st December 2018, the firm made a profit of Rs. 2,20,000 before adjustment of interest, salary and commission. Prepare the Profit and loss appropriation account. (OR)

b) From the following particulars, calculate the trend percentages of Babu Ltd.

Particulars	Year 1 Rs. in thousands	Year 2 Rs. in thousands	Year 3 Rs. in thousands
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I EQUITY AND LIABILITIES

1. Share holders' Fund

a) Share capital	100	127	106
a) Reserves and surplus	30	30	45

2. Non-current liabilities

Long-term borrowings	70	77	84
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3. Current liabilities Trade payables	20	30	40
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Total	220	264	275
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II ASSETS

1. Non-current assets

a) Fixed assets	100	118	103
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b) Noncurrent investments	40	50	60
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2. Current assets Inventories	60	66	72
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cash and cash equivalents	20	30	40
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Total	220	264	275
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46. a) Anand and Balu are partners in a firm sharing profits and losses in the ratio of 7:3. Their balance sheet as on 31st March, 2018 is as follows

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts:			Land	60,000
Anand	50,000		Stock	40,000
Balu	30,000	80,000	Debtors	20,000
Sundry creditors		20,000	Cash in hand	10,000
Profit and loss A/c		30,000		
		1,30,000		1,30,000

Chandru is admitted as a new partner on 1.4.2018 by introducing a capital of Rs. 20,000 for 1/4 share in the future profit subject to the following adjustments:

- Stock to be depreciated by Rs. 3,000
- Provision for doubtful debts to be created for Rs. 2,000.
- Land was to be appreciated by Rs. 10,000

Prepare revaluation account and capital account of partners after admission. **(OR)**

- b) Prepare common-size income statement for the following particulars of Sam Ltd.

Particulars	2015-16 Rs.	2016-17 Rs.
Revenue from operations	4,00,000	5,00,000
Other income	80,000	50,000
Expenses	2,40,000	2,50,000
Income tax	30%	30%

47. a) From the following Balance Sheet of James Ltd. as on 31.03.2019 calculate (i) Debt - equity ratio (ii) Proprietary ratio (iii) Capital gearing ratio

particulars	Rs.
EQUITY AND LIABILITIES	
1. Share holders' funds	2,50,000
a) Share capital	2,00,000
Equity share capital 6% Preference share capital	1,50,000
(a) Reserves and surplus	3,00,000
2. Non-current liabilities Long-term borrowings (8% Debentures)	2,00,000
3. Current liabilities Short-term borrowings from banks Trade payables	1,00,000
Total	12,00,000
LIASSETS	
1. Non-current assets Fixed assets	8,00,000
2. Current assets	1,20,000
(a) Inventories	2,65,000
(b) Trade receivables	10,000
(c) Cash and cash equivalents Other current assets	5,000
Expenses paid in advance	
Total	12,00,000

- (OR)** b. Explain any five applications of computerised accounting system.